

GALAPAGOS CONSERVATION TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Company Number: 03004112

Registered Charity Number: 1043470



GALAPAGOS CONSERVATION TRUST

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REFERENCE AND ADMINISTRATIVE DETAILS

Governing Document: Memorandum and Articles of Association

Charity number: 1043470

Company number: 03004112

Registered Address: Galapagos Conservation Trust
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Michael Drake – Vice-Chair
Jonathan Lea – Honorary Treasurer
Philippa Carte
Sandra Charity
Chris Jarrett
Dr Rebecca Nesbit
Jane Tozer
Dr Marta Tufet

Key management personnel:

Chief Executive Officer: Sharon Johnson
Deputy Chief Executive Officer: Jen Jones

HONORARY ROLES

President: Monty Halls

Ambassadors: Sir James Barlow Bt
Liz Bonnin
Angela Darwin
Sarah Darwin PhD
Julian Fitter
Stanley Johnson
Randal Keynes
Dorothy Latsis
Godfrey Merlen
Henry Nicholls
Antje Steinfurth
Jennifer Stone

GALAPAGOS CONSERVATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner:

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GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Welcome from our Chair

To all Galapagos Conservation Trust members and supporters:

In my first year as Chair, I have been struck by the impact the Trust achieves as a small organisation – whether it's contributing to the increase in the population of one of the most endangered birds in the world, the mangrove finch to stave off its extinction; to the clearing of the wonderful shorelines of the islands of ugly and harmful plastic; or being part of focused projects that ensure the health of our favourite Galapagos resident, the giant tortoise. With your support, our team and our dedicated partners in Galapagos, did an invaluable job protecting the enchanted isles in 2019.

We were part of paving the way to prepare Floreana Island for the eradication phase of the project, with chicken coops and water reservoirs built to improve farm infrastructure and provide a safe reliable water source. Looking further ahead to the recovery of threatened and locally extinct species, five species of finch were successfully held in captivity for the first time to complete species mitigation trials, whilst 76 Floreana mockingbirds from six family groups were monitored to better understand habitat preferences, all thanks, at least in part, to GCT support. As part of our plastics programme we cleaned over 50 coastal and underwater sites, with the assistance of around 2,400 people collecting over 9,000kg of waste, whilst also funding the development of the first ever oceanographic model for Galapagos, enabling us to identify the sources of this waste. These are just a few examples of the impact of your support in 2019.

To enable us to achieve even greater impact going forward, the Board, staff and our stakeholders came together in 2019 to develop our vision for the next strategic period, ensuring our future efforts focus on tackling the greatest threats to the islands and the unique wildlife that we are all striving to protect.

However, we had not envisaged the threat of a new pandemic that turned the world upside down at the beginning of 2020. Yet the team, with great determination, reshaped plans to face this new, emerging challenge. We have not only been surviving through this difficult period, we have continued a wide range of activities and are confident we are in a strong position ready to face the coming year.

I am most grateful for the loyal support of you, our members and donors, at a time when your commitment has been truly needed. It reflects the deep attachment we all have for Galapagos and its unique wildlife such as the blue-footed booby and playful sealion. For those who have been fortunate enough to visit the islands, the wonderful birds and animals of the islands are no doubt etched in your memory. For others, I sincerely hope you will have the opportunity to visit in the not so distant future.

It was a pleasure to have the opportunity to meet some of you during the early period of my tenure and to be able to thank you for your support. I hope we have the opportunity to share our passion for the Galapagos islands at future GCT events soon. But for now, we sincerely appreciate your willingness to continue to work with us to ensure the beautiful Islands are preserved for future generations to enjoy.

Charmian Caines
Chair, Galapagos Conservation Trust

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

The Trustees have pleasure in presenting their Annual Report and financial statements for the year ended 31 December 2019.

The financial statement has been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK published on 16 July 2014 and updated by Bulletin 1.

1. OBJECTIVES AND ACTIVITIES

Since 1995, Galapagos Conservation Trust (GCT) has been working to promote the successful conservation and sustainable development of the Galapagos Archipelago and its unique biodiversity. We are the only UK organisation focussed exclusively on working to protect the Galapagos Islands.

Our Mission: The Trust supports, develops and promotes projects that achieve measurable conservation, sustainable living, and protection of the environment of Galapagos.

In 2019 we worked on a new three-year strategy to be launched at the start of 2020. In it, we highlighted four strategic objectives:

- 1) **Our programmes:** We will balance the greatest need of the Islands with our own fundraising and communication needs, keeping wildlife and the protection of species at the heart of our work. Our programmes will help us tackle the most pressing threats to Galapagos: invasive species, climate change and the human footprint. To do this we will focus on three areas of work:
 - i) **Restoring Natural Habitats** including our first flagship Restoring Floreana Island Programme.
 - ii) **Protecting Threatened Species** within four key species groups: Galapagos giant tortoises, land birds (mangrove finch and vermilion flycatcher), iguanas (land iguana and pink iguana) and sharks (whale sharks and scalloped hammerhead sharks).
 - iii) **Driving Sustainable Solutions** through acceleration of our second flagship Plastic Pollution Free Galapagos Programme and our education programmes Discovering Galapagos and Connecting with Nature.
- 2) **Our income:** We will invest in our fundraising to meet our programme aspirations. To do this, we will develop our strategy to drive major donor income and secure unrestricted income through a refreshed Individual Giving programme. We will continue to diversify our income to ensure it remains reliable by securing multi-year donations from Trusts and increase income from new corporate partnerships.
- 3) **Our communications:** We will integrate our communications with our programme areas and fundraising messaging. To do this, we will develop our communications strategy highlighting our proactive approach to the media in support of our individual giving drive. We will use our events programme to engage new audiences and secure new and continued support for our programmes.
- 4) **Our organisation:** We will ingrain our set of values and nurture a culture of growth. We will invest in our team to reach our strategic aspirations with support for all areas of our organisation. We will ensure we are both physical and digitally prepared for organisational growth with an office move set for 2020.

2. ACHIEVEMENTS AND PERFORMANCE

Achievements against 2017 – 2020 Strategic Plan

Income	Objective: Raise income through a diverse range of funders to reverse a declining Income trend Achievement: During this period, we saw three years of steady income growth from £478k in 2015 to £836K in 2019.
Programmes	Objective: Supporting programmes with measurable impacts in the areas of Science & Conservation and Education & Sustainability Achievement: During this period, GCT launched its first two flagship programmes Restoring Floreana Island and Plastic Pollution Free Galapagos, and grew its suite of smaller projects. All projects now have multi-year agreements in place against measurable objectives to ensure impact can be better measured.

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Partnerships	<p>Objective: Develop a network of strategic partnerships</p> <p>Achievement: GCT now has strong partnerships with a wider range of key stakeholders in Galapagos including Charles Darwin Foundation, Galapagos Science Center, Galapagos Governing Council and the Ecuadorian Embassy. GCT funds two Education and Outreach positions in Galapagos to support this.</p>
Communications	<p>Objective: Communicate effectively with key audiences on Galapagos conservation, sustainability and protection of the environment</p> <p>Achievement: Communication priorities largely focused on supporting fundraising activities through attracting new members and engaging our current supporters, and on raising awareness of GCT's work on the Islands.</p>
Operations	<p>Objective: Improve organisational structure to ensure effectiveness and long-term security</p> <p>Achievement: We grew our team from 6 FTE positions in 2016 to 11 FTE positions in 2019 and invested in a new Flagship Programme position and a team member in Galapagos. We also successfully recruited a new Chair and new trustees to support fundraising and our programmes. We have become a more professional organisation by measuring more effectively the impact of our work, the performance of our team and Board, and developing a stronger HR approach to support staff retention and wellbeing.</p>

2019 Achievements

2019 was the year that the world woke up to the threat of climate change, and like the rest of the world, Galapagos is not immune to this threat. We do not know exactly how climate change will affect Galapagos' precious ecosystem, however it has been suggested that this highly sensitive environment will be one of the first places to show major ecological changes. In response to this and a workshop carried out in the islands in 2016 highlighting climate change as a key threat and a gap in research knowledge, we developed and signed off our new three year Strategy in 2019, with climate change as a key theme together with two other key threats identified: invasive species and the increasing human presence on the islands, on which we will continue to focus and all of which cut across the range of our work, as outlined below.

Only with prompt action and help from our supporters and project partners, will we be able to combat the threats to Galapagos to achieve our vision of the unique nature and beauty of the Galapagos Archipelago conserved, sustained and protected in perpetuity.

Science & Conservation Programme

- **Restoring Floreana Island:** This ambitious, long-term programme is currently in the preparation and mitigation phase, with the overall aim of eradicating invasive rats and cats and ultimately, completely restoring the ecosystem on Floreana, ensuring the survival of the 55 threatened species present there as well as reintroducing the 12 locally extinct species. Unfortunately, due to the 2020 outbreak of COVID-19, the eradication of rats and feral cats from Floreana has been further delayed, with 2023 as the new target. This delay will allow for more time to explore and incorporate cost-efficient infrastructure and technologies (such as using drones for baiting instead of helicopters), saving considerable costs to the overall project. In 2019, GCT continued to support the following activities:
 - GCT part-funded Durrell's Floreana Mitigation Officer who started work in October 2018. The Mitigation Officer, alongside staff from Island Conservation (IC), is producing the mitigation plans needed to ensure that native species are not negatively impacted during the eradication phase. Following on from the completion of the lowland aviaries in 2018, the highland aviaries were finished in 2019. Captive holding trials were undertaken throughout 2019 with five species of Darwin's finches kept in captivity for three months. These species represent the birds most at risk of secondary poisoning following the baiting therefore a number of these birds will be held in captivity on Floreana throughout the eradication phase to mitigate against their extinction. From these trials, we were able to identify the correct procedures and husbandry methods for each species including initial capture and holding strategies, optimal holding densities, diet, daily husbandry tasks along with biosecurity and hygiene regimes. In 2020/2021, the team will need to make building adjustments to the aviaries, so they are ready for when the eradication phase starts.
 - Island Conservation, the lead NGO on the programme, has continued to engage the local community on Floreana to ensure they support and feel ownership for the project. In 2019, this included the completion of the last seven chicken coops on local farms and completing the construction of seven water reservoirs to ensure ongoing water security for the local population, especially during the eradication phase.

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- Luis Ortiz-Catedral of Massey University continued research into the Floreana mockingbird. With this research, we will identify the birds' habitat preferences, as well as their behavioural characteristics. This will ensure we have the right conditions and social groups to give them the best chance of surviving long-term when reintroduced onto Floreana following a successful eradication phase.
- **Endangered Sharks of Galapagos:** This multi-year programme built upon the success of our Galapagos Whale Shark Project now encompasses several other endangered sharks and marine species found within the Galapagos Marine Reserve (GMR). Dr Alex Hearn and Jonathan Green continue to be the key scientists on this programme. The overarching aim of the programme is to improve the effectiveness of conservation for marine migratory species in Galapagos and the Eastern Tropical Pacific (ETP) and those with smaller ranges within the GMR. GCT supported the following activities:
 - An annual research cruise to Darwin and Wolf islands, the sixth trip that GCT has supported in as many years. During the trip, the team identified 33 new whale sharks, all of which were uploaded to the global photo-identification database, bringing the total individuals identified in Galapagos to 550. Furthermore, the team deployed four deep-sea tags, although unfortunately, none of them transmitted any data; and double-tagged five individuals with SPOT and mini-PATs. Each year the team aim to improve the tagging method and ensure methods remain efficient and safe for both the tagger and the whale shark. This is the second consecutive year that the team achieved 100% transmission rates from SPOT tags. A standout success of the trip was tracking whale shark #184027, or as she has later become known 'Hope', who travelled over 4000 nautical miles from Galapagos towards the Southern Pacific Ocean around French Polynesia in just a few months. In March 2020, she made a U-turn and begun a somewhat convoluted journey in the direction of the GMR. However, her tag stopped submitting at the end of May in an area that experiences extreme fishing pressures. We do not know what happened to her for certain (although it is suspected she may have been caught) , but her 8-month long track remains an extremely important data set for developing our understanding of long-distance whale shark migrations, and her story captured the hearts of the local population and also Ecuadorian politicians looking at the expansion of marine protected areas.
 - Work to map shark nursery grounds around San Cristobal island. Mangrove sites around the island provide vital habitats for hammerhead and blacktip sharks. Understanding more about when and how juvenile sharks use these nursery areas will feed into management plans for the GMR.
 - The team coordinated a regional training session on open water surveys using baited remote stereo-video systems (BRUVS), standardising methodologies for researchers in the ETP, then delivered BRUVS surveys in Galapagos and coastal Ecuador. In Galapagos, over 150 video samples were collected, and the data from these samples are currently being analysed. Surveys on mainland Ecuador collected 1,200 hours of footage, and preliminary analysis has recorded over 50 fish species and several green turtles. The footage is being used to contribute to a photo-identification programme exploring the connectivity between oceanic islands, particularly between Galapagos and Cocos island, Costa Rica and the possible establishment of a protected swimway between the two marine reserves.
- **Galapagos Tortoise Movement Ecology:** This programme has been running, with GCT's support, for over ten years. The project team, led by Dr Steve Blake, continue to track the movements of hatchling tortoises on Santa Cruz island. In 2019, the team tagged 30 hatchlings from five different nesting zones. The team will analyse the data collected as part of the lifetime tracks project in 2020 to determine how environmental conditions influence the survival of Galapagos tortoises, including egg mortality and hatchling growth and mortality. The results so far indicate that there is a dramatic increase in mortality of eggs and hatchlings with the altitude of the nest sites, thought to be due to higher rainfall in the upper elevations causing nests to flood. Work continued on tortoise health studies to understand the impacts of human activities. Baseline health samples have now been collected from over 270 individuals on Santa Cruz. There are plans to publish the results from this data in 2020. In 2020, the team hired a new Principle Investigator (PI) in Galapagos who will start in 2020. A local PI is vital in implementing conservation management actions, including better invasive species management to improve tortoise nest security, and working more closely with the Galapagos National Park. Therefore, it is hoped that 2020 will be a new chapter in the conservation of this species, building on the high-quality research undertaken over the last ten years. Further successes from the team in 2019 included three peer-reviewed publications with one more submitted awaiting review.

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- **Land Birds of Galapagos Project:** This new programme area for 2019 encompasses our long-running Mangrove Finch Project and launch of the new Little Vermilion Flycatcher Project. 2019 was the second year that the Mangrove Finch Project team focussed entirely on techniques to protect nestlings in their natural nests during the peak of the breeding season. This season, however, was not as successful as 2018 with only ten breeding pairs found, down from 12 in 2018. With intensive monitoring and management of the nests located high up in the mangrove trees, the team were able to ensure successful fledging of five chicks. The team also observed another problem - most of the black mangrove trees were sick or dying. These trees are the preferred nesting sites for the birds, and moth larvae in the fallen seeds provide an important food source for the females. Further research is urgently needed to understand what triggered the dieback. The first year of the Little Vermilion Flycatcher Project was successful despite the fieldwork being stopped early in 2020 due to the coronavirus lockdown. The team managed to clear six plots of invasive plant species which improved access to vital feeding grounds for the vermilion flycatchers on Santa Cruz. Reducing predator pressure via rat control was another key objective. After placing bait stations in the six plots last October, only one nest out of 11 failed due to predation in comparison to 22% of nests outside of the controlled plots. The team also saw the successful fledging of six chicks from three nests, all of which had been treated with insecticide to protect against the parasitic fly *Philornis downsi*.
- **Land Iguana Project:** This new project area was launched to coincide with the reintroduction of 2,150 land iguanas to Santiago island in January 2019. Land iguanas used to inhabit Santiago in large densities up until the late 18th century when the species succumbed to the changes brought by introduced goats and feral pigs, all of which have now been eradicated in efforts to restore the island's habitat. The reintroduction was led by the Galapagos National Park and Island Conservation with technical assistance from Massey University. GCT's Land Iguana Project supports the ongoing conservation of iguanas in Galapagos. In 2019, GCT funded Luis Ortiz-Catedral of Massey University to undertake monitoring of the new iguana population on Santiago to estimate their survival and to track signs of reproductive activity, two main indicators of successful reintroduction. During the two post-release surveys, the iguanas appeared to be established and were observed behaving in a similar manner to iguana populations on other islands. Adult iguanas captured were found to have increased body mass by around 10% compared to the average mass of iguanas during release, and the team found 68 active burrows in the study area. Unfortunately, the team were unable to track the released iguanas which would have helped to better understand adaption to new habitats. Due to COVID-19, the team were unable to complete the programme as planned. However, we are hoping that the team will be in the field to continue monitoring surveys early in 2021.

Education & Sustainability Programme

Our Education & Sustainability strategy, launched in 2017, has ensured GCT continues to expand work in this area. We focus much of our community outreach support on the most densely populated islands in Galapagos, Santa Cruz, San Cristobal and Isabela.

- **Plastic Pollution Free Galapagos:** In 2019, we continued to develop this programme following its launch in 2017. Its aim is to tackle plastic pollution across the Archipelago, reducing the negative impact of the growing number of people living on and visiting the Islands. The following activities were undertaken in 2019:
 - Supporting Conservation International's (CI) clean-up project, the team cleaned up over 50 coastal and underwater sites, with over 2,400 participants collecting over 9,000kg of waste. The team mostly found plastic items, including bottles, bottle caps, toothbrushes and combs. During a 50m sample of Punta Pitt beach, 373 bottle caps alone were collected.
 - An assessment of the suitability of drone survey methodologies in Galapagos to support the broader plastics programme. The assessment included whether drones would be easily deployed in the field; the training and capacity requirements for local organisations to adopt the techniques; whether drone technology can support the citizen science aspect of the overall programme and to understand the logistical and field requirements for an Archipelago-wide survey. The results of this assessment have been compiled, and GCT is currently looking to fund the first drone training programmes in Galapagos.

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- GCT partner and Associate Professor at Utrecht University, Dr Erik van Sebille, has developed cutting-edge oceanography software to investigate the time scales and pathways of plastics reaching Galapagos. The published results found the majority of plastic arriving from mainland South America is likely to come from a narrow area of coastal Southern Ecuador and Northern Peru allowing us to focus on these coastal regions for awareness-raising and policy change. From the beach clean-up data, there is a strong indication that significant quantities of plastic pollution reaching Galapagos originate from international fishing operations outside the GMR, raising questions about waste management practice on these industrial fleets. GCT is funding Dr Sebille's next stage of the oceanography research, to develop a high-resolution model that will pinpoint local sources of plastics and predict how the plastic moves within the GMR once it has arrived. This will help focus beach clean-up efforts and enable the removal of pollution before it harms wildlife or breaks up into microplastic that can never be removed.
- To understand more about the impacts of plastic on the wildlife and ecosystems in Galapagos, GCT is supporting several research and PhD studies. The main activity in 2019 assessed the exposure risk of the Galapagos marine iguana to plastic pollution and associated contaminants. The results of this research are still being analysed, with results due to be published in 2020.
- Through community outreach activities with CI, we reached almost 5,000 people through a wide range of awareness-raising activities across all three of the main populated islands. CI also gained commitments from schools across all three islands to comply with the ban on using disposable plastics in schools. GCT continued to support sustainable solutions to disposable plastics on the Islands through initiatives such as the Iguana Cup deposit return scheme which is being trialled by several restaurants, bars and coffee shops on Santa Cruz.
- **Discovering Galapagos:** Our learning and teaching resource website is continuing to go from strength to strength with visitor numbers growing to over 55,000 users in the year on the English discoveringgalapagos.org.uk site with over 3,700 teaching resources downloads in the same period.
- **Connecting with Nature:** Delivery of our outreach programme in Galapagos continued to be a focus in 2019. We worked with a range of project partners to deliver outreach projects on the Islands. Our activities included:
 - **Marti the Hammerhead Storybook:** Alongside our Discovering Galapagos programme GCT wrote, designed and published *Marti the Hammerhead Shark: A Galapagos Journey* which follows the adventures of a young hammerhead shark as she migrates from the nurseries of Galapagos to Cocos Island, Costa Rica. The storybook was backed by a successful crowdfunding campaign which raised funds to translate and publish the book in Spanish with 1,000 books printed for children throughout Galapagos. Marti still inspires children in both the UK and Galapagos and has proved to be an engaging educational tool to raise awareness about the threats to hammerhead sharks and other marine life in Galapagos and surrounding areas.
 - **Outreach on Santa Cruz:** GCT appointed an outreach co-coordinator on Santa Cruz who delivers activities linked to our Giant Tortoise Movement Ecology and our Plastic Pollution Free Galapagos Programmes. As part of the tortoise outreach, we conducted nine sessions on different aspects of tortoise movement ecology with 20 14-18 year-olds from the Ecology Project International (EPI) club "Mola Mola"; helped EPI implement Galapagos Wildlife Ecology courses which were joined by 80 students and teachers across three islands for five-day residential camps; and supported the Galapagos National Park education team to teach over 130 kindergarten children, their parents and teachers about giant tortoises in the wild. For plastics, we supported microplastic surveys with the Mola Mola group, local schools, the Charles Darwin Foundation and other children's clubs. The data from this will directly feed into a PhD study by GCT's Head of Programmes, Jen Jones. Furthermore, we supported a Mola Mola member to investigate microplastics for an extended essay as part of his school studies, which will contribute to the citizen science work on Santa Cruz.

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- **Outreach on San Cristobal:** Our Oceans Outreach Programme, run in partnership with the Galapagos Science Center, links directly with both our Endangered Sharks and Plastic Pollution Free Galapagos Programmes. In 2019, the outreach focused on developing and delivering ocean-themed engagement activities, supporting local teachers, school groups and families. We supported the delivery of *Marti the Hammerhead Shark* storybooks into local schools; vacation courses for 72 children; free monthly Connecting with Nature community events; a Shark Hero campaign where 11 winners out of 51 participants were announced for their dedication to shark conservation projects; lab and field outreach sessions for the Gills Club (a shark and marine science club for local girls, led by all-female shark scientists); and the annual Shark Day event for the local community on San Cristobal.

Communication. GCT saw media successes in 2019 including coverage on ITV News, the BBC and the Guardian as well as online coverage in The Times. We held three key events in 2019 to raise awareness and funds for our work. These were attended by 600 GCT members, supporters and the general public.

- **Floreana Garden Party:** In the summer we held our annual Garden Party, titled *Floreana: Rebirth of an Island in Galapagos* and held in memory of GCT's friend and close collaborator, Felipe Cruz. The main lecture was delivered by Dr Mark Collins, who retired in May 2019 as GCT's Chair. We also held a tribute to Felipe Cruz, to celebrate his life and work on Floreana and in Galapagos. The event raised over £15,000 for our Restoring Floreana Island programme.
- **Galapagos Day:** Our annual Galapagos Day event was held at the Royal Geographical Society in October to highlight the threats facing the endangered birds and reptiles of Galapagos. The evening kicked off with a welcome from new GCT Chair, Charmian Caines who also welcomed on to the stage Norman Wray, Minister of the Governing Council of Galapagos and His Excellency, Jaime Marchán-Romero, the Ambassador of Ecuador to the UK. Our three lectures of the night were hosted by zoologist and writer Mark Carwardine. The first lecture was from Juan Pablo Muñoz-Pérez of the Galapagos Science Center on his research into marine plastic pollution and its impact on wildlife in Galapagos. Secondly, we heard from Dr Luis Ortiz-Catedral from Massey University on his work to reintroduce locally extinct species to Floreana island. Finally, we heard from Sophia Cooke from the University of Cambridge about the impacts of the invasive smooth-billed ani on Galapagos wildlife. The event was a huge success and was one of our largest to date, with over 400 attendees.
- **Plastic Pollution Free Galapagos hosted by Triodos Bank:** Over 50 people attended this event to raise money and awareness of GCT's Plastics Free Galapagos Programme. The event was kindly hosted by Triodos Bank, and the guests were welcomed by their CEO Bevis Watts. Guests also heard from GCT President Monty Halls who shared his thoughts on the increasing threat of plastic in Galapagos, having spent extensive time there with his family. GCT's Head of Programmes Jen Jones and Galapagos Science Center's Juan Pablo Muñoz-Pérez presented their collaborative research into the ecological impacts of plastic on wildlife.

Partnerships. GCT continued to strengthen its political partnerships with the Ecuadorian and British Embassies and, in 2019, secured a grant towards our plastics work from the British Embassy Quito. We also continued our close relationship with the Galapagos National Park and the Governing Council of Galapagos with the President attending several of our events in the UK. Furthermore, we continued to work closely with the Swiss Friends of Galapagos Organisation who supported GCT's projects through trust applications and appeals.

We have active partnership agreements in place with all project partners, ensuring a strong and successful working relationship is in place for all our projects. Our partners include the Charles Darwin Foundation, Migramar, Conservation International, Island Conservation, Massey University, Utrecht University, University of Exeter and Durrell Wildlife Conservation Trust.

GCT remains a Governing Member of the Charles Darwin Foundation.

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3. FINANCIAL REVIEW

Overall income for the charity was £836,718 in 2019, compared to £831,406 in 2018, an increase in income of £5,312. In 2019, we were able to strengthen our fundraising with a 28% increase in donations, grants and gift aid which made up for a £92,336 decrease in legacies (in 2018 we received a legacy of £150,000, compared to £57,664 in 2019). 2019 also saw membership income reverse its downward trend with an increase of £11,602 (11%) compared to 2018; the highest income for this area since 2014.

We were able to increase our expenditure on charitable activities to £755,705 (2018: £628,153), an increase of 20% from the previous year. Expenditure on our two programme areas was £361,795 on Science & Conservation and £393,910 in Education & Sustainability, which includes awareness raising activities in the UK.

Expenditure on raising funds decreased to £118,976 in 2019 from £121,566 the previous year.

Reserves

We ended the year with a planned deficit of £37,525 (2018: £81,687 surplus). At 31 December 2019, we carried forward total reserves of £709,559, of which £212,633 are in restricted funds. In 2020, the Trustees decided to consolidate all funds and release designated funds into general funds as shown in these accounts. This prudent decision was made in response to the COVID-19 crisis to secure the charity going forward, in light of reducing funding (see the section below for more details) resulting in our general funds standing at £496,926 (2018: £260,192), which is temporarily above our usual reserves level.

Reserves Policy

GCT needs to hold unrestricted general funds in order to:

- Mitigate against unexpected reductions in income
- Provide working capital
- Allow for operational deficits when future planning
- Assist with cash flow

As outlined above, our unrestricted general funds are temporarily above our usual range of reserves (ie £235k to £270k, which under normal circumstances, the Trustees would consider prudent given its annual operating costs). They now sit at £496,926 to mitigate against the expected loss of income in 2019 due to the COVID-19 crisis as outlined below.

Risk Management

As part of the annual planning process, the Trustees and CEO identify the major risks facing the Charity over the coming year categorised under governance/compliance, programmes, financial, operational and external, i.e. partners and communications. Each risk is assessed according to the inherent likelihood and potential impact and residual likelihood and impact. Existing controls are then assessed, and any further action to control the risks are agreed. The actions are implemented by the CEO and staff.

We previously identified safeguarding as a key policy area not fully addressed therefore in 2019 we developed a more robust policy. Working closely with Trustees, staff, volunteers and project partners GCT now has a plan of recommended actions for implementation of the policy throughout 2020 and beyond. A major unexpected risk faced by the organisation, together with many around the world, is the ongoing coronavirus pandemic which is affecting both operations and fundraising in the UK as well as projects on the ground in Galapagos.

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COVID-19

The immediate impact of the pandemic on the Charity was the high level of uncertainty on income. A Board meeting was held at the start of lockdown in late March which focussed on reforecasting income and expenditure. This was swiftly followed by an additional follow up meeting in April. At that meeting, the Trustees agreed to a three-week furlough period for all staff except for one member of staff on maternity leave to mitigate against loss of income. A second furlough period was considered by the Trustees, however, after conducting a cost benefit analysis exercise, it was decided that a second furlough period for staff would not be the most effective course of action as it would risk potential fundraising activities and GCT's ability to respond to the economic and environmental threats facing Galapagos. At the start of lockdown, all staff moved to working from home. Through staff surveys, we have ensured staff wellbeing has remained a high priority throughout this time, and regular online meetings are allowing staff to work as close to usual as possible. In August, GCT moved its office from 28 Portland Place to a smaller and more flexible office space in London Bridge. One member of staff has continued to visit the office to deal with postal mailings of our membership packs and merchandise, allowing these fundraising streams to continue. All other staff remain working from home for the majority of the time but plans have been made to allow some staff to meet up for meetings and work in the office if needed while complying to the latest government guidelines.

For our programmes, all fieldwork in Galapagos was shut down as Ecuador proposed a similar lockdown to the UK. More worryingly, tourism ceased on the Islands which makes up 80% of the local economy. The poverty rate on the Islands will likely climb in 2020 - already 8% of families were living below the poverty line. Economic hardships could increase wildlife trafficking, and overexploitation of natural resources on the Island's and this is an area that GCT is monitoring closely. In response to the situation in Galapagos, GCT made an exceptional donation to Conservation International for essential PPE to help the local community face the crisis. Furthermore, GCT launched a home learning education and outreach project and has delivered resources in both English for a UK audience and in Spanish for an Ecuadorian audience to support awareness-raising of the environmental issues in Galapagos to mitigate against these additional potential impacts to the wildlife of Galapagos.

GCT has had to postpone or rethink many of its usual fundraising activities including the 2020 Supporters Galapagos Cruise which has been rescheduled for 2021; our annual raffle has been cancelled and our annual Galapagos Day event which will run as a webinar. After reviewing expenditure, we are predicting a deficit on budget of around £250k. Despite this, at the end of 2020, we are forecasting unrestricted reserves of c£325-350k which although temporarily above our previous reserves policies, the Trustees feel this is a prudent position to be entering 2021 whilst we still face uncertainty with regard to the pandemic and its impact on fundraising, our operations and programmes.

4. PLANS FOR THE FUTURE

2020 is an important year for GCT as we launch a new three-year strategy whilst operating in very different circumstances due the COVID pandemic. In the first year of our current strategy, we have identified below the top priorities for 2020 within each of our four Strategic Objectives:

- | | |
|----------------------|---|
| Programmes | 1. Better define our programme criteria and assess all current and new programmes against them. 2. Ensure all programmes are aware of the need to include climate change as part of programme activities going forward. 3. Better define our own impact criteria for all programmes. |
| Income | 1. Support fundraising through investing in staff. 2. Review and improve the donor experience and engagement and membership programme. 3. Grow the pipeline of mid-level and major donors. 4. Secure new trust and corporate opportunities, especially multi-year. 5. Submit a proposal to accelerate the plastics programme in the next four years. |
| Communication | 1. Review GCT's brand identity alongside the launch of GCT's strategic plan. 2. Use social media as a key fundraising and marketing tool online. 3. Ensure GCT is a good source of up to date information about projects and events happening in Galapagos. 4. Focus on more intimate major donor fundraising through smaller events tailored to match donors' interests. |
| Organisation | 1. Implement a successful office move or refit current office to support future growth. 2. Ensure all staff are engaged with GCT's vision, mission and new strategy and everything we do is aligned with our core organisational values. 3. Streamline our finances, implement an investment policy and better manage cash flow. |

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

Galapagos Conservation Trust was established in 1995 as a UK registered charity and is a company limited by guarantee, governed by its Memorandum and Articles of Association. The members of the company, whose liability is limited to £1, are the Trustees. The Trust's objectives are to support the conservation and sustainable development of the Galapagos Islands and its unique biodiversity. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The Board of Trustees is responsible for approving the strategy and business plan for the Trust, approving the annual budget, grant-making, monitoring performance and for policies on investment, reserves, remuneration and risk management. The Board of Trustees normally meets four or five times a year. In addition, the Board operates committees for Operations and Finance, Fundraising and Communications, and Programmes and Grants that meet prior to each full Board meeting while the Nominations and Recruitment Committee meets as required.

All Trustees give their time freely, and no Trustee received remuneration in the year. Details of expenses reimbursed to Trustees are disclosed in note 13 to the accounts. There are no related party transactions.

The day to day operations of the charity, the implementation of the business plan and the processing and handling of grant applications prior to consideration by the Trustees are delegated to the Chief Executive.

Trustee appointment and induction

The Trustees are appointed by the Members and serve for a period of three years from the AGM at which their appointment is confirmed, after which time they may be re-appointed, normally for up to two further terms (nine years in total). The Memorandum and Articles of Association of the company require a minimum of three Trustees, with no maximum.

In 2019 GCT welcomed one new Trustee onto the Board. The Trustees who served during the year were:

Dr Mark Collins – Chair*
Charmian Caines – Chair**
Michael Drake – Vice Chair
Jonathan Lea – Honorary Treasurer
Philippa Carte***
Sandra Charity
Dr Simon Dickson****
Chris Jarrett
Dr Rebecca Nesbit
Jane Tozer
Dr Marta Tufet

* Retired on 20 May 2019

** Appointed as Chair on 20 May 2019

*** Appointed on 26 September 2019

**** Retired on 20 May 2019

The Board keeps the skill requirements for the Trustee Body under review, and in the event that a Trustee retires or additional new Trustees are required, the Nominations and Recruitment Committee is responsible for an open and rigorous recruitment process which includes, where possible, advertising in the GCT magazine, on the GCT website, on other appropriate appointment websites and wider media. GCT is committed to diversity and welcomes applicants irrespective of gender, sexual orientation, disability, religion, race or age. All new potential Trustees are interviewed, and if provisionally accepted, they are invited to attend a Trustee meeting before they are formally invited to join the Board.

On joining, each Trustee is provided with an induction that includes full details of their roles and responsibilities and terms and conditions of service, plus information about the charity including our strategy, business plan and financial plan.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Board Effectiveness

The Board has adopted a process for periodically reviewing its effectiveness and completed such a review in 2016.

Key Management Personnel

The Key Management Personnel of the charitable company are the Trustees, Chief Executive and the Deputy Chief Executive.

GDPR

An independent regulatory preparedness health check was undertaken during the spring of 2017 to support staff to ensure GCT was on track to be compliant with the new General Data Protection Regulations which came into regularly by the Fundraising and Communications Committee. GDPR has been ingrained in how GCT operates and communicates, and all staff are aware and practice good data management within their roles.

Fundraising Disclosure

The majority of GCT's fundraising is from its members, individual donors, trusts and corporates. On occasion, we may fundraise from the general public through our events and through print and online advertising. Our employees and volunteers carry out all our fundraising, and we do not employ any professional fundraisers or commercial participators to carry out fundraising on our behalf. GCT is a member of the Fundraising Regulator and abides by the Fundraising Codes of Practice. We ensure our fundraising activities are in keeping with our values and complies with all relevant legislation. We do not sell lists of supporters to other organisations, nor do we purchase lists of other charities' donors. Policies are in place to ensure that we protect vulnerable people and members of the public while we are fundraising. In 2019 GCT received six (2019: 5) complaints from our fundraising activities which included three events and over 8,000 appeal letters sent. All complaints were logged and recorded by the relevant staff member and were resolved at stage one of the complaint process within 4 working days except for one complain that was anonymous.

Staff and training

GCT is committed to improving the skills of its staff and supporting staff in their roles. An annual review of the Staff Handbook and HR policies is undertaken to ensure that they are kept up to date.

The Trustees and Chief Executive are committed to staff development both to support the effective development of the Trust and of individuals. Staff training undertaken in 2019 includes Subscriber Database, Persuasive Communication, Cyber Security, Conservation Optimism, Adobe InDesign Essentials, Writing to Influence Masterclass, Social Fundraising, and Fundraising Everywhere webinar. Furthermore, GCT is committed to the wellbeing of its staff and invests in perks including a weekly fruit bowl, tickets to relevant lectures and events, access to an occupational health provider and annual staff away days.

The pay of the staff is reviewed annually in December by the Operations and Finance Committee and the Chair, following an annual appraisal, which takes place in September each year.

Volunteers

As an organisation with eleven full-time staff, GCT relies on the hard work of volunteers. They make a vital contribution to our office and membership administration as well as at our events, and we are extremely grateful to them for their commitment and support. Support was provided in a variety of ways, including:

- Administration support
- Processing of appeal, membership and other transactions
- Supporting our communications including producing content for our website, blogs and social media
- Assisting staff at our major events by running our merchandise stand and selling raffle tickets
- Undertaking research tasks around our projects and networks
- Categorising our photography library
- Spanish translations for our Discovering Galapagos website

Associated Activity

Galapagos Conservation Trust holds a voting position on the General Assembly of the Charles Darwin Foundation, a not for profit organisation registered in Belgium that operates the Charles Darwin Research Station in the Galapagos Islands. This position does not give GCT any significant influence or control over CDF. GCT has two managers on the Christ's College Cambridge Charles Darwin and Galapagos Islands Fund as well as one representative on the Fund's Board.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Trustees' responsibilities statement

The Trustees (who are also directors of Galapagos Conservation Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 (FRS 102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

On the 7 September 2020 Gorup Audit Service Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited . The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

By Order of the Board

Charmian Caines
Chair

Jonathan Lea
Treasurer

Date:

GALAPAGOS CONSERVATION TRUST

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS

I report on the accounts of the Galapagos Conservation Trust for the year ended 31 December 2019 set out on pages 16 to 32.

Responsibilities and basis of report

As the charity Trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

M A Wilkes (FCA)
For and on behalf of Azets Audit Services
Chartered Accountants
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

Date:

GALAPAGOS CONSERVATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Including the Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Income:					
Donations and legacies	2	167,599	412,374	579,973	559,106
Charitable activities	3	119,680	-	119,680	108,078
Other trading activities	4	57,399	77,388	134,787	163,117
Investment income	5	2,278	-	2,278	1,105
Total income		346,956	489,762	836,718	831,406
Expenditure:					
Raising funds	6	118,976	-	118,976	121,566
Charitable activities	7	211,730	543,975	755,705	628,153
Total expenditure	8	330,706	543,975	874,681	749,719
Net gain on investment		438	-	438	-
Net income/(expenditure)		16,688	(54,213)	(37,525)	81,687
Transfers between funds	19	(99,954)	99,954	-	-
Net movements in funds		(83,266)	45,741	(37,525)	81,687
Reconciliation of funds:					
Total funds brought forward		580,192	166,892	747,084	665,397
Total funds carried forward	21	496,926	212,633	709,559	747,084

All income and expenditure derive from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

The notes on pages 19 to 32 form part of these financial statements

GALAPAGOS CONSERVATION TRUST

BALANCE SHEET

COMPANY NUMBER: 03004112

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible fixed assets	14		1,318		3,028
Investments	15		50,438		-
			<u>51,756</u>		<u>3,028</u>
Current assets					
Debtors	16	112,338		129,333	
Investments	17	50,000		-	
Cash and bank		<u>516,495</u>		<u>655,452</u>	
		678,833		784,785	
Creditors: Amounts falling due within one year	18	<u>(21,030)</u>		<u>(40,729)</u>	
Net current assets			657,803		744,056
Net assets			<u>709,559</u>		<u>747,084</u>
Restricted funds	19		212,633		166,892
Unrestricted funds					
Designated funds	20		-		320,000
General funds			496,926		260,192
Total funds	21		<u>709,559</u>		<u>747,084</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board on the

and signed on its behalf by:

Charmian Caines
Chairman

Jonathan Lea
Treasurer

The notes on pages 19 to 32 form part of these financial statements.

GALAPAGOS CONSERVATION TRUST

CASHFLOW STATEMENT

AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	24	(41,235)	322
Net cash provided by (used in) operating activities		<u>(41,235)</u>	<u>322</u>
Cash flows from investing activities:			
Bank Interest received		2,278	1,105
Investments purchased		(50,000)	-
Purchase of tangible fixed assets		-	(3,028)
Net cash provided by (used in) investing activities		<u>(47,722)</u>	<u>(1,923)</u>
Change in cash and cash equivalents in the reporting period		(88,957)	(1,601)
Cash and cash equivalents at the beginning of the reporting period		655,452	657,053
Cash and cash equivalents at the end of the reporting period		<u>566,495</u>	<u>655,452</u>
Cash and cash equivalents consist of:			
Cash at hand and in bank		516,495	655,452
Short term deposits		50,000	-
Cash and cash equivalents at the end of the reporting period		<u>566,495</u>	<u>655,452</u>

The notes on pages 19 to 32 form part of these financial statements

GALAPAGOS CONSERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

(a) General information and basis of preparation

The Galapagos Conservation Trust is a company limited by guarantee in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 4.

The charitable company constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) issued on 16 July 2015 (as updated through Update Bulletin published on 2 February 2018), the Financial Reporting Standard applicable in the United Kingdom (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2016.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Going Concern

The immediate impact of the COVID-19 pandemic on the charity was the high level of uncertainty on income. The management team immediately focused on reforecasting the 2020 income and expenditure as well as rethinking and postponing planned activities due to take place in 2020. The Trustees have assessed the financial consequences of COVID-19 and are confident that the charities financial resources are sufficient to meet its liabilities for 12 months from authorising these financial statements and the budgeted income and expenditure remains sufficient with the level of reserves for the charity to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

(c) Funds

Unrestricted funds - represent funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific purposes or projects.

Restricted funds - represent funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when the funds are raised for specific restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

(d) Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies are recognised in the financial statements when the Trust is convinced that there is entitlement to the income, there is certainty of receipt and the amount in question is measurable. Any administration fee is charged is recognised as unrestricted income.

Subscription income is accounted for at the time of receipt.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

GALAPAGOS CONSERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES - continued

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes all costs in relation to generating voluntary income, fundraising events and fundraising trading;
- Expenditure on charitable activities includes costs in relation to the Education and Sustainability and the Science and Conservation programmes.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such as awards being recognised as expenditure when the conditions attached to the grants are fulfilled. Grants offered subject to conditions that have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Staff costs are allocated between cost headings according to the function of each employee.

(f) Allocation of support and governance costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include governance costs, administrative office function costs, depreciation, HR and recruitment, and premises costs. They are incurred directly in support of expenditure on the objects of the charitable company.

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the independent examination, statutory audit and legal fees.

Support and Governance costs have been allocated across the charitable activities based on an analysis of the time spent on each project.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight line basis over the asset's estimated useful lives as follows:

Fixtures and fittings	25% - straight line
Computer equipment	33% - straight line

(h) Investments

Investments are recognised at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SOFA.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposits and cash equivalents with a maturity of less than one year.

(i) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is measured at the amount due to be received.

GALAPAGOS CONSERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES - continued

(j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) Creditors and provisions

Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Other creditors and accruals are recognised at their settlement amount due.

(l) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(m) Operating Leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities as incurred.

(n) Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. All exchange differences are reflected in the Statement of Financial Activities.

(o) Tax

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(p) Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the fixtures and equipment and computer equipment, and note (1g) for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

GALAPAGOS CONSERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. DONATIONS AND LEGACIES

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Donations	67,405	407,749	475,154	368,473
Legacies	57,664	-	57,664	150,000
Tax recoverable under Gift Aid	42,530	4,625	47,155	40,633
	<u>167,599</u>	<u>412,374</u>	<u>579,973</u>	<u>559,106</u>

In 2018, £242,175 of donations and legacies income was attributable to unrestricted funds and £316,931 was attributable to restricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Memberships	119,680	-	119,680	108,078
	<u>119,680</u>	<u>-</u>	<u>119,680</u>	<u>108,078</u>

In 2018 all of the income from charitable activities was attributable to unrestricted funds.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Fundraising events	15,180	23,335	38,515	65,912
Appeals and raffles	21,916	54,053	75,969	80,521
Fundraising trading	20,303	-	20,303	16,684
	<u>57,399</u>	<u>77,388</u>	<u>134,787</u>	<u>163,117</u>

In 2018, £77,147 of income from other trading activities was attributable to unrestricted funds and £85,970 was attributable to restricted funds.

5. INVESTMENT INCOME

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Bank interest	2,278	-	2,278	1,105
	<u>2,278</u>	<u>-</u>	<u>2,278</u>	<u>1,105</u>

In 2018, all of the investment income was attributable to unrestricted funds.

GALAPAGOS CONSERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. RAISING FUNDS

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Costs of generating voluntary income	118,976	-	118,976	121,566
	<u>118,976</u>	<u>-</u>	<u>118,976</u>	<u>121,566</u>

In 2018 all of the expenditure was attributable to the unrestricted fund.

7. CHARITABLE ACTIVITIES

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Education and Sustainability	159,376	234,534	393,910	344,889
Science and Conservation	52,354	309,441	361,795	283,264
	<u>211,730</u>	<u>543,975</u>	<u>755,705</u>	<u>628,153</u>

In 2018 £200,811 of the expenditure in relation to charitable activities was attributable to the unrestricted fund, with the remaining £427,342 being attributable to the restricted fund.

8. ANALYSIS OF EXPENDITURE

	Direct Charitable £	Grant Making (note 9) £	Support Costs (note 10) £	Total 2019 £	Total 2018 £
Raising Funds:					
Generating income	96,840	-	22,136	118,976	121,566
Charitable Activities:					
Education and Sustainability	175,993	158,891	59,026	393,910	344,889
Science and Conservation	82,292	240,351	39,152	361,795	283,264
	<u>355,125</u>	<u>399,242</u>	<u>120,314</u>	<u>874,681</u>	<u>749,719</u>

GALAPAGOS CONSERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. ANALYSIS OF GRANTS COMMITTED DURING THE YEAR

	2019	2018
	£	£
Restricted		
<u>Education and Sustainability</u>		
Discovering Galapagos	11,947	6,919
Outreach in Galapagos	24,310	39,211
Flagship: Plastic Pollution Programme	117,634	61,987
Teacher Training in Galapagos Project	5,000	-
<u>Science and Conservation</u>		
Vermillion Flycatcher Project	10,000	-
Giant Tortoise Movement Ecology Project	20,000	24,480
Mangrove Finch Project	20,000	23,467
Flagship: Floreana Native Species Restoration	82,332	51,536
Iguana Population Status Project	15,340	-
Endangered Sharks Programme	70,554	41,226
Marine Invasive Project	22,125	22,000
Total grants committed	399,242	270,826

9.1 Reconciliation of grants payable

	2019	2018
	£	£
Commitments at 1 January 2019	-	-
Grants committed during the year	399,242	270,826
Grants paid during the year	(393,438)	(270,826)
Commitments at 31 December 2019	5,804	-

GALAPAGOS CONSERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. SUPPORT COSTS

	2019	2018
	£	£
Governance costs (note 11)	29,974	26,688
Administrative office function	41,060	37,268
Depreciation	1,710	2,688
HR & Recruitment	778	21,665
Premises costs	46,792	55,608
	120,314	143,917

11. GOVERNANCE COSTS

	2019	2018
	£	£
Independent examination fee		
- Fee for the year	4,000	4,000
- Under provision in prior years	140	80
	4,140	4,080
Staff costs	21,802	21,559
Board meeting costs and expenses	4,032	1,049
	29,974	26,688

12. NET INCOME/ (EXPENDITURE) FOR THE YEAR

	2019	2018
	£	£
This is stated after charging:		
Depreciation	1,710	2,688
Independent examination fee	4,140	4,080
Operating lease costs	44,701	48,427

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

13. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2019 £	2018 £
Salaries and wages	257,497	229,947
Social security costs	20,764	18,519
Pension costs	6,909	5,033
	<u>285,170</u>	<u>253,499</u>
The total average monthly number of employees (full-time equivalent) during the year were as follows:		
Generating funds	3	2
Charitable activities	8	7
	<u>11</u>	<u>9</u>

Employee time has been allocated to direct costs and support costs allocated on a percentage basis of time spent.

One employee received annualised remuneration in the band £60,000 to £69,999 (2018: one employee £60,000 to £69,999).

During 2019, no Trustees were paid or received any other benefits from employment with the charitable company (2018: £nil). No (2018: 1) Trustee was reimbursed for travel and meeting expenses (2018: £890).

The key management of the charitable company comprise the Trustees, the Chief Executive Officer and the deputy Chief Executive Officer. The Trustees do not receive any remuneration for this role.

The total employee benefits of the key management personnel of the charitable company were £92,203 (2018: £99,958).

GALAPAGOS CONSERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. TANGIBLE FIXED ASSETS	Fixtures and Fittings £	Computer Equipment £	Total £
Cost			
At 1 January 2019 and 31 December 2019	13,256	35,871	49,127
Depreciation			
At 1 January 2019	13,256	32,843	46,099
Charge for the year	-	1,710	1,710
At 31 December 2019	13,256	34,553	47,809
Net Book Value			
At 31 December 2019	-	1,318	1,318
At 31 December 2018	-	3,028	3,028

15. INVESTMENTS	2019 £	2018 £
Listed investments held in the UK	50,438	-
Cost	50,000	-
Revaluation	438	-
Market Value at 31 December 2019	50,438	-

All of the investment is held within the COIF Charities Investment Fund Accumulation Units.

16. DEBTORS	2019 £	2018 £
Accrued income	96,052	118,080
Tax recoverable under Gift Aid	14,042	10,244
Other debtors and prepayments	2,244	1,009
	112,338	129,333

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. CURRENT ASSET INVESTMENTS

	2019	2018
	£	£
Short term deposits	50,000	-

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Accruals and deferred income	9,072	35,352
Grants payable	5,804	-
Other creditors	6,154	5,377
	21,030	40,729

19. RESTRICTED FUNDS – Current year

	1 January 2019	Income	Expenditure	Transfers	31 December 2019
	£	£	£	£	£
Restricted funds					
<u>Education and Sustainability</u>					
Discovering Galapagos	-	11,060	(16,847)	6,037	250
Outreach in Galapagos	-	23,171	(39,310)	28,711	12,572
Flagship: Plastic Pollution Programme	65,993	172,536	(171,627)	40,291	107,193
Teacher Training in Galapagos Project	-	-	(6,750)	6,750	-
<u>Science and Conservation</u>					
Giant Tortoise Movement Ecology Project	-	34,755	(25,000)	-	9,755
Mangrove Finch Project	4,219	20,000	(25,000)	781	-
Floreana Native Species Restoration Fund	86,680	73,595	(107,935)	4,219	56,559
Iguana Population Status Project	-	24,895	(19,108)	-	5,787
Vermillion Flycatcher Project	-	10,000	(12,500)	2,500	-
Endangered Sharks Programme	10,000	97,625	(97,773)	10,665	20,517
Marine Invasive Project	-	22,125	(22,125)	-	-
	166,892	489,762	(543,975)	99,954	212,633

Education & Sustainability:

Funds held under this category are focussed on delivering education through our Discovering Galapagos programme; outreach activities for local communities and our flagship programme to reduce plastic pollution on the Islands. These projects inspire conservation values and sustainable living in local and visiting Galapagos communities.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

19. RESTRICTED FUNDS – Current year (continued)

Science & Conservation:

Funds held under this category are focussed on combined population ecology, saving endemic species and habitat restoration. The tortoise project supports the understanding of tortoise movement and ecology on the Islands; the mangrove finch project undertakes head starting for this critically endangered finch species; our endangered shark work focusses on the migration of the whale shark and conservation status of other shark species, and the restoration of Floreana island is our flagship programme to restore the island and reintroduce 12 locally extinct species including the Floreana mockingbird and racer.

Transfers:

General and designated funds totalling £99,954 have been transferred in the year as planned. £81,789 was transferred into Education & Sustainability programme to provide increased support in this area, particularly for our plastics work which was a major focus in 2019; and £18,165 into our Science & Conservation programme to support our Restoring Floreana Island, and Endangered Sharks of Galapagos Programmes.

19.1 RESTRICTED FUNDS – Prior year

	1 January 2018	Income	Expenditure	Transfers	31 December 2018
	£	£	£	£	£
Restricted funds					
<u>Education and Sustainability</u>					
Discovering Galapagos	-	5,830	(41,792)	35,962	-
Outreach in Galapagos	-	30,000	(50,675)	20,675	-
Flagship: Plastic Pollution Programme	50,000	132,669	(123,895)	7,219	65,993
<u>Science and Conservation</u>					
Giant Tortoise Movement Ecology Project	3,678	23,684	(33,358)	5,996	-
Mangrove Finch Project	9,236	22,690	(28,938)	1,231	4,219
Floreana Native Species Restoration Fund	50,000	107,434	(70,754)	-	86,680
Endangered Sharks Programme	-	58,594	(55,930)	7,336	10,000
Marine Invasive Project	-	22,000	(22,000)	-	-
	112,914	402,901	(427,342)	78,419	166,892

GALAPAGOS CONSERVATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

20. DESIGNATED FUNDS – Current year

	1 January 2019	New designation	Designations released	Transfers	31 December 2019
	£	£	£	£	£
Designated funds					
Science and Conservation	160,000	-	-	(160,000)	-
Education and Sustainability	160,000	-	-	(160,000)	-
	<u>320,000</u>	<u>-</u>	<u>-</u>	<u>(320,000)</u>	<u>-</u>

In total, £99,954 was used in 2019 year towards restricted costs (see note 18), and the remaining £220,046 was released into general funds. In 2020, the Trustees made the decision to consolidate its funds, by releasing all remaining designated funds into general funds as shown in these accounts. This prudent decision was made in response to the COVID-19 crisis, to secure the charity going forward in light of reduced funding.

20.1 DESIGNATED FUNDS – Prior year

	1 January 2018	New designation	Designations released	Transfers	31 December 2018
	£	£	£	£	£
Designated funds					
Science and Conservation	182,118	160,000	(167,555)	(14,563)	160,000
Education and Sustainability	182,117	160,000	(118,261)	(63,856)	160,000
	<u>364,235</u>	<u>320,000</u>	<u>(285,816)</u>	<u>(78,419)</u>	<u>320,000</u>

21. ANALYSIS OF NET ASSETS BETWEEN TOTAL FUNDS – Current year

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2019 are represented by:			
Tangible fixed assets	1,318	-	1,318
Fixed Asset Investments	50,438	-	50,438
Current Investments & Cash at bank and in hand	428,058	138,437	566,495
Other net current assets	17,112	74,196	91,308
	<u>496,926</u>	<u>212,633</u>	<u>709,559</u>

GALAPAGOS CONSERVATION TRUST
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21.1 ANALYSIS OF NET ASSETS BETWEEN TOTAL FUNDS – Prior year

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2018 are represented by:			
Tangible fixed assets	3,028	-	3,028
Cash at bank and in hand	564,795	90,657	655,452
Other net current assets	12,369	76,235	88,604
	<u>580,192</u>	<u>166,892</u>	<u>747,084</u>

22. OPERATING LEASE COMMITMENTS

The charity had total commitments under an operating lease as follows:

	Land and buildings	
	2019	2018
	£	£
Expiry date:		
Within one year	22,350	21,504
Between one and five years	-	-
	<u>22,350</u>	<u>21,504</u>

Until August 2020, Galapagos Conservation Trust was renting its office space from the Royal Society for Public Health which is an independent, multi-disciplinary charity dedicated to the improvement of public's health and wellbeing and supporting communities and who lets part of its premises to other charities. GCT was on a short lease running until the end of June 2020 when it expired. GCT moved offices in August 2020 to a flexible, shared office space with CAN Mezzanine, a registered charity who provide flexible office space for other charities and social enterprises.

23. RELATED PARTY TRANSACTIONS

GCT is supporting the CEO to carry out professional job related training over a two year period, which started in 2019. The CEO is repaying all the training fees to GCT as part of a monthly salary sacrifice agreement. As at 31 December 2019 £1,208 remained unpaid (2018: no related party transactions were noted).

24. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(37,525)	81,687
Adjustments for:		
Gains on investments	(438)	-
Bank Interest	(2,278)	(1,105)
Depreciation charges	1,710	2,688
Decrease/(Increase) in debtors	16,995	(100,135)
(Decrease)/Increase in creditors	(19,699)	17,187
Net cash (used in) provided by operating activities	<u>(41,235)</u>	<u>322</u>

GALAPAGOS CONSERVATION TRUST
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25. POST BALANCE SHEET EVENTS

In 2020 the world was shaken with the onset of COVID-19. The Trustees have assessed the operational and financial impact on the charity in the Trustees Report on page 11 and in the going concern statement on page 19 (note 1b).