

GALAPAGOS CONSERVATION TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Company Number 03004112

Registered Charity Number 1043470



Galapagos
Conservation
Trust

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GALAPAGOS CONSERVATION TRUST

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GALAPAGOS CONSERVATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governing Document	Memorandum and Articles of Association
Charity number	1043470
Company number:	03004112
Registered Address	Galapagos Conservation Trust 28 Portland Place London W1B 1LY
Trustees	Dr Mark Collins - Chair Matthew Simkins – Vice Chair Rebecca Bower OBE – Honorary Treasurer Sally Benthall, resigned May 2012 Professor Terry Dawson, resigned May 2012 Dr Rachel Dean, appointed October 2012 Michael Drake, appointed October 2012 Gill Green Jonathan Lea, appointed October 2012 Ruth Ruderham, appointed October 2012 Anne Weyman OBE

HONORARY ROLES

President	Andrew Marr
Ambassadors	Janet Barber Sir James Barlow Bt Angela Darwin Sarah Darwin PhD Julian Fitter Monty Halls Randal Keynes Dorothy Latsis Godfrey Merlen Henry Nicholls Nigel Sitwell Antje Steinfurth Jennifer Stone Professor Ian Swingland OBE Angela Scott Jonathan Scott

GALAPAGOS CONSERVATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor

Wilkins Kennedy LLP
Bridge House
London
SE1 9QR

Accountants

Clarty
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

CCLA COIF
Senator House
85 Queen Street
London
EC4V 4ET

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 2012

1 STRUCTURE, GOVERNANCE AND MANAGEMENT

Introduction

The Galapagos Conservation Trust (GCT) was established 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 partners in Galapagos - and in particular its key partners the Charles Darwin Foundation (CDF) and the Galapagos National Park Service (GNP) - 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. 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. Four new Trustees were appointed on October 8 2012, Rachel Dean, Michael Drake, Jonathan Lea and Ruth Ruderham and their three year appointment period commences at the AGM of May 2013. Sally Benthall left the Board of Trustees due to a move away from London.

A review of the Memorandum and Articles of Association continued during the year. 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 and awareness in the future.

The Trustees normally meet four or five times a year and during their meetings the Trustees agree the policies and broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves and risk management policies and performance. The Board committees, fundraising and communications, operations, and programme and grants met prior to each full Board meeting whilst the Trustee recruitment committee meets as required. 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 members of the Trustee recruitment committee. If they express a wish to become a Trustee, the candidates are then invited to attend a Trustee meeting before they are formally invited to join the Board.

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. New Terms of Reference were adopted in early 2012 in accordance with charity good practice.

Risk Management

The Trustees have given consideration to the major risks to which the charity might be exposed. 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. Given the ongoing economic uncertainty the Trustees remain prudent in their expenditure.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

2 OBJECTIVES AND ACTIVITIES

The Trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives and in planning future 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 raise funds to support the sustainable development of Galapagos
- To act as the primary source of information and commentary in the UK on conservation and the sustainable development on Galapagos

The need for this work is now more pressing than ever. Over the past 16 years the Galapagos Islands have seen unprecedented growth and development. Visitor numbers have increased from 40,000 in 1991 to over 200,000 in 2011 and over 30,000 people 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. Although UNESCO took Galapagos off this list in 2010 - in recognition of the work starting to take place - there is still a long way to go to safeguard the Islands' future. Without urgent and holistic action, this icon of the natural world will be degraded and could be lost. With prompt action however Galapagos can provide a model for the world in conservation and sustainability.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

3 ACHIEVEMENTS AND PERFORMANCE

Some of the Highlights for the Galapagos Conservation Trust in 2012 included

- Focusing our conservation efforts around the Vision and Mission based on Science, Education and Culture
- Raising over £700,000 during a time of continued economic uncertainty
- Moving offices to a London base with additional space to make staff activity and volunteer support more effective
- Investing nearly £400,000 directly as grants for Galapagos, details below
- On-going upgrading of our membership capability
- Working closely with the Charles Darwin Foundation in support of their re-structuring effort
- Completing and implementing the appointment of new staff, Membership Officer, Communications Manager and Chief Executive

ACHIEVING THE GALAPAGOS CONSERVATION TRUST'S OBJECTIVES DURING 2012

a) Deliver Essential Resources to Galapagos

Our support of conservation projects in Galapagos was achieved mainly through grants made to our local partners. The Charles Darwin Foundation and the Galapagos National Park Service remain the main recipients and beneficiaries whilst we continued to develop existing and new partnership, for example with WWF Galapagos, local community leadership and Ecuadorian NGOs

During the year we raised funds in the following principal ways

- Donations from individuals, trusts, foundations and companies
- Our membership programme
- Appeals to our supporters and the UK public in general
- Sales of our merchandise and promoting our "Adopt a Species" programme
- Organising events and obtaining sponsorship and gifts in kind for these

Galapagos increasingly requires a holistic approach to mounting issues, and during 2012 we continued to promote ways to address these issues in a sustainable manner. Primary themes remain

- Ecosystem Restoration
- Species protection
- Climate change impact
- Capacity building
- Cultural development

Science

GCT supports scientific exploration and knowledge management to address the many challenges to the integrity of the Galapagos ecosystems and their biodiversity. Current priorities include

- Protecting, breeding and reintroducing endangered and endemic species
- Controlling invasive and parasitic species
- Restoring ecosystems
- Monitoring climate change and indicator species
- Strengthening sustainable fisheries and marine protected areas

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Education

GCT promotes education, training and awareness to support a Galapagos and visitor community mindful of the finite resource base of the islands, and the vulnerability of their biodiversity. Current priorities include

- Educating young people in the islands about conservation and sustainability
- Training citizens about ecotourism and other sustainable sources of income
- Providing opportunities for exchange of students
- Enhancing responsible tourism and a rich visitor experience
- Promoting in the UK the significance of the Galapagos and Darwin's work

Culture

GCT supports cultural expression that helps to record and interpret the unique nature and history of Galapagos. The Trust respects the culture of the islanders and seeks ways to integrate this into a sustainable future. Current priorities include

- Engaging art, music and other cultural expressions of the Galapagos
- Promoting sustainable models of citizenship in Galapagos
- Strengthening cultural ties between the people of Galapagos and the UK
- Establishing the importance of the voyage of the Beagle and Darwin's work
- Debating the significance and impact of evolutionary theory in society today

In 2012 we were able to invest nearly £444,000 in unrestricted and restricted grants in support of conservation in Galapagos. What follows is just a small selection of the projects supported.

Projects supported in the year

Our support of Galapagos conservation projects during 2012 incorporated the cornerstones of our Vision – science, education and culture. This Vision promotes the view that the challenges faced by the Galapagos Archipelago are multi-faceted and can best be addressed with a holistic approach. As well as an icon of the conservation movement, Galapagos also represents a social-economic system that is at transition point, the future can be either an on-going degradation of the natural environment or a more sustainable one where conservation is the mainstay of development. This latter view, of conservation led development aims to marry the on-going conservation of all that makes Galapagos special with progressive development of the social structures on the Islands. Science, culture and education are brought to best effect in this model through cross-organisational multi-institutional collaboration.

Our support of conservation projects in Galapagos is achieved mainly through grants made to our local partners, principally the Charles Darwin Foundation and the Galapagos National Park Service. We are continuing to build up our portfolio of delivery partners including WWF Ecuador, major universities and local Ecuadorian organisations.

During 2012, a total of just under £444,000 was invested in grant support for conservation in Galapagos. We continued our support for on-going multi-year projects such as the Galapagos penguin & flightless cormorant survey, the Galapagos Giant Tortoise Monitoring Programme with the Max Planck Institute and also built on our previous work on the multi-faceted programme of social and environmental projects on Floreana island addressing the social and environmental issues arising on a small island experiencing tourism demands with limited natural resources. In addition to this, many smaller initiatives were supported during the year including an environmental film project that documented social issues on Isabela island. A small selection of our key 2012 projects are outlined in the following section.

Tackling the invasive fly *Philornis downsi*

Invasive species pose the greatest threat to global biodiversity and this threat is considerably amplified in a geographically isolated oceanic archipelago such as Galapagos. The introduction of the highly destructive fly species *Philornis downsi* during the 1960s has had a severe deleterious effect on the populations of Galapagos land birds. *Philornis* larvae feed on the blood and tissue of chicks, often resulting in deformation or death with nest mortality reaching up to 100%. A total of 18 Galapagos bird species are known to be affected by this parasite with 3 of these listed as critically endangered on the IUCN Red List.

In February 2012, GCT co-funded a seminal workshop in the Galapagos that provided a forum for global experts to share information and discuss the feasibility of different control methods for *Philornis*. The workshop resulted in the production of a five-year management plan, outlining the priority actions that are to be taken with this invasive insect and the continuation of this work will remain a priority for GCT over the coming years. Essential areas of research identified include feasibility studies for the use of insecticides (namely permethrin) and fly traps, researching fly life history and breeding cycles and the associated use of insect sterilisation techniques and also looking at methods for biological control – experimenting with the use of natural predators including the Galapagos wasp.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Tackling the invasive fly *Philornis downsi* (continued)

GCT committed a grant to the Charles Darwin Foundation to support the salary of an expert researcher to collect samples from the field for laboratory analysis and to conduct feasibility experiments in the field

Population size of blue-footed boobies in Galapagos. evaluation of indications of population decline

Given the high profile of many Galapagos species, the lack of baseline biological datasets is surprising. Acting on the remarkable recent population declines reported by locals, we pledged £27,000 to support an innovative 2 year study on the famous blue-footed booby by Professor David Anderson of Wake Forest University with the intent of collecting essential life history and ecological data to enable successful management and monitoring strategies to be implemented. Demographic information such as adult survival rates and reproductive success is essential to feed into population models that can analyse the rate of population changes and help to identify potential drivers. In addition to this, Global Positioning System (GPS) units are being used to identify key oceanic foraging areas – an important ecological factor that may affect short-term reproductive success.

Initial data suggests that the recent population decline could be as high as 50% and the study will continue to mid 2013.

Gulbenkian Galapagos Artists Residency Programme

2012 saw the culmination of the 5 year joint project with the Calouste Gulbenkian Foundation in two major art exhibitions at the Bluecoat gallery in Liverpool and the Fruitmarket Gallery in Edinburgh. The exhibitions showcased the work of the twelve artists that took part in the Gulbenkian Galapagos Artists Residency Programme in addition to a publication produced in English, Spanish and Portuguese and a dedicated website.

The artists explored the complex social and environmental issues faced in the Archipelago in very individual ways and their diverse interpretations of their time in Galapagos and the people they met produced a set of artworks that create a very different introduction to Galapagos for a new audience. GCT supported a reciprocal exchange trip for a Galapagueno artist during 2012 that involved a visit to the Scottish islands including North Uist where the contrasts and similarities of a very different style of island life reiterated the global significance of Galapagos.

The final exhibition of the project is at the Centro de Moderna, Lisbon during the summer of 2013 and we are working towards creating a lasting legacy for the project both in the UK and in Galapagos.

Monitoring for the sustainable management of the Galapagos Marine Reserve

One of the largest marine reserves in the world and a World Heritage site in its own right, the Galapagos Marine Reserve is home to a high diversity of species including some of the largest aggregations of the endangered scalloped hammerhead shark, the critically endangered Galapagos penguin and it provides a haven for many migratory species including cetaceans. Both the human population and the wildlife of the Islands inherently depend on the ecological health of the surrounding marine environment highlighting the importance of increasing our understanding of the ecosystem to improve management strategies.

During 2012, an £18,000 grant was committed for essential work including stock assessments and reproductive studies on species of high economic importance including bacalao (*Mycteroperca olfax*), mero (the misty grouper) (*Epinephelus mystacinus*), wahoo (*Acanthocybium solandri*) and yellowfin tuna (*Tunnus albacares*). An evaluation of bycatch was also undertaken with a focus on protected species such as sharks and rays. The importance of communicating the findings of these studies is high – both to the Ecuadorian government in an advisory capacity for management of fishery stocks but also via outreach activities to the local community including the encouragement for citizen science in bacalao tag collection.

GALAPAGOS CONSERVATION TRUST

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4 FINANCIAL REVIEW

GCT had another successful year and once again exceeded our income target for the year whilst keeping costs below the agreed level for expenditure. As reported above, we were able to invest funds of £436,538 in priority projects in Galapagos (2011 £471,663). In addition we invested a further £161,952 in projects in the UK to build awareness of the conservation needs and opportunities (2011 £151,952).

Total income of £702,887 was generated, of which £367,859 was restricted. The unrestricted income included Membership income of £119,648. Despite the difficult economic environment we are very pleased to have maintained strong income streams in 2012 whilst undertaking a major office re-location and with a transition period with regard to staffing. Funding from the Calouste Gulbenkian Arts Fund was £172,882 higher in 2012 than in 2011 whereas the total income to the Trust was £85,202 lower in the year.

The Trustees have pleasure in presenting their Annual Report and financial statements for the year ended 31 December 2012.

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. In late 2007 they agreed we needed to maintain unrestricted Reserves of £90,000 to ensure financial viability. Given the growing economic uncertainty the Trustees have continued to take a more cautious approach to expenditure and have therefore been ensuring minimum reserves of between £90,000 and £125,000 for some time. Recognising the need to invest in GCT's infrastructure as key to the organisation's future growth, they agreed to set aside designated funds of £22,097 towards strengthening GCT's fundraising and the office relocation (which took place in summer 2012).

The timing of grants to our partners in Galapagos is very dependent on the timing of project proposals received and agreed in principle, funds raised and then Board meetings to formally approve this project funding. For this reason there can be a delay of two months or more. As a result of this and the designated funds provisions, Unrestricted Reserves stood at £95,699 at the end of the year and Restricted Reserves stood at £221,701.

Volunteers

As an organisation with six full time staff, GCT relies heavily on the hard work of our volunteers. They make a vital contribution to our office and membership administration as well as at our events and we are extremely grateful to them for their commitment and support. During the year our volunteers donated over 250 days to the Trust in a variety of ways, including

- Filling thousands of envelopes, thereby freeing valuable general administrative staff time
- Undertaking project specific research
- Supporting the development of event literature
- Assisting with major events on the day
- Supporting our potential donor identification efforts

GALAPAGOS CONSERVATION TRUST

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5 PLANS FOR THE FUTURE

The priority for 2013 is to restructure and refocus the Trust in order to increase our impact at a critical time. To do this we need to grow and diversify our income and be specific in selecting our delivery partners in Galapagos. We will launch Discovering Galapagos, our new bi-lingual education tool promoting the conservation of Galapagos and in doing so expand our education and awareness programmes in the UK and Ecuador. The projects we focus on will be consistent with our Vision and Mission and will look to tackle some of the more challenging and complex conservation issues. By doing so not only can we continue to have a lasting impact but we can also demonstrate that Galapagos represent a microcosm of many of the issues facing the wider world and as such the outcome of Galapagos related projects has global relevance.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Trustees' responsibilities statement

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

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

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

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

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to re-appoint Wilkins Kennedy LLP as auditor 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 15 of the Companies Act 2006 relating to small entities

By Order of the Board


Mark Collins
Chairman


Rebecca Bower
Treasurer

Date 13 May 2013

GALAPAGOS CONSERVATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the financial statements of Galapagos Conservation Trust for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities), and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

Bridge House
London Bridge
London SE1 9QR

Wilkins Kennedy LLP

M Wilkes (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Date 13 May 2013

GALAPAGOS CONSERVATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Incoming resources					
Voluntary income					
Donations and legacies	2	171,361	367,859	539,220	601,224
Membership subscriptions		119,648	-	119,648	131,465
Corporate sponsorship		6,532	-	6,532	9,876
Activities for generating funds					
Fundraising events		23,610	-	23,610	24,519
Fundraising trading		10,195	-	10,195	8,933
Incoming resources from charitable activities					
Education and Awareness		-	-	-	11,795
Bank interest receivable		3,682	-	3,682	277
Total incoming resources		335,028	367,859	702,887	788,089
Resources expended					
Cost of generating funds					
Costs of generating voluntary income		74,524	-	74,524	57,562
Fundraising events		42,305	-	42,305	31,316
Fundraising trading		15,461	-	15,461	12,872
Charitable activities					
Education and awareness of Galapagos	3	161,952	-	161,952	151,952
Grant making to Galapagos	4	95,493	341,045	436,538	471,663
Facilitating expertise for Galapagos		38,287	-	38,287	27,284
Governance costs		22,171	-	22,171	18,129
Total resources expended	5	450,193	341,045	791,238	771,178
Net movement in funds		(115,165)	26,814	(88,351)	16,911
Funds brought forward at 1 January 2012		210,864	194,887	405,751	388,840
Funds carried forward at 31 December 2012	10	95,699	221,701	317,400	405,751

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 2012

	Notes	2012	2011
		£	£
Fixed assets			
Tangible assets	6	17,425	11,037
Current assets			
Stock		1,345	2,694
Debtors	7	29,938	43,129
Cash at bank and in hand		338,384	505,322
		<u>369,667</u>	<u>551,145</u>
Creditors Amounts falling due within one year	8	<u>(69,692)</u>	<u>(156,431)</u>
Net current assets		<u>299,975</u>	<u>394,714</u>
Net assets		<u>317,400</u>	<u>405,751</u>
Funds			
Restricted funds		221,701	194,887
Unrestricted funds			
Designated funds		-	20,774
General funds		95,699	190,090
Total funds	9	<u>317,400</u>	<u>405,751</u>

The financial statements have been prepared in accordance with the provisions relating to small entities and with the Financial Reporting Standard for Smaller Entities (April 2008)

The financial statements were approved by the Board on 13 May 2013 and signed on its behalf by


Mark Collins
Chairman


Rebecca Bower
Treasurer

The notes on pages 14 to 20 form part of these financial statements

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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 April 2008). 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, the Charities Act 2011 and the Companies Act 2006.

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 Incoming resources

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

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)

19 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 2012 £	Restricted Funds 2012 £	Total 2012 £	Total 2011 £
	Donations	136,502	367,859	504,361	506,003
	Legacies	250	-	250	57,767
	Tax recoverable under Gift Aid	34,609	-	34,609	37,454
		<u>171,361</u>	<u>367,859</u>	<u>539,220</u>	<u>601,224</u>
3	EDUCATION AND AWARENESS OF GALAPAGOS	£	£	£	£
	Chairman's Review and Newsletter publication costs	15,769	-	15,769	22,688
	Galapagos Day lecture & education events	16,878	-	16,878	28,665
	Promoting public education and awareness of Galapagos	6,430	-	6,430	12,392
	Staff costs	89,192	-	89,192	75,508
	Support costs	33,683	-	33,683	12,699
		<u>161,952</u>	<u>-</u>	<u>161,952</u>	<u>151,952</u>
4	GRANT MAKING TO GALAPAGOS	£	£	£	£
	Grants payable to Galapagos				
	- Charles Darwin Foundation	10,153	121,485	131,638	209,983
	- Support for individuals through the Calouste Gulbenkian Arts Fund	-	219,560	219,560	46,678
	- World Wildlife Fund	17,301	-	17,301	12,108
	Princes Foundation for the Built Environment Sustainable Development (Mirador)	-	-	-	18,250
	- Wake Forest University	-	-	-	26,700
	- G Merlen	-	-	-	25,000
	- Max Planck Institute	-	-	-	24,855
	- Charles Darwin and Galapagos Island Rund	-	-	-	56,714
	- Vodafone – intern	-	-	-	2,750
	Staff costs	48,924	-	48,924	41,418
	Support costs	19,115	-	19,115	7,207
		<u>95,493</u>	<u>341,045</u>	<u>436,538</u>	<u>471,663</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	Analysis of grants committed during the year	2012	
		£	
	<u>Unrestricted</u>		
	MPI - Giant Tortoise Monitoring Project	630	
	PFBE - Mirador Sustainable Development	13,750	
	Post Doctoral Researcher	16,500	
	Marine and Sea Lions	5,591	
	Environmental Film Isabela	5,500	
	Coastal Cleaning Programme	2,250	
	Penguin and Cormorant Project	1,602	
	Relusan commitment no longer required	(18,000)	
	Sundry other commitments no longer required	(369)	
		<u>27,454</u>	
	<u>Restricted</u>		
	Project Floreana/Image Transmission Project	7,160	
	Guibenkian Galapagos Arts Projects	219,560	
	Keeping Galapagos from the In Danger List	66	
	Galapagos Co-Ordinator	28,123	
	Ecosystem Restoration and Monitoring	57,851	
	Marine	1,857	
	Charles Darwin & Galapagos Islands	1,560	
	Education and Capacity Building	18,801	
	Reptiles	5,962	
	CDF	105	
		<u>341,045</u>	
	 Total grants committed	 <u>368,499</u>	
4 2	Reconciliation of grants payable	2012	2011
		£	£
	Commitments at 1 January 2012	121,009	62,507
	Grants committed during the year	368,499	423,038
	Grants paid during the year	(443,627)	(364,536)
	Commitments at 31 December 2012	<u>45,881</u>	<u>121,009</u>
		£	£
	Commitments falling due within one year (note 8)	<u>45,881</u>	<u>121,009</u>

Note to the accounts The Relusan project was in support a small business recycling oil used by the tourist and fishing vessels with the fund established to provide financial security during the start-up years. We are delighted that the project became viable quicker than projected and as such the support funding is no longer required.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 RESOURCES EXPENDED

	Direct costs £	Staff costs £	Support costs £	Total 2012 £	Total 2011 £
Generating income	17,658	41,389	15,477	74,524	57,362
Fundraising events	24,918	12,835	4,552	42,305	31,716
Fundraising trading	6,808	5,924	2,729	15,461	12,872
Education & awareness	39,078	89,192	33,683	161,952	151,952
Grant making	368,499	48,924	19,115	436,538	471,663
Facilitating expertise for Galapagos	-	27,364	48,924	10,923	27,284
Governance	6,442	11,178	4,551	22,171	18,129
	<u>463,403</u>	<u>236,805</u>	<u>91,030</u>	<u>791,238</u>	<u>771,178</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	26,952	19,905
HR & recruitment	20,483	5,222
Depreciation of fixed assets	6,419	447
Premises costs	37,176	8,746
	<u>91,030</u>	<u>34,320</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

	2012 £	2011 £
Auditors' remuneration for audit	<u>6,442</u>	<u>6,641</u>

5.1 Staff Costs

	£	£
Salaries and wages	177,636	154,451
Social security costs	14,372	13,982
Temporary staff and consultants	44,797	32,042
	<u>236,805</u>	<u>200,475</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 1 Staff costs - continued

None of the Trustees received any remuneration or other benefits during the year (2011 none) One Trustee received reimbursement of expenses of £549 from the charity during the year (2011 £Nil) No employees earned more than £60,000 during the year (2011 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	5	4
	<u>6</u>	<u>5</u>

6 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Computer Equipment £	Total £
COST			
At 1 January 2012	3,986	22,466	26,452
Additions	9,270	3,537	12,807
	<u>13,256</u>	<u>26,003</u>	<u>39,259</u>
At 31 December 2012			
DEPRECIATION			
At 1 January 2012	3,986	11,429	15,415
Charge for the year	1,787	4,632	6,419
	<u>5,773</u>	<u>16,061</u>	<u>21,834</u>
At 31 December 2012			
NET BOOK VALUE			
At 31 December 2012	<u>7,483</u>	<u>9,942</u>	<u>17,425</u>
At 31 December 2011	-	11,037	11,037

7 DEBTORS

	2012 £	2011 £
Trade debtors	-	1,070
Accrued income	2,880	19,662
Tax recoverable under Gift Aid	17,677	14,009
Other debtors and prepayments	9,381	8,388
	<u>29,938</u>	<u>43,129</u>

8 CREDITORS Amounts falling due within one year

	£	£
Grants payable (see note 4 2)	45,881	121,009
Other creditors	22,551	16,584
Accrued expenditure	1,260	18,838
	<u>69,692</u>	<u>156,431</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

9	STATEMENT OF FUNDS	1 January 2012 £	Incoming resources £	Resources Expended £	Transfers	31 December 2012 £
	Restricted funds					
	Calouste Gulbenkian Arts Project	177,171	85,690	(219,560)	-	43,301
	Project Floreana	-	93,677	(7,160)	-	86,517
	Keeping Galapagos From The In Danger List	606	-	(66)	-	540
	Education and capacity building	9,090	15,421	(18,801)	-	5,710
	Charles Darwin and Galapagos Islands	265	1,295	(1,560)	-	-
	Reptiles	962	5,432	(5,962)	-	432
	Marine	1,823	374	(1,857)	-	340
	Ecosystem Restoration and Monitoring	4,865	76,691	(57,851)	-	23,705
	Galapagos Co-Ordinator	-	28,123	(28,123)	-	-
	CDF Fund	105	-	(105)	-	-
	Culture in Galapagos	-	2,406	-	-	2,406
	Improving the Visitor Experience	-	58,500	-	-	58,500
	UK Education and Awareness	-	250	-	-	250
		<u>194,887</u>	<u>367,859</u>	<u>(341,045)</u>	<u>-</u>	<u>221,701</u>
	Unrestricted funds					
	General Fund	190,090	334,842	(430,615)	1,382	95,699
	Designated funds					
	Office Relocation	13,205	186	(13,391)	-	-
	Automation of Subscription System	2,763	-	(1,407)	(1,356)	-
	Strengthening Fundraising Capacity	4,806	-	(4,780)	(26)	-
		<u>210,864</u>	<u>335,028</u>	<u>(450,193)</u>	<u>-</u>	<u>95,699</u>
	Total funds	<u>405,751</u>	<u>702,887</u>	<u>(791,238)</u>	<u>-</u>	<u>317,400</u>

Ecosystem Restoration and Monitoring Fund supports terrestrial work to conserve, understand and monitor the native and endemic species of Galapagos (and the invasive species that threaten them), in order to ensure their long term survival

Education and Capacity Building Fund funds initiatives to engage local people in the conservation of Galapagos. It includes higher education support principally for Ecuadorian students and this year has focussed on the development of an educational shadow puppet show on the importance of biosecurity

Gulbenkian Galapagos Arts Projects Fund represents funding from the Calouste Gulbenkian Foundation to present the outcome from an artists' residency programme. British and Portuguese artists to spent time exploring both the natural wonders and current challenges of Galapagos and their work was exhibited in Liverpool and Edinburgh in 2012

Project Floreana has developed into an exciting initiative to establish cameras at isolated and iconic sites on Galapagos, visitor controlled and linked to an interpretative centre at the Galapagos National Park HQ. In 2012 we were able to finalised the camera system to be used for proof of concept trailing in 2013, in situ

Improving the Visitor Experience is focused on the Charles Darwin Research Centre and with the loss in 2012 of Lonesome George it is all the more important to support an educational and engaging permanent visitor exhibit

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 ANALYSIS OF NET ASSETS BETWEEN TOTAL FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2012 are represented by			
Tangible fixed assets	17,425	-	17,425
Cash at bank and in hand	116,683	221,701	338,384
Other net current assets/(liabilities)	(38,409)	-	(38,409)
	<u>95,699</u>	<u>221,701</u>	<u>317,400</u>

11 OPERATING LEASE COMMITMENTS

At 31 December 2012 the charity had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012	2011
	£	£
Expiry date		
Less than one year	-	1,167
Between two and five years	<u>31,243</u>	<u>31,243</u>