

Registered Number: 3004112
Charity Number: 1043470

GALAPAGOS CONSERVATION TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2007

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GALAPAGOS CONSERVATION TRUST

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GALAPAGOS CONSERVATION TRUST

LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 December 2007

Charity number: 1043470

Company number: 3004112

Registered Address: 5 Derby Street
London
W1J 7AB

Trustees: Richard Robinson – Chairman
Sally Benthall – Vice Chair (Retired Dec 2007)
Rebecca Bower OBE – Honorary Treasurer
Matthew Simkins – Company Secretary
Mark Collins
Gill Green
Tina Knight
Robert Silbermann
Edmund Truell

HONORARY ROLES

President: Andrew Marr

Vice Presidents: Julian Fitter
Nigel Sitwell
Jennifer Stone

Patrons: Janet Barber
Sir James Barlow Bt
Angela Darwin
Sarah Darwin PhD
Professor Richard Keynes CBE FRS
Dorothy Latsis
Godfrey Merlen
Professor Ian Swingland OBE

GALAPAGOS CONSERVATION TRUST

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED) For the year ended 31 December 2007

Auditors:	Nexia Smith & Williamson Prospect House 2 Athenaeum Road London N20 9YU
Accountants:	Clarity 2 Lancaster Close Weston Heights Stevenage SG1 4RX
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
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 2007

STRUCTURE, GOVERNANCE AND MANAGEMENT

Introduction

The Galapagos Conservation Trust (GCT) was set up in 1995 as a UK registered charity and a company limited by guarantee. GCT's purpose is to raise awareness of, and funds for the conservation needs of the Galapagos Islands and to be the primary source of information and comment in the UK on conservation, science and research taking place in Galapagos.

It achieves its objectives primarily through generating financial support for the work of its key partners in Galapagos, the Charles Darwin Foundation and the Galapagos National Park Service and through its awareness raising and education work in the UK.

The Board of Trustees and its role

The Trust is governed by a Board of Trustees who are also the only Members of the company. 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 for a further two terms (nine years in total). The Memorandum and Articles of Association of the company allow for a minimum of 3 Trustees but no maximum. During 2007, Sally Benthall retired and no new Trustees were appointed, although three are in the process of being appointed in early 2008.

During 2007 a review of the governance needs of the organisation was concluded. This included a review of the honorary roles of Vice Presidents and Patrons, in order to ensure that these best meet the needs of the organisations and the skills of the individuals concerned. Updates to the Memorandum and Articles of Association have been proposed to reflect these changes but these do not include any changes to the charity's Objectives. Galapagos Conservation Trust is satisfied that it has a capable and experienced Board of Trustees able to build on its past successes, and support the staff in raising further funds in the future.

The Trustees meet five/six 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. Trustees also have an annual Away day for Strategy, with external professional input and facilitation, and regularly invite representatives from CDF to attend their meetings (as observers) in order to keep up to date with developments in Galapagos. 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 is delegated to the Chief Executive.

Trustee recruitment and induction

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 before they are formally asked to join the Board.

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 and the length of service for Trustees.

GALAPAGOS CONSERVATION TRUST

TRUSTEES' REPORT For the year ended 31 December 2007

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.

Recruitment of new Chief Executive

The Executive Director resigned early in 2007. The Trustees reviewed the role and undertook a thorough recruitment process in order to ensure they attracted and recruited the right candidate to take the charity forward. During this process a part time Interim Director was appointed to maintain momentum and the new Chief Executive took up her post in September 2007.

OBJECTIVES AND ACTIVITIES

Since 1995, the Galapagos Conservation Trust (GCT) has been working to promote the successful conservation of the Galapagos archipelago's unique biodiversity. We are the only UK organisation focussed entirely on working to protect the Galapagos Islands, and our mission is -

- To contribute to the successful management of the Galapagos ecosystem
- To raise awareness of, and funds for, the conservation needs of Galapagos
- To act as the primary source of information and comment in the UK on conservation in the Galapagos Islands

In order to achieve our mission, in 2007 GCT had four main objectives

a) 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 and legacies from individuals, trusts, foundations and companies
- Our membership scheme
- Appeals to our supporters and the British public in general
- Sales of our merchandise and promoting our "Adopt a Species" programme
- Organising fundraising events and a raffle and obtaining sponsorship for events

b) Create New Supporters And Maintain Relationships With Current Supporters Through A Membership Scheme

Our members are the lifeblood of the organisation and without their continued support we would not be able to carry out our mission to conserve Galapagos for future generations. The main source of new members is people who visit Galapagos. 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.

To encourage members to continue supporting the Galapagos we send out regular newsletters, updates and invitations to events.

GALAPAGOS CONSERVATION TRUST

TRUSTEES' REPORT For the year ended 31 December 2007

c) Collaborate With Partners to Ensure Future Funding For Galapagos

GCT 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 Galapagos we work closely with the Charles Darwin Foundation, who advise the Government of Ecuador and work in close collaboration with the Galapagos National Park

d) Communicate The Challenges Facing Galapagos 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 many challenges facing the Galapagos Islands. This is important in itself, but also as a catalyst for raising further funds. We do this through our newsletter, talks, monthly email bulletins, our schools programme, website (www.savegalapagos.org) and through maintaining contact with the UK Press

ACHIEVEMENTS AND PERFORMANCE

Some Highlights for GCT in 2007 included:-

- Providing over £166,000 funding to Galapagos
- Minimising disruption to our services whilst successfully recruiting a new Chief Executive
- Widely promoting the socio economic challenges facing Galapagos as highlighted in CDF's 2007 *Galapagos at Risk* report
- Being invited to join CDF's General Assembly in recognition of our ongoing financial and partnership support
- Holding the most successful Galapagos Day and raffle in its 12 year history

GALAPAGOS CONSERVATION TRUST

TRUSTEES' REPORT For the year ended 31 December 2007

a) Deliver Essential Resources To Galapagos

In 2007 we were able to provide funding of over £166,000 to Galapagos, an increase of 16.9% over the previous year. In recognition of the broader socio-economic context for conservation, this funding supported a wide range of projects including -

Shark Campaign: The Galapagos Marine Reserve covers 140,000 square kilometres and is the fourth largest protected marine area in the world. In spite of this however, native species are in decline and, as the top predators, the reduction in shark numbers poses a particular problem and threat to the entire marine ecosystem. In 2007 GCT launched a Shark Campaign both to raise funds for the work of CDF's Marine Biology team and their shark monitoring programme and also to push for a ban on the import of shark fins into the UK. Thanks to this Campaign, GCT were able to provide funds of just over £23,000 to support a new Head of BIOMAR and to expand the shark monitoring programme and extend it to include a new site (Academy Bay) and species (the White tipped reef shark).

Eradication of Invasive Species: Invasive species remain the greatest threat to the biodiversity of Galapagos, and the increases in boat and plane arrivals in recent years have greatly increased the risks. Collaboration, research and control are essential to deal with these issues and in 2007 GCT supported a range of projects in all of these areas.

"The combination of expertise at this workshop has already created an exciting plan for Pinzon Island which will provide a testing ground for the eradication of (introduced) rodents from the entire archipelago"
Linda Cayot, workshop coordinator

For example, we provided funding for an international workshop on rodent eradication, as well as financial support for the eradication of introduced rats in Pinzon, and we provided £29,000 to fund in full the initial research to develop control methods for *Philornis Downsi*, a particularly nasty parasitic fly that infests the nests of some of Galapagos' most endangered bird species. We also provided salary support for the Heads of Vertebrates and Invertebrates to help manage these programmes.

Supporting local people: In the face of rapid and unregulated economic growth there is a clear need to provide employment that does not have any detrimental impact on the fragile ecology, to raise awareness of the conservation issues locally and find positive ways for local residents to participate in protecting the ecosystem. Thanks to the support of a committed group of supporters who had recently visited Galapagos, GCT was able to provide over £45,000 funding for a training programme for young people from the farming and fishing communities of Floreana and Isabela to become Natural Resource Management Teams. Following practical and classroom training from CDF and the Galapagos National Park the first group are now actively engaged in conservation projects and are championing the need for conservation within their communities. The hope is to train up to 50 young people in total through this programme.

GALAPAGOS CONSERVATION TRUST

TRUSTEES' REPORT For the year ended 31 December 2007

b) Create New Supporters And Maintain Relationships With Current Supporters Through A Membership Scheme

Our members provide vital financial support for the Trust, both through their subscriptions and donations and through their support for our events, raffle and merchandise. In 2007 we were delighted to welcome some 700 new members, including six who joined at the top level of Life Benefactor. We also welcomed Kate Green who joined as the new Membership Officer in January 2007.

In the first half of the year considerable time and resources were spent in implementing a new supporter database to improve our membership administration and services. This has enabled us to produce more accurate membership data and to manage Gift Aid, subscriptions and donations more effectively. We now have over 4,900 active members.

c) Collaborate With Partners To Ensure Future Funding For Galapagos

GCT is proud to be part of the international network of Friends of Galapagos Organisations who are all working towards ensuring a successful and sustainable future for Galapagos.

Our key partner in Galapagos is the Charles Darwin Foundation (CDF), who provide knowledge and assistance through scientific research and complementary action to ensure the conservation of the environment and biodiversity in the Galapagos Archipelago. They in turn recognise the vital role that GCT plays in delivering funds and awareness for their work. In 2007 the Executive Director, Director of Development and Information and the Director of Technical Assistance all spent time in the UK, delivering talks and meeting with GCT's staff, Trustees and donors to update them on current issues and agree future priorities. In November GCT's Vice Chair and Chief Executive attended CDF's General Assembly meeting in Galapagos, where GCT was invited to become a Corresponding Member of the Assembly for the first time, in recognition of our ongoing support.

Within the UK partnerships are also vital to our continued success. We work closely with members of the travel industry who share our commitment to responsible tourism and were indebted to Discovery Initiatives in particular for their continued sponsorship of our raffle and Galapagos Day. In 2007 GCT became members of the UK based Latin American Travel Association (LATA) to strengthen our partnership work with tour operators and partners promoting and working in Ecuador. Corporate partners and sponsors are also very important to our work and in 2007 we secured £15,000 sponsorship from shipping company Stolt-Nielsen for our Galapagos Day lecture.

During 2007 we continued our administration and liaison role with the Galapagos National Park Service in the Jessica Oil Spill case that is still in the courts in London.

d) Communicate The Cause And Support GCT's Profile Through Education And Awareness Raising

A key area of GCT's work is to promote awareness in the UK of the challenges facing Galapagos and its importance to the wider world. 2007 was a landmark year for Galapagos – in April the new President of Ecuador declared the islands "at risk" and a "national priority for conservation", and in June UNESCO added it to the list of World Heritage Sites in Danger. Further evidence of the risks posed by the unregulated growth over the past 15 years was provided by CDF's important *Galapagos at Risk* report. This drew together evidence of the increases in tourism and population and associated economic development and increase in invasive species into a single document for the first time. All of these factors created a call for action and momentum for change.

GALAPAGOS CONSERVATION TRUST

TRUSTEES' REPORT For the year ended 31 December 2007

GCT played a vital role in communicating these wider issues to the Press and general public in the UK, as well as in supporting CDF in their public and media relations work. The main ways in which we achieved this were -

- Producing the biannual newsletter *Galapagos News* on behalf of the international Friends of Galapagos network. For the first time the October issue focussed on the socio economic challenges in Galapagos
- Producing two issues of the accompanying *UK News* and mailing these to over 5,800 members, supporters and partners
- Producing a Chairman's Review in January for members and supporters, highlighting key successes in 2006 and priorities for 2007
- Acting as a resource for members of the UK Press and providing spokespeople about Galapagos as required. This led to features in several daily newspapers including the Independent and Financial Times
- Sending monthly e-bulletin updates to over 4,000 subscribers. The circulation for this increased by 20% during 2007
- Maintaining a regularly updated website (www.savegalapagos.org)
- Organising talks and events around the country
- Running a schools education programme – Tortoise Club for Primary Schools – and a junior newsletter to engage younger audiences in conservation

PLANS FOR THE FUTURE

Now that we have our new Chief Executive in post, the Trustees are working with her to agree a new Business Plan for the organisation. This will include plans to capitalise on a number of key anniversaries that all occur in 2009 – the 200th anniversary of Darwin's birth, 150th anniversary of the publication of *On the Origin of Species*, and the 50th anniversaries of the creation of the Charles Darwin Foundation and Galapagos National Park.

Other plans for 2008 include

- increasing our total income by at least 10%
- reviewing the staffing structure of the Trust to best meet our objectives
- working closely with CDF on the development of their Case Statement, a five year Call for Action and fundraising plan, and identifying audiences for this
- finding ways to develop sponsorship income beyond events
- increasing awareness in the UK of the challenges facing Galapagos
- introducing customer care standards to ensure an efficient service at all times
- planning to increase our legacy income

GALAPAGOS CONSERVATION TRUST

TRUSTEES' REPORT

For the year ended 31 December 2007

FINANCIAL REVIEW

GCT had a successful year in 2007 and, as reported above, was able to send funds of over £166,000 for projects in Galapagos. Although costs were incurred in the recruitment of a new Chief Executive the process was managed in a cost effective way, and steps taken to minimise disruption to our income whilst this transition took place.

Total income of £419,575 was generated, of which £76,507 was restricted. This also included Membership income which increased to £129,618. Although we reduced the number of events held in 2007, Galapagos Day and the associated raffle were both the most successful ever and between them generated a net income of £42,000 (excluding allocation of staff costs). This includes sponsorship of £16,500. We are very grateful to the many organisations that support us and provide gifts in kind for our events and our main raffle.

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. Historically the Trustees agreed that to maintain financial viability we needed to maintain Unrestricted Reserves of £75,000 in 2007, representing approximately six months operating costs. The Trustees have just agreed to increase this figure gradually to a target of £90,000 by the end of 2008 in order to ensure it still meets our needs. At the end of the year Unrestricted Reserves stood at £79,321.

Volunteers

As an organisation with less than four full time staff, GCT relies heavily on the hard work of our volunteers. They make a vital contribution to our office and membership administration and at our events and we are extremely grateful to them for their commitment and support. In 2007, our volunteers donated a total of 191 days to the Trust in a variety of ways, including

- Logging over 25,000 raffle tickets
- Managing our Tortoise Club for Primary Schools
- Continuing the upgrade of our slide library and photo competition
- Assisting with major events such as Galapagos Day
- Stuffing over 10,000 envelopes and providing general administrative back up to our staff team
- Giving presentations and talks about Galapagos on our behalf

GALAPAGOS CONSERVATION TRUST

TRUSTEES' REPORT For the year ended 31 December 2007

TRUSTEES' RESPONSIBILITIES

Company and charity law applicable to charities in England/Wales 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements the Trustees have

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Trust will continue in operation)

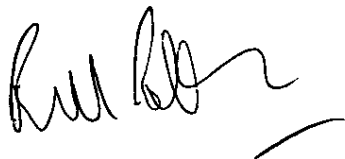
The Trustees have overall responsibility for ensuring that the company has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

The trustees have confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

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

Approved by the Trustees on 30 April 2008 and signed on their behalf by



Richard Robinson
Chairman

GALAPAGOS CONSERVATION TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GALAPAGOS CONSERVATION TRUST

We have audited the accounts of Galapagos Conservation Trust for the year ended 31 December 2007 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

The responsibilities of the trustees (who are also the directors of Galapagos Conservation Trust Limited for the purposes of company law) for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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 whether the information given in the Trustees' Annual Report is consistent with the financial statements.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 Trust'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.

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 2007 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, and
- the information provided in the Trustees Annual Report is consistent with the accounts

Nexia Smith & Williamson

Nexia Smith & Williamson
Chartered Accountants
Registered Auditors
London N20 9YU

Date 20 May 2008

GALAPAGOS CONSERVATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) For the year ended 31 December 2007

	Note	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Incoming resources					
Voluntary income					
Donations and legacies	2	116,738	76,507	193,245	233,426
Membership subscriptions		129,618	-	129,618	107,577
Activities for generating funds					
Fundraising events		74,933	-	74,933	91,222
Fundraising trading		13,711	-	13,711	22,130
Bank interest receivable		8,068	-	8,068	5,489
Total incoming resources		343,068	76,507	419,575	459,844
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		35,349	-	35,349	65,026
Fundraising events		51,638	-	51,638	94,914
Fundraising trading		8,480	-	8,480	15,856
Charitable activities					
Education and awareness	3	129,421	-	129,421	97,242
Grant making to Galapagos	4	96,601	103,707	200,308	172,308
Governance costs		22,744	-	22,744	18,190
Total resources expended	5	344,233	103,707	447,940	463,536
Net incoming / (outgoing) resources before transfers	6	(1,165)	(27,200)	(28,365)	(3,692)
Gross transfers between funds	13	-	-	-	-
Net movement in funds for the year		(1,165)	(27,200)	(28,365)	(3,692)
Reconciliation of funds					
Total funds brought forward	13	80,486	71,277	151,763	155,455
Total funds carried forward	13	79,321	44,077	123,398	151,763

All operations are continuing

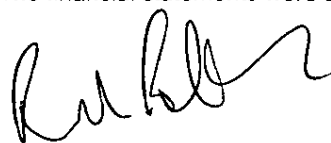
The deficit for the year for Companies Act purposes was £28,365 (2006 - £3,692)

GALAPAGOS CONSERVATION TRUST

BALANCE SHEET As at 31 December 2007

		2007		2006	
Note	£	£	£	£	£
Fixed assets					
Tangible assets	9		9,625		8,928
Current assets					
Stock		3,610		4,628	
Debtors	10	14,578		43,872	
Cash at bank and in hand		178,399		181,161	
		196,587		229,661	
Creditors amounts falling due					
within one year	11	(38,814)		(41,826)	
Net current assets			157,773		187,835
Total assets less current liabilities			167,398		196,763
Creditors amounts falling due					
after more than one year	12		(44,000)		(45,000)
Net assets			123,398		151,763
Funds					
Restricted funds	13		44,077		71,277
Unrestricted funds	13		79,321		80,486
Total funds			123,398		151,763

The financial statements were approved by the Board on 30 April 2008 and signed on its behalf by



R Robinson
Chairman



R Bower
Director

The accompanying notes form part of the financial statements

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2005 and applicable accounting standards.

1.2 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. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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.

1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

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

1.4 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.

1.5 Foreign currencies

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.

1.6 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

1.7 Stocks

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

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

2 DONATIONS AND LEGACIES

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Donations	64,861	76,507	141,368	198,701
Legacies	5,000	-	5,000	-
Tax recoverable under Gift Aid	46,877	-	46,877	34,725
	116,738	76,507	193,245	233,426

3. EDUCATION AND AWARENESS OF GALAPAGOS

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Education and awareness of Galapagos				
Chairman's Review and Newsletter publication costs	27,837	-	27,837	18,206
Crisis In Paradise DVD production costs	10,404	-	10,404	-
Promoting public education and awareness of Galapagos	9,184	-	9,184	17,680
Other direct education and awareness costs	4,183	-	4,183	20,104
Staff costs	51,614	-	51,614	28,161
Support costs	26,199	-	26,199	13,091
	129,421	-	129,421	97,242

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

4. GRANT MAKING TO GALAPAGOS

	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Grant making to Galapagos				
Grants Payable to Galapagos	62,841	103,707	166,548	142,411
Staff costs	22,369	-	22,369	20,422
Support costs	11,391	-	11,391	9,475
	96,601	103,707	200,308	172,308
	96,601	103,707	200,308	172,308

A full list of the grants and the projects that are funded in Galapagos is available from the administrative office

	2007 £	2006 £
Reconciliation of grants payable		
Commitments at 1 January 2007	70,000	71,000
Grants committed during the year	166,548	142,411
Grants paid during the year	(163,048)	(143,411)
	73,500	70,000
Commitments at 31 December 2007	73,500	70,000
	2007 £	2006 £
Commitments falling due within one year	29,500	25,000
Commitments falling due after more than one year	44,000	45,000
	73,500	70,000
	73,500	70,000

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

5. RESOURCES EXPENDED

Resources expended	Grants payable £	Gifts in kind £	Other direct costs £	Staff costs £	Support costs £	Total 2007 £
Generating income	-	-	6,775	18,892	9,682	35,349
Fundraising events	-	9,535	20,079	14,620	7,404	51,638
Fundraising trading	-	-	8,480	-	-	8,480
Education & awareness	-	-	51,608	51,614	26,199	129,421
Grant making	166,548	-	-	22,369	11,391	200,308
Governance	-	-	16,381	4,085	2,278	22,744
	<u>166,548</u>	<u>9,535</u>	<u>103,323</u>	<u>111,580</u>	<u>56,954</u>	<u>447,940</u>

Support costs are allocated on the basis of estimates of the proportion of time spent by staff on those activities and comprise

	Administrative office function £	Human resources & recruitment £	Depreciation of fixed assets £	Premises costs £	Total 2007 £	Total 2006 £
Generating income	5,284	2,199	1,211	988	9,682	12,650
Fundraising events	4,041	1,682	926	756	7,404	11,738
Education & awareness	14,297	5,951	3,277	2,674	26,199	13,091
Grant making	6,216	2,587	1,425	1,163	11,391	9,475
Governance	1,243	517	285	233	2,278	1,888
	<u>31,081</u>	<u>12,936</u>	<u>7,124</u>	<u>5,813</u>	<u>56,954</u>	<u>48,842</u>

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. Therefore the support costs shown above are a best estimate of the costs that have been so allocated.

6. NET INCOMING / (OUTGOING) RESOURCES FOR THE YEAR

	2007 £	2006 £
Net incoming / (outgoing) resources for the year is stated after charging		
Auditors remuneration - audit fee	6,198	3,555
Depreciation	7,124	5,421
	<u>6,198</u>	<u>3,555</u>
	<u>7,124</u>	<u>5,421</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

7. REMUNERATION AND REIMBURSEMENT OF EXPENSES TO TRUSTEES

No trustee received or waived any emoluments for the services during the year (2006 £nil) Certain trustees were reimbursed for directly incurred out of pocket expenses during the year totalling £103 (2006 - £545)

8. STAFF COSTS

	2007	2006
	£	£
Salaries and wages	80,555	97,239
Social security costs	6,825	7,830
Interim Executive Director	24,200	-
	111,580	105,069
	111,580	105,069

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was nil (2006 – nil)

The average number of employees calculated on a full-time equivalent basis, analysed by function was

	Number	Number
Generating funds	1	1
Charitable activities	3	3
	4	4
	4	4

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings	Computer Equipment	Total
	£	£	£
Cost			
At 1 January 2007	3,986	30,621	34,607
Additions	-	7,821	7,821
Disposals	-	(17,074)	(17,074)
	3,986	21,368	25,354
Depreciation			
At 1 January 2007	3,986	21,693	25,679
Charge for the period	-	7,124	7,124
Disposals	-	(17,074)	(17,074)
	3,986	11,743	15,729
Net book value			
At 31 December 2007	-	9,625	9,625
	-	9,625	9,625
At 31 December 2006	-	8,928	8,928
	-	8,928	8,928

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

10 DEBTORS

	2007	2006
	£	£
Trade debtors	398	-
Accrued income	-	31,100
Tax recoverable under Gift Aid	7,789	6,858
Other debtors and prepayments	6,391	5,914
	<hr/>	<hr/>
	14,578	43,872
	<hr/> <hr/>	<hr/> <hr/>

11. CREDITORS:

Amounts falling due within one year

	2007	2006
	£	£
Grants payable	29,500	25,000
Other tax and social security	-	2,658
Other creditors and accrued expenditure	9,314	14,168
	<hr/>	<hr/>
	38,814	41,826
	<hr/> <hr/>	<hr/> <hr/>

12. CREDITORS:

Amounts falling due after more than one year

	2007	2006
	£	£
Grants payable	44,000	45,000
	<hr/> <hr/>	<hr/> <hr/>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

13. STATEMENT OF FUNDS

Statement of funds	1 January 2007 £	Incoming Resources £	Resources Expended £	Transfers £	31 December 2007 £
Restricted funds					
Education on Floreana and Isabela	45,500	-	(45,500)	-	-
Eradication of Invasive Fauna	5,495	2,926	(6,896)	-	1,525
Entomology	5,250	1,000	(6,250)	-	-
Birds of Galapagos	3,815	125	(3,940)	-	-
Reptiles	3,241	2,736	(4,407)	-	1,570
Luxembourg Initiative	2,350	-	(2,350)	-	-
Manne	1,810	11,784	(13,594)	-	-
PhD Students	1,736	2,020	-	-	3,756
Birthday Fund	1,420	-	(1,420)	-	-
Botany	660	-	(660)	-	-
CDF Fund	-	50	(50)	-	-
Calouste Gulbenkian Arts Project	-	35,000	(17,774)	-	17,226
White Tipped Reef Sharks	-	866	(866)	-	-
BBC Wildlife Fund	-	20,000	-	-	20,000
	<u>71,277</u>	<u>76,507</u>	<u>(103,707)</u>	<u>-</u>	<u>44,077</u>
Unrestricted funds					
General Fund					
Grants Fund	-	-	(62,841)	62,841	-
Non Grants Fund	80,486	343,068	(281,392)	(62,841)	79,321
	<u>80,486</u>	<u>343,068</u>	<u>(344,233)</u>	<u>-</u>	<u>79,321</u>
Total funds	<u><u>151,763</u></u>	<u><u>419,575</u></u>	<u><u>(447,940)</u></u>	<u><u>-</u></u>	<u><u>123,398</u></u>

Brief Description of Galapagos Conservation Trust Funds

The Education on Floreana and Isabela Fund was set up in 2006 to ensure the long term protection and management of the Galapagos Island's biodiversity by training local people on two of the inhabited islands to become fully qualified Natural Resource Management Teams

The Eradication of Invasive Fauna Fund funds projects to tackle the control and management of invasive wildlife, the greatest threat to the biodiversity of Galapagos

The Entomology Fund funds a range of projects supporting the conservation of insects in Galapagos

Birds of Galapagos Fund was set up to help protect the unique bird life of the Galapagos. It was launched as the Sylvia Harcourt-Carrasco Bird Life Fund for Galapagos to commemorate Sylvia's award of an MBE in the 2006 New Year's Honours list, for her services to conservation and education in Galapagos. Sylvia has had a long-time interest in the protection of the Mangrove finch - one of the 22 species of endemic land birds in Galapagos

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

13. STATEMENT OF FUNDS (CONTINUED)

The Reptiles Fund has been largely funded through tortoise adoptions and individual donations and its main support is for the breeding and repatriation programmes for the iconic giant tortoises and marine and land iguanas

The Luxembourg Initiative Fund was funded through donations received from guests at a special weekend hosted by HRH the Grand Duke of Luxembourg in 2006

The Marine Fund supports a range of projects to ensure a sustainable future for the Galapagos Marine Reserve and the many unique species found there. Much of its income comes through donations to the Trust's Shark Campaign, and this has supported both the monitoring and tagging of these key species and the strengthening of the Marine Biology Department at the Charles Darwin Foundation who carry out this work

The PhD Students Fund has mainly supported Ecuadorian students coming to the UK

The Birthday Fund was funded through a special appeal to commemorate the Galapagos Conservation Trust's 10th anniversary in 2005 and has funded a wide range of conservation and institutional projects

The Botany Fund funds work to both educate people about the native plant species and to cultivate and protect them, whilst managing the threat from introduced plant species

The CDF Fund is made up of donations designated for sole use by the Charles Darwin Foundation, GCT's key partner in the islands

The Calouste Gulbenkian Arts Project Fund represents funding from the Foundation to establish an artists' residency programme for up to 12 British artists to spend time exploring both the natural wonders and current challenges of Galapagos

The White Tipped Reef Sharks Fund represents funds received both through a Tribute Fund set up in memory of a GCT supporter, and through our Shark Campaign. It has been used to enable white tipped reef sharks to be included in the tagging and monitoring programme in Galapagos

The BBC Wildlife Fund represents funding from the BBC Wildlife Fund to support the annual penguin and cormorant survey in Galapagos and to promote awareness of the plight of these two endemic species

The CDF Visitor Centre represents donations to undertake the renovation and future development of the Visitor and Education Complex at the Charles Darwin Research Station on Santa Cruz

14. ANALYSIS OF NET ASSETS BETWEEN TOTAL FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2007 are represented by			
Tangible fixed assets	9,625	-	9,625
Cash at bank and in hand	134,322	44,077	178,399
Other net current assets / (liabilities)	(20,626)	-	(20,626)
Creditors falling due after one year	(44,000)	-	(44,000)
	79,321	44,077	123,398

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2007

15. OPERATING LEASE COMMITMENTS

At 31 December 2007 the charity had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
Expiry date	£	£
Between one and two years	3,500	3,500
	<u>3,500</u>	<u>3,500</u>

16. TAXATION

The Galapagos Conservation Trust is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities