

FALKLANDS CONSERVATION

TRUSTEES' REPORT: FOR THE YEAR ENDED 30 JUNE 2007



The Trustees have pleasure in presenting this summarised Annual Report and Audited Financial Statements for the year ended 30 June 2007.

Governance

The make up of the Board reflects the key role of the charity with all Trustees committed to the protection of the Islands' wildlife. A number of specialists provide financial and investment guidance, environmental and scientific expertise, in depth local knowledge, and contacts with the military presence in the Islands. In January 2007 Mike Bowles was appointed to replace Malcolm Hunt, who retired after 11 years service as a Trustee. Gordon Liddle, who resigned as Chairman of our Falkland Islands Committee to return to the UK, was subsequently appointed as a UK Trustee. Jan Cheek took over as Chairman in the Islands from January 2007. Andrew Pollard and Deborah Summers have resigned as Trustees in the Falklands.

Achievements and Performance

The main areas of our work in 2006-07 concentrated on protection of the black-browed albatross, undertaking wildlife studies and surveys, provision of environmental resources and activities for young people, and publication of books and information about the wildlife of the Falkland Islands.

Albatross & Petrel Programme

A long-term programme to reduce the mortality at sea of both albatrosses and petrels remains a top priority. We published an OTEP supported report '*Albatross & Petrels in the South Atlantic: Priorities and Conservation*', following our international workshop held in the Falkland Islands in March 2006. This provides a focused series of recommendations, which is being used to inform future work.

Oli Yates, Albatross Programme Co-ordinator, who left us in July, was replaced by Isaac Forster, who attended the South American Fishers Forum. This meeting encourages a transfer of techniques and ideas throughout the region. The Programme continued trials of streamer line seabird mitigation devices to ensure that these are as effective as possible. An at sea observer post conducted a number of trips to observe finfish and loligo (squid) by-catch and to address problems with streamer lines. Reports and recommendations were subsequently submitted to the Fisheries Department of the Falkland Islands Government. A Fisherman's Newsletter was launched in both English and Spanish to provide information on mitigation methods and the seabirds that benefit from these. Guidelines for were issued with information on the birds' annual breeding cycles and sensitivities to disturbance. A long-term albatross demographic project was begun on Steeple Jason Island to study population trends and develop a greater understanding of albatross ecology. A number of satellite tracking devices were deployed here to give information on the movement of adults whilst incubating, and of juveniles after they have left the breeding colony.

Other Conservation Projects

Our work with the Falkland Islands Seabird Monitoring Programme has now reached a landmark 21st year. In 2006-07 penguin colonies at selected sites were again studied to assess population status and breeding success. Through such monitoring, the state of the ocean ecosystem can also be assessed. Our Seabird Monitoring Programme has fulfilled this role for many years. It now provides an extensive and growing database of information and trends, and an expertise to address current issues and problems.

The long-awaited publication '*Important Bird Areas of the Falkland Islands*' was launched in July 2006. This identifies 22 sites of international importance. It is an influential tool to inform decisions on land management and conservation for years to come. We have since adopted a plan to address gaps in knowledge raised by compilation of the directory.

After an absence of five years, we have now appointed a botanist to take forward plant and habitat conservation work. This is part of a two year Plants Conservation Project and will include defining Important Plant Areas, producing species and habitat action plans, and supporting a pilot scheme to demonstrate sustainable use of native pasture.

Through our Grants Scheme £6,000 was awarded for the following conservation projects: provision of fencing to protect a wildlife site from grazing at Little Chartres, production of a wildlife site leaflet for Pebble Island, conducting beaked whale research, and supplying bait to Beaver Island for rat eradication (kindly donated to us by the National Trust for Scotland, though shipping to the Islands was a costly exercise for us).

Launched in 2007, we are supporting and working closely with a South Atlantic Invasive Species Project, funded by the European Union and involving other UK South Atlantic Overseas Territories.

Surveys, Censuses and Research

The 2005-06 Islands wide census reports of penguins and albatrosses were published during the year. A new wildlife database system has been installed. Cetacean Watch continued to encourage the reporting of whales and dolphins with a 2007 recording calendar issued to specific vessels and volunteers.

In November 2006 a repeat of the 1997/98 striated caracara survey was conducted around remote islands off West Falkland. These Falkland birds possibly represent a majority of the world population of this species. A turkey vulture survey was also undertaken. The Falkland Islands Government had received applications for licences to cull both these birds and a greater understanding of their status is required.

Our Falkland Islands Invertebrates Conservation Project conducted further fieldwork in September and October 2006. Despite snowy conditions, many additional species were collected, including the Falklands largest insect, a longhorn beetle. Taxonomic work during the year, in conjunction with the Natural History Museum (London), has identified a number of new records for the Falkland Islands. 5 people attended a third invertebrates training course in Stanley.

Education and Publications

A series of practical conservation leaflets covering the following topics were issued during the year: *Marine Mammal Rescue*, *Tussac Grass Planting and Management*, *Management and Removal of Invasive Plants*, *Wild Bird Rescue*.

Our Education and Community Science Programme was completed in March 2007. As part of this, a *Falkland Islands Penguin Arts and Crafts* book for children was published. Environmental materials for use by teachers in schools in the Falkland Islands and Ascension have been produced and are being enthusiastically utilised by teachers on both Territories. Much of the success of this is due to our Education Officer, Ali Liddle, who has now returned to teaching from her secondment to us, but continues to help with our educational work.

Our magazine, *Wildlife Conservation in the Falkland Islands*, was issued to our members. We commenced a major re-design of our website, which attracts a wide audience, and once again we delivered a presentation on the Falkland Islands Tourist Board 'Tour Guides Course' covering key conservation issues and the role we play in addressing them.

Community Activities and Young People

Our WATCH Group is now divided into Explorers (aged 7 – 12 years) and Rangers (13 – 16 years). Altogether 50 children in Stanley are involved in its wildlife activities. A further group has been established for the children of military personnel at Mount Pleasant. A full programme of activities and field trips was organised during the year. A school leaver's initiative was run with the Community School with a week of conservation activities at Elephant Beach Farm. Local volunteers helped with our Seabird Monitoring Programme and a community beach clean. This year saw the 25th anniversary of the Falkland Conflict. Although not directly concerned with this, we were involved in events held to mark the occasion, and we had the opportunity to explain our work to a number of special visitors. We also benefited from increased media coverage for the Islands, including a BBC 'Saving Plant Earth' film on the albatross.

FINANCIAL REVIEW

The results for the year are detailed in the attached financial statements. Finances as a whole reflect a healthy position with a small surplus of income over expenditure (£11,036) and an increase in the value of our investments. Once again we can report on the success of our community fundraising events in the Islands. The Charity Ball in September made a substantial and much needed contributions to our funds.

Principal Funding Sources

The principal source of funding for the charity is provided by way of a grant from the Falkland Islands Government. This essential income supports much of our overhead organisational costs in the Falkland Islands, enabling us to build additional income by applying to conservation funds elsewhere for undertaking specific projects.

Major supporters of project work include The Foreign & Commonwealth Office Overseas Territories Environment Fund, the UK DEFRA Darwin Initiative, the Royal Zoological Society of Scotland, and The Royal Society for the Protection of Birds. Donors contributing significant sums to other aspects of our work include The H B Allen Charitable Trust, Cable & Wireless, Standard Chartered Bank, and Consolidated Fisheries Ltd

We also rely on donations from individuals. We wish to thank you all, including those who gave contributions to our Jubilee Villa Appeal. Our penguin adopters are an increasingly important source of revenue. Members of the public give generously to our charity through collection boxes at UK zoos with penguin collections. Last, but not least, we recognise the on going support from our members without whom 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. It is our aim to cover six months operational costs (about £80,000) from these reserves with a view to increasing this to one year's costs in the longer term. Our general reserves stand at £48,970 with four designated funds (£315,381) which have been established to meet unexpected employment costs (notably sickness and maternity cover), to ensure that future requirements for capital purchase of vehicles and equipment can be met, and a general conservation fund.

PLANS FOR FUTURE PERIODS

Plans for the next 12 months include full implementation of a plants conservation programme, publication of *Plants of the Falkland Islands*, continuing our research and protection of Falkland albatrosses and petrels including a management plan for Steeple Jason Island, producing key reports and documents to support invertebrate conservation, and improving biodiversity monitoring. However, we have been deeply disappointed to learn of a considerable reduction in grant support from the Falkland Islands Government. This may influence delivery of our work in the coming year. At the end 2006-07 we made an offer to purchase one of the historic Jubilee Villas in Stanley in order to develop this as an office and a wildlife centre. This is a big challenge, which will undoubtedly put a some strain on our resources and restrict the extent of our activities over the next twelve months. However, we believe with confidence that we will remain effective in protecting the unique wildlife of these Islands.

Henry Robinson, Chairman, Board of Trustees

FALKLANDS CONSERVATION
Statement of Financial Activities

For the Year Ended 30 June 2007

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2007 £	Total 2006 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	87,711	8,500	300,814	397,025	399,316
Activities for generating funds:					
Sale of goods and publications	43,453	-	-	43,453	30,797
Investment income	6,460	4,616	-	11,076	10,029
Total incoming resources	<u>137,624</u>	<u>13,116</u>	<u>300,814</u>	<u>451,554</u>	<u>440,142</u>
Resources expended					
Cost of generating funds:					
Costs of generating voluntary income	18,598	-	-	18,598	21,044
Cost of fundraising trading	15,415	-	488	15,903	11,045
Charitable activities:					
Conservation and research	57,898	-	243,335	301,233	321,657
Education and community	1,173	-	86,182	87,355	96,011
Conservation Grants	-	4,208	-	4,208	-
Governance costs	<u>13,221</u>	<u>-</u>	<u>-</u>	<u>13,221</u>	<u>6,763</u>
Total resources expended	<u>106,305</u>	<u>4,208</u>	<u>330,005</u>	<u>440,518</u>	<u>456,520</u>
Net incoming resources before transfers	31,319	8,908	(29,191)	11,036	(16,378)
Transfers between funds	(22,809)	-	22,809	-	-
Net incoming (outgoing) resources	8,510	8,908	(6,382)	11,036	(16,378)
Gain on investments	3,276	6,640	-	9,916	20,229
Net movements in funds	11,786	15,548	(6,382)	20,952	3,851
Total funds at 1 July 2006	37,184	299,833	143,594	480,611	476,760
Total funds at 30 June 2007	<u>£48,970</u>	<u>£315,381</u>	<u>£137,212</u>	<u>£501,563</u>	<u>£480,611</u>

**TRUSTEES' STATEMENT ON THE SUMMARISED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

These financial statements are a summary of information extracted from the full financial statements. The full report and accounts were approved by the Trustees on 23 October 2007 and have been submitted to the Charity Commission and Registrar of Companies. These summarised financial statements may not contain sufficient information to allow for a full understanding of the financial affairs of Falkland Conservation. For further information, the full annual accounts, the auditors' report on those accounts and the trustees' annual report should be consulted. Copies of these can be obtained from Falklands Conservation at 1 Princes Avenue, Finchley, London N3 2DA or The Jetty Visitor Centre, Stanley, Falkland Islands.

Approved by the Board and signed on its behalf by: Henry Robinson, 23 October 2007

INDEPENDENT AUDITORS' STATEMENT TO THE TRUSTEES OF FALKLANDS CONSERVATION

We have examined the summarised financial statements of Falklands Conservation.

Respective responsibilities of trustees and auditors

The trustees are responsible for preparing the summarised financial statements in accordance with applicable law.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements, and its compliance with the relevant requirements of s251 of the Companies Acts 1985 and the regulations thereunder. We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summarised financial statements are consistent with the full financial statements and the Trustees' Annual Report of Falklands Conservation for the year ended 30 June 2007 and comply with the applicable requirements of s251 of the Companies Act 1985, and the regulations thereunder.

WILKINS KENNEDY, Chartered Accountants and Registered Auditor
Bridge House, London Bridge, London SE1 9QR.

Date: 23 October 2007

**FALKLANDS CONSERVATION
BALANCE SHEET: As at 30 June 2007**

	2007		2006	
	£	£	£	£
Fixed assets				
Tangible assets		35,916		50,691
Investments		328,178		361,781
		364,094		412,472
Current assets				
Stock	41,915		44,271	
Debtors	27,229		14,770	
Cash at bank and in hand	109,726		21,130	
	178,870		80,171	
Creditors: Amounts falling due				
Within one year	41,401		12,032	
Net current assets		137,469		68,139
Net assets		£501,563		£480,611
Funds				
Endowment		32,408		32,408
Restricted		104,804		111,186
Unrestricted funds:				
Designated		315,381		299,833
General		48,970		37,184
		£501,563		£480,611