

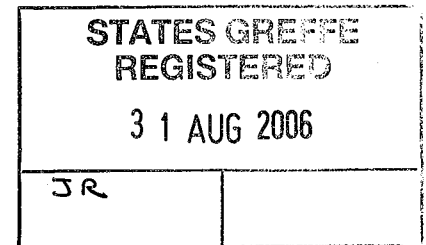


Durrell Wildlife Conservation Trust
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29th August 2006

Deputy Patrick Ryan
States of Jersey
States Greffe
Morier House
Jersey
JE1 1DD



Dear Deputy Ryan

PROPOSAL OF TAXATION FOR CHARITIES

At Durrell there are many complex activities which, to the visitor of the Trinity Site are not visible and of which taxation could have a serious adverse effect. Below the Trust has set out a list of headings to illustrate what Durrell means to Jersey. The financial position of the Trust highlights that Durrell is at a crossroads on how to develop the attraction at Trinity and how it can gain financial sustainability for the years ahead.

Present Financial Position

Over the last 8 years the Trust has seen a decline in activity resulting in annual losses to its end of year results. The present situation is that the performance has improved through better controls on expenditure and increased fundraising activities, although the half yearly position records a loss of £124,000.

Durrell is a global organisation with projects around the world and these are funded by restricted funds. Unfortunately it is the headquarters and base in Jersey where the losses occur.

The Attraction at Trinity

The Trust has 145,000 visitors each year (excluding non paying visitors) and provides many loss making activities which benefit Jersey indirectly. The education department can have 500 children from schools pass through their department daily and the children are educated in line with the Schools Programme.

The Maintenance and Landscaping Team work with employees and volunteers from other charities who have difficulty finding employment because of their disability. Durrell also works with the Probation Office to give offenders the chance to do worthwhile and meaningful employment. Unfortunately the supervision needed for these activities removes any financial benefit from Durrell. Nonetheless it is very beneficial to the Jersey Community and provides services the government would have to otherwise fund.

Durrell Wildlife Conservation Trust
is a registered charity in the UK, number 232004
(Registered as Gerald Durrell Wildlife Preservation Trust)

Patron: HRH The Princess Royal
Founder: Gerald Durrell, OBE, LHD
Honorary Director: Lee Durrell, BA, PhD
Chief Executive: Mark R. Stanley Price, MA, DPhil

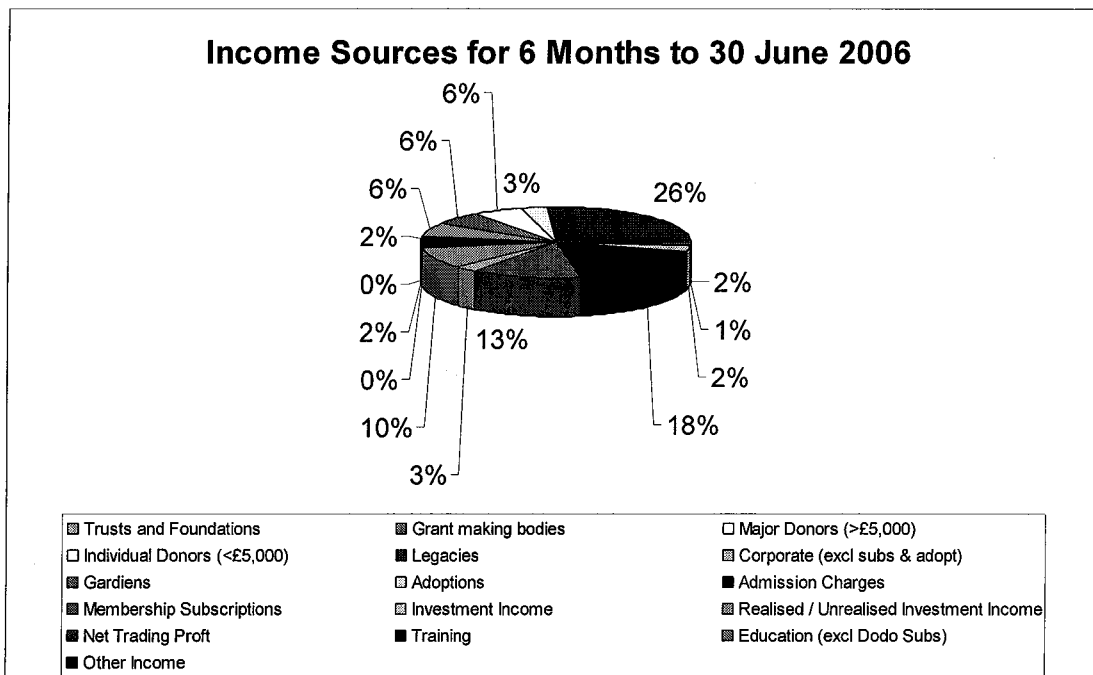
At the Durrell International Training Centre in Trinity students visit Jersey for training from all over the world. In fact there are very few countries that have not sent conservationists to Jersey for specific training. Durrell is one of the very few charities based in Jersey and the training provided globally is world class. As a result Durrell in Jersey is seen as leaders in Conservation Training.

Development

Durrell have sought advice on development of the Trinity Site to establish a sustainable financial future and work with Tourism to attract more visitors to Jersey as a whole. Durrell is seen as a world class visitor attraction and therefore important to the rejuvenation of Jersey Tourism. However until the introduction of tax is understood this development should be put on hold until it is clear that Durrell can continue to operate in Jersey.

Fundraising

All charities including Durrell predominantly depend on giving as their main source of income. You will see in the graph below that admission charges accounts for 18% of income and therefore 82% is funding in various ways. This income is raised in Jersey, the UK and globally to support the Trinity operation. Durrell is certain that taxation on charities will have a serious impact because individuals and corporates would not give funds where taxation occurs. This would put Durrell at a distinct disadvantage to UK based charities where the model has no taxation. As funding is so important to Durrell the perception of taxation alone could have a devastating effect on the Trust and its development.





durrell Durrell was to be taxed on all income the bill could be as high as £150,000 and could make the organisation no longer viable. Because Durrell is at a crossroads of how to ensure its future, the timing of this proposal could have a serious effect on both development and funding in the future. The Trust employs up to 100 people in Jersey and is a global organisation with a high profile. In this paper the Trust has tried to demonstrate its position and would ask if there is any further clarification needed on the implementation of tax, we have the opportunity to discuss this matter further.

Yours sincerely

Mark Powell
Commercial Director
Durrell Wildlife Conservation Trust