

Chagos Conservation Trust

Report of the Trustees



Chagos Conservation Trust

Report of the Trustees

The Trustees present their report and the accounts of the charity for the year to 31st August 2022.

Highlights from the year

The Chagos Conservation Trust (CCT) appointed a new Director in May 2022 after the previous Director left in November 2021. A part time *Healthy Islands, Healthy Reefs* (HIHR) Project Manager commenced work in November 2021, who oversaw a Darwin Plus grant-funded expedition to the Chagos Archipelago in June 2022. This successfully completed the development phase for the Rat Eradication Operational Plan (REOP) - part of the Trust's HIHR project - by returning with the data needed to complete a robust and effective REOP. The plan aims to remove rats from the northern islands, allowing them to be rewilded, boosting biodiversity across the archipelago.

The plan to use the remaining £15k Connect Chagos funds to develop and maintain a website for Chagossian Voices (a community platform for the Chagossian global diaspora) has been a success, with the website at pre-launch testing stage. A member of the community, fluent in English and Creole, has been appointed part time Content Manager. A Trustee of Chagossian descent has been appointed to the Board.

1. Objectives and activities

Vision and mission

CCT's vision is to ensure the globally important natural environment of the Chagos Archipelago is well protected, conserved and understood, inspiring the better management and protection of our planet and the animals and people that populate it. Its mission is to promote and undertake environmental, scientific and historical research, and advance education concerning the Chagos Archipelago.

Key aims

To build a Trust fit for the Chagos Archipelago

CCT is committed to running a professional organisation. This enables the Trust to play a leading role in conservation, research, and raising awareness of the Chagos Archipelago. We will ensure CCT is managed through best practice operating systems; diversify income for sustained growth; and secure a pipeline of programme funding in line with our strategic priorities.

To inspire action

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CCT is committed to increasing the knowledge and understanding of the importance of the Chagos Archipelago globally and building an international network of supporters championing its protection. Our activities include increasing the reach of science, conservation and history within diverse audiences, including the Chagossian community, CCT members, donors, the media, plus our partners. We continue to build strategic partnerships to undertake more conservation work.

Protecting a global asset

CCT is committed to working towards fully understanding the globally important and precious natural environment of the Chagos Archipelago, ensuring it is well protected and conserved for the benefit of our planet, and all those who populate it - both animals and people. We have continued to implement our *Healthy Islands, Healthy Reefs* programme during the year. Following on from our feasibility study in June 2022 we conducted a Darwin Plus grant funded expedition to the Chagos to collect data in order to fill knowledge gaps and allow us to develop a robust Rat Eradication Operational Plan. By removing the rats and managing the abandoned coconut plantations, not only will we will allow natural ecosystem to regenerate, resulting in healthier islands which create a refuge for native species from the iconic coconut crabs to breeding (endangered) turtles and seabirds. The return of seabirds will help coral reefs recover from, and build resilience to the effects of climate change, with the spillover effect of helping fish populations to flourish.

Strategy

CCT's overall strategy, as laid out in the Trust's 2019-2022 Strategic Business Plan, is to make sure the Chagos Archipelago's valuable natural environment is conserved, and can act as an exemplar for conservation and management of similar environments across the planet. In a world ravaged by destruction and exploitation, the Archipelago remains a rich and precious marine environment. The Trust continually strives to preserve this collection of over 55 islands and 60,000km² of reefs for the many species that call it home, and for future generations to appreciate. 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 support and carry out scientific and historical research, and conservation work, and strive to highlight the global importance of this breathtaking marine ecosystem. We recognise that we are not the only organisation interested in science, cultural and/or conservation work in the Chagos Archipelago, and nor do we want to be. We believe the more interest there is from others in protecting this global asset, the more likely we are to achieve our ultimate aims and mission. Which is why we work with other like-minded organisations like the Zoological Society of London and the Royal Botanical Gardens Kew (and have Trustees on our Board with close ties to these organisations). We particularly recognise the invaluable role of the Bertarelli Programme in Marine Science and the many scientists involved in its work.

We will work with these institutions, and others, to implement actions that are complementary to their work - for example, our major *Healthy Islands, Healthy Reefs* restoration programme. Throughout our work, we are very conscious of the damaging effects of climate change on the coral reefs of the world, including those of the Chagos. By maintaining (or where necessary restoring) these islands and reefs as unpolluted and in as natural a state as possible, we are providing the best possible conditions for corals to survive in a world which is likely to be a very challenging future environment for these wonderful and economically important species.

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

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support for the archipelago. 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 preserve the value of our assets, the surplus being used to fund the organisation's work. The Trust will also seek donations from external funding organisations and individuals - these funds, together with some of the legacy capital each year, provide support for research and conservation projects.

Staff

CCT employs a full-time Director who works with the Trustees to take forward our conservation, fundraising and communications work. It also employs a part time Programme Manager to lead on the Trust's *Healthy islands, Healthy Reefs* project. As of August 2022, all other work for the Trust is performed by the Trustees and other individuals on a voluntary basis.

2. Achievements and performance

How our activities deliver public benefit

The Chagos Archipelago, and the seas surrounding its islands, was designated as one of the world's largest fully protected Marine Protected Areas by the UK Government.

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, historical and cultural 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 invasive species.

CCT has developed the Chagos Information Portal, an online, open source library of research, data, educational tools and communication materials such as photos and videos for use by the public.

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 home to some of the richest and most diverse coral reefs on the planet. Three hundred types of coral, and 800 species of fish are found in the Archipelago's waters, including rays and more than 50 different types of shark. The islands are globally important breeding sites for the Endangered green and Critically Endangered hawksbill turtle, coconut crabs are common throughout and over a million seabirds are present in the Archipelago. Today, this important ecosystem is under new pressure as the damage caused by invasive species and the historic loss of native forests is being compounded by the effects of climate change, leaving it facing an uncertain future unless we take action.

The British Indian Ocean Territory (BIOT) Administration, which administers the Archipelago, has identified 11 conservation and environmental priorities to ensure the protection of the Chagos Island's environment for the future. CCT has been approached to help deliver two of these priorities: (1)

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Restoring the islands through eradicating invasive rats and controlling invasive plants, both of which threaten native seabird populations and impact the delicate balance of BIOT's ecosystem, and (2) Understanding more about BIOT's unique terrestrial environment. CCT plans to deliver these priorities through our *Healthy Islands, Healthy Reefs* Programme, led by a Programme Manager who is an expert in the region, Dr Peter Carr.

Healthy Islands, Healthy Reefs is based on sound science highlighting the significant linkages between the health of the islands of the Chagos Archipelago and their surrounding coral reefs and marine environs. In 2018, scientists discovered a relationship between healthy seabird populations on islands and healthy reefs and surrounding seas. The researchers found that after seabirds forage for food in the ocean they return to the islands and their droppings act as a natural fertiliser for the surrounding seas.

By rehabilitating environmentally degraded islands through managing the abandoned coconut plantations to make space for native forests to grow back, and eradicating invasive rats, a more natural, seabird-driven ecosystem will regenerate. This will result in healthier islands, helping coral reefs and the surrounding marine environment recover from and build resilience to the effects of climate change.

How our activities deliver community benefit

There is currently no resident community in the islands of the British Indian Ocean Territory. But in Diego Garcia, which is displaced well to the south of the main group of islands, there is a major military facility, with numbers of military and support personnel stationed there.

Indian Ocean littoral states stand to 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 have been seen to recover at much faster rates than in most other parts of the world. And fish stocks exist at near natural levels, which is much higher than in other parts of the Indian Ocean.

CCT also engages on a regular basis with the UK-based Chagossian community and has elected a Trustee of Chagossian descent to its Board. Through the Connect Chagos Fund, CCT has funded the creation and maintenance of the Chagossian Voices website (including the training, funding and management of a part time Content Manager). We continue to look into ways to work with and involve them with the work CCT plans to undertake, especially with cultural conservation on the islands which will be part of our rewilding the Chagos Archipelago plans.

Achievements in the 2021-22 year

To build a Trust fit for the Chagos Archipelago	<p>At the 2022 CCT AGM, the Trust's Constitution was successfully amended to allow hybrid and virtual annual meetings.</p> <p>To improve the Board functioning, a Skills Audit was completed, and duties assigned accordingly.</p> <p>The AGM was hybrid, to allow for those shielding, and with COVID symptoms, as well as those not living close to London to attend virtually.</p> <p>A new Director was appointed.</p>
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To inspire action	<p>During 2021-22 CCT once again increased communication activity:</p> <ul style="list-style-type: none"> - An issue of Chagos News was distributed in December 2021; - Six news articles and a press release appeared on the CCT website and the Trust's social media platforms; - New users of the Chagos Information Portal averaged 207 users/month and CCT website 750 users/month, with the CCT YouTube channel now at 61 subscribers; - Facebook likes increased by 35% increase to over 2k and page visits were up by 50% to nearly 100 in the three months before the year end; - Instagram followers increased by 400% in the last three months before the year end, to just under 500 followers; - Twitter followers increased by 60% in the last three months before the year end with 180 followers; - LinkedIn is new and doing well, with over 1k post impressions and 69 followers. <p>CCT has 61 members as of the end of 2022 financial year managed by a Membership Secretary.</p>	<p>CCT is very proud to be partnering with Chagossian Voices, a community platform for the Chagossian global diaspora, made up of members of the community from across the UK, and working alongside groups in Mauritius and the Seychelles.</p> <p>CCT has worked with this dynamic group to develop a community website that will be a great resource for the community and for people wanting to learn more about the community and the Chagos Archipelago. It is in its pre-launch testing phase, a Content Manager from the community is in the final stages of appointment.</p>
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Protecting a global asset	<p>CCT's Healthy Islands, Healthy Reefs programme was awarded a Darwin Plus grant of £74,000 in May 2021. This grant has funded a programme manager and an expedition to fill the needed knowledge gaps needed to write a robust and effective Rat Eradication Operational Plan. The expedition successfully took place in June 2022. The plan is being finalised and the next stage is an expedition to fill knowledge gaps to write a Vegetation Management Plan. The project will ultimately remove the rats, restore native habitat and boost biodiversity across the Chagos Archipelago.</p>
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Challenges in the 2021-22 year

There was a gap between one Director leaving in November 2021, and the new Director starting in May 2022. The Trustees and Programme Manager made sure the Trust continued 'business as usual', including a 2022 hybrid AGM in March, even if less active on social media. The Programme Manager ensured our key grant funded project continued to be well managed and the expedition successfully took place in June 2022.

Although the dispute between the UK and Mauritius over the sovereignty of the Archipelago continues, public awareness of the importance of conservation seems to have risen globally post-COVID. It is hoped the dispute will not affect any future activities and/or fundraising for any of our projects.

3. Financial review

The Trust ended the year in a strong financial position with reserves of £1.1m (2021: £1.3m), including £0.1m (2021: £0.1m) in cash, which is enough to cover fixed costs in the near future. CCT was affected by the global downturn in equity and bond markets, with a loss on investments of £0.1m over the year.

CCT was awarded Darwin Plus funding of £74,000 in 2021 which for CCT is a significant amount of external funding and an important step towards delivering our Healthy Islands, Healthy Reefs programme. With an approximate cost of £5m, this project will be reliant on securing external funding for its success. During 21/22 we drew down £60k of the grant funding to deliver our June 2022 expedition. We also used £5k of the remaining Connect Chagos funds to fund development of a website for the community group Chagossian Voices and will fund a website content manager in 22/23.

CCT's investment target is to achieve a return of 5% per year over the long term. Following a number of years of achieving returns significantly above this target, we sustained a loss of 9% over the 2021-22 financial year (2021: gain of 12%). This was due to a global downturn in equity and bond markets with all major indexes experiencing falls in value. We still have a strong reserves position above the amount originally bequeathed by John Topp and with flexibility to invest some of our own funds in project work, as we have done with the Healthy Islands, Healthy Reefs project, as well as funding our routine operating expenditure.

To manage these risks the Finance Committee of the Board scrutinises investment performance at least quarterly and the Board regularly reviews its investment policy, risk tolerance and portfolio allocation. Two Trustees have financial qualifications. In the current market environment, the Trustees are closely monitoring expenditure and consider spending decisions in the context of the performance of the investment portfolio. As part of setting our new strategy for beyond 2022, the Trustees are developing a medium term financial plan to guide use of our reserves to invest in the CCT's work while also ensuring our financial viability.

As a result of net expenditure of £77k and a loss on investments of £90k this year's result was a deficit on unrestricted funds of £166k (2021: £90k surplus) and a deficit on restricted funds of £13k (2021: £9k surplus).

During the year the principal sources of income and the proportions they provided were as follows: grants 91% (2021: 0%), members' subscriptions 3% (2021: 5%), sales of CCT publications 1% (2021: 4%), other donations 1% (2021: 3%) and investment income and bank interest 0% (2021: 25%). We also recognised other income of £2k in the year, which was a refund due from HMRC relating to overpayments on employers National Insurance dating back to 2018.

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Sales of publications comprises income from CCT publications, which aim to promote knowledge of the history and environment of the Chagos Archipelago and raise awareness of CCT's work. Sales of Chagos: A History amounted to £512 during the year (2021: £154). Sales of CCT's booklets on the biodiversity of the Chagos Archipelago amounted to £62 during the year (2021: £109).

Reserves policy

In 2011 CCT benefited from a legacy from its founder, John Topp. His stated aim was to put CCT onto a permanently secure financial 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 55 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.

Given that the Healthy Islands, Healthy Reefs programme will bring with it a significant amount of expenditure, and a change in the profile of our operational and financial risks, the Trustees will keep the reserves policy under review to ensure it is fit for purpose.

Investment policy and objectives

Our policy is to invest our capital in a medium risk strategy aiming for an average return of 5% per year. At year end £1.026m (2021: 1.174m) was invested in managed portfolios and commingled funds. Our investments are held with one fund manager in socially and environmentally responsible commingled funds for Charities and a more bond weighted fund. Our portfolio allocation as at August 2022 was 53% equities, 20% bonds, 5% cash and the remainder in other assets.

The Board is satisfied with the performance of the investment portfolio during the year and the risk level of the investments. The Finance Committee have opted to review the portfolio allocation on an annual basis and the next such review is due in January 2023.

4. Plans for future years

To build a trust fit for the Chagos Archipelago

CCT is committed to running a professional organisation that allows us to play a leading role in conservation, research and raising awareness of the Chagos Archipelago.

With 2023 being the Trust's 30th anniversary, we plan to:

- Continue to manage the organisation using best practice operating systems and effective operating policies and procedures, to ensure regulatory compliance;
- Revamp the website, so all the information is up-to-date and easy to find for all audiences;
- Develop the next 2022-2027 CCT Strategic Business Plan to launch at the end of 2022;
- Lead a multi-partner recce expedition to fill all knowledge gaps to write a Vegetation Management Plan as the next stage in Healthy, Islands, Healthy Reefs;
- Diversify our income for sustained growth by approaching a wide range of potential donors;

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- Develop and implement fundraising activities for the next stage of our Healthy Islands, Healthy Reefs project.

To inspire action

CCT is committed to increasing the knowledge and understanding of the importance of the Chagos Archipelago, and build a network of supporters championing its protection.

We plan to:

- Increase the reach of the science and conservation work of the Chagos Archipelago;
- Continue to strengthen our relationship with Chagossian communities in support of conservation, education and research, plus launch and help to maintain a Chagossian community website;
- Deepen our current and create new strategic partnerships for conservation to drive our *Healthy Islands, Healthy Reefs* project through funding and technical expertise.

Protecting a global asset

CCT is committed to working towards fully understanding the precious and globally important natural environment of the Chagos Archipelago, ensuring it is well protected and conserved for the benefit of our planet and all the animals and people who populate it.

We plan to:

- As part of our Healthy Islands, Healthy Reefs project, we will finalise the Darwin Plus grant-funded Rat Eradication Operational Plan using the data collected in the last expedition;
- Lead another expedition to collect data to write a Vegetation Management Plan (VMP);
- Have a Chagossian representative on the VMP expedition to ensure cultural conservation is included in the rewilding work, as well as being part of our core vision.

5. Structure, Governance and Management

Governing document

CCT's governing document is its Constitution, last updated in October 2013 (and amended to allow hybrid and virtual annual meetings 2021).

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.

In 2011 the Trust gained a major legacy on the death of its founder, Commander John Topp RN. To handle the investment of this legacy the Trustees set up a Finance Committee, as described below.

Finance Committee

The Trustees have 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

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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 their last election.

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. Mitigation controls to limit any risk are included. The risk register is reviewed on an annual basis and adjustments made accordingly, with the last review taking place in March 2022.

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 shows a true and fair view of the state of affairs of the charity, including any 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 have a legal duty to act in the best interests of CCT, to manage CCT's resources responsibly and to act with reasonable care and skill. Their responsibility to act in the best interest of CCT includes a responsibility to do what the Trustees have collaboratively decided will best enable CCT to carry out its charitable purpose. The Trustees must be able to demonstrate that CCT is complying with the law, is effective and well run, and they must ensure appropriate accountability to its members.

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The Trustees, for the purposes of charity law, who served during the year and up to the date of this report, are set out in Section 7 below.

6. Legal and Administrative Information

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.

Trustees

The Trustees during the year to 31 August 2022 were as follows:

Natasha Gibson (Chair)
Alistair Gammell (Secretary)
Rachel McGoff (Treasurer)
Colin Clubbe
Steve Cole
Chris Davies
Sarah Havery
Jonathan Hunt
Kenneth Johnson
Rachel Jones
Richard Martin (retired March 2022)
Jean- Francois Nellan (appointed October 2021)
Abel Seow
John Turner

Bankers

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

Principal address

23 The Avenue
Sandy
Bedfordshire SG19 1ER

Approved by the Trustees on 2 February 2023.



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Natasha Gibson
Chair of the Board

INDEPENDENT EXAMINER'S REPORT TO CHAGOS CONSERVATION TRUST

I report on the accounts of Chagos Conservation Trust (the 'CIO') for the year ended 31 August 2022.

Responsibilities and basis of report

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the CIO's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the CIO as required by section 130 of the Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirement concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jason Foxwell FCCA FCIE

39 Enfield Road, Poole, BH15 3LJ

Date: 15 February 2023

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Statement of Financial Activities for the year ended 31 August 2022

	Unrestricted funds £	Restricted income funds £	Total funds 2022 £	Total funds 2021 £
Incoming resources (Note 3)				
Income and endowments from:				
Donations and legacies	2,084	59,351	61,435	1,667
Other trading activities	954	-	954	738
Investments	-	42	42	5,150
Other	1,670	-	1,670	13,000
Total	4,709	59,393	64,102	20,556
Resources expended (Note 6)				
Expenditure on:				
Raising funds	4,660	-	4,660	6,055
Charitable activities	68,079	64,537	132,616	40,717
Other	8,843	-	8,843	10,941
Total	81,582	64,537	146,119	57,713
Net income/(expenditure) before investment gains/(losses)	(76,873)	(5,144)	(82,017)	(37,158)
Net gains/(losses) on investments	(89,543)	(7,444)	(96,987)	72,177
Net income/(expenditure)	(166,416)	(12,588)	(179,004)	99,702
Transfers between funds	-	-	-	-
Net movement in funds	(166,416)	(12,588)	(179,004)	99,702
Reconciliation of funds:				
Total funds brought forward	1,129,545	174,508	1,304,053	1,204,351
Total funds carried forward	963,129	161,920	1,125,049	1,304,053

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Balance Sheet as at 31 August 2022

		Unrestricted funds £	Restricted income funds £	Total funds 2022 £	Total funds 2021 £
Fixed assets					
Investments	(Note 9)	899,826	126,464	1,026,290	1,173,996
Property, Plant and Equipment	(Note 10)	1,156		1,156	935
Total fixed assets		900,982	126,464	1,027,447	1,173,996
Current assets					
Stocks	(Note 11)	3,157	-	3,157	3,351
Debtors	(Note 12)	1,603	9,823	11,426	28,289
Cash at bank and in hand	(Note 16)	60,069	43,351	103,419	98,466
Total current assets		64,829	53,174	118,002	130,106
Creditors: amounts falling due within one year	(Note 12)	1,932	17,718	19,650	247
Net current assets/(liabilities)		62,897	35,455	98,352	129,859
Total assets less current liabilities		963,879	161,920	1,125,799	1,303,855
Creditors: amounts falling due after one year	(Note 13)	750	-	750	737
Total net assets or liabilities		963,129	161,920	1,125,049	1,304,053
Funds of the Charity					
Restricted income funds	(Note 19)			161,920	174,508
Unrestricted funds				963,129	1,129,545
Total funds				1,125,049	1,304,053

The financial statements were approved by the Board of Trustees on 2 February 2023 and were signed on its behalf by:



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Natasha Gibson – Chair of the Board of Trustees

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Notes to the Financial Statements for the Year Ended 31 August 2022

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 10.

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 Bulletins 1 and 2 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 of the recognition criteria being met, 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 probate 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 distributed to customers.

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 aggregate all

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Notes to the Financial Statements for the Year Ended 31 August 2022

cost 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.

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, the costs of employing the Director are split between these activities. The appropriate split is 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.

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

	FY22	FY21
Charitable Activities	70%	70%
Fundraising	12%	12%
Governance and administration	18%	18%

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.

Tangible Fixed Assets

Fixed assets costing more than £500 are capitalised and shown at cost. Depreciation is charged at the following rate:

- IT Equipment – over five years

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.

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Notes to the Financial Statements for the Year Ended 31 August 2022

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).

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Notes to the Financial Statements for the Year Ended 31 August 2022

3. Analysis of Income

Charitable Activities	Unrestricted funds £	Restricted income funds £	Total funds 2022 £	Total funds 2021 £
Sales of publications	954	-	954	738
Investments				
Other Fixed Asset Investments	-	-	-	4,833
Deposit Account Interest	-	42	42	317
	-	42	42	5,150

4. Analysis of Expenditure

Charitable Activities	Unrestricted funds £	Restricted income funds £	Total funds 2022 £	Total funds 2021 £
Healthy Islands, Healthy Reefs	41,573	59,351	96,138	4,320
Education, conservation and research	25,759	-	39,262	38,110
Connect Chagos	-	5,186	5,186	2,358
Chagos - A History	462	-	462	558
Sale of publications	285	-	285	254
	68,079	64,537	141,333	45,600
Other				
Governance	8,843	-	-	8,843
Other administration and support costs	-	-	-	-
	8,843	8,843	-	8,843

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.

5. Independent Examiners' Fees

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Notes to the Financial Statements for the Year Ended 31 August 2022

	2022	2021
	£	£
Independent examiner's fees	425	-
Other fees paid to the independent examiner (payroll and accountancy services)	593	605

6. Staff Costs

	2022	2021
	£	£
Salaries and wages	32,671	39,737
Social security costs	-	4,722
Pension costs (defined contribution scheme)	1,307	1,739
	<u>33,978</u>	<u>46,197</u>

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

2022	2021
<u>2</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 20 for detail of amounts paid to Trustees.

7. Defined Contribution Pension Scheme

The Trust contributed to a defined contribution pension scheme for its employees during the period. Total contributions during the year to 31 August 2022 were £1,307 (2021: 1739).

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 2022

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 no grants were made to third parties (2021: £nil).

9. Fixed asset investments

	Listed investments
Fair Value	£
At 1 September 2021	1,173,996
Additions	44,283
Disposals	(95,000)
Net gain/(loss) on revaluation	(96,987)
At 31 August 2022	<u>1,026,291</u>

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

Investment management are estimated to be in the range of 0.65% to 0.9% of the value of the assets under management.

10. Tangible Fixed Assets

	Computer Equipment
	£
Cost	
At 1 September 2021	1,059
Additions	530
At 31 August 2022	<u>1,059</u>
Accumulated Depreciation	
At 1 September 2021	124
Charge for the year	309
At 31 August 2022	<u>124</u>
Net Book Value	
At 1 September 2021	<u>935</u>
At 31 August 2022	<u>1,156</u>

Chagos Conservation Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

11. Stocks

	£
At 1 September 2021	3,352
Added in period	-
Recognised as an expense	(195)
At 31 August 2022	<u>3,157</u>

12. Debtors

	2022 £	2021 £
Trade debtors	299	297
Prepayments and accrued income	11,127	13,406
Other debtors	-	14,586
	<u>11,426</u>	<u>28,289</u>

All debtors fall due within one year.

13. Creditors falling due within one year

	2022 £	2021 £
Accruals and deferred income	18,380	247
Taxation and social security	1,269	-
	<u>19,650</u>	<u>247</u>

14. Creditors falling due after more than one year

	2022 £	2021 £
Accruals and deferred income	750	737
	<u>750</u>	<u>863</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022

15. 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.

	2022	2021
	£	£
At 1 September 2021	972	1,213
Amounts added in current period	283	-
Amounts released to income from previous periods	(269)	(349)
At 31 August 2022	972	864

16. Cash at bank and in hand

	2022	2021
	£	£
Cash at bank and on hand	103,419	98,466
	103,419	98,466

17. 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 and has a sub-committee of Trustees who are responsible for this.

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

18. 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 2022

19. Movements in funds

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

Fund names	Type	At 1.9.21 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31.8.2022 £
General Funds	Unrestricted	1,128,615	4,709	(80,652)	-	(89,543)	963,129
Connect Chagos	Restricted	14,388	-	(5,186)	-	-	9,202
The Botanical survey fund	Restricted	158,119	42	-	-	(7,444)	150,717
The Chagos Information portal	Restricted	2,000	-	-	-	-	2,000
Darwin Plus	Restricted	-	59,351	(59,351)	-	-	-
Healthy Islands, Healthy Reefs	Designated	930	-	(930)	-	-	-
Total Funds		1,304,053	64,102	(146,119)	-	(96,987)	1,125,049

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

Fund names	Type	At 1.9.20 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31.8.2021 £
General Funds	Unrestricted	1,034,159	19,989	(51,035)	-	125,503	1,128,615
Connect Chagos	Restricted	16,746		(2,358)	-	-	14,388
The Botanical survey fund	Restricted	146,446	317	-	-	11,356	158,119
The Chagos Information portal	Restricted	2,000	-	-	-	-	2,000
Healthy Islands, Healthy Reefs	Restricted		250	(250)			-
Healthy Islands, Healthy Reefs	Designated	5,000	-	(4,070)		-	930
Total Funds		1,204,351	20,556	(57,713)	-	136,859	1,304,053

Chagos Conservation Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

19. Movement in funds (continued)

Purposes of restricted funds

Connect Chagos: 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 conservationist 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.

Darwin Plus: Grant received from Defra's Darwin Plus fund for British Overseas Territories to further our Healthy Islands, Healthy Reefs programme. The aim of this project is to collect data to fill knowledge gaps and inform a robust and effective Rat Eradication Operational Plan to successfully remove rats, allow rewilding and ultimately boost biodiversity across the archipelago.

Healthy Islands, Healthy Reefs: Healthy Islands, Healthy Reefs is an ambitious, large-scale rewilding project that will remove rats and enable the return of hundreds of thousands of seabirds to the archipelago, helping its coral reefs recover from bleaching and build their resilience to the effects of climate change. Previously the Trustees Designated £33,000 to complete a feasibility study which was completed in 19/20. There was £5,000 remaining of the designated funds which has mostly been spent on further project activities in 20/21 alongside a small restricted donation received for the project. CCT continue to seek external funding as well as developing plans to invest its own funds in the programme, which will cost an estimated £5m in total.

20. Trustees' remuneration and benefits

No trustees received remuneration or other benefits during the year ended 31 August 2022 (2021: nil). Four (2021: nil) trustees were reimbursed for out-of-pocket expenses during the period of £1002 (2021: nil). The increase is due to a resumption of in person meetings during the year. The bulk of expenses were reimbursement for the costs of attending two in person meetings during the year (travel and subsistence) and also included sundry expenses such as stationary for conducting CCT business. The Trust paid for trustee liability insurance to the value of £347 in the year.

21. Related Party Transactions

There were no related party transactions during the year.