



Chagos Conservation Trust

Report of the Trustees

The Trustees present their report and the accounts of the charity for the year to 31st August 2021.

1. Highlights from the year

During 20/21 CCT was awarded a Darwin Plus grant to fund part of the development phase of Healthy Islands, Healthy Reefs. 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. It will involve an expedition to the archipelago in 2022. The funding is £74k over three years with activity starting in October 2021. We are delighted that this grant will enable us to build on the Healthy Islands, Healthy Reefs feasibility study which the Chagos Conservation Trust (CCT) funded, and take the next step towards achieving our goal of rewilding the archipelago.

CCT developed a plan in partnership with Chagossian Voices, a community platform for the Chagossian global diaspora, to utilise the £15k remaining of the Connect Chagos funds. This will fund the development and maintenance of a community website and support a community member to join our 2022 expedition to the archipelago.

2. 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 undertake environmental conservation, scientific and historical research, and advance education concerning the Chagos Archipelago.

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 diverse 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 way of eradicating invasive rats from the Chagos Archipelago's outer islands we are taking the first step in restoring the islands by ultimately removing the rats and managing the abandoned coconut plantations to allow the natural forest to regenerate. That will allow the natural ecosystem to regenerate, resulting in healthier islands which create a refuge for native species such as the iconic coconut crabs, breeding turtles and seabirds, and help coral reefs recover from and build resilience to the effects of climate change.

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 exemplar for conservation and management of similar environments across the planet.

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 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 breath-taking marine ecosystem. We recognise that we are not the only organisation interested in science and/or conservation working in the Chagos and nor do we want to be. Indeed, the more interest there is from others in protecting this global asset, the more likely we are to achieve our Vision. In this we particularly recognise the Bertarelli Programme in Marine Science and the many scientists involved in its work.

We will work with these institutions and implement actions that are complementary to their work, for example, our major Healthy Islands, Healthy Reefs restoration programme.

We are very conscious of the damaging effects of climate change on the coral reefs of the world, including those of Chagos. By maintaining (or where necessary restoring) these islands and reefs in as unpolluted and in as natural 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 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. All other work for the Trust is performed by the Trustees and other individuals on a voluntary basis.

3. 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 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 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, 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 home to some of the most rich and diverse coral reefs on the planet. Three hundred types of vibrant coral and 800 species of fish are found in the archipelago's waters, including majestic rays and more than 50 different types of shark. The islands are internationally important breeding sites for green turtles and the critically endangered hawksbill turtle. Metre-wide coconut crabs can be found clambering through their undergrowth, and more than a million seabirds nest in and around their trees.

Today this important ecosystem is under new pressure as the devastating effects of climate change are being compounded by invasive species and the historic loss of native forests, leaving it facing an uncertain future unless we take action.

The BIOT Administration has identified eleven conservation and environmental priorities to ensure the protection of the Chagos Archipelago's environment for the future. CCT has been approached to help deliver two of these priorities: (1) 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.

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.

In 2018, scientists discovered a direct relationship between healthy seabird populations on islands and healthy reefs. 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 corals.

By rewilding degraded islands, managing the abandoned coconut plantations and eradicating invasive rats, a more natural, seabird-driven ecosystem will regenerate, resulting in healthier islands and helping coral reefs recover from and build resilience to the effects of climate change, and creating a refuge for native species such as the iconic coconut crab and red-footed booby.

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 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 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, much higher than in other parts of the Indian Ocean.

CCT also engages when possible with the UK-based Chagossian communities. It continues to look into ways to work with the community and involve them with the work CCT plans to undertake.

Achievements in the 2020-21 year

Aim 1: Building a trust fit for the Chagos Archipelago	Annual General Meeting and new charity officer: At the 2021 CCT AGM one new officer was elected giving CCT a new Chair. The AGM was again held virtually due to Covid-19.	Policy development: CCT board of trustees adopted four new policies to meet the charity's needs. These included: <ul style="list-style-type: none"> - Ethical fundraising policy - Equality and diversity policy - Grievance Procedure and Disciplinary Policy and Procedure - Whistleblowing policy
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<p>Aim 2: Inspiring action</p>	<p>During 2020-21 CCT once again increased communication activity even though all science and conservation expeditions were halted due to Covid:</p> <ul style="list-style-type: none"> - Two issues of Chagos News were distributed, one in December 2020 and the other in July 2021 - 16 news articles appeared on the CCT website - New users of the Chagos Information Portal averaged 207 users/month and CCT website 750 users/month - Facebook likes were steady at around 7,000 - Instagram followers increased by 30% (116 followers) - Twitter followers increased by 8% (46 followers) and CCT's Twitter (started in Dec 2020) now has 113 followers <p>CCT has 61 members as of the end of 2021 financial year managed by a membership secretary on the board.</p>	<p>CCT is very proud to be partnering 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 is working 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.</p>
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<p><u>Aim 3: Protecting a global asset</u></p>	<p>CCT's flagship programme Healthy Islands, Healthy Reefs officially launched in January 2021 and was awarded a £74,000 Darwin Plus grant in May 2021.</p> <p>The "<i>Filling knowledge gaps to enable rewilding of the Chagos Archipelago</i>" project, is a vital component of Healthy Islands, Healthy Reefs. The aim is to collect data to fill knowledge gaps and inform a robust and effective Operational Plan to eradicate rats, restore native habitat and ultimately boost biodiversity across the Chagos Archipelago.</p> <p>As part of the project CCT recruited a part time Programme Manager to lead on its delivery.</p>
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Challenges in the 2020-21 year

Covid-19 continued to present a global challenge this year for many charities but CCT was able to continue business largely as usual throughout most of the year, The difficulties of access to Chagos due to Covid restrictions was an issue, but did not seriously affect our work in this year.

Due to lockdown restrictions the 2020 Annual General Meeting was postponed until November 2020. The Charities Commission permitted CIOs to hold AGMs and other members' meetings online - this has been made possible by the Corporate Insolvency and Governance Act 2020 and applied until 30 March 2021. Therefore, we were able to schedule the 2021 as an online AGM in March 2021.

The dispute between the UK and Mauritius over the sovereignty of the Archipelago continues. Though both governments express the wish to protect this archipelago, the practical effect of the dispute is that it is complicating future activities and fundraising for this objective.

4. Financial review

The Trust ended the year in a strong financial position with reserves of £1.3m (2020: £1.2m), including £98,466 (2020: £87,429) in cash, which is enough to cover fixed costs in the near future.

CCT was awarded Darwin Plus funding of £74,000 during the year 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. Activities for the grant will start in October 2021 therefore the financial impact will be seen in 21/22. We have also developed a plan to use the remaining balance of Connect Chagos funds to fund development and maintenance of a website for the community group Chagossian Voices and to support a Chagossian to participate in a future expedition to the islands.

CCT's investment target is to achieve a return of 5% per year over the long term. We achieved a return 12.47% over the 2020-21 financial year (2020: 4.37%). This was in part due to a particularly buoyant month in August 2021 and the value of the portfolio has since reduced from this level. In several recent years we have exceeded 5% due to the exceptionally strong performance in equity markets in the last decade. This leaves us in a strong reserves position about 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.

The Trustees, however, are well aware that current events including the Covid-19 pandemic, rising inflation, a changing geopolitical climate and the cessation of quantitative easing measures by central banks present a risk that returns may not continue to be as strong as in recent years. 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.

Primarily as a result of the large gain in valuation on investments, this year's result was a surplus on unrestricted funds of £90,386 (2020: £1,554 deficit) and a surplus on restricted funds of £9,316 (2020: £6,781 surplus).

During the year the principal sources of income and the proportions they provided were as follows: members' subscriptions 5% (2020: 7%), sales of CCT publications 4% (2020: 10%), donations and legacies 3% (2020: 4%) and investment income and bank interest 25% (2020: 79%). We also recognised other income of £13,000 in the year which is 63% of the total (2020: 0%) being a refund due from HMRC relating to overpayments on employers National Insurance dating back to 2018.

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 £154 during the year (2020: £950). Sales of CCT's booklets on the biodiversity of the Chagos Archipelago amounted to £109 during the year (2020: £188).

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 £1.174m was invested in managed portfolios and commingled funds, and £43,629 in fixed-term savings. Our investments are held with one fund manager in socially and environmentally responsible commingled funds for Charities.

In January 2021, the Trustees agreed to reduce the number of investment managers from two to one. 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 2022.

5. Plans for future years

Aim 1: Building a trust fit for Chagos

CCT is committed to maintaining a solid organisational foundation that enables us to play a leading role in conservation, research and awareness raising of the Chagos Archipelago.

We plan to:

- Continue to manage the organisation using best practice operating systems and effective operating policies and procedures, to ensure regulatory compliance
- Develop the next CCT Strategic Business Plan to launch at the beginning of the 2022-2023 financial year
- Diversify our income for sustained growth by approaching a wide range of potential donors
- Develop and implement fundraising activities specifically for our Healthy Islands, Healthy Reefs Research and Development project

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.

We plan to:

- Increase the reach of the science and conservation work of the Chagos Archipelago.
- Build relationships with Chagossian communities in support of conservation, education and research and launch a Chagossian community website.
- Create strategic partnerships for conservation to drive Healthy Islands, Healthy Reefs through funding and technical expertise.

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.

We plan to:

- As part of Healthy Islands, Healthy Reefs, launch the Darwin Plus funded “*Filling knowledge gaps to enable rewilding of the Chagos Archipelago*” project, which includes an expedition to the Chagos Archipelago in 2022.
- Develop a strategic conservation strategy and complementary fundraising plan and finalise the project plan for the rewilding of Eagle Island.

6. Structure, Governance and Management

Governing document

CCT's governing document is its Constitution, last updated in October 2013

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 Royal Navy. To handle the investment of this legacy the Trustees set up a Finance Committee, as described in 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

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.

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 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, 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.

7. 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 of the during the year to 31 August 2021 were as follows:

Natasha Gibson (Chair) – appointed 15 October 2020

Alistair Gammell (Secretary)

Rachel McGoff (Treasurer)

Colin Clubbe

Steve Cole

Chris Davies

Sarah Havery

Jonathan Hunt

Kenneth Johnson

Rachel Jones

Richard Martin

Abel Seow

John Turner

Bankers

CAF Bank Ltd

25 Kings Hill Avenue

West Malling

Kent ME19 4JQ

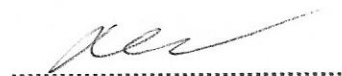
Principal address

23 The Avenue

Sandy

Bedfordshire SG19 1ER

Approved by the trustees on 18 January 2022.



Natasha Gibson

Chair of the Board


Chagos Conservation Trust
Statement of Financial Activities for the Year Ending 31 August 2021

	Unrestricted funds £	Restricted income funds £	Total funds 2021 £	Total funds 2020 £
Incoming resources (Note 3)				
Income and endowments from:				
Donations and legacies	1,417	250	1,667	1,757
Other trading activities	738	-	738	1,689
Investments	4,833	317	5,150	12,746
Other	13,000	-	13,000	-
Total	19,989	567	20,556	16,191
Resources expended (Note 4)				
Expenditure on:				
Raising funds	6,055	-	6,055	6,289
Charitable activities	38,110	2,608	40,717	64,570
Investment Management Costs	-	-	-	1,293
Other	10,941	-	10,941	10,990
Total	55,105	2,608	57,713	83,141
Net income/(expenditure) before investment gains/(losses)	(35,117)	(2,041)	(37,158)	(66,950)
Net gains/(losses) on investments	125,503	11,356	136,859	72,177
Net income/(expenditure)	90,386	9,316	99,702	5,227
Transfers between funds	-	-	-	-
Net movement in funds	90,386	9,316	99,702	5,227
Reconciliation of funds:				
Total funds brought forward	1,039,159	165,192	1,204,351	1,199,124
Total funds carried forward	1,129,545	174,508	1,304,053	1,204,351

Chagos Conservation Trust
Balance Sheet at 31 August 2021

		Unrestricted funds £	Restricted income funds £	Total funds 2021 £	Total funds 2020 £
Fixed assets					
Investments	(Note 9)	1,084,369	89,626	1,173,996	1,097,136
Property, Plant and Equipment	(Note 10)	935		935	
Total fixed assets		<u>1,085,305</u>	<u>89,626</u>	<u>1,174,931</u>	<u>1,097,136</u>
Current assets					
Stocks	(Note 11)	3,351	-	3,351	3,548
Debtors	(Note 12)	13,703	14,586	28,289	18,450
Cash at bank and in hand	(Note 16)	28,170	70,296	98,466	87,429
Total current assets		<u>45,224</u>	<u>84,882</u>	<u>130,106</u>	<u>109,427</u>
Creditors: amounts falling due within one year	(Note 13)	247	-	247	1,573
Net current assets/(liabilities)		<u>44,977</u>	<u>84,882</u>	<u>129,859</u>	<u>107,854</u>
Total assets less current liabilities		<u>1,130,282</u>	<u>174,508</u>	<u>1,304,790</u>	<u>1,204,990</u>
Creditors: amounts falling due after one year	(Note 14)	737	-	737	639
Total net assets or liabilities		<u>1,129,545</u>	<u>174,508</u>	<u>1,304,053</u>	<u>1,199,124</u>
Funds of the Charity					
Restricted income funds	(Note 19)			174,508	165,192
Unrestricted funds				1,129,545	1,039,159
Total funds				<u>1,304,053</u>	<u>1,204,351</u>

The financial statements were approved by the Board of Trustees on 18 January and were signed on its behalf by:


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Natasha Gibson – Chair of the Board of Trustees

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

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 1](#).

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

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

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:

	FY21	FY20
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.

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

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).

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

3. Analysis of Income

Charitable Activities	Unrestricted funds	Restricted income funds	Total funds 2021	Total funds 2020
	£	£	£	£
Sales of publications	738	-	738	1,689

Investments

Other Fixed Asset Investments	4,833	-	4,833	12,112
Deposit Account Interest	-	317	317	634
	4,833	317	5,150	12,746

Note that income also includes other income of £13,000 being an amount receivable from HMRC related to overpayment of employers National Insurance from April 2018 to April 2021. As a small employer CCT is eligible for the Employment Allowance and had not been claiming this, a retrospective claim has been submitted dated back to 2018 and HMRC has confirmed that this amount will be refunded.

4. Analysis of Expenditure

Charitable Activities	Unrestricted funds	Restricted income funds	Total funds 2021	Total funds 2020
	£	£	£	£
Healthy Islands, Healthy Reefs	4,070	250	4,320	28,000
Expedition	38,110	-	38,110	35,652
Education, conservation and research	-	2,358	2,358	-
Chagos - A History	558	-	558	516
Sale of publications	254	-	254	402
	42,992	2,608	45,600	64,570
Other				
Governance	8,482	-	8,482	9,459
Other administration and support costs	2,459	-	2,459	1,531
	10,941	-	10,941	10,990

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 2021

5. Independent Examiners' Fees

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

6. Staff Costs

	2021	2020
	£	£
Salaries and wages	39,737	42,742
Social security costs	4,722	4,656
Pension costs (defined contribution scheme)	1,739	1,757
	<u>46,197</u>	<u>49,155</u>

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

2021	2020
<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 2021 were £1,739 (2020: £1,757).

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 2021

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 (2020: £nil).

9. Fixed asset investments

Fair Value	Listed investments £
At 1 September 2020	1,097,136
Additions	-
Disposals	(60,000)
Net gain/(loss) on revaluation	<u>136,859</u>
At 31 August 2021	<u><u>1,173,996</u></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.

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 2020	-
Additions	1,059
At 31 August 2021	<u><u>1,059</u></u>
Accumulated Depreciation	
At 1 September 2020	-
Charge for the year	124
At 31 August 2021	<u><u>124</u></u>
Net Book Value	
At 1 September 2020	-
At 31 August 2021	<u><u>935</u></u>

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

11. Stocks

	£
At 1 September 2020	
	3,548
Added in period	-
Expensed in period	(196)
At 31 August 2021	<u><u>3,352</u></u>

12. Debtors

	2021 £	2020 £
Trade debtors	297	785
Prepayments and accrued income	13,406	919
Other debtors	<u>14,586</u>	<u>16,746</u>
	<u><u>28,289</u></u>	<u><u>18,450</u></u>

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

	2021 £	2020 £
Other debtors	<u>- 16,746</u>	
	<u><u>- 16,746</u></u>	

13. Creditors falling due within one year

	2021 £	2020 £
Accruals and deferred income	247	345
Taxation and social security	-	1,229
	<u>247</u>	<u>1,573</u>

14. Creditors falling due after more than one year

	2021 £	2020 £
Accruals and deferred income	<u>737</u>	<u>639</u>
	<u><u>737</u></u>	<u><u>863</u></u>

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

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.

	2021	2020
	£	£
At 1 September 2020	864	1,213
Amounts added in current period	333	-
Amounts released to income from previous periods	<u>(225)</u>	<u>(349)</u>
At 31 August 2021	<u>972</u>	<u>864</u>

16. Cash at bank and in hand

	2021	2020
	£	£
Short term deposits	-	43,629
Cash at bank and on hand	<u>98,466</u>	<u>43,800</u>
	<u>98,466</u>	<u>87,429</u>

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 2021

19. Movements in funds

Details of material funds held and movements in the current 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

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

Fund names	Type	At 1.9.19 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31.8.2020 £
General Funds	Unrestricted	1,005,832	15,557	(55,141)	-	67,911	1,034,159
Connect Chagos	Restricted	16,746	-	-	-	-	16,746
The Botanical survey fund	Restricted	141,546	634	-	-	4,266	146,466
The Chagos Information portal	Restricted	2,000	-	-	-	-	2,000
Healthy Islands, Healthy Reefs	Designated	33,000	-	(28,000)	-	-	5,000
Total Funds		1,199,124	16,191	(83,141)	-	72,177	1,204,351

Chagos Conservation Trust
Notes to the Financial Statements for the Year Ended 31 August 2021

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.

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 2021 (2020: nil). No (2020: three) trustees were reimbursed for out-of-pocket expenses during the period (2020: £215). This is due to the Covid-19 pandemic preventing in person meetings requiring travel. The trust plans to utilise a mixture of remote and face to face meetings in future years. The Trust paid for trustee liability insurance to the value of £382 in the year.

21. Related Party Transactions

There were no related party transactions during the year.