



Chagos Conservation Trust

Report of the Trustees

The Trustees present their report and the accounts of the charity for the year to 31st August 2019.

1. Objectives and activities

Vision and Mission

CCT's vision is to ensure that the globally important natural environment of the Chagos Archipelago is well protected, conserved and understood, inspiring the better management and protection of our planet.

CCT's mission is to promote and conduct scientific and historical research and environmental conservation work in the Chagos Archipelago (British Indian Ocean Territory - BIOT). We work to advance international understanding of the global environmental importance of the Chagos Archipelago to ensure its protection for the wider public benefit.

Key aims

Aim 1: Building a trust fit for Chagos

CCT is committed to building a solid organisational foundation to enable it to play a leading role in conservation, research and awareness raising of the Chagos Archipelago. Our activities include: ensuring CCT is managed through best practice operating systems; diversifying income for sustained growth; and securing a pipeline of programme funding in line with strategic priorities.

Aim 2: Inspiring action

CCT is committed to increasing the knowledge and understanding of the importance of the Chagos Archipelago and building a network of supporters championing its protection. Our activities include: increasing the reach of science, conservation and history within diversified audiences including the Chagossian community, CCT members and the media and building strategic partnerships for conservation.

Aim 3: Protecting a global asset

CCT is committed to working towards fully understanding the globally important natural environment of the Chagos Archipelago and ensuring it is well protected and conserved for the benefit of people and our planet. Our activities include: implementing our Healthy Islands, Healthy Reefs programme by determining a feasible method for eradicating invasive rats from Chagos Archipelago's outer islands and conserving and restoring the islands of the archipelago by developing a better understanding of the terrestrial habitats and species.

Strategy

CCT's overall strategy, as stated in its new 2019-2022 Strategic Business Plan, is to make sure that this valuable natural environment is conserved, and can act as an example for conservation and management of environments across the planet.

With the right care, the archipelago can be a reminder of how tropical reefs flourished many hundreds of years ago, and can offer vital insight into how they might be saved for generations to come. We carry out scientific and historical research and conservation work, and strive to highlight the global importance of this breathtaking marine ecosystem.

In a world ravaged by destruction and exploitation, the Chagos Archipelago has become a precious marine environment. The Trust strives to preserve this collection of over 55 islands, 60,000km² of reefs and the seas surrounding them for the many species that call it home, and for future generations to appreciate.

It is the voices of passionate citizens that will protect this archipelago for years to come. By sharing knowledge and understanding, we aim to convince people of its value to the world, and to more than a thousand different types of fish and coral that call it home.

We want to be an enduring voice of support for the archipelago for years to come. By building a solid organisation, we can maintain and strengthen our role as a leading protector, researcher and educator in this area.

CCT's financial strategy is to invest the great majority of the founder's legacy in order to generate a total return averaging 5% a year; this should allow us to maintain the real value of our assets, the surplus over inflation being used to fund the organisation's on-going work.

The Trust will also seek donations from external funding organisations and individuals; these funds, together with some of the legacy capital each year, may be used to provide support for research and conservation projects.

Staff

In October 2015 CCT appointed a full-time Director who works with the Trustees to take forward our strategy, fundraising and communications work.

2. Achievements and performance

How our activities deliver public benefit

The CCT's charitable purpose is carried out for the public benefit, through a mixture of direct research and conservation work, communication and outreach.

Increasing the knowledge and understanding of the importance of the Chagos Archipelago, its scientific and historical value, is at CCT's core.

Communicating science to the public helps build an understanding of the urgent need to conserve areas such as the Chagos Archipelago which provide a refuge for biodiversity in the face of threats such as climate change and illegal fishing.

CCT has developed the Chagos Information Portal, an online, open source library of research, data, educational tools and communication materials such as photos and video for use by the public, which continues to be updated with new information and data.

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on Charities and Public Benefit.

How our activities deliver environmental benefit

The Chagos Archipelago is without doubt one of the most unspoilt tropical reef environments in the world. This results from its isolation and the fact that the islands have not been exploited for several decades. But it faces major challenges from the rest of the world in the forms of pollution, acidification of the oceans and global warming. Where damage was done on islands from past plantations or invasive species introduction, conservation and restoration measures are planned and have been started.

CCT seeks to preserve and enhance this exceptional environment by limiting, or putting a stop to, both destructive exploitation and degradation of the habitat, both on land and in the ocean. On several of the smaller islands, the crews of visiting yachts land and leave their imprint, particularly in the form of waste. At sea, those engaged in illegal fishing have long exploited sharks, often just for their fins, and have heavily collected shallow water species such as sea cucumber, and deep-water species such as tuna, which gain high prices on world markets.

In 2010, a major breakthrough was achieved when the British Government declared the waters of the British Indian Ocean Territory's 200-mile EEZ (except for a 3-mile zone around Diego Garcia) a complete no-take marine reserve, after a campaign led by CCT. This is enabling the regeneration of fish stocks in a 640,000 km² area in the central Indian Ocean, to the benefit (as many of these fish are migratory) of other Indian Ocean littoral countries.

How our activities deliver community benefit

There is currently no resident community in the islands of the British Indian Ocean Territory, except in Diego Garcia, which is displaced well to the south of the main group of islands.

Indian Ocean littoral states could benefit from the marine reserve as a potential breeding haven for overfished stocks of fish such as tuna. The worldwide community will benefit from the knowledge learnt from this near pristine environment where, for instance, corals damaged by sea temperature rise can be seen to recover at much faster rates than in most other parts of the world and fish stocks exist at near natural levels, much higher than in other parts of the Indian Ocean.

CCT also engages when possible with the UK-based Chagosian communities.

Achievements in the 2018-19 year

<p>Aim 1: Building a trust fit for the Chagos Archipelago</p>	<p>CCT Strategic Business Plan: CCT's 2016-2019 strategic plan came to an end on 31st August 2019. The organisation's new strategic plan was agreed by the board of trustees and will continue to guide the trust through the next three years.</p>	<p>Annual General Meeting and new charity officers: At the 2019 CCT AGM two new officers were elected giving CCT a new Chair and Treasurer. The AGM was well attended with the guest presenter profiling the life history of the Chagos Archipelago's iconic coconut crab.</p>	<p>Policy development: CCT board of trustees adopted a new safeguarding policy that seeks to ensure that the CCT undertakes its responsibilities with regard to the protection of children and/or vulnerable adults.</p>
<p>Aim 2: Inspiring action</p>	<p>During 2018-19 CCT once again increased communication activity:</p> <ul style="list-style-type: none"> - E-news subscription increased by 105% - Two issues of Chagos News were distributed in December 2018 and July 2019 - Ten news articles appeared on the CCT website - New users of the Chagos Information Portal averaged 163 users/month and CCT website 527 users/month - Facebook likes were steady at around 7,300 - Instagram followers increased by 19% - Twitter followers increased by 9% - Four media articles profiled CCT and the conservation of the Chagos Archipelago - Set of six biodiversity booklets developed and despatched to Diego Garcia to raise awareness and encourage engagement with the natural heritage of the archipelago 		
<p><u>Aim 3: Protecting a global asset</u></p>	<p>Healthy Islands, Healthy Reefs: Since the successful eradication of rats on Ile Vache Marine in 2014, the CCT has had a long-standing goal of eliminating invasive rats from the Chagos Archipelago. This will ensure it is a functioning tropical ecosystem with healthy biodiversity and biomass</p>	<p>John Topp Botanical Fund: In November 2018, CCT funded an expedition for the members of the UK Overseas Territories Programme and the Spatial Analysis Teams of the Royal Botanic Gardens, Kew to travel to Diego Garcia.</p>	

	<p>levels, to boost resilience to climate change.</p> <p>This will be achieved through a multi-island rat eradication programme, working with the BIOT Administration and following best practice, to create the world's largest invasive rat eradication, resulting in 95% more habitat available for seabirds, allowing them to repopulate islands, which will increase nutrient flow to reefs by 250 times. As well as allowing the Chagos Archipelago's other native biodiversity once again to thrive. In order to ensure the Chagos Archipelago is a functioning tropical ecosystem with healthy biodiversity and reefs that are resilient to climate change, rats must be eradicated.</p> <p>During the year the CCT Board committed to the first step of the wider programme which is to determine the most efficient, cost effective and environmentally sound way to eradicate rats from the archipelago's outer islands. The work, funded by CCT, commenced in September 2019 and will produce a Feasibility Study, Environmental Impact Assessment and fully costed Eradication Plan, which will all be peer reviewed by independent third party reviewers and the Stakeholder Advisory Committee.</p>	<p>The expedition was undertaken in order to produce detailed vegetation mapping of the island. The main objectives of the expedition were to ground-truth data on the terrestrial vegetation for Diego Garcia; capture 360° imagery as a baseline reference dataset for areas of special interest; perform drone flights to capture as much of the island as possible; collect data and plant material to increase our knowledge of native and invasive plant species and collect seeds and spores for RBG Kew's Millennium Seed Bank for long-term conservation and potentially for the island nursery to aid habitat restoration.</p> <p>This is the first time vegetation has been looked at in this way and resulted in the first comprehensive vegetation maps of the island.</p>
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3. Financial review

The Trust ended the year in a strong financial position with reserves of £1.2m, including £114,442 in cash, which is enough to comfortably cover fixed costs in the near future.

CCT's target is to achieve a return on its investments of 5% per year over the long term. After a weak start to the financial year due to a global downturn in equity markets, we achieved a return just shy of our target at 4.6% over the year. In several previous years we have exceeded 5% meaning in the long term we are still on target despite slightly lower returns this year.

During the year the principal sources of income and the proportions they provided were as follows: members' subscriptions (6%), sales of CCT publications (6%), donations, legacies and gift aid (3%) and investment income and bank interest (85%).

Reserves policy

In 2011 CCT benefited from a £1m+ legacy from its founder, John Topp. His stated aim was to put CCT onto a permanently secure footing, with the majority of the legacy being retained to underpin the strength of the Trust.

The Trust is unusual as it has to maintain sufficient reserves to promote environmental conservation work over 58 islands and a Marine Protected Area of 640,000 square kilometres, for the foreseeable future, against increasing threats to the global environment. Our policy is therefore to preserve as much as is practical of the capital sum of the legacy, and to fund operational spending out of returns gained from investments.

Investment policy and objectives

Our policy is to invest our capital in a medium/high risk strategy aiming for an average return of 5% per year. At year end £1.065m was invested in managed portfolios and commingled funds, and £43,069 in fixed-term savings. Our investments are held with three different managers in socially responsible commingled funds for charities or segregated accounts with SRI restriction. During the year the Trust moved a portion of its investments into a 'climate active' fund with restrictions on investments in the most greenhouse gas intensive fossil fuels.

4. Plans for future years

Aim: Building a trust fit for Chagos

We plan to:

- Manage the organisation using best practice operating systems and effective operating policies and procedures, to ensure regulatory compliance
- Diversify our income for sustained growth
- Develop and implement fundraising activities for our Healthy Islands, Healthy Reefs programme

Aim: Inspiring action

We plan to:

- Increase the reach of the science and conservation work of the Chagos Archipelago
- Build strong relations with Chagossian communities in support of conservation, education and research
- Build strategic partnerships for conservation

Aim 3: Protecting a global asset

We plan to:

- Build our Healthy Islands, Healthy Reefs programme by determining a feasible method of eradicating invasive rats from Chagos Archipelago's outer islands
- Conserving and restoring the islands of the Chagos Archipelago by developing a better understanding of the terrestrial habitat and species

5. Structure, Governance and Management

Governing document

The Chagos Conservation Trust (CCT) was founded in 1992 and was constituted as an Unincorporated Charitable Association until 1 September 2014, when all the assets and liabilities of the previous Charity were assumed by a new Charitable Incorporated Organisation (CIO).

Organisational structure

The Trustees, who must be full members of CCT, are responsible for the general control and management of CCT and meet approximately every three months for this purpose.

A partner charity (CCT-US) has been established in the USA to promote the CCT's aims in that country. CCT-US is structurally and financially independent of the CCT.

Finance Committee

On receipt of Commander Topp's legacy in 2011 (see paragraph 3), the Trustees established a Finance Committee comprising the Treasurer and several other Trustees. Its role is to advise the Trustees on the CCT's investments and other financial matters.

Recruitment and appointment of Trustees

Trustees are elected at the Annual General Meeting of the CCT, in accordance with Clause 13 of the Constitution. One third of the Trustees must retire each year but are eligible for re-election, those to retire being the ones who have been longest in office since the last election.

CCT aims to have a diverse Board and recent vacancies have been widely advertised to facilitate this. Both Trustees appointed in the year were recruited in this manner rather than having previous connections with CCT.

Training of new Trustees depends largely on their background and their geographical location, and is partly by set briefings by appropriate other Trustees, and partly by handover, where applicable. All newly-appointed Trustees are given an extract of the Charity Commission's publication *The Essential Trustee: What you need to know*.

Risk Management

CCT has a risk register that identifies potential risk to the organisation and includes governance, operational, financial, reputational and compliance risks. Details of mitigation controls to limit any risk are included. The risk register is reviewed on an annual basis and adjustments made accordingly.

Statement of Trustees' responsibilities

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the Constitution of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees, for the purposes of charity law, who served during the year and up to the date of this report, are set out below.

6. Reference and administrative details

Legal information

The charity is called the Chagos Conservation Trust, registered number 1155836. It was founded in 1992 and became a Charitable Incorporated Organisation (CIO), taking over the assets and liabilities of the previous Charity of the same name, on 1 September 2014. It is governed under a Constitution, last updated in October 2013.

Trustees

The trustees of the charity during the financial year ended 31 August 2019 were as follows:

Rachel McCaffery (Chair)	Chris Davies	Kenneth Johnson
Rachel McGoff (Treasurer)	Alasdair Harris	Rachel Jones
Alistair Gammell (Secretary)	Simon Hughes	Richard Martin
Birgitta Bostrom	Amdeep Sanghera	John Turner
Colin Clubbe	Sarah Havery	
Steve Cole	Jonathan Hunt	

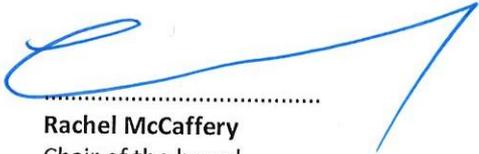
Principal address

23 The Avenue
Sandy
Beds
UK, SG19 1ER

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent ME19 4JQ

Approved by the trustees on 29/01/2020.



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Rachel McCaffery
Chair of the board

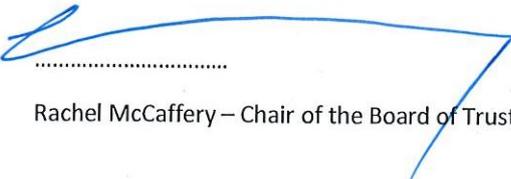
Chagos Conservation Trust
Statement of Financial Activities for the Year Ending 31 August 2019

	Unrestricted funds £	Restricted income funds £	Total funds 2019 £	Total funds 2018 (Restated) £
Incoming resources (Note 3)				
Income and endowments from:				
Donations and legacies	1,889	-	1,889	25,740
Charitable activities	1,312	-	1,312	3,235
Investments	16,469	474	16,943	15,900
Other	-	-	-	117
Total	19,670	474	20,144	44,992
Resources expended (Note 4)				
Expenditure on:				
Raising funds	7,353	-	7,353	16,173
Charitable activities	32,475	3,792	36,267	48,653
Investment Management Costs	2,490	-	2,490	2,859
Other	17,325	-	17,325	20,121
Total	59,643	3,792	63,435	87,806
Net income/(expenditure) before investment gains/(losses)	(39,973)	(3,318)	(43,291)	(42,814)
Net gains/(losses) on investments	29,421	4,599	34,020	63,166
Net income/(expenditure)	(10,552)	1,281	(9,271)	20,352
Transfers between funds	53,338	(53,338)	-	-
Net movement in funds	42,786	(52,057)	(9,271)	20,352
Reconciliation of funds:				
Total funds brought forward	996,046	212,349	1,208,395	1,188,043
Total funds carried forward	1,038,832	160,292	1,199,124	1,208,395

Chagos Conservation Trust
Balance Sheet at 31 August 2019

		Unrestricted funds £	Restricted income funds £	Total funds 2019 £	Total funds 2018 (Restated) £
Fixed assets					
Investments	(Note 9)	992,803	72,123	1,064,926	1,098,396
Total fixed assets		<u>992,803</u>	<u>72,123</u>	<u>1,064,926</u>	<u>1,098,396</u>
Current assets					
Stocks	(Note 10)	3,949	-	3,949	3,686
Debtors	(Note 11)	1,481	16,746	18,227	17,628
Cash at bank and in hand	(Note 15)	43,019	71,423	114,442	141,101
Total current assets		<u>48,449</u>	<u>88,169</u>	<u>136,618</u>	<u>162,415</u>
Creditors: amounts falling due within one year	(Note 12)	1,557	-	1,557	51,263
Net current assets/(liabilities)		<u>46,892</u>	<u>88,169</u>	<u>135,061</u>	<u>111,152</u>
Total assets less current liabilities		<u>1,039,695</u>	<u>160,292</u>	<u>1,199,987</u>	<u>1,209,548</u>
Creditors: amounts falling due after one year	(Note 13)	863	-	863	1,153
Total net assets or liabilities		<u>1,038,832</u>	<u>160,292</u>	<u>1,199,124</u>	<u>1,208,395</u>
Funds of the Charity					
Restricted income funds	(Note 18)			160,292	212,349
Unrestricted funds				<u>1,038,832</u>	<u>996,046</u>
Total funds				<u>1,199,124</u>	<u>1,208,395</u>

The financial statements were approved by the Board of Trustees on 29/01/2020 and were signed on its behalf by:


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Rachel McCaffery – Chair of the Board of Trustees

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

1. Legal Form

Chagos Conservation Trust is a charitable incorporated organisation (CIO) registered with the Charity Commission in England. The registered office is noted on page 7.

2. Accounting Policies

Basis of preparing the financial statements

The financial statements of the charity which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard application in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

These accounts are compliant with the Update Bulletin 1 and FRS 102 Section 1A.

These accounts have been prepared on a going concern basis; are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue as a going concern.

Income

Grants are recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and the monetary value of the grants can be measured with sufficient reliability. Where grants are received in advance, recognition is deferred and included in creditors and where entitlement arises before income is received, income is accrued.

Annual memberships are credited to the Statement of Financial Activities in the period to which they relate. Memberships received in advance are deferred and included in creditors.

Legacies and donations are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of grants can be measured with sufficient reliability. Legacies can be categorised as either pecuniary (specific cash amount) or residuary (share of an estate). Pecuniary legacies are recognised as receivable once probably has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted, where they can be valued.

Income from sales of publications is recognised as earned as the related goods are provided.

Investment income is credited to income on the accruals basis, with daily accrual of interest calculated by reference to the distribution dates.

Debtors are measured at transaction price initially and then at the recoverable amount.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregated all cost

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Creditors are measured at their transaction price initially and then at the amount payable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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 of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial activities in the period to which they relate.

Fixed asset investments

Investments are included in the balance sheet at market value. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the period.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses in investments are calculated as the difference between sales proceeds and opening market value (value at purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the period end and the opening market value (or purchase date if later).

Changes in accounting policies

The role of CCT's Director involves work on charitable projects and programmes, fundraising activities and activities related to the governance and administration of the charity such as organising Board meetings and the AGM. Therefore, a policy has been implemented to split the costs of employing the Director between these activities. This will provide a more accurate view of the nature of CCT's

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

expenses. The appropriate split will be reviewed each year based on the particular activities the Director has undertaken. As limited separate projects have been undertaken in the current year, support costs have been disclosed separately, in the event of a greater number of activities being undertaken, support costs will be apportioned against those activities on a basis deemed appropriate by the Trustees. Previously all costs of employing the Director were categorised as 'Charitable Activities: Education, Conservation and Research'.

The split of activities determined for the current and prior periods is as follows:

	FY19	FY18
Charitable Activities	63%	40%
Fundraising	12%	30%
Governance and administration	25%	30%

This has resulted in the following adjustment to the financial statements for the total employment cost (including salary, employer pension contribution, employer tax and NICs and expenses reimbursed to the Director):

	FY19	FY18
Total employment costs	49,787	49,416

Pre adjustment

Charitable activities	49,787	49,416
Fundraising	-	-
Governance and administration	-	-
	<hr/> 49,787	<hr/> 49,416

Post adjustment

Charitable activities	31,366	19,767
Fundraising	5,974	14,825
Governance and administration	12,447	14,825
	<hr/> 49,787	<hr/> 49,416

Prior period adjustments

Stock

A balance of stock held by a particular distributor was not included in the prior year financial statements. This has been corrected in the current year and comparative stock figure, with a corresponding adjustment to prior year reserves. The impact of this adjustment was to increase the stock balance as at 31 August 2018 by £1,336. The impact at the beginning of the prior period would be to increase the stock balance as at 1 September 2017 by £1,556. Compared to the overall value of reserves this adjustment is not considered to be material.

Deferred Income

A balance of deferred income (non-current) relating to memberships was not included in the prior year financial statements. This has been corrected in the current year and comparative non-current creditors figure. The impact of this adjustment was to increase the creditors balance as at 31 August 2018 by £448. The impact at the beginning of the prior period would be to increase the stock balance as at 1 September 2017 by £514. Compared to the overall value of reserves this adjustment is not considered to be material.

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

Reserves

Several adjustments were made to the opening reserves balances. See note 18.

The Chagossian Programme – the remaining funds from this grant are held by ZSL. During the year the remaining balance was confirmed to be £16,746 as opposed to the £14,041 recorded in the accounts. The opening balance has been restated to reflect the correct amount. The restated balance as at 1 September 2017 is £22,266. In addition, it was found that the cash balance held by ZSL was not recorded in the prior year balance sheet, it has now been recognised as a debtor balance in both the current and prior year. This resulted in an increase in unrestricted reserves of £16,746.

The Botanical Survey Fund – this fund is kept in separate bank and investment accounts to general funds. It was found that the closing balance in the prior year varied from the amounts held in these accounts as at 31 August 2018 by £3,484. The balance was therefore reduced by this amount and there was a corresponding increase in unrestricted reserves.

The Chagos Information Portal – the total surplus remaining from this grant (excess of income over expenditure) was £2,000. Therefore, the prior year balance was overstated by £5,554 and has been corrected with a corresponding increase in unrestricted reserves.

CAREX - the total surplus remaining from this grant (excess of income over expenditure) was £48,697 as at 31 August 2018, and there was a corresponding creditor to Defra for this amount in the balance sheet. Therefore opening restricted reserves were understated and have been increased to reflect the full amount owed. This amount was repaid to Defra during the year ended 31 August 2019.

Sale of publications

Previously sale of publications has been categorised as an 'other trading activity'. It has now been categorised as a charitable activity as CCT funds and sells publications directly related to our charitable aim of promoting and conducting scientific and historical research of the Chagos Archipelago. The main aim of publications is not to make a profit, but to advance understanding of the environment and history of the Chagos Archipelago.

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

3. Analysis of Income

Charitable Activities	Unrestricted funds £	Restricted income funds £	Total funds 2019 £	Total funds 2018 £
Sales of publications	1,312	-	1,312	3,235
Investments				
Other Fixed Asset Investments	16,469	-	16,469	15,860
Deposit Account Interest	-	474	474	40
	<u>16,469</u>	<u>474</u>	<u>16,943</u>	<u>15,900</u>

4. Analysis of Expenditure

Charitable Activities	Unrestricted funds £	Restricted income funds £	Total funds 2019 £	Total funds 2018 (Restated) £
Connect Chagos	-	-	-	54
Science Portal (ChiP)	-	-	-	22,365
Expedition	-	3,792	3,792	12,410
Carex	(1,221)	-	(1,221)	(8,051)
Education, conservation and research	32,993	-	32,993	19,767
Chagos - A History	516	-	516	1,042
Other	-	-	-	960
	<u>32,288</u>	<u>3,792</u>	<u>36,080</u>	<u>43,605</u>
Other				
Governance	15,498	-	15,498	19,457
Other administration and support costs	1,827	-	1,827	664
	<u>17,325</u>	<u>-</u>	<u>17,325</u>	<u>25,063</u>

Governance costs include insurance, cost of trustee meetings and the AGM and costs of the external examination (where required) and preparation of statutory accounts this includes the time spent by CCT's Director on preparing for Board meetings and communicating with Trustees.

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

5. Independent Examiners' Fees

	2019	2018
	£	£
Independent examiner's fees	-	1,800
Other fees paid to the independent examiner (payroll and accountancy services)	605	2,060

6. Staff Costs

	2019	2018
	£	£
Salaries and wages	41,817	40,632
Social security costs	4,597	4,465
Pension costs (defined contribution scheme)	<u>1,628</u>	<u>1,625</u>
	<u>48,042</u>	<u>46,722</u>

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

	2019	2018
	<u>1</u>	<u>1</u>

No staff worked for the charity whose contracts are with a related party.

No employees received total employee benefits of over £60,000 in the period.

Senior management personnel comprises the Board of Trustees and the Trust's Director. See Note 19 for detail of amounts paid to Trustees.

7. Defined Contribution Pension Scheme

The Trust contributed to a defined contribution pension scheme for its employee during the period. Total contributions during the year to 31 August 2019 were £1,628 (2018: £1,625).

The basis for allocating pension costs between activities in the Statement of Financial Activities is explained in Note 2.

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

8. Grant making

The Trust makes grants to third parties when this is judged to be the most suitable way of pursuing its charitable aims. During the year a grant of £3,792 was made to the Royal Botanic Gardens, Kew from the John Topp Botanical Fund. This funded an expedition to Diego Garcia with the aim of surveying vegetation and collecting specimens.

9. Fixed asset investments

Fair Value	Listed investments £
At 1 September 2018	1,098,396
Additions	-
Disposals	(65,000)
Investment management costs	(2,490)
Net gain/(loss) on revaluation	34,020
At 31 August 2019	<u>1,064,926</u>

All of the Trust's fixed asset investments are in assets with a readily observable price and therefore fair value is determined by the market price of the assets at the balance sheet date.

10. Stocks

	£
At 1 September 2018	3,686
Added in period	450
Expensed in period	(187)
At 31 August.2019	<u>3,949</u>

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

11. Debtors

	2019	2018 (Restated)
	£	£
Trade debtors	571	-
Prepayments and accrued income	910	882
Other debtors	16,746	16,746
	<u>18,227</u>	<u>17,628</u>

Debtors recoverable in more than 1 year (Included in debtors above)

	2019	2018 (Restated)
	£	£
Other debtors	<u>16,746</u>	<u>16,746</u>
	<u>16,746</u>	<u>16,746</u>

12. Creditors falling due within one year

	2019	2018
	£	£
Accruals and deferred income	349	2,565
Taxation and social security	1,208	-
Other creditors	-	48,698
	<u>1,557</u>	<u>51,263</u>

13. Creditors falling due after more than one year

	2019	2018 (Restated)
	£	£
Accruals and deferred income	863	1,153
	<u>863</u>	<u>1,153</u>

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

14. Deferred Income

The charity offers members the option of purchasing membership for more than one year, the income from these memberships is deferred and recognised over the period of the membership, or over 10 years in the case of life members.

	2019	2018 (Restated)
	£	£
At 1 September 2018	1,558	1,214
Amounts added in current period	60	450
Amounts released to income from previous periods	(405)	(106)
At 31 August 2019	1,213	1,558

15. Cash at bank and in hand

	2019	2018
	£	£
Short term deposits	43,069	42,210
Cash at bank and on hand	71,113	98,659
Other	260	232
	114,442	141,101

16. Fair value of assets and liabilities

The Trust has limited exposure to credit risk as the balance of debtors is insignificant compared to other assets. Liquidity risk is also low as the charity has cash and investments that are in excess of liabilities. Investments can be liquidated with a short notice period and the Trust ensures it keeps enough cash in its bank accounts to cover operating costs for several months. The Trust has significant exposure to investment risk as it is reliant on income generated from its investments for long term financial security. The Trust manages this risk by retaining a Board member with investment management experience and seeking professional advice where appropriate. The charity conducts regular reviews on the performance of its investment managers and the overall investment markets.

There were no changes to the fair value of financial instruments in the period attributable to changes in credit risk.

17. Events after the reporting period

There are no material events after the reporting period but before the authorisation of the financial statements which require disclosure in accordance with FRS 102 Section 32.

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

18. Movements in funds

Note that some opening balances have been restated, see Note 2 for details.

Details of material funds held and movements in the current reporting period

Fund names	Type	At 1.9.18 (Restated) £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31.8.2019 £
General Funds	Unrestricted	996,046	19,670	(59,643)	20,338	29,421	1,005,832
The Chagossian programme	Restricted	16,746	-	-	-	-	16,746
The Botanical survey fund	Restricted	140,265	474	(3,792)	-	4,599	141,546
The Chagos Information portal	Restricted	2,000	-	-	-	-	2,000
The Trekker Project	Restricted	1,400	-	-	(1,400)	-	-
Other small restricted donations	Restricted	3,241	-	-	(3,241)	-	-
CAREX	Restricted	48,697	-	-	(48,697)	-	-
Healthy Islands, Healthy Reefs	Designated	-	-	-	33,000	-	33,000
Total Funds		1,208,395	20,144	(63,435)	-	34,020	1,199,124

Details of material funds held and movements in the previous reporting period

Fund names	Type	At 1.9.17 (Restated) £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31.8.2018 (Restated) £
General Funds	Unrestricted	988,988	22,722	(65,421)	(6,107)	55,864	996,046
The Chagossian programme	Restricted	16,746	-	-	-	-	16,746
The Botanical survey fund	Restricted	132,946	17	-	-	7,302	140,265
The Chagos Information portal	Restricted	2,132	22,253	(22,385)	-	-	2,000
The Trekker Project	Restricted	1,400	-	-	-	-	1,400
The Ile Vache Marine Project	Restricted	(6,107)	-	-	6,107	-	-
Other small restricted donations	Restricted	3,241	-	-	-	-	3,241
CAREX	Restricted	48,697	-	-	-	-	48,697
Total Funds		1,188,043	44,992	(87,806)	-	63,166	1,208,395

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

18. Movement in funds (continued)

Purposes of restricted funds

The Chagossian Programme: Relates to grants received to implement an environmental education programme to improve the UK Chagossian community's knowledge of the Chagos Archipelago, and to enable them to assist in the conservation and protection of the archipelago.

The Botanical Survey Fund: This was part of the legacy of Commander John Topp's estate in 2012 and is to be used to conduct a periodical botanical survey of the Chagos Archipelago every 5 to 10 years as the Trustees shall determine.

The Chagos Information Portal: ChIP is a user friendly, interactive and open source reference library of a science, research and conservation work conducted in the Chagos Archipelago. ChIP will continue to grow with new information as researchers and conservationists learn more about this iconic ecosystem. The John Ellerman foundation provided a grant of £26,704 in 2017. Development of the portal was largely completed in 2018.

The Trekker Project: The Trekker Project was to provide underwater video photography and mapping of some areas of the Chagos Archipelago. This was filmed, largely funded by Google, in early 2015 and the project is now complete.

The Ile Vache Marine Project: This project, funded mainly by Defra's Darwin Plus fund, was to attempt to eliminate rats on Ile Vache Marine so that previously indigenous seabird species can recolonise the island. The project is complete and a survey in 2017 confirmed the island remained rat free.

CAREX: The Chagos Atoll Restoration Expedition programme aimed to produce, for BIOT Administration, a prioritised and costed Terrestrial Action Plan for the Chagos Archipelago with emphasis upon invasive species management. The expedition was due to take place in August 2016 and was dependent on logistical support being provided by the BIOT patrol vessel. Non-availability of this vessel to date has led to CCT and partner organisations focusing on other projects and funds have been returned to Defra.

Designated funds

In April 2019 the Trustees agreed to designate £33,000 to produce a costed feasibility study and environmental impact assessment for eradicating invasive rats from the Chagos Archipelago's outer islands. This activity is due to take place from September 2019. CCT's aim is to fund the initial feasibility study and then seek external funding to implement a multi-island rat eradication programme.

Transfers between funds

Total of transfers of £53,338 were made from restricted to unrestricted funds. This comprised the following:

Trekker Project: A review of restricted funds found that donated funds for the Trekker project had been entirely spent on the project in 2015 and therefore should not remain in restricted funds.

Other small restricted donations: This balance was found to relate to the 2014 shark tagging project. The £3,241 related to 15% of the total grant taken for overheads by CCT so not spent directly on the project. This overhead amount was agreed by the donor and therefore appropriate to transfer to the general funds of CCT.

CAREX: The transfer for the Carex project relates to the repayment of the remaining funds to Defra, which decreased creditors and cash by this amount and is reflected in transfers as it is a balance sheet movement not affecting the SoFA during the year.

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2019

19. Trustees' remuneration and benefits

No trustees received remuneration or other benefits during the year ended 31 August 2019 (2018: nil). Four trustees were reimbursed for out of pocket expenses of £841 during the period (2018: £776). All expense claims related to travel and subsistence for attending meetings on CCT business. The Trust paid for trustee liability insurance to the value of £347 in the year.

20. Related Party Transactions

Other than the expenses reimbursed to Trustees included in Note 19 related party transactions included:

- trustee contributions totalling £220 (2018: £240) in membership fees to the charity.
- a grant from the John Topp Botanical fund of £3,792 to Kew to conduct a vegetation survey on Diego Garcia. Dr Colin Clubbe is a Trustee of CCT and also Head of Conservation Science at Kew.

