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# **GALAPAGOS CONSERVATION TRUST**

(Registered Charity Number 1043470)  
(Registered Company Number 3004112)

## **ANNUAL REPORT AND ACCOUNTS Year Ended 31 December 2005**



**GALAPAGOS CONSERVATION TRUST  
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

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**GALAPAGOS CONSERVATION TRUST**  
**TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

**HONORARY ROLES**

**President**

Professor David Bellamy OBE PhD

**Vice Presidents**

Julian Fitter

Jennifer Stone

**Patrons**

Janet Barber

Sir James Barlow Bt

Angela Darwin

Sarah Darwin PhD

Professor Richard Keynes CBE FRS

Godfrey Merlen

Professor Ian Swingland

**TRUSTEES**

Nigel Sitwell - Chairman

Richard Robinson - Vice-Chairman

Rebecca Bower - Honorary Treasurer

Matthew Simkins - Company Secretary

Sally Benthall

Gill Green (appointed November 2005)

Tina Knight (appointed November 2005)

Dorothy Latsis

Robert Silbermann (appointed November 2005)

Edmund Truell (appointed November 2005)

Jennifer Stone (retired May 2005)

Richard Webb – Honorary Treasurer (retired May 2005)

Christopher Reeves (retired November 2005)

**STAFF**

Leonor Stjepic – Executive Director

Catherine Armstrong – Membership Manager

Abigail Rowley – Events Manager

Wendy Galbraith – Information Manager

**GALAPAGOS CONSERVATION TRUST  
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

Galapagos Conservation Trust  
5 Derby Street  
London  
W1J 7AB  
Registered Charity Number 1043470  
Company Limited by Guarantee Registered in England Number 3004112

Auditors:  
Nexia Audit Limited  
Prospect House  
2 Athenaeum Road  
London  
N20 9YU

Accountants:  
Smith and Williamson Ltd  
Prospect House  
2 Athenaeum Road  
London  
N20 9YU

Solicitors:  
Greg Thomas  
3-5 Chemin des Tuileries  
1293 Bellevue  
Switzerland

Bankers:  
Lloyds Bank plc  
157 Wandsworth High Street  
London  
SW18 4JA

CAFCash Ltd  
Kings Hill  
West Malling  
Kent  
ME19 4TA

# **GALAPAGOS CONSERVATION TRUST**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

### **OBJECTIVES AND ACTIVITIES**

Since 1995, the Galapagos Conservation Trust (GCT) has been working to conserve the biological diversity of the Galapagos archipelago. Our role, as the only British organisation working specifically to protect Galapagos, is to raise awareness of, and funds for, the conservation needs of the Islands. We also aim to be the primary source of information and comment in this country on conservation in the Galapagos Islands.

In 2005 the Galapagos Conservation Trust had four main objectives:

1. Deliver essential resources to Galapagos.
2. Create new supporters and maintain relationships with current supporters through a membership scheme.
3. Collaborate with partners to ensure future funding for Galapagos.
4. Communicate the cause and support GCT's profile through education and awareness raising.

#### **1. DELIVER ESSENTIAL RESOURCES TO GALAPAGOS**

Our support of conservation projects in the Galapagos is achieved principally through grants made to our local partners, the Charles Darwin Foundation and the Galapagos National Park. We rely on them to inform us of the archipelago's most pressing needs, and then endeavour to raise funds to meet those needs.

During the year the GCT raised funds in the following principal ways:

- Donations from individuals, trusts, foundations, and companies
- Appeals to our supporters and the British public in general
- Sales of our merchandise
- Organising fundraising events
- Obtaining sponsorship of events
- Encouraging supporters to leave us legacies.

#### **2. CREATE NEW SUPPORTERS AND MAINTAIN RELATIONSHIPS WITH CURRENT SUPPORTERS THROUGH A MEMBERSHIP SCHEME**

The Trust has always considered that its members are extremely important. Without a growing and enthusiastic membership we would not have achieved anything like the success we currently enjoy.

The main source of new members is people who visit the Galapagos from the UK. We maintain relationships with the main tour operators who organise trips to the Galapagos and, most importantly, with the Galapagos National Park to enable us to invite UK visitors to become members.

In 2005 the Trustees took the decision to raise membership subscriptions slightly as well as introducing new categories. New members were automatically signed up at the new rate whilst current members were given the option to renew by direct debit and continue paying the previous amount for a further year. A new family category was introduced. To encourage members to continue supporting the Galapagos they receive newsletters and invitations to events.

# **GALAPAGOS CONSERVATION TRUST**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

### **3. COLLABORATE WITH PARTNERS TO ENSURE FUTURE FUNDING FOR GALAPAGOS**

The Galapagos Conservation Trust is part of an informal network of Friends of Galapagos organisations throughout the world and we share good practice, expertise and resources to help all the organisations be more effective and hence maximise the resources that can be sent to Galapagos. In 2005, we took part in a meeting in London of the Friends of Galapagos organisations to discuss how we can all best contribute to the needs of the Galapagos.

### **4. COMMUNICATE THE CAUSE AND SUPPORT GCT'S PROFILE THROUGH EDUCATION AND AWARENESS RAISING**

As well as raising funds, it is important that we raise awareness in the UK of the conservation challenges facing the Galapagos Islands. This is important for its own sake, but also as a catalyst for raising further funds.

We do this by:

- Publishing a newsletter twice a year
- Sending monthly email bulletins to those who sign up to receive them
- Maintaining a regularly updated website ([www.gct.org](http://www.gct.org))
- Organising talks around the country
- Running a schools education project called "Tortoise Clubs for Schools".

## **ACHIEVEMENTS AND PERFORMANCE**

### **1. DELIVER ESSENTIAL RESOURCES TO GALAPAGOS**

- Our aim in 2005 was to send £55k to Galapagos and we were able to substantially exceed that amount and commit £171k to Galapagos projects.
- Our target in 2005 was to generate gross income of £350k and we raised £405k.

In 2005 we supported the following projects:

Support for Ecuadorian scholarship students. Our aim is to empower young Ecuadorians, particularly Galapaguenos, to become leaders in Galapagos conservation by enabling them to obtain the qualifications they need to move into decision-making roles. To that end we have been funding several students studying in the UK and in Galapagos.

Supporting key institutions in Galapagos. The Charles Darwin Foundation (CDF) is our main local partner in Galapagos. It is an international scientific research and educational organisation that was established in 1959 to advise the Government of Ecuador on conservation in the islands. It does this to a large extent by its support of and close cooperation with the Galapagos National Park (GNP), which started operations in 1968. The GNP is responsible for the protection and management of both the Galapagos National Park and the Marine Reserve. During 2005, the Galapagos Conservation Trust provided funds to the CDF to help with institutional change and management, and to the GNP to help with the legal costs of an oil pollution insurance claim.

## **GALAPAGOS CONSERVATION TRUST**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

Protecting endangered plant species. The unique plant life of Galapagos has provided remarkable insights into evolutionary processes and island ecology, but the native plants of Galapagos are threatened. Some species have already become extinct, and many more are threatened with extinction in the near future, mainly due to invasion by introduced species, but also due to other threats such as habitat destruction. However, the plants have also suffered from a chronic lack of conservation interest. Compared with animals, and compared with conservation in general in Galapagos, conservation of endangered plants has always been difficult to fund. In 2005, funding by GCT has assisted botanists to continue their vital research and conservation activities.

Conservation of Galapagos giant tortoises. Most of GCT's contribution in 2005 to this project was spent on supporting the breeding centre at the Charles Darwin Research Station. Since the giant tortoise breeding programme started in 1965, some 2,500 juvenile tortoises have been released on their native islands. A milestone was reached in March 2000 when the 1,000th tortoise was repatriated to Española Island, thus protecting this species from almost certain extinction.

Project Isabela. This project – to restore the natural ecosystems of northern Isabela Island – is the largest and most ambitious habitat restoration project ever undertaken in Galapagos. The five-year project is due to end in 2006 and is on track to being not only the greatest success story in Galapagos history, but one of the greatest ever conservation successes anywhere in the world.

Rice rat research. During the last three years, the GCT has funded most of the research carried out by post-graduate student Donna Harris. Donna and her assistant Stephen Gregory have spent the best part of the last three years living and working on the island of Santiago. At one time there were at least 12 species of Galapagos rice rat – ranging from the small species first named Galapagos mice by Charles Darwin to giant rice rats known as *Megoryzomys*. Unfortunately, since man's discovery of the archipelago, this charismatic group has undergone the worst decline of any vertebrate group, losing nine of the original 12 species. Donna has been carrying out research into the impact of the introduced black rats on the endemic rice rats. Her work will enable the Charles Darwin Foundation and the Galapagos National Park to create a plan to protect the rice rats of Galapagos.

Marine conservation. One of the most important marine protected areas in the world, the Galapagos Marine Reserve covers over 140,000 square kilometres and has an extraordinary range of biological communities, high levels of endemism, and an abundance of charismatic species. The CDF's Marine Research and Conservation Department works to conserve the marine and coastal ecosystems of Galapagos through studying ecosystem processes, as well as keystone and extractive species (such as sea cucumbers and lobsters). The information obtained with GCT support enables CDF to offer well-informed management advice to the GNP authorities.

Providing alternative employment. A fishing boat from the mainland of Ecuador that was confiscated for illegally fishing in the Marine Reserve has been bought in order to provide an alternative income-generating activity for a local women's organization based on San Cristobal Island. GCT funding will help these fishermen's wives to convert the vessel into a boutique and restaurant where they can sell their crafts and attend to tourists, as well as serving as an example for other community development initiatives.

# **GALAPAGOS CONSERVATION TRUST**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

### **2. CREATE NEW SUPPORTERS AND MAINTAIN RELATIONSHIPS WITH CURRENT SUPPORTERS THROUGH A MEMBERSHIP SCHEME**

- Our target was to have 500 new members in 2005 and we were delighted to achieve 928 new members during the year.
- Our target in 2005 was for 50% of our members to renew their membership and we achieved 74% renewals.
- Members paying by standing order allow us to keep down our administration costs and our target was to have 30% of members paying by standing order by the end of December 2005. By the end of the year 49% of our members had signed up to pay by standing order.

### **3. COLLABORATE WITH PARTNERS TO ENSURE FUTURE FUNDING FOR GALAPAGOS**

As well as participating in the London meeting of Friends of Galapagos organisations we also directly supported the Charles Darwin Foundation when representatives of the GCT participated in a workshop to discuss the future strategy of the Foundation.

### **4. COMMUNICATE THE CAUSE AND SUPPORT GCT'S PROFILE THROUGH EDUCATION AND AWARENESS RAISING**

- A newsletter was published in April and October.
- A monthly bulletin was sent out to 2,378 subscribers.
- Our website is updated regularly and our target was to have 50,000 hits per month. During 2005, our website received an average of 50,640 hits per month.

## **FINANCIAL REVIEW**

2005 was a very successful year for the Galapagos Conservation Trust. Membership increased and consequently subscription income rose from £82k to £96k. We held several fundraising events including the annual Galapagos Day at the Royal Geographic Society and the special Dine with Darwins dinner. These, along with the profits from sales of our calendars and cards, generated a net contribution of £38k. We were very pleased to receive £128k in donations during the year, £58k of which was restricted to specific projects. As a result of the income generated and also using reserves brought forward we were able to make grants of £171k to support the Galapagos on various projects as described above.

## **RESERVES**

In setting the Reserve Policy of the Galapagos Conservation Trust the Trustees examined the needs and challenges faced by the organisation in the short and medium term. They decided that to maintain financial viability a target for Unrestricted Reserves should be six months operating costs. At present this is approximately £75k. At the end of the year Unrestricted Reserves stood at £120k giving a comfortable margin. The Trustees will consider the best use of these Reserves during 2006.



# **GALAPAGOS CONSERVATION TRUST**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

### **PLANS FOR THE FUTURE**

In 2006, the Trustees plan to continue with the four objectives stated above. A new strategic plan is being developed to cover the period 2007-2012 and a new business plan will come from that.

Under its four objectives the GCT plans to:

- Give grants of £158,000 to Galapagos organizations.
- Have a new database in place to allow us to be more effective in responding to members' needs.
- Sign up 500 new members.
- Support the development of other Friends of Galapagos organizations throughout the world to ensure that further funding is available to Galapagos.
- Produce a newsletter twice during the year.
- Continue to send out email bulletins once a month.
- Sign up at least five schools to the Tortoise Club for Schools.
- Have a clear and strategic awareness raising plan produced and implemented by the end of 2006.

In the longer term our aim is to increase our fundraising capacity so that by 2010 we are raising £1 million-plus per year for Galapagos.

### **VOLUNTEERS**

As part of our aim to minimize expenditure on overheads, GCT intentionally works with a small staff in our London office. As a result, we depend on volunteers to undertake much of the necessary work and they make a vital contribution to office productivity. In 2005 our volunteers donated a total of 212 days' work to the Galapagos Conservation Trust. Here is what they did:

- Stuffed about 50,000 envelopes – at approximately 100 per hour.
- Created an efficient slide library so that any pictures can be found and accessed at the click of a button.
- Categorized GCT's library and reports, which enables easy access & usage.
- Watched, reviewed, and categorised all videos in the office.
- Ran the photo competition for the second year, with supervision.
- Created activities and contributed to the running of the new Tortoise Club for Schools.
- Carried out least 30 hours of filing.
- Assisted with events, none of which could have taken place without their help.
- Wrote a presentation, which will be supplied to volunteers and others who wish to give talks to small local groups.
- Dealt with stationery orders, paying in cheques at the bank, generally running errands – hand deliveries, etc., making up goody bags, photocopying, entering raffle tickets on the database, answering telephone calls, and sending out Christmas merchandise.
- Numerous English-Spanish / Spanish-English translations.

# **GALAPAGOS CONSERVATION TRUST**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Galapagos Conservation Trust was set up in 1995 as a UK registered charity and a company limited by guarantee. The Trust is governed by a Board of Trustees who are also the Members of the company. The Trustees are appointed by the Members and serve for three years after which period they may be re-appointed for a further two terms (nine years in total). The Memorandum and Articles of Association of the company allow for a minimum of 2 Trustees but no maximum. During 2004 and 2005 seven new trustees were elected and some of the founding trustees stood down. During this process the board of GCT made reference to the results of its skills audit to identify those skills that it felt were needed to strengthen the Board. The Galapagos Conservation Trust is satisfied that it has a capable and experienced Board of Trustees able to build on the successes of the Trust's first decade, and support the staff in raising further funds in the future.

The Trustees meet five times a year and during their meetings, the Trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves and risk management policies and performance. The day to day operations of the charity, the implementation of the business plan and the processing and handling of grant applications prior to the consideration by the Trustees is delegated to the Executive Director and her staff.

The Board keeps the skill requirements for the Trustee Body under review and in the event that a Trustee permanently retires or additional new Trustees are required, the Board chooses new Trustees by either advertising in the UK newsletter and the website, or by personal recommendation. CVs are requested from those interested in becoming Trustees and the short listed candidates are invited to meet the Chairman informally. If they express a wish to become a Trustee, the candidates are then invited to attend a Trustee meeting at which they are formally asked to join the Board.

The GCT has developed two key documents to inform and support new Trustees. On joining, each Trustee is given an induction pack that includes full details of their roles and responsibilities and terms and conditions of service, plus basic information about the charity. The Trustees Handbook outlines clearly things such as the policy on dealing with potential conflicts of interest, length of service for Trustees, etc.

In October 2005 the Board held an "Away Day" with an expert facilitator to discuss the strategic structure of the organization and how it can work more effectively in the future. As a result, a number of procedural and other changes were agreed upon by the Trustees and the Executive Director. Some needed to be put to the AGM for formal acceptance but others were incorporated straight away such as an expansion in the role of Honorary Officers. GCT now has a Chairman, Vice Chairman, Honorary Treasurer and Company Secretary. Overall, the new structure will bring the GCT into line with current structural guidelines as recommended by the Charity Commission.

### **RISK MANAGEMENT**

The Trustees have given consideration to the major risks that the charity is exposed to. They have assessed the likelihood of these risks occurring and the likely level of any resulting impact. They have also considered the controls that are in place for these risks and have identified key areas of action for the year ahead. During 2005 the risks have been specifically aligned with the major objectives of the charity.

**GALAPAGOS CONSERVATION TRUST  
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

**AUDITORS**

The auditors, Nexia Audit Limited, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

**Approved by the Trustees and signed on their behalf by**

A handwritten signature in black ink, appearing to read 'Nigel Sitwell', written in a cursive style.

**Nigel Sitwell  
Chairman**

# **GALAPAGOS CONSERVATION TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

## **GALAPAGOS CONSERVATION TRUST STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

Company law requires the Directors, who are the Trustees, to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and the Charities Statement of Recommended Practice (revised 2005) 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 Directors are responsible for keeping accounting records which enable them to ascertain with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

# **GALAPAGOS CONSERVATION TRUST**

## **Independent Auditors to the Trustees' of Galapagos Conservation Trust Report for the year ended 31 December 2005**

We have audited the accounts of Galapagos Conservation Trust for the year ended 31 December 2005 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 16. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the trustees, who are also the directors of Galapagos Conservation Trust for the purposes of company law, are responsible for the preparation of the accounts in accordance with applicable law, United Kingdom Accounting Standards and the Statement of Recommended Practice for charities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the other information contained within the Trustees' Annual Report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

# GALAPAGOS CONSERVATION TRUST

## Independent Auditors to the Trustees' of Galapagos Conservation Trust Report for the year ended 31 December 2005

### Opinion

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*Nexia Audit Limited*

Nexia Audit Limited  
Chartered Accountants  
Registered Auditors

2 Athenaeum Road  
London  
N20 9YU

Date *28 April 2006*

**GALAPAGOS CONSERVATION TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**  
(Including Income and Expenditure Account)

	Notes	Unrestricted Funds	Restricted Funds	Total 2005	Total 2004
		£	£	£	£
<b>Incoming Resources</b>	1				
Incoming resources from generated funds					
Voluntary income	4	196,318	60,169	256,487	273,856
Activities for generating funds:	5	133,795	9,591	143,386	197,019
Investment income		2,184	1,943	4,127	2,609
Other Incoming Resources		735	-	735	4,165
<b>Total Incoming Resources</b>		<u>333,032</u>	<u>71,703</u>	<u>404,735</u>	<u>477,649</u>
<b>Resources Expended</b>					
Cost of generating funds:					
Cost of generating voluntary income	6	73,629	5,615	79,244	81,147
Fundraising trading and other costs	7	105,301	-	105,301	200,555
Charitable Activities	8	100,513	141,205	241,718	150,022
Governance Costs		14,737	-	14,737	17,578
<b>Total Resources Expended</b>		<u>294,180</u>	<u>146,820</u>	<u>441,000</u>	<u>449,302</u>
<b>Net Incoming Resources</b>		38,852	(75,117)	(36,265)	28,347
Funds at 1 January 2005		81,483	110,237	191,720	163,373
<b>Funds at 31 December 2005</b>		<u>120,335</u>	<u>35,120</u>	<u>155,455</u>	<u>191,720</u>

The Notes on Pages 15 to 19 form part of these statements.

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

**GALAPAGOS CONSERVATION TRUST  
BALANCE SHEET AT 31 DECEMBER 2005**

	Notes	31 December 2005		31 December 2004	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	1,10		3,401		4,217
<b>Current Assets</b>					
Stocks		4,683		1,576	
Debtors	11	8,768		13,614	
Cash at bank and in hand		<u>222,013</u>		<u>178,548</u>	
		235,464		193,738	
<b>Creditors:</b>					
Amounts falling due within one year	12	<u>(36,077)</u>		<u>(6,235)</u>	
<b>Net Current Assets</b>			199,387		187,503
<b>Creditors:</b>					
Amounts falling due after more than one year	13		(47,333)		-
<b>Net Assets</b>	14		<u><u>155,455</u></u>		<u><u>191,720</u></u>
Restricted funds	9		35,120		110,237
Unrestricted funds			<u>120,335</u>		<u>81,483</u>
			<u><u>155,455</u></u>		<u><u>191,720</u></u>

Approved by the Board on 21 February 2006 and signed on its behalf.

  
..... N. Sitwell.

  
..... R. Bower.

The notes on pages 15 to 19 form part of these statements.



**GALAPAGOS CONSERVATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2005**

**1. Accounting policies**

These accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised in 2005) and are for the twelve months period from 1 January 2005 to 31 December 2005.

**Incoming resources**

Subscription income is accounted for at the time of receipt. Donations, legacies and gift aid tax recoverable 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.

Gifts in kind are received and used as prizes at Trust fundraising events during the year. These gifts are recognised as income at the date of receipt which is usually the date of the event. The corresponding expenditure in respect of gifts in kind is recognised at the same time as the income.

**Resources expended**

All expenditure is accounted for on an accruals basis and has been allocated between cost headings on a specific basis where possible. Staff costs are allocated between cost headings according to the function of the employee.

**Grants payable**

Grants payable are charged in the year when the offer is made to the recipient. Unpaid grants at the year end are included within creditors.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Foreign currency balances outstanding at the period end are converted at the rate ruling at the balance sheet date. All exchange differences are reflected in the Statement of Financial Activities.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over the assets' estimated useful lives as follows:-

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

**GALAPAGOS CONSERVATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2005 (CONTINUED)**

**Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

**Fund accounting**

Restricted funds comprise amounts received subject to specific conditions required by the donor and binding on the trustees. The purpose and use of restricted funds are set out in these notes to the financial statements. The unrestricted fund is made up of all other incoming resources and is for general use.

**Operating Leases**

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

<b>2. Net surplus of the period</b>	<b>2005</b>	<b>2004</b>
The net surplus for the period is stated after charging:-	£	£
Auditors' remuneration - audit services	3,400	3,300
	<u>3,400</u>	<u>3,300</u>
<b>3. Employee information</b>	<b>2005</b>	<b>2004</b>
Staff costs:	£	£
Wages and salaries	93,953	88,241
Social security costs	7,409	6,826
	<u>101,362</u>	<u>95,067</u>

The average number of employees during the period was 4 (2004: 4). No employee received emoluments in excess of £60,000.

<b>4. Voluntary Income</b>	<b>2005</b>	<b>2004</b>
	£	£
Subscriptions	95,981	81,911
Unrestricted donations	69,693	51,151
Restricted donations	58,169	92,394
Restricted legacy	2,000	-
Unrestricted legacies	-	18,165
Gift aid tax recoverable	30,644	30,235
	<u>256,487</u>	<u>273,856</u>

## GALAPAGOS CONSERVATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

5. Activities for generating funds	2005	2004
	£	£
Unrestricted trading income	10,803	5,866
Restricted Income from events	9,591	
Unrestricted Income from events	85,992	191,153
Gifts in kind	37,000	-
	<u>143,386</u>	<u>197,019</u>

6. Cost of generating voluntary income	2005	2004
	£	£
Subscriptions administration and promotion	14,383	10,460
Marketing costs	4,029	10,034
Restricted income appeal costs	5,615	18,749
Staffing	29,177	19,013
Support costs	26,040	22,891
	<u>79,244</u>	<u>81,147</u>

7. Fundraising trading and other costs	2005	2004
	£	£
Trading cost of sales	3,634	9,834
Direct cost of fundraising events	32,981	157,903
Staffing	16,744	19,977
Support costs	14,942	12,841
Gifts in kind	37,000	-
	<u>105,301</u>	<u>200,555</u>

8. Charitable activities				2005	2004
Unrestricted funds	Activities undertaken directly	Grant funding of activities	Support costs	£	£
	£	£	£		
Education and awareness raising of Galapagos	21,902	-	37,303	59,205	57,658
Friends of Galapagos	4,256	-	-	4,256	2,642
Galapagos National Park	-	10,428	-	10,428	-
Charles Darwin Foundation	-	22,824	-	22,824	-
Wildcru rice rat project	-	3,800	-	3,800	-
Other grants made	-	-	-	-	48,981
<b>Restricted funds</b>					
Grants made	6,965	134,240	-	141,205	40,741
	<u>33,123</u>	<u>171,292</u>	<u>37,303</u>	<u>241,718</u>	<u>150,022</u>

**GALAPAGOS CONSERVATION TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2005 (CONTINUED)**

9. Restricted Funds	Funds at 1 January 2005	Incoming resources	Resources expended	Transfers between funds	Funds at 31 December 2005
	£	£	£	£	£
Tortoises	4,386	10,751	(11,638)	-	3,499
Project Isabela	6,427	3,010	(7,007)	-	2,430
Marine Appeal	722	20	(411)	-	331
Robert Benstead- Smith Training Fund	16,364	8,070	(10,000)	647	15,081
PhD Students Fund	75,364	17,000	(91,275)	647	1,736
Safe Pets Project	100	-	(100)	-	-
Botany Appeal	4,624	13,095	(15,569)	649	2,799
CDF	2,250	320	(2,570)	-	-
GNP legal fees	-	150	(150)	-	-
Birds of Galapagos	-	299	-	-	299
Invertebrate Project	-	6,058	-	-	6,058
Birthday Fund	-	9,987	(7,100)	-	2,887
Restaurant Project	-	1,000	(1,000)	-	-
Interest received	-	1,943	-	(1,943)	-
	<u>110,237</u>	<u>71,703</u>	<u>(146,820)</u>	<u>-</u>	<u>35,120</u>

10. Tangible fixed assets	Fixtures and		
	Fittings	Equipment	Total
Cost	£	£	£
At 1 January 2005	3,986	17,074	21,060
Additions	-	2,600	2,600
Disposals	-	-	-
At 31 December 2005	<u>3,986</u>	<u>19,674</u>	<u>23,660</u>
<b>Depreciation</b>			
At 1 January 2005	3,986	12,857	16,843
Charge for the year	-	3,416	3,416
Disposals	-	-	-
At 31 December 2005	<u>3,986</u>	<u>16,273</u>	<u>20,259</u>
<b>Net book amounts</b>			
At 31 December 2005	<u>-</u>	<u>3,401</u>	<u>3,401</u>
At 31 December 2004	<u>-</u>	<u>4,217</u>	<u>4,217</u>

All assets are held for the benefit of the charity.

11. Debtors	2005	2004
	£	£
Other debtors	8,768	2,328
Prepayments and accrued income	-	11,286
	<u>8,768</u>	<u>13,614</u>

## GALAPAGOS CONSERVATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

<b>12. Creditors</b>	<b>2005</b>	<b>2004</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Committed grants	23,667	-
Other creditors and accruals	10,075	4,220
Social security and other taxes	2,335	2,015
	<u>36,077</u>	<u>6,235</u>

<b>13. Creditors</b>	<b>2005</b>	<b>2004</b>
<b>Amounts falling due after more one year:</b>	<b>£</b>	<b>£</b>
Committed grants	47,333	-
	<u>47,333</u>	<u>-</u>

<b>14. Analysis of net assets</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	3,401	-	3,401
Cash and deposits	115,893	106,120	222,013
Other net current liabilities	1,041	(23,667)	(22,626)
Creditors due after more than one year		(47,333)	(47,333)
	<u>120,335</u>	<u>35,120</u>	<u>155,455</u>

#### 15. Transactions with Trustees

Trustees received no remuneration for their services as Trustees, but travel and sundry expenses of £1,317 were reimbursed to 1 Trustee during the period (2004: £910 reimbursed to 5 Trustees).

#### 16. Lease commitments

The minimum annual commitments due under operating leases are as follows:

<b>Expiring:</b>	<b>2005</b>	<b>2004</b>
1- 2 years	<b>£</b>	<b>£</b>
	3,500	3,500
	<u>3,500</u>	<u>3,500</u>