

**FALKLANDS CONSERVATION**  
**(A Company Limited by Guarantee)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2005**

**Company Number: 3661322 (England and Wales)**

**Registered Charity Number: 1073859**

**WILKINS KENNEDY**  
**Chartered Accountants**  
**Bridge House**  
**London Bridge**  
**LONDON**  
**SE1 9QR**

## FALKLANDS CONSERVATION

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**FALKLANDS CONSERVATION**  
**OFFICERS AND PROFESSIONAL ADVISORS**

**PATRON**

HRH The Duke of York CVO

**VICE PRESIDENTS**

Sir David Attenborough  
Robert Gibbons  
Peter Harrison

Sir Rex Hunt CMG  
Rebecca Ingham  
Lady Philippa Scott

**PRINCIPAL ADDRESSES**

United Kingdom:  
1 Princes Avenue, Finchley,  
London N3 2DA

Falkland Islands:  
Jetty Visitor Centre, Stanley,  
Falkland Islands

**REGISTERED OFFICE**

1 Princes Avenue, Finchley,  
London N3 2DA

**COMPANY SECRETARY**

Ann Brown

**BANKERS**

United Kingdom:  
Barclays Bank Plc

Falkland Islands:  
Standard Chartered Bank

**SOLICITORS**

United Kingdom:  
Russell-Cooke

Falkland Islands:  
Ledingham Chalmers

**AUDITORS**

Wilkins Kennedy  
Chartered Accountants

**FALKLANDS CONSERVATION**

**OFFICERS AND PROFESSIONAL ADVISORS**

**BOARD OF TRUSTEES**

Henry Robinson	(Chairman)
Gordon Liddle	(FI Chairman)
William Featherstone	(Hon Treasurer)
Keith Biles	(Hon Treasurer FI)
Sally Blake	
Paul Brickle	
Nikki Buxton	- resigned 30 November 2004
Tim Carr	
Jan Cheek	
John Croxall	
Julian Fitter	
Jeffrey Halliday	
Malcolm Hunt	
Ron Lewis-Smith	
Michael Morrison	
Andrew Pollard	- appointed 29 July 2005
Henry Robinson	
Mandy Shepherd	
Tim Stenning	
Louise Taylor	- resigned 30 November 2004
Philippa Thompson	- resigned 31 July 2004
Diane Towersey	- appointed 30 November 2004
Robin Woods	
Louise Taylor	

## **FALKLANDS CONSERVATION**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2005**

The Trustees have pleasure in presenting their Annual Report together with the audited financial statements for the year ended 30 June 2005.

#### **Objects**

The principal objectives of the charitable company are the conservation and protection of Falkland Islands wildlife and their habitats, and research and public educational activities relating to these aims.

#### **Organisation**

The Trustees, who are also Directors for the purposes of the Companies Act 1985, are responsible for the overall management and control of the Charity. A Committee of Trustees based in the Falkland Islands oversees operational activities. In the UK, Henry Robinson took over as Chairman from Robin Woods and Mandy Shepherd was appointed Vice Chairman. In the Falkland Islands, Gordon Liddle continued to serve as Chairman with Jeffrey Halliday as Vice Chairman.

Rebecca Ingham who led the staff team in the Falkland Islands, left us in April 2005 to return to the UK. Grant Munro was appointed to replace her in this key position. The vacancy this created for Project Leader of the Albatross and Petrel Programme was filled by Oliver Yates. Dr Andrea Clausen returned from 2 years special leave. Dr Alexander Jones, based primarily in the UK, was appointed in September 2004 to lead our Invertebrates Conservation Project.

Sir David Attenborough, Sir Rex Hunt, and Lady Philippa Scott were re-appointed for a further five year term as Vice Presidents. Joining them as new Vice Presidents are Peter Harrison and Rebecca Ingham.

A full list of the trustees who served during the year is included in the list of Officers and Professional Advisers on page 2.

#### **Risk Strategy**

Trustees have undertaken a review of the major risks to which Falklands Conservation is exposed. Where necessary new systems and procedures are being put in place to mitigate those risks. A Handbook of Policies and Procedures has been produced setting out basic functions and work methods as a standard for all personnel and a reference in the event of unexpected absence by key staff members.

#### **Review of Activities and Future Developments**

It has been an active and busy year, addressing a broad range of wildlife issues and significantly progressing a number of long-term strategic objectives. Notable examples of this were the start of a major education initiative and a three-year invertebrates research programme.

A high proportion of our conservation effort was once again concentrated on the marine environment. Following on from the close of the Seabirds at Sea Project last year, a two-year Albatross and Petrel Programme was begun primarily to address issues within the international Agreement for the Conservation of Albatross and Petrels. A census of the Southern Giant Petrel was conducted from November 2004 – March 2005, concluding that 19,810 pairs of this species breed in the Falkland Islands, a substantial proportion of the world population. Monitoring and development of mitigation methods to reduce seabird mortality in Falkland waters continued. The introduction of effective measures within the Falkland fishing fleet has seen a marked reduction in seabird deaths from both trawlers and long line vessels. For the first time, the squid jigging fleet and its associated marine debris were assessed. Our Seabirds at Sea South Georgia Project produced its final report '*Seabird and marine mammal distribution in the waters around South Georgia 2002-2004*', and a South Georgia Icefish Mitigation Project was carried out. Our long term monitoring of selected penguin colonies revealed 2004-05 to be a good year at these sites with an increase in penguin numbers and the highest recorded breeding success since this programme started in 1986. The impact of fisheries waste discharge on seabirds and the options to better manage this waste on board trawl vessels was investigated through a joint project with the Falkland Islands Fisheries Department. A report *Waste Discard Management in the Falkland Islands Trawl Fishery, A Discussion Document* was published and was followed by 2 workshops with the fishing industry.

## **FALKLANDS CONSERVATION**

### **TRUSTEES' REPORT** **(continued)**

#### **Review of Activities and Future Developments (continued)**

Wardens were recruited and supported at both Weddell Island and Sea Lion Island from November to March. In addition to providing the warden at Weddell, the Royal Zoological Society of Scotland helped us with provision of new visitor information boards at Volunteer Point and with specialist veterinary advice including a field sampling kit. Management plans were initiated for the two Falkland Ramsar sites at Sea Lion Island and Bertha's Beach. The list of 22 Important Bird Areas in the Islands was finalised ready for publication of a Directory in 2005-06, and a Land Acquisition Policy has been agreed prioritising the value of potential nature reserves purchase.

A three-year invertebrates conservation project began in September 2004, to build on our initial studies and produce a long term conservation plan. Fieldwork in 2005 has already produced a large number of specimens for identification. A training course to teach local volunteers in identification and collection of invertebrates was held and attracted unexpectedly high interest. The Herbarium, now holding 170 species, was moved to a secure location in the National Archives building and the seed bank collection has been installed at the Agricultural Department. The role of expert groups to advise on specialist areas has been reviewed and it is intended to set up further groups. An Invertebrates Group has now been set up.

Practical conservation efforts have seen the WATCH Group clear marine debris from Sea Lion Island, Fox Bay, Shallow Harbour and Port Stephens, and a large number of volunteers undertook a "Common Clean" at Moody Brook. Tussac planting has also been undertaken by the WATCH group and military volunteers. Rat eradication work was undertaken on North West Island, and a number of other islands were surveyed for future vermin clearance. Post clearance checks on Outer and Double Islands, Falklands Conservation nature reserves, confirm that the islands are now rat-free. Efforts have been made to control invasive thistles on East Falkland with 'thistle pull' events organised on Stanley Common and near Mare Harbour with support from both the military and Department of Agriculture. Conservation grants were awarded to develop a cetacean database, for gorse control and fencing to protect stands of tussac grass. Marine mammal medic training continued with a course held to train volunteers in the techniques required to handle stranded cetaceans.

The WATCH Group, our nature club for young Islanders aged 8 – 14 years, continues to be very popular with 50 members now involved in a regular programme of wildlife activities. A two-year programme to develop environmental education materials for the school curriculum, draw up a volunteer strategy, and to involve local people in wildlife surveys and recording has begun.

After two years work the draft Falkland Islands Conservation Strategy and Biodiversity Action Plan produced by the Government's Conservation Strategy Officer is now under consideration by the Falkland Islands Government. When finalised this will prove a useful framework to guide our work. As supporting documents to this process, Falklands Conservation produced two reports at the request of the Falkland Islands Government. The *Falkland Islands Environmental Baseline Survey 2004* summarised the current state of the environmental resource and relevant legislation in the Falkland Islands, whilst *Falkland Islands Biodiversity, Trends and Pressures* summarised the main biodiversity trends, the gaps in data, and the biological and socio-economic pressures that currently exist which affect the biodiversity resource and may lead to biodiversity loss.

Internationally, we have played an active part within the Forum for the Conservation of the Patagonian Sea and Areas of Influence. In May we participated in a BirdLife International Americas Regional Meeting as a voting partner for the first time and are raising the profile of the plight of seabirds in the Southern Ocean to a wider audience. We work closely with the BirdLife Global Seabird Programme and are represented on their Steering Committee. Our presence at the 2005 International Association of Antarctic Tour Operators annual meeting enabled us to promote the Falklands as a wildlife tourism destination. We continue as key member of the UK Overseas Territories Conservation Forum, particularly contributing to their South Atlantic Working Group.

We remain a regular participant on the Islands' Environment Committee and continue to work with the British Forces Falkland Islands Conservation Liaison Committee. We have been pleased once again to support many scientists visiting the Falkland Islands. During the year we have worked closely with the Environmental Planning, Education, Fisheries and Agriculture Departments of the Falkland Islands Government.

#### **Finances**

The results for the year are detailed in the attached financial statements. These reflect a busy year with a diverse range of projects undertaken. Finances as a whole reflect a healthy position with a welcome increase in both new initiatives and the value of investments. Trustees have monitored our Risk Strategy and Health and Safety Policy to safeguard our organisation and all personnel. Once again we can report on the success of our community fundraising events in the Islands. The Charity Ball in September, the Campers Bash in April and the Albatross Shield Golf Tournament all made substantial and much needed contributions to our funds.

## **FALKLANDS CONSERVATION**

### **TRUSTEES' REPORT** **(continued)**

#### **Finances (continued)**

We again express our thanks to the many organisations which have generously donated funds and support including many zoological societies with penguin collections but particularly the Royal Zoological Society of Scotland, The H B Allen Charitable Trust, The John Cheek Trust, Cable & Wireless, the Laskarides family, Polar Ltd, the Government of South Georgia & the South Sandwich Islands, The Royal Society for the Protection of Birds, The Foreign & Commonwealth Office Overseas Territories Environment Fund, the Darwin Initiative, Standard Chartered Bank, and especially the Falkland Islands Government. Finally, we gratefully acknowledge the enormous contribution and support given by our members without whom much of our work would not be possible.

#### **Financial Reserves Policy**

Falklands Conservation intends to build up its general reserves to safeguard against potential fluctuations in levels of income. This is to cope with any reduction in the high proportion of funding from the Falkland Islands Government, to meet cash flow demands created by increasing reliance on other fund sources, and to cover unforeseen events.

There are no restrictions on the charity's power to invest. The investment strategy is set by the Trustees, who provide the investment advisor with specific guidelines and certain restrictions. The general investment objectives are for income and capital growth.

#### **The Future**

We continue to review our strategic plan on an annual basis to meet current conservation issues and objectives. Our operational priority will remain focused on the decline of the Islands' seabird populations. In addition to monitoring key seabird colonies, during 2005-06 we will be conducting Island-wide censuses of penguin, albatross and white chinned petrels. In March 2006 we will be holding an international workshop in Stanley on the Conservation of Albatross and Petrels. We expect to make major strides forward in our education work, and involve more people in our conservation projects. We will publish a completely revised second edition of our Visitor's Guide to the Falkland Islands, both to provide information on the Falklands spectacular wildlife and to advise on appropriate behaviour at sensitive sites. In addition, we will publish a Falkland Islands Directory of Important Bird Areas.

We eagerly await publication of the Falkland Government's *Falkland Islands Conservation Strategy and Biodiversity Action Plan* and to developing an appropriate relationship with the Government on implementing this in a constructive partnership. Together with our members, volunteers, and supporters, both in the Islands and worldwide, we will continue to protect the Islands' wildlife to the best of our ability with the resources available to us.

#### **Statement Of Trustees' Responsibilities**

Company law requires the Trustees to prepare financial statements for each financial year which, give a true and fair view of the charity's state of affairs at the end of the year and of its income and expenditure for that period. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

A resolution to reappoint Wilkins Kennedy as auditors will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

**Henry Robinson, Chairman, Board of Trustees**

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

### OF FALKLANDS CONSERVATION

We have audited the financial statements on pages 7 to 15 which have been prepared under the historical cost convention as modified by the revaluation of fixed assets investments and the accounting policies set out on page 9.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 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 auditors**

The trustees of the charity who are also directors of the charitable company for purposes of company law are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards as 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 United Kingdom Auditing Standards.

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

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

#### **Basis of opinion**

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

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

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charity at 30 June 2005 and of the incoming resources and application of resources, including the income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bridge House  
London Bridge  
London  
SE1 9QR

**DRAFT**  
Chartered Accountants  
and Registered Auditor

Dated:

**FALKLANDS CONSERVATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 30 JUNE 2005**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
<b>Incoming resources</b>						
Grants received		-	-	308,830	308,830	309,725
Donations and gifts		63,712	-	25,959	89,671	84,766
Subscriptions		10,627	-	-	10,627	9,402
Other income		12,328	-	-	12,328	7,566
Activities for generating funds:						
Sale of goods and publications		25,382	-	-	25,382	40,916
Investment income		7,743	3,199	-	10,942	11,380
<b>Total incoming resources</b>		<u>119,792</u>	<u>3,199</u>	<u>334,789</u>	<u>457,780</u>	<u>463,755</u>
<b>Cost of generating funds:</b>						
Merchandising costs		13,132	-	-	13,132	26,966
Fundraising and publicity		13,277	-	-	13,277	14,678
		<u>26,409</u>	<u>-</u>	<u>-</u>	<u>26,409</u>	<u>41,644</u>
<b>Net incoming resources available for charitable application</b>		<u>93,383</u>	<u>3,199</u>	<u>334,789</u>	<u>431,371</u>	<u>422,111</u>
<b>Charitable Expenditure</b>						
Costs of activities in furtherance of the objectives of the charity:						
Conservation and research		20,642	-	270,712	291,354	299,149
Education and community		1,737	-	35,242	36,979	31,861
Conservation Grants Scheme		-	4,685	-	4,685	1,000
Support costs		73,382	-	8,553	81,935	77,488
Management and administration		17,527	-	-	17,527	16,132
<b>Total charitable expenditure</b>		<u>113,288</u>	<u>4,685</u>	<u>314,507</u>	<u>432,480</u>	<u>425,630</u>
<b>Total resources expended</b>	<b>2/3</b>	<u>139,697</u>	<u>4,685</u>	<u>314,507</u>	<u>458,889</u>	<u>467,274</u>
Net outgoing resources before transfers		(19,905)	(1,486)	20,282	(1,109)	(3,519)
Transfers between funds		(26,327)	20,000	6,327	-	-
<b>Net incoming (outgoing) resources</b>		<u>(46,232)</u>	<u>18,514</u>	<u>26,609</u>	<u>(1,109)</u>	<u>(3,519)</u>
Gain on investments		8,021	9,094	-	17,115	(2,029)
<b>Net movements in funds</b>		<b>(38,211)</b>	<b>27,608</b>	<b>26,609</b>	<b>16,006</b>	<b>(5,548)</b>
Balances at 1 July 2004		63,648	254,793	142,313	460,754	466,302
<b>Balances at 30 June 2005</b>		<u>£25,437</u>	<u>£282,401</u>	<u>£168,922</u>	<u>£476,760</u>	<u>£460,754</u>

The notes on pages 9 to 15 form part of these financial statements.

**FALKLANDS CONSERVATION**

**BALANCE SHEET**

**AS AT 30 JUNE 2005**

	Notes	2005		2004	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		65,049		85,425
Investments	5		285,350		282,039
			<u>350,399</u>		<u>367,464</u>
<b>Current assets</b>					
Stock	6	23,865		15,746	
Debtors	7	32,786		16,487	
Cash at bank and in hand		85,118		84,413	
		<u>141,769</u>		<u>116,646</u>	
<b>Creditors:</b> Amounts falling due Within one year	8	15,408		23,356	
				<u>23,356</u>	
<b>Net current assets</b>			126,361		93,290
			<u>126,361</u>		<u>93,290</u>
<b>Net assets</b>			<b><u>£476,760</u></b>		<b><u>£460,754</u></b>
<b>Funds</b>					
Endowment	9d		32,408		32,408
Restricted	9c		136,514		109,905
Unrestricted funds:					
Designated	9b		282,401		254,793
General	9a		25,437		63,648
			<u>282,401</u>		<u>254,793</u>
			<u>25,437</u>		<u>63,648</u>
			<b><u>£476,760</u></b>		<b><u>£460,754</u></b>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the Board of Trustees on  
Signed on behalf of the Board of Trustees by:

**DRAFT**  
.....

**DRAFT**  
.....

The notes on pages 9 to 15 form part of these financial statements.

## FALKLANDS CONSERVATION

### NOTES TO THE FINANCIAL STATEMENTS

#### YEAR ENDED 30 JUNE 2005

#### 1. ACCOUNTING POLICIES

##### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). In preparing the financial statements the charity has also followed best practice as set out in the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

##### 1.2 Fixed assets

Depreciation is provided on all tangible assets except freehold land in order to write off their cost less residual value over their estimated useful lives of between three and four years. During the year the trustees agreed to change from a reducing balance basis for depreciation to a straight line method.

##### 1.3 Stocks

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

##### 1.4 Incoming resources

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be used in a future period.

Grants include amounts received from the Falkland Islands Government for core funding and other specific projects, together with grants from other bodies in response to applications or appeals.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Gifts in kind are included within donations at a reasonable estimate of their value to the charity.

##### 1.5 Resources Expended

Expenditure is included when incurred.

The majority of costs are directly attributable to specific projects and activities. Management and administration expenses includes certain expenses which cannot be readily allotted to a specific charitable project.

Support costs include operational costs of both the Falkland Islands and UK based offices, where they directly provide technical support and supervision for specific projects and programmes.

##### 1.6 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. Designated funds are those funds set aside by the trustees out of unrestricted funds for specific future purposes or projects.

*Restricted and Endowment 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 accounts.

**FALKLANDS CONSERVATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**(continued)**

**2. ANALYSIS OF RESOURCES EXPENDED**

	<u>Staff costs</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u>
	£	£	£	£
Cost of generating funds:				
Merchandising costs	-	13,132	-	13,132
Fundraising and publicity	7,168	6,109	-	13,277
	<u>7,168</u>	<u>19,241</u>	<u>-</u>	<u>26,409</u>
Cost of activities in furtherance of the objectives of the charity:				
Conservation and research	201,154	71,840	18,360	291,354
Education and community	34,519	2,460	-	36,979
Conservation Grants Scheme	-	4,685	-	4,685
Support costs	22,397	47,620	11,918	81,935
Managing and administering the charity	9,855	7,672	-	17,527
	<u>267,925</u>	<u>134,277</u>	<u>30,278</u>	<u>432,479</u>
Total resources expended	<u><b>£275,093</b></u>	<u><b>£153,518</b></u>	<u><b>£30,278</b></u>	<u><b>£458,889</b></u>

Other expenditure includes:	<b>2005</b>	<b>2004</b>
	£	£
Auditors' remuneration:		
For audit	3,349	3,181
For other services	1,394	900
Gain on disposal of fixed assets	(3,830)	(7,566)
	<u>          </u>	<u>          </u>

**3. STAFF COSTS**

	£	£
Wages and salaries	255,229	231,480
Social security costs	9,582	7,141
Pension costs	10,282	9,287
	<u>          </u>	<u>          </u>
	<u><b>£275,093</b></u>	<u><b>£247,908</b></u>

None of the Trustees received any remuneration, other benefits or reimbursement of expenses from the charity during the year. There were no employees earning more than £50,000 during the year.

The average number of employees during the year was as follows:

	<b>No.</b>	<b>No.</b>
Average number	<u>9</u>	<u>9</u>

**FALKLANDS CONSERVATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**(continued)**

4. TANGIBLE FIXED ASSETS	<u>Land and Buildings</u>	<u>Plant and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
<b>COST</b>				
At 1 July 2004	34,098	61,561	49,252	144,911
Additions	-	10,022	-	10,022
Disposals	-	(2,149)	(16,117)	(18,266)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2005	34,098	69,434	33,135	136,667
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>				
At 1 July 2004	500	36,167	22,819	59,486
Charge for the year	-	20,412	9,866	30,278
Disposals	-	(2,029)	(16,117)	(18,146)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2005	500	54,550	16,568	71,618
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
<b>At 30 June 2005</b>	<b><u>£33,598</u></b>	<b><u>£14,884</u></b>	<b><u>£16,567</u></b>	<b><u>£65,049</u></b>
At 30 June 2004	<u>£33,598</u>	<u>£25,394</u>	<u>£26,433</u>	<u>£85,425</u>

Land and buildings includes land at a cost of £33,598 which is not depreciated.

5. INVESTMENTS	2005 £	2004 £
At market value:		
Balance at 1 July 2004	282,039	252,581
Additions	5,196	31,487
Disposal proceeds	(19,000)	-
Revaluation	17,115	(2,029)
	<hr/>	<hr/>
Market value at 30 June 2005	<b><u>£285,350</u></b>	<b><u>£282,039</u></b>
	<hr/>	<hr/>
Cost at 30 June 2005	<u>£265,737</u>	<u>£277,250</u>

The Charity's investment in the following represents more than 5% of the total investment portfolio as at 30 June 2005:

COIF Charities Deposit Fund  
Invesco Perpetual Corporation Bond  
Close Brothers PIP Account

6. STOCKS	£	£
Goods for resale	<u>£23,865</u>	<u>£15,746</u>

**FALKLANDS CONSERVATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(continued)**

<b>7. DEBTORS</b>		<b>2005</b>	<b>2004</b>		
		<b>£</b>	<b>£</b>		
	Other debtors	30,421	5,248		
	Prepayments	2,365	11,239		
		<u><b>£32,786</b></u>	<u><b>£16,487</b></u>		
<b>8. CREDITORS:</b>	Amounts falling due within one year	<b>£</b>	<b>£</b>		
	Trade creditors	6,589	19,325		
	Other creditors & accruals	8,819	4,031		
		<u><b>£15,408</b></u>	<u><b>£23,356</b></u>		
<b>9. STATEMENT OF FUNDS</b>					
	<u><b>Balance at</b></u>	<u><b>Incoming</b></u>	<u><b>Resources</b></u>	<u><b>Transfers,</b></u>	<u><b>Balance at</b></u>
	<u><b>1 July 2004</b></u>	<u><b>Resources</b></u>	<u><b>Expended</b></u>	<u><b>Gains &amp;</b></u>	<u><b>30 June</b></u>
				<u><b>(losses)</b></u>	<u><b>2005</b></u>
<b>9a. General Fund</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Account	<u><b>£63,648</b></u>	<u><b>£119,792</b></u>	<u><b>£(139,697)</b></u>	<u><b>£(18,306)</b></u>	<u><b>£25,437</b></u>
<b>9b. Designated Funds</b>					
Fixed asset replacement	20,000	-	-	-	20,000
Staff contingency fund	30,000	-	-	-	30,000
Publications fund	-	-	-	20,000	20,000
Keneally Conservation Fund	107,576	-	-	-	107,576
Conservation Grants Scheme	97,217	3,199	(4,685)	9,094	104,825
	<u><b>£254,793</b></u>	<u><b>£3,199</b></u>	<u><b>£(4,685)</b></u>	<u><b>£29,094</b></u>	<u><b>£282,401</b></u>

The trustees have established two designated funds as a contingency to meet unexpected employment costs (notably sickness and maternity cover) and, to ensure that future requirements for essential vehicles and equipment can be met, and to set aside funds for producing future additions of existing publications.

The trustees designated £200,000 of the bequest from the late Mrs Keneally to support conservation projects in the Islands. A part of this amount, totalling £100,000 has been designated to set up a Conservation Grants Scheme.

**FALKLANDS CONSERVATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**(continued)**

**9c. Restricted Funds**

	<b><u>Balance at</u></b> <b><u>1 July 2004</u></b>	<b><u>Incoming</u></b> <b><u>Resources</u></b>	<b><u>Resources</u></b> <b><u>Expended</u></b>	<b><u>Transfers</u></b>	<b><u>Balance at</u></b> <b><u>30 June</u></b> <b><u>2005</u></b>
	£	£	£	£	£
FIG Core Fund	-	51,600	(51,600)	-	-
Conservation Fund	-	29,650	(29,650)	-	-
RSPB Core Support	-	14,520	(11,270)	-	3,250
Seabird Monitoring Project	-	20,761	(27,088)	6,327	-
Environmental Reports Fund	8,000	7,500	(8,000)	-	7,500
South Georgia Seabird Project	26,373	-	(16,935)	-	9,438
South Georgia Icefish Project	-	20,500	(7,626)	-	12,874
Community Environmental Awareness & Citizen Science	-	38,250	(50)	-	38,200
Falkland Islands Albatross & Petrel Conservation Programme	42,786	72,595	(82,658)	-	32,723
Laskiridis Observer Post	14,317	15,193	(23,538)	-	5,972
Albatross Project	3,079	30	-	-	3,109
Rat Eradication Project	546	11,000	(8,251)	-	3,295
Falkland Islands Key Wildlife Sites	-	8,156	-	-	8,156
Tussac Restoration Project	2,139	-	(1,725)	-	414
Islands Appeal	2,552	-	-	-	2,552
Volunteer Point Penguin Project	849	502	(839)	-	512
Penguin Census	-	2,604	-	-	2,604
Invertebrates Conservation Project	-	32,248	(33,088)	-	(840)
Boat Purchase	5,333	-	(2,667)	-	2,666
Watch Group	3,931	9,680	(9,522)	-	4,089
	<b><u>£109,905</u></b>	<b><u>£334,789</u></b>	<b><u>£(314,507)</u></b>	<b><u>£6,327</u></b>	<b><u>£136,514</u></b>

The following restricted funds were held at 30 June 2005:

- a) **Falkland Islands Government (FIG) Core Fund**  
Funds awarded to support the core costs in the Falkland Islands.
- b) **Conservation Fund**  
Funds awarded to support the conservation costs in the Falkland Islands.
- c) **The Royal Society for the Protection of Birds (RSPB) Core Support**  
A grant has been awarded to assist with travel costs and support publications, surveys and fieldwork, and membership promotion.
- d) **Seabird Monitoring Project**  
A fund providing support from FIG for research costs of the Seabird Monitoring Project, including provision of field equipment and vehicles.
- e) **Environmental Reports Fund**  
Funds awarded by FIG relating to production of two environmental reports as background papers to inform the Islands' biodiversity strategy.

## FALKLANDS CONSERVATION

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 9. STATEMENT OF FUNDS

- f) **South Georgia Seabird Project**  
Project to survey seabirds at sea in the waters around South Georgia.
- g) **South Georgia Icefish Project**  
Funding from the South Georgia and South Sandwich Islands Government to investigate the causes of seabird mortality associated with pelagic fishing nets and to design and trial new methods to mitigate against such incidental mortality.
- h) **Community Environmental Awareness & Citizen Science Programme**  
A grant from the FCO Overseas Territories Environment Programme to raise awareness and knowledge of Falklands wildlife amongst Islanders of all ages, backgrounds and locations, and to involve volunteers in events, activities and surveys to expand, support and complement key conservation programmes.
- i) **Falkland Islands Albatross & Petrel Conservation Programme**  
A grant from the Foreign and Commonwealth Office (FCO) Overseas Territories Environmental Programme to support work relating to ratification of the Agreement on Conservation of Albatross and Petrels for the Falkland Islands and resulting implementation.
- j) **Laskiridis Observer Post**  
Donations from Christina Laskiridis and the Lavinia Corporation to undertake observations at sea to ensure effectiveness of mitigation measures on trawlers to protect Albatross.
- k) **Albatross Project**  
A fund for research into the status and ecology of the Black-Browed Albatross in the Falkland Islands.
- l) **Rat Eradication Project**  
A fund to undertake rat eradication from selected islands.
- m) **Falkland Islands Key Wildlife Sites**  
A grant from the FCO Overseas Territories Environment Programme to produce an Important Bird Areas Directory for the Falkland Islands, undertake site surveys, establish Site Support Groups, and produce leaflets and interpretation boards for key conservation areas.
- n) **Tussac Restoration Project**  
A fund for the restoration projects to replant areas of tussac grass on East Falkland.
- o) **Islands Appeal**  
The surplus from the Islands Appeal, to be used for management of the Island nature reserves, or for future Island nature reserve purchases.
- p) **Volunteer Point Penguin Project**  
Includes donations from Edinburgh Zoo to warden and protect the penguin colonies at Volunteer Point.
- q) **Penguin Census**  
A donation towards the Falkland Islands Penguin Census due to take place in November 2005.
- r) **Invertebrates Conservation Project**  
A three year project supported by the UK Darwin Initiative and the Falkland Islands Government to undertake a systematic survey of the invertebrate communities in the Falkland Islands, train local people in monitoring invertebrate biodiversity, identify invertebrate hotspots and develop an invertebrates conservation plan.
- s) **Boat Purchase**  
A grant from FCO Overseas Territories Environment Programme to purchase a boat to facilitate Island access for conservation project work.
- t) **Watch Group**  
A nature club for young Islanders providing the opportunity to experience Falklands wildlife.

**FALKLANDS CONSERVATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**(continued)**

**9. STATEMENT OF FUNDS**

<b>9d. Capital Endowment Fund</b>	<b>Balance 1 July 2004 £</b>	<b>Incoming Resources £</b>	<b>Transfers £</b>	<b>Balance 30 June 2005 £</b>
Islands Nature Reserves	<u>£32,408</u>	<u>-</u>	<u>-</u>	<u>£32,408</u>

The above capital fund was created in the old charity in 1995, from donations received and was utilised to purchase certain freehold land. The balance was transferred in 2001 from the old charity to the new charitable company, Falklands Conservation, following the transfer of legal title.

**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Fixed Assets £</b>	<b>Investments £</b>	<b>Other Net Assets £</b>	<b>Total £</b>
Endowment Funds	32,408	-	-	32,408
Restricted Funds	8,809	72,729	54,976	136,514
Unrestricted Funds	23,832	212,621	71,385	307,838
	<u>£65,049</u>	<u>£285,350</u>	<u>£126,361</u>	<u>£476,760</u>