

GALAPAGOS CONSERVATION TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Company Number: 3004112

Registered Charity Number: 1043470



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: 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
Sally Benthall (joined October 2009)
Mark Collins
Professor Terry Dawson
Svetlana Kirov
Sven Lorenz
Robert Silbermann
Edmund Truell
Anne Weyman OBE (joined October 2009)

HONORARY ROLES

President: Andrew Marr

Ambassadors: Janet Barber
Sir James Barlow Bt
Angela Darwin
Sarah Darwin PhD
Julian Fitter
Monty Halls
Randal Keynes
Professor Richard Keynes CBE FRS
Dorothy Latsis
Godfrey Merlen
Henry Nicholls
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 2009.

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 partners in Galapagos - and in particular its key partners 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. 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 2009, three new Trustees were appointed – Sally Benthall, Anne Weyman and Jody Chapman. Jody Chapman later resigned for family reasons.

A review of the Memorandum and Articles of Association continued during the year. If changes are made then, following the Charity Commission's approval, the Trustees plan to approve the revised Memorandum and Articles of Association during 2010. 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. Given the ongoing economic uncertainty the Trustees remain prudent in their expenditure and have designated funds to cover three areas of costs anticipated during 2010.

GALAPAGOS CONSERVATION TRUST

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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 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 163,000 in 2009 and some 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. Unless urgent and holistic action is taken, this icon of the natural world will be lost.

In 2009 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, principally 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 we raised funds in the following principal ways:

- Donations 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 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 sources of new members are those with an academic interest and people who visit Galapagos and/or have an interest in doing so. 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 GCT we send out regular newsletters, updates and invitations to events. In 2009 we conducted a series of focus groups with members to better understand their needs and aspirations for GCT.

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. During 2009 we also began working with WWF Ecuador.

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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. We were a founding partner of Darwin 200, a UK-wide network of organisations celebrating Darwin's bicentenary, and collaborated with other members and the Secretariat at the Natural History Museum throughout 2009.

During 2009 we also renewed our partnership with the Zoological Society of London (ZSL) and established a new relationship with Cambridge University to build research links between the University and Galapagos.

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 and the relevance of the Islands to the wider world. 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. We also run the Gulbenkian Galapagos Artists Residency programme, offering leading British artists the opportunity to experience the natural wonders and current challenges of Galapagos and to help broaden and support our awareness work.

3. ACHIEVEMENTS AND PERFORMANCE

Some Highlights for GCT in 2009 included:



Raising over £700,000 income for the first time in our history, an increase of 34% over the previous year and at a time of economic uncertainty



Providing grant funding of over £335,000 for Galapagos, including direct grants of over £200,000 to the Charles Darwin Foundation



Raising close to £150,000 for Project Floreana and launching our Donate a Darwin Appeal to save its flagship, the Floreana Mockingbird, at the Bank of England in February



Engaging a record number of young people – our combined Junior membership and Tortoise Club for Primary Schools saw a 35% increase in membership during the year



Recruiting a record number of Life Members – 32 in all during the year



Establishing a £400,000+ joint research fund with Cambridge University to develop lasting links between the University and Galapagos



Capitalising on the Darwin anniversaries to raise GCT's profile and put Galapagos conservation firmly in the spotlight, and leveraging increased funds as a result

a) Deliver Essential Resources To Galapagos

In 2009 we were able to provide over £335,000 in grants support for conservation in Galapagos. The majority of this was 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:

Project Floreana

Project Floreana is one of CDF's three flagship projects and a multi year priority for GCT. This ambitious five year project takes a holistic approach to removing invasive species and working with the local community to restore the original ecosystem of an inhabited island in Galapagos for the first time.

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Engaging local residents is critical to Project Floreana's success; and in 2009 GCT continued to support a training project for seven young people to become wildlife technicians. They are now employed by the Galapagos National Park and are tackling invasive plants such as blackberry. Thanks to a generous individual donation GCT was also able to fund the whole of a £100,000 project to help build local understanding about the island's unique biodiversity and its fragility, and the community's role in its conservation. Working with the local community the Charles Darwin Foundation has already developed a programme of consultation, displays and educational materials.



Floreana Mockingbird
Photo: Michael Dvorak

Saving the critically endangered Floreana mockingbird is a key priority within the project and GCT capitalised on the Darwin anniversaries and London Darwin exhibition to launch an Appeal to save the mockingbird and restore it to its native island (it currently only survives on two nearby islets). In 2009 our funding also supported a programme of biodiversity mapping and rat eradication on Floreana and a jointly funded CDF/Durrell Wildlife Conservation post to continue monitoring of the existing populations and identify the best release sites.

Engaging the local community in conservation

As the primary research organisation in Galapagos, CDF needs to work with local residents and institutions, gather data and initiate successful solutions as well as taking a leading role in engaging young people in the conservation of their islands.



*Charles Darwin 200th Birthday
Celebration in Galapagos*
Photo: Cristina Georgii, CDF

In 2009 GCT was delighted to fund a programme of local community events to celebrate Darwin's 200th birthday, including a puppet making workshop as part of the municipal "happy holidays" camps and a series of photography workshops for young people entitled "Galapagos, where I live" on the three main islands; one of our volunteers spent six months in Galapagos working with the Education team, and our Gulbenkian Galapagos Artists Residency Programme continued to build bridges and awareness for CDF with local people, both directly and indirectly, with four artists undertaking residencies with CDF last year.

Sound artist Kaffe Matthews' work with the Marine team and their shark monitoring programme included music making workshops with young people on Isabela Island, which were broadcast on local radio; Alison Turnbull conducted a colour workshop with young people on Santa Cruz Island and children's book illustrator Alexis

Deacon volunteered to illustrate CDF's new conservation materials for use in schools and awareness posters during his stay. CDF's Director of Technical Assistance praised the residency programme's positive impact on breaking down barriers locally and we are indebted to the Calouste Gulbenkian Foundation for their continued support for Galapagos.

Marine Monitoring and Management

The Galapagos Marine Reserve (GMR) is one of the largest protected marine areas in the world and a World Heritage Site in its own right due to the many unique species found there. During 2009 GCT continued to support the monitoring of sharks within the GMR through our Shark Campaign. This enabled CDF to make substantial progress with understanding the movement of sharks and begin work on the wider fisheries system.



School of Hammerhead Sharks
Photo: GNP

To date 135 Hammerheads and 18 Galapagos sharks have been tagged in the northern islands of Darwin and Wolf and nine White tip reef sharks were tracked at a site in Academy Bay over the course of a year. An additional monitoring site was also set up on the island of North Seymour last year.

Projects need people and GCT was delighted to support the salary of Dr Matthias Wolff, the Director of Marine Sciences who is responsible for the work of CDF's BIOMAR team. Dr Wolff was also involved in the planning and execution of the Darwin Science Symposium in July 2009, which was attended by over 100 scientists from all over the world.

During 2009 GCT was delighted to send £29,000 to support CDF's Marine programme including salary support.

Islands Sustainability Workshop

Whilst its wildlife may be unique, many of the challenges facing Galapagos are not. CDF has a great track record in bringing international experts together to develop solutions for a range of issues facing the Archipelago. Recent changes to the Ecuadorian constitution means that social challenges are currently a priority. With this in mind GCT supported an international workshop to discuss sustainability challenges around migration and tourism, public services, planning and participation that took place in the first quarter of 2010.

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Wildlife Disease Laboratory

In 2003, funding from the UK Government's Darwin Initiative helped to establish the first wildlife disease investigation laboratory and the only wildlife veterinary service in Galapagos. Its work includes research into diseases, epidemics and pathogens and performing wildlife autopsies as well as promoting greater local understanding about these threats.

It is widely recognised that introduced species and diseases pose the greatest threat to the native wildlife of Galapagos. The Lab's achievements include identifying the presence of West Nile virus - a potentially deadly threat to endemic species such as the Galapagos Penguin – and establishing that the highest risk from this mosquito-borne disease comes from incoming aircraft. All incoming aircraft are now fumigated. In 2004 GCT funded a freezer for storing blood and tissue samples and in 2009 we were delighted to renew our support through ZSL by providing a grant towards salaries, transport and equipment at a critical time, as the Lab moves towards a new funding plan.

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 2009 we were delighted to welcome over 630 new members, including 32 who joined as Life Members. We now have over 4,650 active members.

During 2009 we held a number of focus groups with members to better understand their needs, interest and opinions. Whilst each was unique, one theme came through strongly in all six discussions: our members' commitment to helping GCT to save Galapagos. These discussions have been instrumental in helping our plans to update our Membership Scheme during 2010.

Our Membership scheme for young people is also very important to GCT for informing them about conservation. We are very fortunate to have a primary school teacher volunteering with us to help manage our Tortoise Club. During 2009 our Junior Membership scheme and Tortoise Club for Primary Schools were combined and expanded to include other youth organisations as well. At the end of 2009 we had over 50 Tortoise Club Members, an increase of over 35% from the previous year. Our annual Tortoise Club Competition proved very popular once again.

c) Collaborate with Partners to Ensure Future Funding for Galapagos

GCT is proud to be part of the international network of independent 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 2009 the new Executive Director, the Director of Technical Assistance and Board members 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 Chief Executive attended CDF's General Assembly meeting in Galapagos, where GCT was voted in as a Governing member of the Assembly, in recognition of our ongoing support.

During 2009 we also developed a partnership with WWF Ecuador for the first time. WWF Ecuador have a particular interest in the human issues within Galapagos. In December we signed a three way Memorandum of Understanding with them to jointly fund RELUSAN - a waste oil recycling project on San Cristobal Island in partnership with GCT Trustee Sven Lorenz - who will provide both financial and business support. The aim is to help this project to become self sustaining within three years.

First class research is essential for the long-term survival of the Galapagos Islands and we are delighted to now be working in partnership with Cambridge University. On 12 February we hosted a joint fundraising dinner with Christ's College Cambridge, Charles Darwin's alma mater, to celebrate his 200th birthday. After two years of planning, and thanks to the generosity of those involved and special guests, including HRH the Duke of Edinburgh, Sir David Attenborough, the Vice Chancellor of Cambridge University, two of Charles Darwin's great great grandchildren and Andrew Marr who attended, we have already raised just over £400,000 for the Charles Darwin and Galapagos Islands Fund for research and academic exchange. This jointly managed fund will create a lasting link between Cambridge University and Galapagos.



*HRH The Duke of Edinburgh celebrates Darwin's birthday
Photo: Richard Lewisohn*

GCT committed considerable time and resources to the creation of this partnership and remain closely involved in its management and delivery, providing two of the four representatives who jointly manage the Fund. Since the Fund is held at Christ's College the money raised so does not appear in GCT's own accounts for the year.

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Within the UK other partnerships remain vital to our continued success. In 2009 we were delighted to welcome IWC as a joint sponsor for Galapagos Day for the first time. This internationally renowned watch company has a three year funding partnership with CDF and this was the first time this had been extended to working locally with one of CDF's key partners.

We continue to work closely with members of the travel industry who share our commitment to responsible tourism and over the past 12 months we have continued to develop the partnerships we have with tour operators to maximise the mutual benefits. We were indebted to Steppes Discovery for their sponsorship of our raffle and Galapagos Day and to The Ultimate Travel Company, another longstanding supporter, who sponsored our newsletter *UK News*. We were also delighted to welcome IWC as a sponsor for Galapagos Day for the first time.

By the end of 2009 the following companies had signed up to become Corporate Members of GCT:

At **Corporate Gold Level** – Steppes Discovery, Steppes Travel, The Ultimate Travel Company.

At **Corporate Level** - Abercrombie & Kent, Andean Trails, Aqua-Firma Worldwide, Explore!, Furlongs Travel, Galapagos Adventure Tours, Galapagos Classic Cruises, Galapagos Islands.com, Geodyssey, Jon Baines Tours, Last Frontiers, Metropolitan Touring, Penelope Kellie Worldwide Yacht Charter and Tours, Pura Aventura, Sunvil Latin America, Think Galapagos.

During 2009 we continued to collaborate with a range of partners in the Darwin 200 network to capitalise upon the Darwin anniversaries. This included everything from working with Royal Mail on the launch of the Darwin stamps in February to organising a joint Galapagos Symposium with the Linnean Society to celebrate the 150th anniversary of *On the Origin of Species* in November.

Our renewed partnership with the Zoological Society of London not only included supporting the work of the Wildlife Disease Investigation Laboratory in Galapagos but also collaborating on the displays for the new Galapagos Giant tortoise enclosure at London Zoo.

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 addition to the significant difference they made to GCT's income in 2009 the Darwin anniversaries and 50th anniversaries of the Charles Darwin Foundation and the Galapagos National Park Service provided an ideal platform for publicising the challenges facing the Islands (and species) that inspired Darwin and the lessons they can still teach us.

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 2009 were:

- Briefing and supporting the BBC who celebrated Darwin's birthday broadcasting from Galapagos;
- Providing briefings and spokespeople for the royal correspondents and journalists who accompanied Their Royal Highnesses the Prince of Wales and Duchess of Cornwall to Galapagos in March;
- Producing the biannual newsletter *Galapagos News* on behalf of the international Friends of Galapagos network, edited by Science writer Henry Nicholls;
- 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 February for members and supporters, highlighting key successes in 2008 and priorities for 2009;
- Acting as the primary resource for news and information about Galapagos for members of the UK Press and providing spokespeople about Galapagos as required. In 2009 we secured features in several daily newspapers including the Daily Telegraph and Independent on Sunday. We also briefed a number of travel and freelance journalists who visited Galapagos throughout the year;
- Sending monthly e-bulletin updates to over 4,000 subscribers;
- Refreshing our website (www.savegalapagos.org). The website is a key tool for the Trust and we were very fortunate to secure some pro bono support to help with updating its look and content during 2009;
- Organising talks and events around the country;
- Running a schools education programme as part of our Tortoise Club to engage younger audiences in conservation;
- Securing radio coverage for the plight of Lonesome George on Radio 4's *Today Programme* and the World Service.




New Junior Membership mascots designed pro bono by Airside

4. PLANS FOR THE FUTURE

The priority for 2010 is to capitalise on the partnerships and increase in funds and awareness that we established during this special year of Darwin and Galapagos anniversaries. 2010 marks GCT's own 15th anniversary and is also International Year of Biodiversity. We need to use these anniversaries to keep Galapagos firmly in the spotlight, to

celebrate GCT's past achievements and to demonstrate that Galapagos is still very much a living laboratory and a model for the world.

Our plans for 2010 include:

-  Launching GCT's 15 Steps to Help Save Galapagos and our Anniversary Appeal to support these
-  Building on our hugely successful start to Project Floreana, the plan to restore Floreana Island and save the critically endangered Floreana Mockingbird
-  Updating our membership scheme including the benefits, recruitment, and payment methods
-  Continuing work to refresh GCT's website (www.savegalapagos.org)
-  Strengthening GCT's infrastructure in order to continue building on our growth in both income and awareness over the past two years. This will include increasing our fundraising capacity, introducing Direct Debit as a method of payment and reviewing our current office location
-  Constantly reviewing our activities and liaising closely with our partners to maintain our financial support to Galapagos at a time of global economic uncertainty

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

5. FINANCIAL REVIEW

GCT had a very successful year in 2009 and, as reported above, was able to send funds of over £200,000 to the Charles Darwin Foundation alone for priority projects in Galapagos and invest an additional £175,000 to directly support the Islands. We also raised £400,000 jointly with Christ's College Cambridge to establish the Charles Darwin and Galapagos Islands Fund which, since the funds are held by Christ's College, do not appear in GCT's accounts. In addition we invested a further £129,902 in projects in the UK to build awareness of the conservation needs and opportunities.

Total income of £710,962 was generated, of which £289,491 was restricted (£160,389 of this was in the form of two donations, one for Project Floreana and one for the Gulbenkian Galapagos Art Projects Fund). The unrestricted income included Membership income of £125,234. Our annual Galapagos Day raffle was very successful and, together with the auction of a 5th edition of *On the Origin of Species* at the Galapagos Day lecture, generated a net income of £51,727 (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.

We are proud to have increased our income by £182,004 whilst the costs of generating voluntary income rose by just £8,119. We hope to build on this success during 2010, continuing to increase our income whilst carefully managing our costs. We recognise however the need to remain cautious given the current economic downturn and the need to invest in GCT's infrastructure which is key to the organisation's future growth.

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 had agreed that to maintain financial viability we needed to maintain Unrestricted Reserves of £75,000; but in late 2007 they agreed to increase this figure gradually to £90,000 in order to ensure it still met our needs. Given the growing economic uncertainty the Trustees have continued to take a more cautious approach to expenditure. As a result of this caution, they agreed to set aside designated funds of £32,000 towards strengthening GCT's fundraising and the expected office relocation during 2010. As a result of these provisions and Unrestricted Funds of £22,500 to be sent to the Charles Darwin Foundation in March 2010, Unrestricted Reserves stood at £170,057 at the end of the year (2008 : £139,731).

Volunteers

As an organisation with four full time staff, GCT relies heavily on the hard work of our volunteers. They make a vital contribution to our office and membership administration as well as at our events and we are extremely grateful to them for their commitment and support. In 2010, 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 programme with schools
- Continuing the upgrade of our slide library, calendar and photo competition
- Assisting with major events such as our Galapagos Day lecture and dinner
- Stuffing over 6,000 envelopes and providing general administrative back up to our staff team
- Giving presentations and talks about Galapagos on our behalf

GALAPAGOS CONSERVATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law and the law applicable to charities in England and Wales requires charity Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for that period. In preparing the 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 2006, the Charities Act 1993 and the Charity (Accounts and Reports) Regulations 2008. 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 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

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

By Order of the Board

.....
Richard Robinson
Chairman

.....
Rebecca Bower
Treasurer

27 April 2010

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 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with regulations issued under the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The Trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting practice, if the charitable companies financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an 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 charitable company'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 of the state of the charity's affairs at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Bridge House
London Bridge
London SE1 9QR

M Wilkes (Senior Statutory Auditor)

For and on behalf of **Wilkins Kennedy, Statutory Auditor**

Date:

GALAPAGOS CONSERVATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2009

INCOME AND EXPENDITURE ACCOUNT

	Note	Unrestricted funds	Restricted funds	Total 2009	Total 2008 (restated)
		£	£	£	£
Incoming resources					
Voluntary income:					
Donations and legacies	2	199,951	289,171	489,122	306,997
Membership subscriptions		125,234	-	125,234	118,106
Activities for generating funds:					
Fundraising events		49,596	320	49,916	55,476
Fundraising trading		19,316	-	19,316	22,813
Incoming resources from charitable activities:					
Education and Awareness		26,340	-	26,340	16,015
Bank interest receivable		1,034	-	1,034	9,551
Total incoming resources		<u>421,471</u>	<u>289,491</u>	<u>710,962</u>	<u>528,958</u>
Resources expended					
Cost of generating funds:					
Costs of generating voluntary income		43,115	-	43,115	40,832
Fundraising events		33,529	727	34,256	29,733
Fundraising trading		16,876	-	16,876	15,563
Charitable activities:					
Education and awareness of Galapagos	3	129,902	-	129,902	130,206
Grant making to Galapagos	4	142,631	232,477	375,108	231,955
Governance costs		25,092	-	25,092	21,975
Total resources expended	5	<u>391,145</u>	<u>233,204</u>	<u>624,349</u>	<u>470,264</u>
Net movement in funds		30,326	56,287	86,613	58,694
Funds brought forward at 1 January 2009		139,731	42,361	182,092	123,398
Funds carried forward at 31 December 2009	10	<u><u>170,057</u></u>	<u><u>98,648</u></u>	<u><u>268,705</u></u>	<u><u>182,092</u></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 2009

	Notes	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	6		766		3,373
Current assets					
Stock		4,834		3,437	
Debtors	7	20,531		19,831	
Cash at bank and in hand		319,610		221,715	
		<u>344,975</u>		<u>244,983</u>	
Creditors: Amounts falling due within one year	8	<u>(61,166)</u>		<u>(51,314)</u>	
Net current assets			<u>283,809</u>		<u>193,669</u>
Total assets less current liabilities			<u>284,575</u>		<u>197,042</u>
Creditors: Amounts falling due after more than one year	9		<u>(15,870)</u>		<u>(14,950)</u>
Net assets			<u>268,705</u>		<u>182,092</u>
Funds					
Restricted funds	10		98,648		42,361
Unrestricted funds	10				
Designated funds			32,000		-
General funds			138,057		139,731
Total funds			<u>268,705</u>		<u>182,092</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 27 April 2010 and signed on its behalf by:

.....
R Robinson
 Chairman

.....
R Bower
 Trustee

The notes on pages 15 to 21 form part of these financial statements.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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 and the Companies Act 2006.

1.2 Prior year adjustment

In 2009 we have separated out fundraising events and those that promote awareness of Galapagos and GCT's work to conserve the Islands. The prior year figures have been adjusted in line with this change which does not affect overall totals.

1.3 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

1.4 Stocks

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

1.5 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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)

1.10 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 2009 £	Restricted Funds 2009 £	Total 2009 £	Total 2008 £
Donations	131,442	289,171	420,613	270,056
Legacies	-	-	-	1,000
Tax recoverable under Gift Aid	68,509	-	68,509	35,941
	<u>199,951</u>	<u>289,171</u>	<u>489,122</u>	<u>306,997</u>
	£	£	£	£
Chairman's Review and Newsletter publication costs	23,492	-	23,492	25,387
Galapagos Day lecture & education events	14,858	-	14,858	13,467
Promoting public education and awareness of Galapagos	10,091	-	10,091	7,356
Staff costs	65,105	-	65,105	62,979
Support costs	16,356	-	16,356	21,017
	<u>129,902</u>	<u>-</u>	<u>129,902</u>	<u>130,206</u>
	£	£	£	£
4. GRANT MAKING TO GALAPAGOS				
Grants payable to Galapagos:				
- Charles Darwin Foundation	54,000	161,116	215,116	164,183
- Support for individuals through the Calouste Gulbenkian Arts Fund	-	48,276	48,276	27,222
- World Wildlife Fund re RELUSAN	45,000	-	45,000	-
- Durrell Wildlife Conservation Trust	-	16,470	16,470	-
- Zoological Society of London	3,700	3,700	7,400	-
- Local Education and Awareness	-	2,915	2,915	-
Staff costs	31,658	-	31,658	30,802
Support costs	8,273	-	8,273	9,748
	<u>142,631</u>	<u>232,477</u>	<u>375,108</u>	<u>231,955</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 - Project Floreana	134,383				
	WWF re. RELUSAN	45,000				
	CDF – Public Administration & Sustainability Workshop	40,000				
	Durrell Wildlife Conservation Trust – Project Floreana	16,470				
	CDF - Director of Marine Science	14,000				
	CDF – Director of Terrestrial Science	14,000				
	CDF - Marine Investigation	15,000				
	Galapagos National Park Data Entry	10,000				
		<u>288,853</u>				
4.2	Reconciliation of grants payable	2009	2008			
		£	£			
	Commitments at 1 January 2009	56,658	73,500			
	Grants committed during the year	335,177	191,405			
	Gift of staff time to CDF	-	2,900			
	Grants paid during the year	(324,834)	(211,147)			
	Commitments at 31 December 2009	<u>67,001</u>	<u>56,658</u>			
		2009	2008			
		£	£			
	Commitments falling due within one year	51,131	41,708			
	Commitments falling due after more than one year	15,870	14,950			
		<u>67,001</u>	<u>56,658</u>			
5.	RESOURCES EXPENDED					
		Gifts in kind	Direct costs	Staff costs	Support costs	Total 2009
		£	£	£	£	£
	Generating income	-	9,330	27,017	6,768	43,115
	Fundraising events	8,195	8,766	13,723	3,572	34,256
	Fundraising trading	-	13,403	2,721	752	16,876
	Education & awareness	-	48,441	65,105	16,356	129,902
	Grant making	-	335,177	31,658	8,273	375,108
	Governance	-	15,960	7,252	1,880	25,092
		<u>8,195</u>	<u>431,077</u>	<u>147,476</u>	<u>37,601</u>	<u>624,349</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	HR & recruitment	Depreciation of fixed Assets	Premises costs	Total 2009	Total 2008
	£	£	£	£	£	£
Generating income	5,222	67	469	1,010	6,768	8,419
Fundraising events	2,756	36	248	532	3,572	6,204
Fundraising trading	580	7	52	113	752	665
Education & awareness	12,619	162	1,134	2,441	16,356	17,282
Grant making	6,382	82	574	1,235	8,273	9,748
Governance	1,451	19	130	280	1,880	1,994
	29,010	373	2,607	5,611	37,601	44,312

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:

	2009 £	2008 £
Auditors' remuneration for audit	5,500	5,405

5.1 Staff Costs

	2009 £	2008 £
Salaries and wages	122,900	111,759
Social security costs	12,841	11,438
Temporary staff and consultants	11,735	6,775
	147,476	129,972

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 £184 (2008: £Nil). No employees earned more than £60,000 during the year (2008: 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	3
	4	4

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TANGIBLE FIXED ASSETS	Fixtures & Fittings £	Computer Equipment £	Total £
COST			
At 1 January 2009 and 31 December 2009	3,986	21,368	25,354
DEPRECIATION			
At 1 January 2009	3,986	17,995	21,981
Charge for the year	-	2,607	2,607
At 31 December 2009	3,986	20,602	24,588
NET BOOK VALUE			
At 31 December 2009	<u>-</u>	<u>766</u>	<u>766</u>
At 31 December 2008	<u>-</u>	<u>3,373</u>	<u>3,373</u>
7. DEBTORS		2009	2008
		£	£
Trade debtors		105	791
Accrued income		-	1,000
Tax recoverable under Gift Aid		9,272	8,552
Other debtors and prepayments		11,154	9,488
		<u>20,531</u>	<u>19,831</u>
8. CREDITORS: Amounts falling due within one year		2009	2008
		£	£
Grants payable (see note 4.2)		51,131	41,705
Other creditors and accrued expenditure		10,035	9,609
		<u>61,166</u>	<u>51,314</u>
9. CREDITORS: Amounts falling due after more than one year		2009	2008
		£	£
Grants payable (see note 4.2)		<u>15,870</u>	<u>14,950</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. STATEMENT OF FUNDS	1 January 2009	Incoming resources	Resources Expended/ transfers	31 December 2009
	£	£	£	£
Restricted funds				
CDF Fund	50	40,000	(40,000)	50
CDF Visitor Centre	-	5,200	(204)	4,996
Charles Darwin & Galapagos Islands	1,017	320	(727)	610
Ecosystem Restoration and Monitoring	1,647	135	(1,537)	245
Education and Capacity Building	3,756	45	-	3,801
Gulbenkian Galapagos Arts Projects Fund	30,286	84,000	(48,276)	66,010
Marine Fund	531	2,813	(3,000)	344
Project Floreana	3,993	146,365	(134,383)	15,975
Removing Galapagos from the In Danger List	51	8,665	(2,700)	6,016
Reptiles Fund	1,030	1,948	(2,377)	601
	<u>42,361</u>	<u>289,491</u>	<u>(233,204)</u>	<u>98,648</u>
Unrestricted funds				
General Fund	139,731	421,471	(423,145)	138,057
Designated funds				
Office relocations	-	-	15,000	15,000
Automation of subscription system	-	-	9,000	9,000
Strengthening fundraising capacity	-	-	8,000	8,000
	<u>139,731</u>	<u>421,471</u>	<u>(391,145)</u>	<u>170,057</u>
Total funds	<u>182,092</u>	<u>710,962</u>	<u>(624,349)</u>	<u>268,705</u>

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

CDF Visitor Centre Fund consists of donations for improvements to, and future development of, the visitor and education experience at the Charles Darwin Research Station.

Charles Darwin & Galapagos Islands Fund works to build a lasting research link between Galapagos and Cambridge University. It was officially launched at a dinner to celebrate Charles Darwin's 200th birthday in February 2009. The event has so far raised £401,000 for the Fund, which is held by Christ's College does not appear in GCT's accounts. It is jointly managed by GCT and the College. This restricted fund includes only the cash that has been handled by GCT towards the event.

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 we are currently supporting a PhD student at Imperial College.

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

Marine Fund supports a range of projects to ensure a sustainable future for the Galapagos Marine Reserve and the many unique species found there. Much of its income comes through donations to the Trust's Shark Campaign. It also includes donations to the White Tipped Reef Sharks Fund that is made up of funds received both through a Tribute Fund set up in memory of a GCT supporter and through the Shark Campaign.

Project Floreana (formerly Floreana Restoration Fund) supports the holistic multi-year restoration of Floreana Island. It is the first restoration of an inhabited island and saving the iconic Floreana mockingbird is a key priority for this project.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. STATEMENT OF FUNDS (continued)

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

The Reptiles Fund funds a range of projects supporting the conservation of giant tortoises and Marine and land iguanas in Galapagos.

Designated funds have been set aside to strengthen GCT's fundraising capacity during 2010. This includes the Office Relocation Fund for the one off costs incurred in moving including renovation, removals, equipment and connection charges; funds set aside to cover the introduction of Direct Debit as a method of payment and paying for additional fundraising expertise on both a temporary and permanent basis.

11. ANALYSIS OF NET ASSETS BETWEEN TOTAL FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2009 are represented by:			
Tangible fixed assets	766	-	766
Cash at bank and in hand	220,962	98,648	319,610
Other net current assets/(liabilities)	(35,801)	-	(35,801)
Creditors falling due after one year	(15,870)	-	(15,870)
	<u>170,057</u>	<u>98,648</u>	<u>268,705</u>

12. OPERATING LEASE COMMITMENTS

At 31 December 2009 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2009 £	2008 £
Expiry date:		
Between one and two years	<u>3,500</u>	<u>3,500</u>