

GALAPAGOS CONSERVATION TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Company Number: 3004112

Registered Charity Number: 1043470



GALAPAGOS CONSERVATION TRUST

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GALAPAGOS CONSERVATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

LEGAL AND ADMINISTRATIVE INFORMATION

Governing Document: Memorandum and Articles of Association

Charity number: 1043470

Company number: 3004112

Registered Address: Galapagos Conservation Trust
5 Derby Street
London
W1J 7AB

Trustees: Richard Robinson – Chairman
Gill Green – Vice Chair
Rebecca Bower OBE – Honorary Treasurer
Matthew Simkins – Company Secretary
Mark Collins
Tina Knight (resigned 30 April 2008)
Robert Silbermann
Edmund Truell
Sven Lorenz (appointed 30 April 2008)
Svetlana Kirov (appointed 30 April 2008)
Professor Terry Dawson (appointed 30 April 2008)

HONORARY ROLES

President: Andrew Marr

Ambassadors: Janet Barber
Sir James Barlow Bt
Sally Benthall
Angela Darwin
Sarah Darwin PhD
Julian Fitter
Professor Richard Keynes CBE FRS
Dorothy Latsis
Godfrey Merlen
Nigel Sitwell
Jennifer Stone
Professor Ian Swingland OBE

GALAPAGOS CONSERVATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditors:

Wilkins Kennedy
Chartered Accountants and Registered Auditors
Bridge House
London
SE1 9QR

Accountants:

Clarity
2 Lancaster Close
Weston Heights
Stevenage
SG1 4RX

Solicitors:

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Stone King Sewell
16 St John's Lane
London
EC1M 4BS

Bankers:

Lloyds Bank plc
157 Wandsworth High Street
London
SW18 4JA

CAFCash Ltd
Kings Hill
West Malling
Kent
ME19 4TA

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 2008.

1. 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 (CDF) and the Galapagos National Park Service (GNPS), 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 there is currently no maximum. During 2008, Tina Knight resigned and three new Trustees were appointed – Svetlana Kirov, Sven Lorenz and Professor Terry Dawson.

During 2008 the honorary roles of Vice Presidents and Patrons were combined to become Ambassadors, and the role was clarified to ensure that this best meets the needs of the organisation and the skills of the individuals concerned. A revision to the Memorandum and Articles of Association has been drafted to reflect these changes but this does not include any changes to the charity's Objectives. Following the Charity Commission's approval, the Trustees plan to approve the revised Memorandum and Articles of Association during 2009. 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 Awayday for Strategy, with external professional input and facilitation, and regularly invite representatives from Galapagos 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.

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.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

2. 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.

The need for this work is now more pressing than ever. Over the past 15 years the Galapagos Islands have seen unprecedented growth and development. Visitor numbers have increased from 40,000 in 1991 to 173,000 in 2008 and close to 30,000 now live in the Islands. The resulting threats to the fragile ecosystem from pollution, construction and growing numbers of invasive species led to the President of Ecuador declaring the Islands "at risk" and UNESCO putting the Islands on the list of World Heritage In Danger in 2007. Unless urgent and holistic action is taken, this icon of the natural world will be lost.

In 2008 GCT had four main objectives to achieve our mission:

a) **Deliver Essential Resources to Galapagos**

Our support of conservation projects in Galapagos is achieved principally through grants made to our local partners, the Charles Darwin Foundation and the Galapagos National Park Service. 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 and gifts in kind for these

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 Service 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.

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 Service.

Partnerships are also very important here in the UK and we work closely with a range of strategic, funding, media and travel partners who share our vision for Galapagos. We are also delighted to work closely with the Ecuadorian Embassy, members of the Darwin family and other organisations promoting Charles Darwin's legacy.

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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.

3. ACHIEVEMENTS AND PERFORMANCE

Some Highlights for GCT in 2008 included:-

-  Raising over £500,000 income for only the second time in our history
-  Providing grant funding of over £160,000 to the Charles Darwin Foundation in Galapagos
-  Engaging a record number of young people - boosting membership of our Junior membership by 30% and almost doubling membership of our Tortoise Club for Primary Schools
-  Attracting national media attention in October for the launch of our Appeal to save the Floreana Mockingbird and restore its native island. This led to public recognition that it was the Mockingbirds and not the finches that had inspired Darwin's thinking
-  Working with the Charles Darwin Foundation to produce a 5 year \$30 million Call to Action setting out a holistic approach to the challenges facing Galapagos. This was tested out at a dinner in the Smith Centre at the Science Museum hosted by Professor Richard Dawkins in April
-  Holding our most successful annual raffle ever with net income of over £31,000

a) Deliver Essential Resources to Galapagos

In 2008 we were able to invest over £230,000 in support for conservation in Galapagos. In particular we provided over £160,000 grant funding to the Charles Darwin Foundation, our key partners in the Islands. Having agreed the priority areas with them at the start of the year, this funding supported a wide range of projects including:-

Pinta project – island restoration: Restoring the natural balance on each of the main islands remains a high priority. One of our flagship projects in 2008 was to help put Galapagos Giant tortoises back on the island of Pinta and, thanks to the generosity of our members and a grant of £14,500 from British Chelonia Group, we achieved our overall target of £27,000 last year.

The Pinta tortoise population had been decimated by pirates, whalers and fishermen and the last remaining Pinta tortoise, Lonesome George, was taken to the Charles Darwin Foundation in 1972. Feral goats have since been successfully removed from Pinta, and the natural vegetation has started to recover, but without tortoises it will be an unbalanced recovery. Since all attempts to find a mate for Lonesome George have failed, the ambitious plan is to introduce another species of Galapagos Giant tortoise in their place and to monitor them closely using satellite tracking technology. *Lonesome George found alone on Pinta in 1971*

Since the launch of this appeal, tortoises with possible Pinta genes have been discovered on Isabela Island and the GNPS has delayed the repatriation whilst further investigation takes place. In the meantime CDF and GNPS scientists working on the project have continued to develop the tracking equipment and methods for best managing and studying the tortoises once on Pinta Island.

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New Visitor and Education Centre for Galapagos: Almost every visitor to Galapagos visits the Charles Darwin Research Station (CDRS), a bi-institutional complex shared by the Charles Darwin Foundation (CDF) and the Galapagos National Park Service (GNPS), on Santa Cruz island. What started as a base for scientific research now receives over 80,000 visitors each year and GCT has been working with CDF on ambitious plans to renovate the site into a state of the art visitor experience worthy of a World Heritage site.

The aim is both to upgrade the existing buildings and displays and to create new exhibitions to better explain to local, national and international visitors what makes Galapagos unique and the work taking place to keep them that way. This work is crucial in encouraging both local understanding and commitment and national and international support for conserving Galapagos. The plans also include a new exhibition to bring Darwin back to the Islands that so influenced his thinking, showcasing his work and the development of this theory of evolution.

GCT provided £65,000 for the feasibility phase of this project and to support more immediate improvements to the information and interpretation provided at the Research Station. In addition to providing financial support one of GCT's Trustees spent three months volunteering in Galapagos to help move this important project forward.

GCT Shark Campaign in support of the Galapagos Marine Reserve: In 2007, GCT launched our shark campaign and broke news of the plight of sharks within the Galapagos Marine Reserve (GMR), due to illegal activities, such as shark finning and long line fishing. The shark is an iconic figure in the Marine Reserve and its plight can be used to highlight the vulnerability of the entire ecosystem within the GMR.

Last year marked the 10th anniversary of the creation of the GMR and we broadened our campaign to raise much needed funds for all the species that play a part in this fragile marine ecosystem. Last year GCT sent grants totalling £25,040 to support this work.

Thanks to this funding, the Charles Darwin Foundation (CDF) and the Galapagos National Park Service (GNPS) have continued monitoring sharks at visitor sites and populated ports around the archipelago to learn which species frequent these areas and gather hard data on which to base management measures. Since sharks were observed in places where fishermen gut their fish, GNP and the navy have stepped up efforts to make fishermen and tourists respect the prohibition against throwing organic waste into the ocean. Sadly many sites inspected had no sharks.

The Gulbenkian Galapagos Artists' Residency Programme: GCT are always looking for new ways to raise awareness of the issues that make Galapagos as relevant to the world today as in Darwin's time. Thanks to significant support from the Calouste Gulbenkian Foundation, the Gulbenkian Galapagos Artists' Residencies was set up in 2007 to enable up to 12 leading artists to spend time in the archipelago to engage with the Galapagos on their own terms, to mix with both the local and scientific communities on the Islands, feel inspired to make work connected to their experiences and be encouraged to share it with a wide audience. The programme is managed in conjunction with CDF and during 2008 two further artists – Marcus Coates and Jyll Bradley – visited the Islands and Dorothy Cross' work inspired by her visit was showcased in Shrewsbury. Initial discussions also took place about opportunities to present work that arises from the artists' visits during 2010 or 2011. *School of Hammerhead Sharks Photo: GNP*

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 2008 we were delighted to welcome over 550 new members, including 16 who joined as Life Members. We now have over 4,000 active members.

Our Junior Membership scheme is also very important to GCT for informing young people about conservation and the materials for our junior members were refreshed last year. As a result of the changes made and promotion of the scheme membership increased by 30% and renewal rates increased dramatically. Alongside our Junior membership we are very fortunate to have a primary school teacher volunteering with us to help manage our Tortoise Club for Primary Schools. Membership of this increased to its highest ever level with 50 classes signed up by the end of the year.

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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 recognise the vital role that GCT plays in delivering funds and awareness for their work. In 2008 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 Chairman and Chief Executive attended CDF's General Assembly meeting in Quito, where GCT was voted in as an Active member of the Assembly for the first time, in recognition of our ongoing support. We were also consulted throughout the recruitment process for the new Executive Director and held discussions with the successful candidate, following his appointment. Dr J. Gabriel Lopez took up his role in January 2009.

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 over the past 12 months we have streamlined the partnerships that we have with tour operators to maximise the mutual benefits. We were indebted to Discovery Initiatives for their continued support of our raffle and Galapagos Day and to The Ultimate Travel Company, another longstanding supporter, who sponsored our calendar and newsletter *UK News* for the first time. During 2008 we also collaborated with a range of partners in the Darwin 200 network to plan for and capitalise upon the Darwin anniversaries in 2009.

In early 2008 we received confirmation that the Galapagos National Park Service (GNPS) had received a successful settlement of several million dollars to the Jessica Oil Spill case. This had been contested in the courts in London over several years and GCT had supported GNPS throughout this process both financially and through practical support, liaison and communication with Galapagos. The lawyers representing the GNPS acknowledged that "without any doubt you (GCT) were part of the successful recovery process". The settlement will be invested in GNPS's vital work to conserve Galapagos.

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. In 2007 UNESCO added Galapagos to the list of World Heritage Sites in Danger. Further evidence of the multi-faceted challenges facing Galapagos were brought together in *Informe Galapagos Report 2007/2008*. This drew together evidence of the increases in tourism and population and associated economic development and challenges for the first time. All of these factors created a real momentum for change and a continued need to increase awareness of these threats.

GCT has continued to play 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 in 2008 were:-

- Producing the biannual newsletter *Galapagos News* on behalf of the international Friends of Galapagos network. In 2008 science writer Henry Nicholls agreed to continue as Editor
- Producing two issues of the accompanying *UK News* and mailing these to over 6,000 members, supporters and partners
- Producing a Chairman's Review in March for members and supporters, highlighting key successes in 2007 and priorities for 2008
- Working with the Charles Darwin Foundation on a 5 year Call to Action; outlining the changes needed to ensure a sustainable future for Galapagos
- Acting as a resource for members of the UK Press and providing spokespeople about Galapagos as required. In 2008 we extended maternity cover for the part time Information Manager to include some press work. This led to features in several daily newspapers including the Independent and Daily Telegraph
- Sending monthly e-bulletin updates to over 4,000 subscribers
- 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 membership to engage younger audiences in conservation.

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- Securing radio coverage for our the launch of our Floreana Mockingbird appeal and a live guest interview with Johanna Angermeyer for BBC Radio 4 Woman's' Hour on Galapagos Day

4. PLANS FOR THE FUTURE

The priority for 2009 is to capitalise on a number of key anniversaries that all occur during the year –



DARWIN200

- the 200th anniversary of the birth of Charles Darwin
- the 150th anniversary of the publication of *On the Origin of Species*, inspired by his visit to Galapagos
- the 50th anniversary of the creation of the Charles Darwin Foundation
- the 50th anniversary of the Galapagos National Park

We plan to use these anniversaries to put Galapagos firmly in the spotlight, to celebrate past achievements and to demonstrate that Galapagos is still very much a living laboratory. Our plans for 2009 include:



Hosting a Darwin Bicentenary Dinner with Christ's College, Cambridge on 12th February to raise funds to create a lasting research link between Galapagos and Cambridge University. This event will be attended by HRH the Duke of Edinburgh, Sir David Attenborough, Andrew Marr and two of Charles Darwin's great-great-grandchildren, Sarah Darwin and Randal Keynes



Building on our campaign to save the Floreana Mockingbird, Darwin's inspiration, as part of the wider plan to restore Floreana Island. This will include the launch of our "Donate a Darwin" appeal



Undertaking a thorough review of our membership scheme including benefits, recruitment, trends and payment methods



Refreshing our website in time for the two Galapagos anniversaries in July. The website is a key tool for the Trust and we have secured some pro bono support to help with updating its look and content



Constantly reviewing our activities and liaising closely with our partners to maintain our financial support to Galapagos at a time of global economic uncertainty

5. FINANCIAL REVIEW

GCT had a very successful year in 2008 and, as reported above, was able to send funds of over £160,000 directly to the Charles Darwin Foundation for priority projects in Galapagos and invest an additional £70,000 in projects to support the Islands. At the same time we invested an additional £102,629 in projects in the UK to build awareness of the conservation needs and opportunities.

Total income of £528,958 was generated, of which £143,106 was restricted (and £105,000 of this was in the form of two donations, one for the CDF Visitor Centre and one for the Calouste Gulbenkian Arts Fund). The unrestricted income included Membership income of £118,106. Although we reduced the number of events held in 2008 Galapagos Day and the associated raffle were very successful and between them generated a net income of £41,280 (excluding allocation of staff costs). We are very grateful to the many organisations that support us and provide gifts in kind for our events and our main raffle.

In 2008 the Trustees agreed an ambitious new three year business plan for the organisation. During the latter part of the year, given the growing economic uncertainty, we reviewed our spending plans and scaled back expenditure to ensure that we were not adversely affected. We also had to take into account the fall in the £:\$ exchange rate from £1= \$2 at the start of the year to £1= \$1.4 by August. This had a direct impact on the funds we were able to send to Galapagos and from 2009 we will be agreeing our grant commitments in £sterling in order to counteract these currency fluctuations.

We are proud to have increased our income by £109,383 whilst the costs of generating voluntary income rose by just £18,238. We hope to build on this success in 2009, continuing to increase our income whilst carefully managing our costs. We recognise however the need to remain cautious during the current economic downturn.

GALAPAGOS CONSERVATION TRUST

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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, and in late 2007 the Trustees agreed to increase this figure gradually to £90,000 by the end of 2008 in order to ensure it still met our needs. Given the growing economic uncertainty during the second half of the year the Trustees took a more cautious approach to expenditure. As a result of this caution, an upturn in income at the end of the year and hopes of sending Unrestricted Funds of £28,500 to the Charles Darwin Foundation early in 2009, Unrestricted Reserves stood at £139,731 at the end of the year.

Volunteers

As an organisation with less than four full time staff throughout most of 2008, 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 2008, our volunteers donated over 200 days to the Trust in a variety of ways, including:

- Logging over 35,000 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 6,000 envelopes and providing general administrative back up to our staff team
- Giving presentations and talks about Galapagos on our behalf

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company and charity 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 surplus or deficit of the charitable company for that period. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 prevention and detection of fraud or other irregularities.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee/director in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

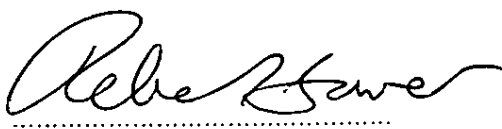
After a review of auditors, Wilkins Kennedy successfully tendered in office and a resolution to appoint them as auditors will be proposed at the forthcoming annual general meeting.

This report has been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities', and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

By Order of the Board on 29th April 2009



Richard Robinson
Chairman



Rebecca Bower
Treasurer

GALAPAGOS CONSERVATION TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements of Galapagos Conservation Trust for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein, the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company'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 company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities, the charity's trustees, who are also directors for the purposes of the Companies Act 1985, are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements 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 financial statements 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 Report of the Trustees is consistent with the financial statements.

In addition we report to you if, in our opinion the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

Basis of 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to charitable companies and to smaller entities, of the state of the charitable company's affairs as at 31 December 2008 and of its incoming resources and application of resources in the year then ended; and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Trustees' Report is consistent with the financial statements.

Bridge House
London Bridge
London SE1 9QR

Wilkins Kennedy

Wilkins Kennedy
Chartered Accountants
and Registered Auditor

29th April 2009

GALAPAGOS CONSERVATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2008

INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted funds £	Restricted funds £	Total 2008 £	Total 2007 £
Incoming resources					
Voluntary income:					
Donations and legacies	2	165,201	141,796	306,997	193,245
Membership subscriptions		118,106	-	118,106	129,618
Activities for generating funds:					
Fundraising events		70,181	1,310	71,491	74,933
Fundraising trading		22,813	-	22,813	13,711
Bank interest receivable		9,551	-	9,551	8,068
Total incoming resources		<u>385,852</u>	<u>143,106</u>	<u>528,958</u>	<u>419,575</u>
Resources expended					
Cost of generating funds:					
Costs of generating voluntary income		40,832	-	40,832	35,349
Fundraising events		57,017	293	57,310	51,638
Fundraising trading		15,563	-	15,563	8,480
Charitable activities:					
Education and awareness	3	102,629	-	102,629	129,421
Grant making to Galapagos	4	87,426	144,529	231,955	200,308
Governance costs		21,975	-	21,975	22,744
Total resources expended	5	<u>325,442</u>	<u>144,822</u>	<u>470,264</u>	<u>447,940</u>
Net movement in funds		60,410	(1,716)	58,694	(28,365)
Funds brought forward at 1 January 2008		<u>79,321</u>	<u>44,077</u>	<u>123,398</u>	<u>151,763</u>
Funds carried forward at 31 December 2008	10	<u>139,731</u>	<u>42,361</u>	<u>182,092</u>	<u>123,398</u>

All transactions are derived from continuing activities.

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

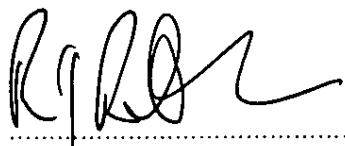
GALAPAGOS CONSERVATION TRUST

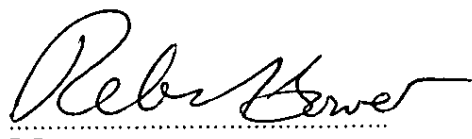
BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	6		3,373		9,625
Current assets					
Stock		3,437		3,610	
Debtors	7	19,831		14,578	
Cash at bank and in hand		221,715		178,399	
		<u>244,983</u>		<u>196,587</u>	
Creditors: Amounts falling due within one year	8	<u>(51,314)</u>		<u>(38,814)</u>	
Net current assets			<u>193,669</u>		<u>157,773</u>
Total assets less current liabilities			<u>197,042</u>		<u>167,398</u>
Creditors: Amounts falling due after more than one year	9		<u>(14,950)</u>		<u>(44,000)</u>
Net assets			<u><u>182,092</u></u>		<u><u>123,398</u></u>
Funds					
Restricted funds	10		42,361		44,077
Unrestricted funds	10		139,731		79,321
Total funds			<u><u>182,092</u></u>		<u><u>123,398</u></u>

The financial statements were approved by the Board on 29 April 2009 and signed on it behalf by:-


 R Robinson
 Chairman


 R Bower
 Trustee

The notes on pages 13 to 19 form part of these financial statements.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). In preparing the financial statements the charity has also followed best practice as set out in the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" issued in March 2005 and the Companies Act 1985.

1.2 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

1.3 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Subscription income is accounted for at the time of receipt.
- 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.
- Gifts in kind are recognised when receivable.

1.5 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:

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

1.6 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.

1.7 Taxation

The charity is entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

1.8 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.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.9 Fund accounting

Funds held by the charity are:

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

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.

2. DONATIONS AND LEGACIES	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total 2008 £	Total 2007 £
Donations	128,260	141,796	270,056	141,368
Legacies	1,000	-	1,000	5,000
Tax recoverable under Gift Aid	35,941	-	35,941	46,877
	<u>165,201</u>	<u>141,796</u>	<u>306,997</u>	<u>193,245</u>
3. EDUCATION AND AWARENESS OF GALAPAGOS	£	£	£	£
Chairman's Review and Newsletter publication costs	25,387	-	25,387	27,837
Crisis in Paradise DVD production costs	-	-	-	10,404
Promoting public education and awareness of Galapagos	7,356	-	7,356	13,367
Staff costs	52,604	-	52,604	51,614
Support costs	17,282	-	17,282	26,199
	<u>102,629</u>	<u>-</u>	<u>102,629</u>	<u>129,421</u>
4. GRANT MAKING TO GALAPAGOS	£	£	£	£
Grants payable to Galapagos:				
- Charles Darwin Foundation (note 4.1)	46,876	117,307	164,183	148,774
- Support for individuals through the Calouste Gulbenkian Arts Fund		27,222	27,222	17,774
Staff costs	30,802	-	30,802	22,369
Support costs	9,748	-	9,748	11,391
	<u>87,426</u>	<u>144,529</u>	<u>231,955</u>	<u>200,308</u>

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

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

4.1	Grants over £10,000 can be broken down into:	£
	CDF Visitor Centre	65,000
	Reptiles - Pinta Repatriation	23,960
	Penguin and Cormorant Survey (BBC Wildlife Fund)	18,000
	Environmental education pilot	15,000
	Marine – salary	14,000
		<u>135,960</u>

4.2	Reconciliation of grants payable	2008	2007
		£	£
	Commitments at 1 January 2008	73,500	70,000
	Grants committed during the year	191,405	166,548
	Gift of staff time to CDF	2,900	-
	Grants paid during the year	<u>(211,147)</u>	<u>(163,048)</u>
	Commitments at 31 December 2008	<u>56,658</u>	<u>73,500</u>
		2008	2007
		£	£
	Commitments falling due within one year	41,708	29,500
	Commitments falling due after more than one year	<u>14,950</u>	<u>44,000</u>
		<u>56,658</u>	<u>73,500</u>

5.	RESOURCES EXPENDED					
		Gifts in kind £	Direct costs £	Staff costs £	Support costs £	Total 2008 £
	Generating income	-	10,937	21,476	8,419	40,832
	Fundraising events	10,905	22,967	17,234	6,204	57,310
	Fundraising trading	-	12,481	2,417	665	15,563
	Education & awareness	-	32,743	52,604	17,282	102,629
	Grant making	-	191,405	30,802	9,748	231,955
	Governance	-	14,542	5,439	1,994	21,975
		<u>10,905</u>	<u>285,075</u>	<u>129,972</u>	<u>44,312</u>	<u>470,264</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. RESOURCES EXPENDED (continued)

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 2008	Total 2007
	£	£	£	£	£	£
Generating income	5,849	301	1,188	1,081	8,419	9,682
Fundraising events	4,311	222	875	796	6,204	7,404
Fundraising trading	462	24	94	85	665	-
Education & awareness	12,007	619	2,439	2,217	17,282	26,199
Grant making	6,774	349	1,375	1,250	9,748	11,391
Governance	1,386	71	281	256	1,994	2,278
	<u>30,789</u>	<u>1,586</u>	<u>6,252</u>	<u>5,685</u>	<u>44,312</u>	<u>56,954</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.

Included in governance costs is auditors' remuneration as follows:

	2008 £	2007 £
Auditors' remuneration for audit	<u>5,405</u>	<u>6,198</u>

5.1 Staff Costs

	2008 £	2007 £
Salaries and wages	111,759	80,555
Social security costs	11,438	6,825
Interim Executive Director	-	24,200
Maternity cover	6,775	-
	<u>129,972</u>	<u>111,580</u>

None of the Trustees received any remuneration, other benefits or reimbursement of expenses from the charity during the year. Certain trustees were reimbursed for directly incurred out of pocket expenses during the year totalling £Nil (2007: £103). No employees earned more than £60,000 during the year (2007: none).

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

	No.	No.
Generating funds	1	1
Charitable activities	3	2
	<u>4</u>	<u>3</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

6.	TANGIBLE FIXED ASSETS	Fixtures & Fittings £	Computer Equipment £	Total £
	COST			
	At 1 January 2008 and 31 December 2008	3,986	21,368	25,354
	DEPRECIATION			
	At 1 January 2008	3,986	11,743	15,729
	Charge for the year	-	6,252	6,252
	At 31 December 2008	3,986	17,995	21,981
	NET BOOK VALUE			
	At 31 December 2008	-	3,373	3,373
	At 31 December 2007	-	9,625	9,625
7.	DEBTORS		2008 £	2007 £
	Trade debtors		791	398
	Accrued income		1,000	-
	Tax recoverable under Gift Aid		8,552	7,789
	Other debtors and prepayments		9,488	6,391
			<u>19,831</u>	<u>14,578</u>
8.	CREDITORS: Amounts falling due within one year		2008 £	2007 £
	Grants payable (see note 4.2)		41,708	29,500
	Other creditors and accrued expenditure		9,606	9,314
			<u>51,314</u>	<u>38,814</u>
9.	CREDITORS: Amounts falling due after more than one year		£	£
	Grants payable (see note 4.2)		<u>14,950</u>	<u>44,000</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. STATEMENT OF FUNDS

	1 January 2008	Incoming resources	Resources Expended/ transfers	31 December 2008
	£	£	£	£
Restricted funds				
Floreana Restoration Fund	-	3,993	-	3,993
Eradication of Invasive Fauna	1,525	125	(1,525)	125
Reptiles	1,570	23,493	(24,033)	1,030
Marine	-	2,164	(2,000)	164
PhD students	3,756	-	-	3,756
CDF Fund	-	2,550	(2,500)	50
Calouste Gulbenkian Arts Project	17,226	40,282	(27,222)	30,286
White Tipped Reef Sharks	-	367	-	367
BBC Wildlife Fund	20,000	-	(18,478)	1,522
CDF Visitor Centre	-	65,000	(65,000)	-
Removing Galapagos from the In Danger list	-	3,822	(3,771)	51
Charles Darwin & Galapagos Islands	-	1,310	(293)	1,017
	<u>44,077</u>	<u>143,106</u>	<u>(144,822)</u>	<u>42,361</u>
Unrestricted funds				
General Fund	79,321	385,852	(325,442)	139,731
	<u>79,321</u>	<u>385,852</u>	<u>(325,442)</u>	<u>139,731</u>
Total funds	<u>123,398</u>	<u>528,958</u>	<u>(470,264)</u>	<u>182,092</u>

The **Floreana Restoration Fund** supports the holistic multi-year restoration of Floreana Island, the first restoration plan for an inhabited island. Saving the iconic Floreana mockingbird is a key priority for this project.

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 **Reptiles Fund** funds a range of projects supporting the conservation and captive breeding of giant tortoises and marine land iguanas in Galapagos.

The **Marine Fund** supports the 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 **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 Sharks to be included in the tagging and monitoring programme in Galapagos as part of the Marine Fund work.

The **PhD Students Fund** has mainly supported Ecuadorian students coming to the UK. We are currently supporting a student at Imperial College.

The **CDF Fund** is made up of donations for sole use by the Charles Darwin Foundation.

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 **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.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. STATEMENT OF FUNDS (continued)

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

Removing Galapagos from the In Danger list represents funds received to support the work needed to remove Galapagos from UNESCO's list of World Heritage In Danger, to which it was added in 2007.

The Charles Darwin and Galapagos Islands Fund aims to build a lasting research link between Galapagos and Cambridge University. It will be officially launched at a dinner in Cambridge on 12th February 2009 to commemorate Darwin's bicentenary.

The Trustees have undertaken a review of the Funds and are planning to gradually reduce the overall number in line with the holistic approach to conservation being adopted in Galapagos.

11. ANALYSIS OF NET ASSETS BETWEEN TOTAL FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2008 are represented by:			
Tangible fixed assets	3,373	-	3,373
Cash at bank and in hand	179,354	42,361	221,715
Other net current assets/(liabilities)	(28,046)	-	(28,046)
Creditors falling due after one year	(14,950)	-	(14,950)
	<u>139,731</u>	<u>42,361</u>	<u>182,092</u>

12. OPERATING LEASE COMMITMENTS

At 31 December 2008 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008	2007
	£	£
Expiry date:		
Between one and two years	<u>3,500</u>	<u>3,500</u>