

SEYCHELLES CONSERVATION AND CLIMATE ADAPTATION TRUST

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

SEYCHELLES CONSERVATION AND CLIMATE ADAPTATION TRUST

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TRUST INFORMATION

BOARD OF DIRECTORS	:	Appointed effective November 15, 2018 Wallace Cosgrow - Chairman Maurice Loustau-Lalanne - Vice Chairman & <i>Ex-Officio</i> Director Mr. Jude Talma Amit Wasserberg Mr. Olivier Bastienne Mr. Michel Pierre (Secretary) Re-appointed effective November 15, 2018 Mr. Robert Weary- Treasurer & <i>Ex-Officio</i> Director Mr. Glenny Savy Resigned effective November 15, 2018 Minister Didier Dogley - Chairman Dr. Peter Larose - Vice Chairman & <i>Ex-Officio</i> Director Dr Nirmal Jivan. Shah - Secretary Minister Pamela Charlette Ms. Sybille Cardon Mr. Marco Francis Dr. Frauke Fleischer-Dogley
SECRETARY	:	Mr. Michel Pierre Mahé Seychelles
REGISTERED OFFICE	:	Room 109 Oceangate House Flamboyant Avenue Mahé, Seychelles
PRINCIPAL PLACE OF BUSINESS	:	Mahé Seychelles
AUDITORS	:	BDO Associates Chartered Accountants Seychelles

DIRECTORS' REPORT

The Board of Directors are pleased to submit their report together with the audited financial statements of the Trust for the year ended December 31, 2018.

THE TRUST

The Seychelles Conservation and Climate Adaptation Trust was established by an enactment of the Conservation And Climate Adaptation Trust Of Seychelles Act, 2015, (SEYCCAT), which came into force effective November 16, 2015. The special purpose is to refinance the financial obligation of the Government of Seychelles to Paris Club creditors and to design and secure other innovative financial instruments to support conservation and climate adaptation in Seychelles.

PRINCIPAL ACTIVITIES

- (a) Develop and administer the Endowment Fund, the Revolving Fund and the Additional Endowment Fund, and any other sources of funding;
- (b) Administer the assets of the Trust, intended to provide a sustainable flow of funds which supplements existing and future funds from any sources to enable the Trust to support the long-term management and expansion of the Seychelles system of protected areas and other activities which contribute substantially to the conservation, protection and maintenance of biodiversity and the adaptation to the climate change as identified through consultations with stakeholders; and
- (c) Perform exclusively for charitable, educational and scientific purposes for the benefit of the public in accordance with this SEYCCAT Act.

CURRENT YEAR EVENT**Adoption of International Financial Reporting Standard 9 (IFRS 9) - "Financial Instruments"**

The Trust has adopted the new International Financial Reporting Standard (IFRS) 9 - Financial Instruments effective January 1, 2018. This IFRS replaces the previous IAS 39 - Financial Instruments: Recognition and measurement. The changes introduced the following measurement categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income depending on the business model for managing the financial assets and the contractual cash flow characteristics.

Contrary to IAS 39 which was an incurred loss model, IFRS 9 introduces a new expected credit loss (ECL) model which involves a three stage approach whereby financial assets move through the three stages as their credit quality changes. The changes dictate how an entity measures impairment losses and applies the effective interest rate method.

In accordance with the transition exemption of IFRS 9, differences in carrying amounts of financial instruments resulting from adoption of IFRS 9 in respect of 2017, if any, have been recognised in retained earnings as at January 1, 2018. Accordingly, the comparatives for 2017 will not reflect the requirements of IFRS 9 but rather those of IAS 39.

DIRECTORS' REPORT (CONT'D)

COMPOSITION OF THE BOARD

The Directors of the Trust since the date of last report and the date of this report are:

Board Members up to November 18, 2018

Ministry responsible for Environment- Minister Didier Dogley - Chairman
Ministry responsible for Finance- Dr Peter Larose - Vice Chairman & *Ex-Officio* Director
The Nature Conservancy- Mr. Robert Weary- Treasurer & *Ex-Officio* Director
Nature Seychelles- Dr. Nirmal Jivan. Shah- Secretary
Islands Development Company- Mr. Glenn Savy
Seychelles Tourism and Hospitality Association- Ms. Sybille Cardon
Seychelles Chamber of Commerce and Industry- Mr. Marco Francis
Seychelles Islands Foundation-Dr. Frauke Fleischer-Dogley
Ministry responsible for Fisheries and Agriculture - Pamela Charlette

Board Members appointed/reappointed effective November 18, 2018

Ministry responsible for Environment- Minister Wallace Cosgrow - Chairman
Ministry responsible for Finance- Minister Maurice Loustau-Lalanne - Vice Chairman & *Ex-Officio* Director
The Nature Conservancy- Mr. Robert Weary- Treasurer & *Ex-Officio* Director
Principle Secretary for Fisheries- Mr. Jude Talma
Islands Development Company- Mr. Glenn Savy
Seychelles Tourism and Hospitality Association- Amit Wasserberg
Seychelles Chamber of Commerce and Industry- Mr. Olivier Bastienne
Citizens Engagement Platform Seychelles - Mr. Michel Pierre (Secretary)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Directors are responsible for the overall management of the affairs of the Trust including the operations of the Trust and making investment decisions.

The Board of the trust is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with Conservation And Climate Adaptation Trust Of Seychelles Act, 2015 (SEYCCAT ACT). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Trust and those that are held in trust and used by the Trust.

The Directors consider they have met their aforesaid responsibilities.

AUDITORS

The retiring auditors, Messrs. BDO Associates, being eligible offer themselves for re-appointment.

DIRECTORS' REPORT (CONT'D)


BOARD APPROVAL



Wallace Cosgrow
Director



Maurice Loustau-Lalanne
Director



Jude Talma
Director



Amit Wasserberg
Director



Olivier Bastienne
Director



Michel Pierre
Director



Robert Weary
Director



Mr. Glenmy Savy
Director

Date: 24 JUN 2019
Victoria, Seychelles

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of Seychelles Conservation and Climate Adaptation Trust (hereafter referred to as the "Trust"), as a body, in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the Trust's members those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust or the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Seychelles Conservation and Climate Adaptation Trust set out on pages 4 to 23 which comprise the Statement of Financial Position as at December 31, 2018, the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Cash Flows for the year ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 4 to 23 give a true and fair view of the financial position of the Trust as at December 31, 2018 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Conservation And Climate Adaptation Trust Of Seychelles Act, 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Conservation And Climate Adaptation Trust Of Seychelles Act, 2015, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Regulatory Requirements

Conservation and Climate Adaptation Trust Of Seychelles Act, 2015.

We have no relationship with, or interests, in the Trust other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Trust as far as it appears from our examination of those records.


BDO ASSOCIATES
Chartered Accountants

Dated: 24 JUN 2019
Victoria, Seychelles

STATEMENT OF FINANCIAL POSITION - AS AT DECEMBER 31, 2018

	Notes	2018 US\$	2017 US\$
ASSETS			
Non-current asset			
Loans receivable	5	15,948,383	17,631,615
Investments at amortised cost	6	21,722	22,216
		<u>15,970,105</u>	<u>17,653,831</u>
Current assets			
Loans receivable	5	1,683,232	1,639,871
Cash and bank balances	7	834,115	604,366
Other receivables		7,514	2,184
Interest receivable		183,661	200,681
		<u>2,708,522</u>	<u>2,447,102</u>
Total assets		<u><u>18,678,627</u></u>	<u><u>20,100,933</u></u>
MEMBERS' FUND AND LIABILITIES			
Members' fund			
Accumulated fund	8	<u>918,655</u>	<u>688,963</u>
Non-current liabilities			
Borrowing	9	10,376,937	11,802,609
Deferred grants	10	5,571,387	5,829,006
		<u>15,948,324</u>	<u>17,631,615</u>
Current liabilities			
Borrowing	9	1,425,672	1,383,787
Deferred grants	10	257,620	250,062
Other payables	11	128,356	146,506
		<u>1,811,648</u>	<u>1,780,355</u>
Total liabilities		<u><u>17,759,972</u></u>	<u><u>19,411,970</u></u>
Total member' fund and liabilities		<u><u>18,678,627</u></u>	<u><u>20,100,933</u></u>

These financial statements have been approved for issue by the Board of Directors on: 24 JUN 2019

The notes on pages 7 to 23 form an integral part of these financial statements
Auditors' report on page 3 to 3(b).


STATEMENT OF FINANCIAL POSITION - AS AT DECEMBER 31, 2018



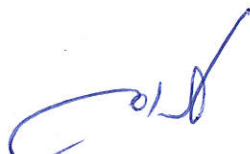
Wallace Cosgrow
Director



Maurice Loustau-Lalanne
Director



Jude Talma
Director



Amit Wasserberg
Director



Olivier Bastienne
Director



Michel Pierre
Director



Robert Weary
Director



Mr. Glennhy Savy
Director

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME - FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	2018 US\$	2017 US\$
Interest income	2.2(d)(i), (ii) & 12	553,866	600,047
Interest expense	2.2(d)(i)	(370,877)	(413,108)
Net interest income		182,989	186,939
Other income - grant released	2.2(b) & 10(b)	250,061	242,725
Grants and donations	2.2(d)(ii) & 13	264,226	175,840
Miscellaneous income		1,336	-
Operating expenses	14	(459,772)	(188,755)
Surplus before effect of foreign exchange		238,840	416,749
Foreign exchange (loss)/gain		(9,148)	8,769
Surplus and total comprehensive income for the year	15	229,692	425,518

The notes on pages 7 to 23 form an integral part of these financial statements
Auditors' report on page 3 to 3(b).

STATEMENT OF CASH FLOWS - FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Notes</u>	<u>2018</u> US\$	<u>2017</u> US\$
OPERATING ACTIVITIES			
Surplus for the year		229,692	425,518
<i>Adjustments for</i>			
- Shortfall in refund of loan		-	(6,022)
- Foreign exchange loss/(gain) on cash balances		7,303	(8,613)
- Foreign exchange loss/(gain) on investment	6	494	-
- Grant income released	10(b)	(250,061)	(242,725)
- Interest income		(553,866)	(600,047)
- Interest expense		370,877	413,108
		<u>(195,561)</u>	<u>(18,781)</u>
<i>Changes in working capital:</i>			
- Increase in other receivables		(5,330)	(2,184)
- Decrease in other payables and accruals		(18,150)	(119,195)
- Increase in restricted bank balance	7	(154,608)	(128,920)
Net cash outflow from operating activities		<u><u>(373,649)</u></u>	<u><u>(269,080)</u></u>
INVESTING ACTIVITY			
Investments in bonds and net cash outflow from investing activity	6	<u>-</u>	<u>(22,216)</u>
FINANCING ACTIVITIES			
Refund of loan granted	5(a)	1,633,849	1,585,915
Loan shortfall refunded	5(a)	6,022	-
Interest received		570,886	614,830
Repayment of borrowings	9(b)	(1,383,787)	(1,343,190)
Interest paid		(370,877)	(413,108)
Net cash inflow from financing activities		<u><u>456,093</u></u>	<u><u>444,447</u></u>
Net change in cash and cash equivalents		<u><u>82,444</u></u>	<u><u>153,151</u></u>
Movement in cash and cash equivalents			
At the beginning of the year		400,096	238,332
Change during the year		82,444	153,151
Effect of foreign exchange		(7,303)	8,613
At December, 31	7	<u><u>475,237</u></u>	<u><u>400,096</u></u>

The notes on pages 7 to 23 form an integral part of these financial statements
Auditors' report on page 3 to 3(b).

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL

The Seychelles Conservation And Climate Adaptation Trust is a Trust established by government under the Conservation And Climate Adaptation Trust Of Seychelles Act, 2015. This is domiciled in the Republic of Seychelles with its registered office located at Room 109, Oceangate house, Flamboyant Avenue, Victoria, Mahe P.O. Box 310, Victoria, Mahe, Seychelles.

The principal activities of the Trust are detailed on page 2.

These financial statements will be submitted for consideration and approval at the forthcoming Board Meeting of the Trust.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the Conservation And Climate Adaptation Trust Of Seychelles Act, 2015.

The financial statements of the Trust have been prepared on a historical cost basis, except as disclosed in the accounting policies:

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Trust's management to exercise judgment in applying the Trust's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 4.

(a) Amendments to published Standards effective in the reporting period:*Impact of initial application of IFRS 9 - Financial Instruments*

In the current year, the Trust has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for the annual period that begins on or after January 1, 2018.

In accordance with the transition exemption under IFRS 9, differences in carrying amounts of financial assets and liabilities resulting from adoption of IFRS 9, if any, should be recognised in retained earnings as at January 1, 2018. Accordingly, the information presented for 2017 should not reflect the requirements of IFRS 9 but rather those of IAS 39.

The Trust has elected the transition provisions allowing the entity not to restate comparative but instead to adjust any impact of implementation of IFRS 9 through Member's Fund on January 1, 2018 as reviewed.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

2. BASIS OF PREPARATION (CONT'D)**(a) Amendments to published Standards effective in the reporting period (cont'd):***Impact of initial application of IFRS 9 - Financial Instruments*

IFRS 9 introduced new requirements for:

- i The classification and measurement of financial assets and financial liabilities
- ii Impairment of financial assets; and
- iii General hedge accounting (*Not applicable to the Trust*)

Details of these new requirements as well as their impact on the Trust's financial statements are described below.

(i) Classification and measurement of financial assets and financial liabilitiesFinancial assets policies effective January 1, 2018

IFRS 9 contains three principal classifications for financial assets: measured at amortised cost, Fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on business model under which it they are managed and contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available for sale.

The Trust classifies its financial assets as subsequently measured at amortised cost based on the Trust's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cashflows; and
- The contractual terms that gives rise to contractual cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Upon implementation of IFRS 9,

The held-to-maturity (HTM) financial asset category was removed; and a new asset category designated as debt instruments measured at amortised cost was introduced since it met the above two conditions. These debt instruments are initially recognised at fair value plus directly attributable costs and subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, interest income, foreign exchange gains and losses and any gain and losses on derecognition are recognised in the Statement of Profit or Loss.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

2. BASIS OF PREPARATION (CONT'D)**(a) Impact of initial application of IFRS 9 - Financial Instruments (Cont'd)****(i) Classification and measurement of financial assets and financial liabilities (Continued)□□**

Future cash flows on a Trust of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Trust. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the years on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, commodity prices, payment status, or other factors that are indicative of incurred losses in the Trust and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Business model: the business model reflects how the Trust manages the assets in order to generate cash flows. That is, whether the Trust's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Trust in determining the business model for a Trust of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Another example is the liquidity portfolio of assets, which is held by the Trust as part of liquidity management and is generally classified within the hold to collect and sell business model.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Trust assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Trust considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through Statement of Profit and Loss.

The Trust reclassifies its financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period under review.

Impact on the Trust's financial assets as regards their classification and measurement:

- The Trust's financial assets classified as held to maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cashflow and these cashflows consist solely of the payments of principal and interest on the principal amount outstanding.

There was no reclassifications required for the financial assets and liabilities of the Trust and therefore no have impact on the Trust's financial position, profit or loss and other comprehensive in the financial year under review.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

2. BASIS OF PREPARATION (CONT'D)**(a) Impact of initial application of IFRS 9 - Financial Instruments (Cont'd)****(ii) Changes due to impairment of financial assets**

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Trust to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Trust to recognise a loss allowance for expected credit losses on:

- (1) Loan receivable at amortised cost;
- (2) Investments at amortised cost;
- (3) Cash and bank balances; and
- (4) Other receivables.

In particular, IFRS 9 requires the Trust to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), the Trust is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for other receivables, contract assets and lease receivables in certain circumstances.

The result of the assessment is as follows:

Financial Asset	Atributed Credit risk	ECL
Loan receivable; and Investments at amortised cost.	Loans and Investment at amortised cost have been assessed to have low credit risk on each reporting date based on their credit ratings. Since these are receivable from Republic of Seychelles. The Directors have estimated that no impairment is required due to existence of sovereign guarantee.	Nil
Cash and bank balances	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions. Directors have estimated impairment to be immaterial.	Nil
Other receivables	The Directors have concluded that it would require undue cost and effort to determine the credit risk as permitted under IFRS 9. Therefore the Directors have estimated that no assessment is required as the balance of other receivables is immaterial.	Nil

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

2. BASIS OF PREPARATION (CONT'D)**(a) Amendments to published Standards and Interpretations effective in the reporting period (Cont'd)****Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)**

The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. *The amendment has no impact on the Trust's financial statements.*

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The Trust has adopted IFRS 15 Revenue from Contracts with Customers from January 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. *The amendment has no impact on the Trust's financial assets.*

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. *The amendment has no impact on the Trust's financial statements.*

Annual Improvements to IFRSs 2014-2016 Cycle

IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.

IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition. *The amendment has no impact on the Trust's financial statements.*

IFRIC 22 Foreign Currency Transactions and Advance Consideration. The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. *The amendment has no impact on the Trust's financial statements.*

Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. *The amendment has no impact on the Trust's financial statements.*

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2019 or later periods, but which the Trust has not early adopted.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

2. BASIS OF PREPARATION (CONT'D)**(b) At the reporting date of the financial statements, the following were in issue but not yet effective:**

Sale or contribution of assets between an investor and its Associate or Joint venture (Amendments to IFRS 10 and IAS 28)

IFRS 16 Leases;

IFRS 17 Insurance contracts;

IFRIC 23 Uncertainty over Income Tax treatments;

Prepayment features with negative compensation (Amendments to IFRS 9);

Long-term interests in Associates and Joint ventures (Amendments to IAS 28);

Annual improvements to IFRSs 2015-2017 Cycle;

Plan amendment, curtailment or settlement (Amendments to IAS 19);

Definition of a business (Amendments to IFRS 3); and

Definition of Material (Amendments to IAS 1 and IAS 8).

Where relevant, the Trust is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

2.2 SIGNIFICANT ACCOUNTING POLICIES**(a) Financial instruments**

Financial assets and liabilities are recognised on the Trust's Statement of financial position when the Trust has become a party to the contractual provisions of the instrument. The Trust's accounting policies in respect of the main financial instruments are set out below.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit or Loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i) Classification of financial assets

Financial instruments held by the Trust that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These includes long term loans receivables; investments, cash and bank balance and other receivables

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Financial instruments (Cont'd)****ii) Amortised cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial instrument, or, where appropriate, a shorter period, to the gross carrying amount of the financial instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the financial instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for financial instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in the Statement of Profit or Loss.

iii) Impairment of financial assets

The Trust recognises a loss allowance for expected credit losses on investments in financial instruments that are measured at amortised cost as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all material financial instruments, the Trust recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Trust measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Expected credit loss upon implementation of IFRS 9 and for the current year was deemed immaterial. Refer to 2.1(a)(ii)

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Financial instruments (Cont'd)****(iv) Cash and cash equivalents**

Cash comprises cash in hand, at bank and demand deposits.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, against which the bank overdrafts, if any are deducted.

(v) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement Of Comprehensive Income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least twelve months after the date of the reporting period.

(vi) Other payables

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(vii) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial position when the Trust has a legal enforceable right to set off the recognised amounts and the Trust intends either to settle on a net basis, or to realise the asset and liability simultaneously.

(b) Grant

Deferred grants related to amount received from The Nature Conservancy to part finance loan repayment by the Government of Seychelles. The grant is recognised only when there is reasonable assurance that the Trust will comply with any conditions attached to the grant and the grant is receivable.

The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

(c) Foreign currencies**(i) Functional and presentation currency**

Items included in the financial statements are measured using USD, the currency of the primary economic environment in which the Trust operates ("functional currency"). The financial statements are presented in USD which is the Trust's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Foreign currencies (Cont'd)****(ii) Transactions and balances**

Foreign currency transactions are translated in the functional currency using the exchange rates approximating those ruling on the transaction dates (average rates used by the Trust). Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in a currency other than the presentation currency, are recognised in Statement of Profit or Loss. Such monetary assets and liabilities are translated into presentation currency using the exchange rates ruling on the date of Statement of Financial Position.

Non-monetary assets which are denominated in a currency other than the presentation currency are translated at exchange rates prevailing at the date these assets were recognised in the Financial Statements.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received.

(i) Interest income and expenses

Interest income and expense are recognised in the Statement of Profit or Loss for all interest bearing instruments on an accrual basis using the effective yield method based. (Refer to 2.1a(ii))

(ii) Grants and donations are recognised on a receipt basis.

(e) Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(f) Business tax

According to Conservation And Climate Adaptation Trust Of Seychelles Act, 2015, paragraph 28(1) the Trust shall, notwithstanding any other written law, be exempt from the payment of the business tax.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

3. FINANCIAL RISK MANAGEMENT**3.1 Financial Risk Factors**

The Trust's activity exposes it to a variety of financial risks, including: credit risk, currency risk, liquidity risk and interest rate risk.

The Trust's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of the Trust's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Credit risk

Credit risk refers to the risk that a borrower may not repay a loan and that the lender may lose the principal of the loan or the interest associated with it.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Trust compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Trust considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort.

The main credit risk arise from its loans receivables from the Government of Seychelles but this risk is considered low since these are from a financially sound institute where risk of default is remote.

(b) Currency risk

The Trust is exposed to foreign exchange risk since some of cash balances are denominated in Seychelles Ruppe. Foreign exchange risk is not hedged.

As at December 31, 2018, cash balance denominated in Seychelles Rupees amounted to USD 312,976 (2017: 264,490)

If the US Dollar had weakened/strengthened by 10% against foreign currencies as at December 31, 2018, the impact on the Trust's results would have been US\$ 31.3k (2017: 26.4k).

(c) Liquidity Risk

The Trust practises prudent liquidity risk management by maintaining adequate line of credits to meet its funding needs.

The table below analyses the Trust's financial exposure at the date of the statement of financial position:

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

3. FINANCIAL RISK MANAGEMENT (CONT'D)**3.1 Financial Risk Factors (Cont'd)****(c) Liquidity risk (Cont'd)**

	Less than 1 year USD	Between 2 and 5 years USD	Above 5 years USD	Total USD
At December 31, 2018				
Borrowings	1,425,672	5,791,193	4,585,744	11,802,609
Other payables	128,356	-	-	128,356
	<u>1,554,028</u>	<u>5,791,193</u>	<u>4,585,744</u>	<u>11,930,965</u>
At December 31, 2017				
Borrowings	1,343,190	5,791,193	6,052,013	11,802,609
Other payables	146,506	-	-	146,506
	<u>1,489,696</u>	<u>5,791,193</u>	<u>6,052,013</u>	<u>11,949,115</u>

(d) Interest rate risk.

The Trust finances its operations through operating cash flows which are principally denominated in US Dollar. The Trust's income and operating cash flows are not exposed to interest rate risk as the loans and receivables and borrowings bears fixed interest rates.

Had the interest rate varied by plus or minus 10 basis points with all other variables held constant the impact would have been \pm US\$182 (2017: US\$187).

3.2 Fair value estimation

The estimated fair values of the financial assets and liabilities as at the reporting date approximate their carrying amounts as shown in the Statement of Financial Position.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical estimates and judgements that affect the application of Trust's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement of complexity or areas where assumptions and estimates are significant to the financial statements and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities subsequent to the reporting date are discussed below:

(a) Functional currency

The Board of Directors have determined the US Dollar to be the functional currency of the Trust.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

(b) Impairment losses on loans receivable and investments at amortised cost.

The measurement of impairment losses both under IFRS 9 and IAS 39 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Trust's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Trust's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and

Loan receivable and Investment at amortised cost been assessed to have low credit risk on each reporting date based on their credit ratings. Since these are receivable from Republic of Seychelles; the Directors have estimated that no impairment is required due to existence of sovereign guarantee.

(c) Impairment losses on cash and bank balances and other receivable

All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions. Directors have estimated impairment to be immaterial

The Directors have concluded that it would require undue cost and effort to determine the credit risk for other receivable. Therefore no assessment has been done as the balance is immaterial.

(d) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Trust determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Trust monitors financial assets measured at amortised cost prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Trust's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) *Increase in credit risk*

IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Trust considers qualitative and quantitative reasonable and supportable forward-looking information.

5. LOANS RECEIVABLE

	Full Loan Facilities agreed US\$	Repayable by	Actual Disbursements US\$
Facility A1	20,875,976	Feb 2026	15,186,330
Facility A2	6,467,046	Feb 2036	6,440,473
	<u>27,343,022</u>		<u>21,626,803</u>

(a) The movement in loan receivable during the period under review was as follows:

	2018 US\$	2017 US\$
At January 1	19,271,486	20,851,379
Refund of loans granted	(1,633,849)	(1,585,915)
Shortfall on instalment	(6,022)	6,022
At December 31	<u>17,631,615</u>	<u>19,271,486</u>
	2018 US\$	2017 US\$
Analysed as:		
Non-current (note 5(a))	15,948,383	17,631,615
Current	1,683,232	1,639,871
	<u>17,631,615</u>	<u>19,271,486</u>

(b) The maturity of the non-current portion is as follows:

	2018 US\$	2017 US\$
After one year and before two years	1,734,108	1,683,232
After two years and before five years	5,379,166	5,361,149
Above five years	8,835,109	10,587,234
	<u>15,948,383</u>	<u>17,631,615</u>

(c) The loans receivable from the Republic of Seychelles are denominated in US Dollar and bear interest at 3% per annum (2017 : 3%). These are secured by permitted security interest of public debt.

(d) Currency and interest rates risks are disclosed under notes 3.1(b) and 3(d) respectively.

(e) The carrying amount of the loans receivable approximate its amortised cost.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

6. INVESTMENTS AT AMORTISED COSTS

	<u>Maturity</u>	<u>2018</u>	<u>2017</u>
		US\$	US\$
At January, 1		22,216	-
Investments during the year		-	22,216
- Interest accrued		3,908	436
- Transferred to restricted funds (note 7(a))		(3,908)	(436)
- Exchange movement		(494)	-
At December, 31	07-Aug-24	<u>21,722</u>	<u>22,216</u>

- (a) Investment represents SR.300,000 in treasury bonds issued by the Government of Seychelles, bears fixed interest at 7% per annum and payable half yearly.
- (b) Directors have estimated that no impairment is required due to existence of sovereign guarantee and risk of default is assumed to be Nil.

7. CASH AND BANK BALANCES

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Balance as per bank (note 7(a))	<u>834,115</u>	<u>604,366</u>

- (a) For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following as at the end of the reporting period:

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Cash and bank balances	834,115	604,366
Less: cash committed for endowment fund (note 7(b))	(358,878)	(204,270)
	<u>475,237</u>	<u>400,096</u>

- (b) Cash committed for the endowment fund movements:

	<u>2018</u>	<u>2017</u>
	US\$	US\$
At January, 1	204,270	75,350
Additions during the year	150,700	150,700
Investments during the year (note (6)(a))	-	(22,216)
Interest accrued capitalised (note (6)(a))	3,908	436
At December, 31	<u>358,878</u>	<u>204,270</u>

The compulsory transfer to endowment fund represents 35% of the grants released and interest received thereon.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

8. MEMBERS' FUNDS

	2018	2017
	US\$	US\$
At the beginning of the period	688,963	263,445
Surplus for the period	229,692	425,518
At December 31	918,655	688,963

There has been no impact on Members' Funds upon implementation of IFRS 9 since ECL has been estimated as NIL on The Trust's financial assets and liabilities on January 1 and December 31, 2018.

9. BORROWINGS

	2018	2017
	US\$	US\$
Borrowings from the Nature Conservancy (note (9a))	11,802,609	13,186,396
<i>Analysed as:</i>		
	2018	2017
	US\$	US\$
Non-current (note 9(c))	10,376,937	11,802,609
Current	1,425,672	1,383,787
	11,802,609	13,186,396

(a) The borrowings payable to The Nature Conservancy is denominated in US\$, bearing interest at 3% and secured by security assignment of receivable from the Government of Seychelles. (Note 5).

(b) The movement in borrowings is as follows:

	2018	2017
	US\$	US\$
At January 1	13,186,396	14,529,586
Refund of loans granted	(1,383,787)	(1,343,190)
At December 31	11,802,609	13,186,396

(c) The maturity profile of non-current borrowings is shown in note 3.1(c)

(d) The carrying amount of borrowings approximate its amortised cost.

10. DEFERRED GRANTS

(a) The Nature Conservancy (the "Conservancy") availed a grant of US\$ 5 million pursuant to which the Trust provided Government of Seychelles (GOS) with the funding necessary for the GOS to engage in a partial buyback of its debt from some of its bilateral creditors.

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

10. DEFERRED GRANTS (CONT'D)

Also Conservancy negotiated debt of US\$ 21,626,803 (note 5) owed by Government of Seychelles to its bilateral creditors for US\$ 20,186,330 (note 5) resulting in a discount of US\$ 1,440,472 which has been granted to the Trust to assist its marine and conservation activities.

(b) The movement in deferred grant is as follows:

	2018 US\$	2017 US\$
At January 1	6,079,068	6,321,793
Release to Statement of Profit or Loss	(250,061)	(242,725)
At December 31	5,829,007	6,079,068

Analysed as:

	2018 US\$	2017 US\$
Non-current	5,571,387	5,829,006
Current	257,620	250,062
	5,829,007	6,079,068

11. OTHER PAYABLES

	2018 US\$	2017 US\$
Interest accrued	122,944	137,358
Accruals	5,412	9,148
	128,356	146,506

12. INTEREST INCOME

	2018 US\$	2017 US\$
Interest income from Government of Seychelles		
- For facilities	368,271	411,106
- For deferred grant	180,511	187,847
Interest from investments	3,908	436
Interest from banks	1,176	658
	553,866	600,047

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

13. DONATIONS & GRANTS

	2018	2017
	US\$	US\$
Grants from The Nature Conservancy	172,226	115,840
Grant from GOS-UNDP-GEF Protected Area Finance project	67,000	60,000
Management Fee	25,000	-
	<u>264,226</u>	<u>175,840</u>

14. OPERATING EXPENSES

	2018	2017
	US\$	US\$
Personnel costs	190,360	119,201
Utilities and maintenance costs	24,388	12,801
Furniture and capital equipment costs	3,101	7,686
Blue grant fund disbursement	198,092	-
Other operating expenses	43,831	49,067
	<u>459,772</u>	<u>188,755</u>

15. SURPLUS FOR THE YEAR

This is arrived at after charging:

	2018	2017
	USD	USD
Auditors' Fees	5,413	5,472
Directors' Emoluments	-	-
	<u>-</u>	<u>-</u>

16. TAX

The Trust is exempt from Business Tax.

17. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2018. (2017 : Nil).

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2018. (2017 : Nil).