# WCMC

England & Wales · Charity number 328044

## Details

| | |
|---|---|
| **Other names** | THE WORLD CONSERVATION MONITORING CENTRE, WCMC 2000 |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 02330031 |
| **Registered** | 1989-01-09 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Wcmc<br>219 Huntingdon Road<br>Cambridge<br>CB3 0DL |
| **Phone** | 01223277314 |
| **Email** | information@unep-wcmc.org |
| **Website** | http://www.wcmc.org.uk |

## Activities

**Objects:** TO PROMOTE FOR THE PUBLIC BENEFIT, CONSERVATION, PROTECTION, ENHANCEMENT AND SUPPORT OF NATURE AND NATURAL RESOURCES WORLD-WIDE. (FOR FURTHER DETAILS SEE CLAUSE 3 OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION).

**Activities:** To evaluate and highlight the many values of biodiversity and put authoritative biodiversity knowledge at the centre of decision-making.

## Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Environment/conservation/heritage
- **Who:** The General Public/mankind

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## Geography

- Cambridgeshire

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2024-12-31 | £20,103,471 | £20,864,712 | £6,365,790 | 233 |
| 2023-12-31 | £21,805,250 | £22,054,433 | £7,127,031 | 236 |
| 2022-12-31 | £21,957,760 | £18,766,506 | £7,376,215 | 207 |
| 2021-12-31 | £16,421,477 | £16,277,399 | £4,184,961 | 178 |
| 2020-12-31 | £15,281,399 | £15,161,603 | £4,040,883 | 161 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **ROBIN BIDWELL** | Chair | 2016-10-10 |
| ALASDAIR DAVID POORE | | |
| James Fergus Sloane | | 2019-12-03 |
| Katherine Elizabeth Jones | | 2024-09-25 |
| Mette Wilkie | | 2022-01-01 |
| Professor Bhaskar Vira | | 2021-11-01 |
| ROBERT ANDREW POWELL | | 2015-05-12 |
| Rajkumar Sethurajan | | 2023-12-06 |
| Suraya Mailvaganam | | 2023-12-06 |

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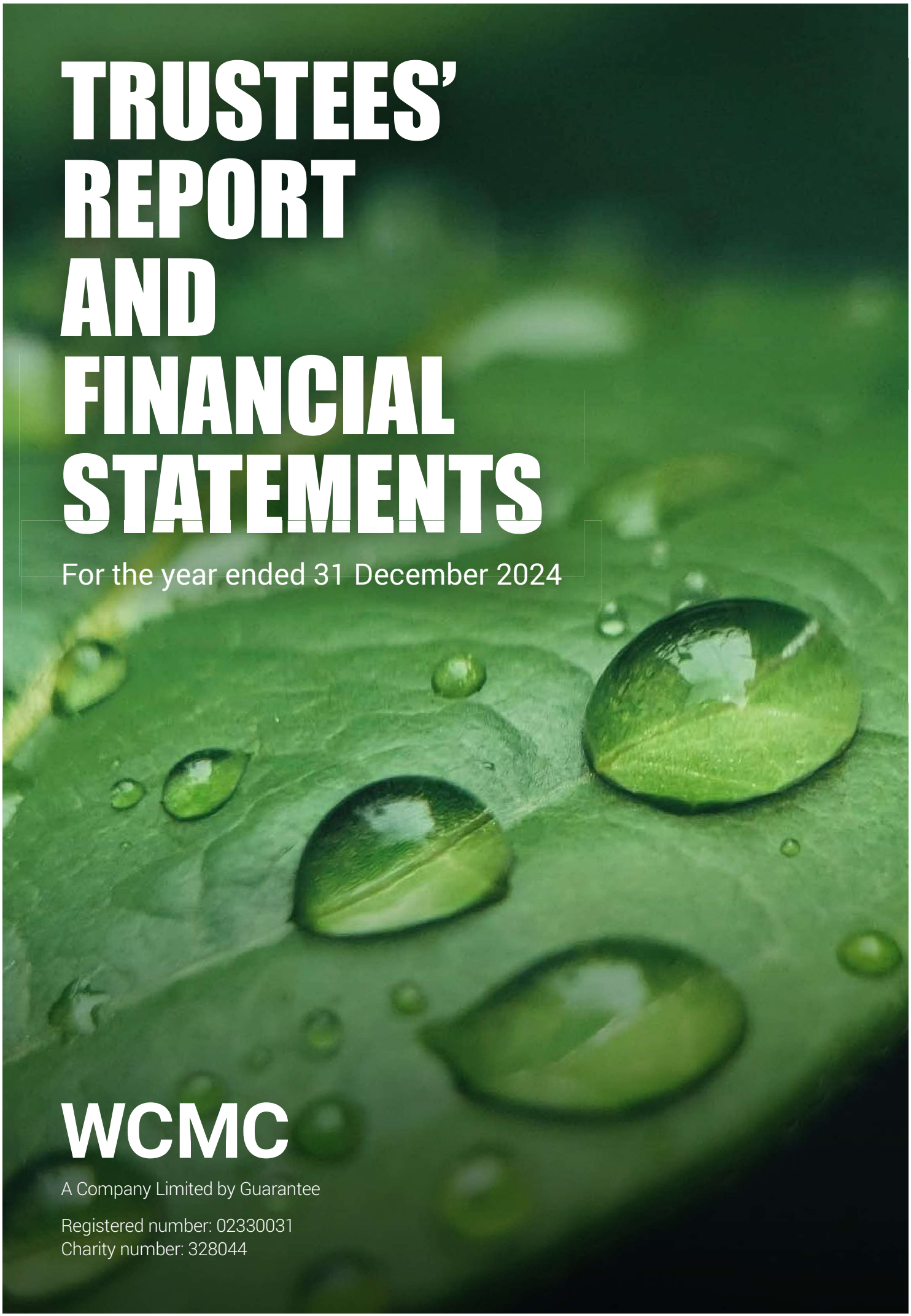
**WCMC**

England & Wales - Charity number 328044

# Accounts

# TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2024



# WCMC

A Company Limited by Guarantee

Registered number: 02330031
Charity number: 328044

WCMC

A Company Limited by Guarantee

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# Reference and administrative details of the charity, its trustees and advisers

## For the year ended 31 December 2024

| | |
|---|---|
| **Trustees** | Dr Robin Bidwell CBE, Chair<br>Professor William Adams<br>Ms Idunn Eidheim (resigned 11 December 2024)<br>Ms Katherine Elizabeth Jones (appointed 25 September 2024)<br>Ms Suraya Mailvaganam<br>Mr Alasdair Poore<br>Mr Andrew Powell<br>Mr Rajkumar Sethurajan<br>Mr James Sloane<br>Professor Bhaskar Vira<br>Ms Mette Løyche Wilkie<br>Dr Saleha Racheal Williams<br>Ms Charlotte Wolff-Bye (resigned 11 December 2024) |
| **Company registered number** | 02330031 |
| **Charity registered number** | 328044 |
| **Registered office** | 219 Huntingdon Road<br>Cambridge<br>CB3 0DL |
| **Key Management Personnel** | Mr Jonathan Hughes, Chief Executive Officer<br>Professor Neil Burgess, Chief Scientist<br>Mrs Katie Penfold, Chief Finance Officer<br>Mr Matthew Jones, Chief Impact Officer<br>Ms Nichola Rowlands-Smith, Head of External Affairs |
| **Independent auditors** | Peters Elworthy & Moore<br>Registered Auditor<br>Salisbury House<br>Station Road<br>Cambridge<br>CB1 2LA |
| **Bankers** | Barclays Bank<br>9-11 St Andrews Street<br>Cambridge<br>CB2 3AA |
| **Solicitors** | Mills and Reeve<br>Botanic House<br>100 Hills Road<br>Cambridge<br>CB2 1PH |

# Trustees' report

## Foreword from the Chair and CEO

WCMC played an increasingly important role in tackling the global nature crisis in 2024.

2024 was an important year for international biodiversity policy, capped by the Convention of Biological Diversity COP16, which took place in Cali, Colombia in October. The WCMC staff team played a critical role in facilitating a successful COP by providing technical and policy support to negotiators to advance the implementation of the Kunming-Montreal Global Biodiversity Framework (KM-GBF). Major outcomes included a global monitoring framework to track progress toward biodiversity goals, the creation of a permanent body to strengthen Indigenous Peoples and local communities' role in biodiversity governance, and a new mechanism - funded through the 'Cali Fund' - to share financial benefits from digital sequence information (DSI).

Throughout 2024, WCMC also continued its work with the business and finance sectors. We further developed the ENCORE tool which enables companies to visualise their environmental impacts and dependencies and take action to reduce them. ENCORE increased its registered users by over 10,000 and is gaining significant momentum and influence.

We also helped shape the Taskforce on Nature-related Financial Disclosures (TNFD) framework, which has over 500 adopters and is beginning to shift capital flows toward better outcomes for nature and more sustainable, more resilient economic systems. We made a significant contribution to the creation of the framework's assessment guidance, which is expected to be applied by thousands of companies globally in the next few years.

We published several high impact papers in journals including Science, Nature and Proceedings of the National Academy of Sciences including a systemic review of global biodiversity metrics. Other publications in 2024 included two landmark reports: the State of the World's Migratory Species and the latest in our series of Protected Planet reports. All of our science and technical outputs continue to inform and shape policy development and decision-making at national and international levels.

As we look to 2025, we are aware that the geopolitical landscape of the world is shifting. The combination of trade tensions and increasing military conflicts distracts governments and businesses from the very real threat of ecosystem degradation and biodiversity loss. It is within this environment that we are developing a new organisational strategy. We continue to be agile and adaptive and adjust our plans in a way which further strengthens partnerships, embraces technologies, and manages risk. We have strong foundations in the deep expertise of our staff, diverse and committed partnerships, and a healthy, resilient organisational culture.

Together with our UNEP colleagues, we remain clear in our mission—to harness knowledge for the transformative policy action needed to secure a thriving future for nature and people.



Robin Bidwell CBE
**Chair of Trustees**



Jonathan Hughes
**Chief Executive Officer**

# Trustees' report

## INTRODUCTION

This report presents the achievements of WCMC in 2024, highlighting our impacts and our key projects. Over the past year, we have strengthened our role as a global leader in biodiversity research, policy, and action. We have successfully supported governments and international policy processes whilst advocating for science-based policies and nature-based solutions. Our work is continuing to shape international conservation efforts, support policymakers, guide businesses and aid communities as they integrate biodiversity into their decision-making processes.

## WHO WE ARE

WCMC is a UK-registered charity (Charity No. 328044) dedicated to promoting the conservation, protection, enhancement, and support of nature and natural resources worldwide for the public benefit.

We work in collaboration with UNEP as UNEP-WCMC. UNEP-WCMC is a world leader in biodiversity knowledge, data, and analysis. Our mission is to empower decision-makers with the knowledge needed to protect and restore nature. Working at the interface of science, policy and practice we support governments, businesses, and civil society in achieving goals for nature. We are committed to ensuring that biodiversity is not just conserved, but is integral to sustainable development, economic stability, and human well-being.

## KEY ACHIEVEMENTS IN 2024

### 1. A Successful Convention on Biological Diversity (CBD) COP in Cali

At COP16 in Cali, Colombia, the WCMC staff team played a central role in supporting countries to move forward with the implementation of the Kunming-Montreal Global Biodiversity Framework (KM-GBF). We supported negotiations around many of the 27 decisions adopted - particularly around monitoring, technical cooperation, and benefit-sharing mechanisms - while also assisting negotiations more broadly with scientific evidence and policy advice.

A major step forward was progress made towards a global monitoring framework, developed with our support, to track progress towards the KM-GBF's 23 targets. This framework will connect with national biodiversity strategies and global reporting, strengthening accountability and transparency.

We also supported a breakthrough on Digital Sequence Information (DSI). Parties agreed on how to operationalize a benefit-sharing mechanism, including a new 'Cali Fund' for financial contributions from companies using DSI. These contributions will support biodiversity action in developing countries, with at least 50% going to Indigenous Peoples and local communities (IPLCs).

A landmark decision was the creation of a permanent subsidiary body to secure the full participation of IPLCs in CBD processes. This historic shift builds on years of work under Article 8(j) and will enable more inclusive biodiversity governance.

### 2. Enhancing Financial Accountability for Nature

An increasing number of companies are now assessing their environmental impacts and environmental dependencies. To support them, we provide tools (like ENCORE), methods (like the Nature Risk Profile) and technical advice. The result is more and more companies reporting on and managing nature-related risks in a way that reduces environmental impacts and maximises opportunities from well-managed ecosystems.

A project that brings together many strands in this space is the ALIGN (Aligning Accounting Approaches for Nature) project. ALIGN is a European Commission-funded initiative led by UNEP-WCMC in collaboration with WCMC Europe, the Capitals Coalition, Arcadis, and ICF. Its primary aim is to develop standardized, biodiversity-inclusive natural capital accounting practices for businesses and financial institutions. In 2024, we identified methods and indicators most appropriate for measuring biodiversity, making it possible for agreement on common measures of success.

**3. Supporting Migratory Species**

We brought new momentum on action for migratory species by comprehensively assessing their status. We found that one in five listed migratory species is globally threatened and that nearly half have decreasing populations. We also found that continued decline is not inevitable. Indeed, losses can often be reversed by establishing protected areas, restoring degraded ecosystems, and removing impassable barriers that prevent migratory species from completing their journeys. Our State of Migratory Species report was covered by more than 3,000 media outlets worldwide and contributed towards adoption of the Samarkand Strategic Plan for Migratory Species at The Convention on Migratory Species Conference of the Parties (COP) 14 in 2024.

**4. Conserving Critical Areas**

Through our collaboration with the International Union for Conservation of Nature, we conducted analyses of protected and conserved areas around the world to determine whether we are on track to protect 30 per cent of the planet by 2030. Our October presentation of the Protected Planet Report at the UN Biodiversity Conference (COP16) in Cali, Colombia was a clarion call to action. A key message was that 30x30 remains within reach if governments accelerate their efforts to scale up coverage and effectiveness.

**5. Making Trade More Sustainable**

We improved the sustainability of trade in Brazil, Cameroon, China, Democratic Republic of Congo, Gabon, Indonesia, Republic of Congo, and Tanzania. In these partner countries, we collaborated with multiple actors ranging from academics to farmers to better understand their needs and develop solutions that make trade more sustainable. We then worked with governments to support the development of policies that drive sustainable trade that reduces impact on ecosystems and biodiversity.

**6. Contributing to the Largest Biodiversity Modelling Study to Date**

We partnered on a major international collaboration published in Science which demonstrated how climate change will become the dominant driver of biodiversity loss. Our work using the PREDICTS database provided crucial insights into species extinction risks. It is helping to guide global conservation priorities and shape climate adaptation strategies.

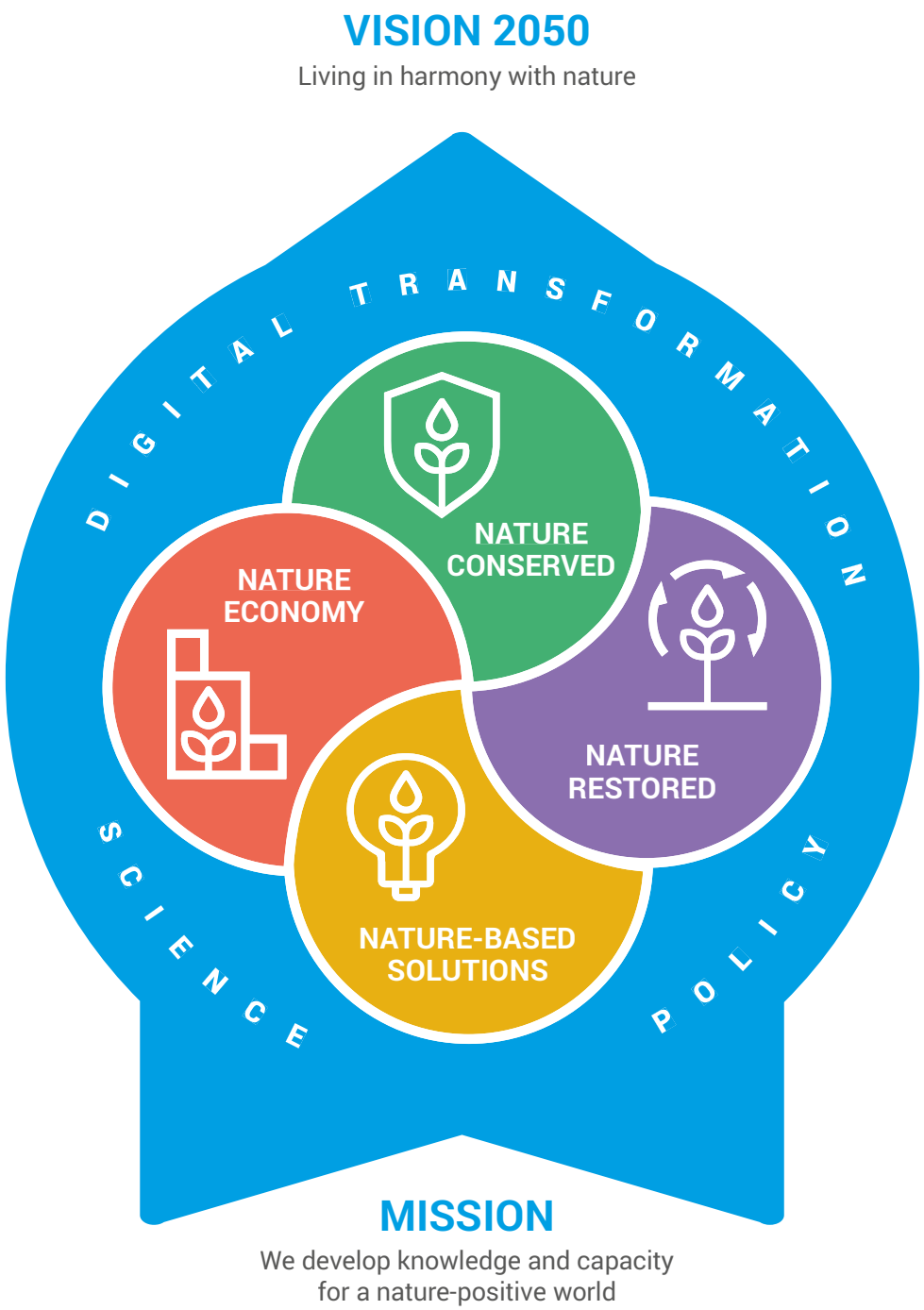
**7. Guiding Countries as they Establish Ecosystem Assessments**

Countries must have information on trends related to biodiversity and ecosystem services within their own borders readily available to them. To this end, in collaboration with UNESCO and UNDP, we worked with experts in Azerbaijan, Bosnia and Herzegovina, Cambodia and Grenada as they developed their national ecosystem assessments to bring together the best available information on nature in these countries in coherent packages.

### 8. Providing the Maps Necessary for Making Sound Decisions

Our digital technologies made it possible for governments, Indigenous Peoples and local communities to produce maps revealing their impacts on biodiversity. We accomplished this by further developing the UN Biodiversity Lab (UNBL) so that it could better support countries as they strive to gain access to globally-available spatial data and analytical tools to use as they monitor progress towards key targets, like those set out by the Kunming-Montreal Global Biodiversity Framework.

#### OUR STRATEGIC IMPACT AREAS



### Nature Conserved

Protecting biodiversity remains at the heart of our work. In 2024, we ensured that policymakers and conservationists had access to the most up-to-date, comprehensive information. Highlights included the two landmark reports: the State of Migratory Species and Protected Planet. We also continued our work to tackle illegal wildlife trade through our partnership with CITES (Convention on International Trade in Endangered Species), enhancing the CITES Trade Database and other key tools for managing wildlife trade information, including Species+, CITES Wildlife TradeView, and the Checklist of CITES Species.

### Nature Restored

We continued to support action under the UN Decade on Ecosystem Restoration, advancing large-scale rehabilitation of degraded landscapes. By collaborating with the United Nations Convention to Combat Desertification, we provided essential financial analysis to support restoration projects worldwide. This helped to mobilize critical resources for major conservation initiatives.

### Nature-Based Solutions

We ramped up our work on nature-based solutions to tackle climate change and environmental degradation on a number of fronts. Our work within the EU Horizon 2020 REXUS Project facilitated the development of financial models that help scale investments in nature-based solutions, and which are fully integrated into climate adaptation and mitigation strategies.

### Nature Economy

We further developed our leadership role in demonstrating the economic importance of nature in 2024. Our insights supported the adoption of sustainable business strategies, and the alignment of financial systems with environmental goals. By making an economic case for nature, alongside other values, we helped drive systemic change across government and private sector decision-making.

## FUTURE PLANS

In 2025, we will begin work to draft our next four-year Strategy. The Strategy will shape our priorities and guide our efforts to ensure that biodiversity remains central in global decision-making.

A key focus of our ideation work as we develop the Strategy will be the intersection of the nature crisis and the need to address socio-economic challenges. In 2024 we began work on five priority areas for development that will shape our research, policy engagement and strategic initiatives. This work will continue as our Strategy takes shape:

- **Nature and the Built Environment** – Exploring how nature can be better integrated into urban planning, infrastructure, and sustainable development.
- **Nature and Food Systems** – Addressing the critical role of biodiversity in food security, sustainable agriculture, and supply chains. Ensuring that food production supports, rather than undermines, nature.
- **Nature Justice and Human Rights** – Strengthening the connection between biodiversity conservation and social equity, advocating for inclusive and just policies that recognize the rights of Indigenous Peoples and local communities.

- **AI for Nature** – Harnessing the power of artificial intelligence to enhance environmental monitoring, data analysis and predictive modelling for improved decision-making.
- **Nature and Socio-Economic Development** – Examining how biodiversity contributes to economic resilience, sustainable finance and fulfilling jobs. Ensuring that conservation efforts drive positive social and economic outcomes.

In addition to these strategic themes, we will continue expanding our biodiversity monitoring initiatives, working with both governments and the private sector to integrate nature into decision-making and advocating for the adoption of effective biodiversity finance mechanisms.

As we enter this next phase of growth and innovation, we remain committed to ensuring nature is at the centre of global sustainability efforts. The coming year will be one of collaboration, ambition, and transformative action.

This report reflects WCMC's commitment to delivering knowledge-driven solutions for nature and people. We look forward to another year of impactful work in 2025.

## OPERATIONS REPORT

### Operational review

Staffing levels at WCMC remained broadly the same as the prior year, with a staff of 241 (235 FTE) at the close of the year, up slightly from 236 (225 FTE) in 2023. WCMC continued to recruit at a rate matching a growing pipeline of work. In 2024, staff turnover decreased from 18.7% in 2023 (UK 2023 average was 20%) to 12.5% (UK 2024 average 15%). At the end of 2024, WCMC had over 44 nationalities represented on the staff.

WCMC has several initiatives to support staff in their roles including a flexible, hybrid working policy and commissioning a survey from Mind to better understand staff mental wellbeing challenges and respond to these. We have since created a Wellbeing Hub and trained a team of mental health first aiders.

A successful all-staff retreat was held in 2024 which gave the opportunity for in-person collaboration and team bonding.

The recruitment environment continues to be competitive for WCMC, both in terms of competition with private sector salaries and also our ability to recruit early-career professionals into technical roles following changes to immigration legislation.

Trustees are concerned that the introduction of recent and proposed immigration rules might limit WCMC's ability to attract and retain international staff, whose expertise, networks and diverse perspectives are essential to WCMC's work. As an organisation based in the UK and working internationally, it is crucially important that we reflect this diversity of experience at all levels in the organisation. As a result of the changes, we are more reliant than we would wish to be upon senior staff to maintain this broad perspective. It is to be hoped that, as the new system settles down, the UK Government will recognise the value that early-career, highly qualified, scientists from across the world bring both to the UK economy and the UK's contribution to shared global endeavour

### Premises

WCMC staff are based at 219 Huntingdon Road, Cambridge, CB3 0DL. An additional office is located at the Cambridge Conservation Initiative Campus at the David Attenborough Building in central Cambridge.

### Regional entities

WCMC Europe asbl. was established by WCMC on 14 November 2019. It was founded by WCMC, the UK registered charity and Ms Hilde Eggermont. WCMC Europe is a not-for-profit association based in Brussels. It has its own, distinct legal identity. It was set up as a charitable organisation, registered in Belgium, which operates under Belgian law. ASBL in French is an "association sans but lucratif" (translated: "not for profit organisation").

The registered office is located at MundoB, Rue D'Edimbourg 26, 1050 Brussels, Belgium. The work of WCMC Europe does not fall within the scope of the Collaboration Agreement between WCMC and UNEP.

The purpose of the entity was to mitigate against funding reduction risk as a result of the UK Government's decision to leave the European Union. Now the impacts of Brexit are better known, this entity is no longer required and on 25 September 2024, the WCMC UK Board agreed to close the Europe entity in August 2025.

WCMC Europe had two members of staff at the end of 2024 (2023: 2).

The entity in Beijing was closed in 2023.

## WCMC FINANCIAL REVIEW

The accounts present the consolidated position for 2024 and 2023 which includes the subsidiary entity of WCMC Europe asbl.

The Group derives most of its income through project-funded activities, and has very little core funding, although we aspire to increase this source of funds. Total income in 2024 was £20,103,471 compared with £21,805,250 in the previous financial year.

Project income from charitable activities in 2024 was £19,988,973 compared to £21,735,567 achieved in 2023. Whilst overall income recognised was slightly lower, £985,625 of work on the Protected Planet programme was funded by drawing down on restricted funds set aside for this purpose previously.

Total expenditure on charitable activities in 2024 at £20,864,712 was also lower than 2023 (2023: £22,054,433). Overall, the loss for the group for the 2024 financial year was £761,241. However, this loss reflects the planned use of restricted reserves. Had the funding been recognised as income in the year of expenditure, the result would have been a surplus of £224,024 and shows that measures taken to improve budget setting and management have been effective. In 2024, WCMC invested notable funds in improving its ERP system, and expects to go live with Oracle NetSuite on 1 January 2026.

WCMC acted as agent for project funds in the amount of £1,218,412 (2023: £48,881) and therefore income and expenditure relating to these activities is presented net.

After accounting for notional fair value losses on foreign exchange contracts held as at 31 December 2023 the Group recorded a net decrease in funds of £761,241 (2023: decrease of £249,183).

The Group's balance sheet position remains strong with Net Current Assets of £5,597,587 (2023 £6,260,873). Total funds held at 31 December 2024 were £6,365,790 of which £967,412 was held in designated funds (2023: £7,127,031 and £1,064,852 respectively) representing the value of fixed assets held at the reporting date and planned building maintenance. Restricted funds, representing net assets of the subsidiary companies and funds related to restricted projects in the parent, amounted to £1,885,271 (2023: £3,317,029). There were cash holdings and investments at the year-end of £6,843,694 (2023: £10,568,904).

WCMC Europe posted a loss of £43,916 for the year ended 2024. It is anticipated that the European entity will be fully closed by the end of the 2025 financial year.

The net liabilities on closure will be settled by WCMC UK.

### WCMC RESERVES POLICY

Given the Charitable Company's project commitments and the ongoing economic situation, it has been agreed that the organisation should aim to hold unrestricted reserves to enable the organisation to operate at full capacity for at least six months, even if all income were to cease. This recognises that shifts in funding do occur and that six months would be the minimum time in which to establish emergency funding sources, and to meet contractual commitments.

The liquidity-based method of reserves calculation (including 100% of cash, 75% of trade debtors, 50% of billable accrued income less 25% of monies received in advance and less other net current liabilities except prepayments) is Trustees' preferred method for calculating reserves adequacy.

Using this method, WCMC reserves held at 31 December 2024 were £7,802,759. This is equivalent to 6.5 months' worth of expenditure therefore reserves are sufficient.

The Trustees will continue to review and modify the reserves policy as circumstances require.

### WCMC RISK MANAGEMENT

The Trustees have a duty to identify and review the risks to which the Charitable Company is exposed and to ensure appropriate plans and controls are in place to provide a reasonable assurance that they are effectively managed. An active risk register is maintained, which is reviewed by Board Audit & Risk Subcommittee meetings and mitigation actions are agreed at full Board meetings. Risks are broken down into those that affect Governance, Strategy, Operations, Financial and External factors. They are reviewed by assessing the impact and likelihood of the risks, and then weighted as follows – (Impact x Likelihood) + Impact.

The Board has identified the following risks as particularly important:

**1. Staff retention and recruitment, notably:**

Challenges around attracting new staff, slow recruitment and onboarding – mitigated by benchmarking to ensure salaries and non-monetary staff benefits are competitive for our sector, early and pre-emptive recruitment to fill gaps, where possible, sponsorship of staff not eligible to work in the UK.

Loss of key staff and knock-on negative impacts on project delivery, corporate knowledge loss and maintaining capacity – mitigated by investing in career progression and development of key staff, active training programme, succession planning and project handovers.

**2. Staff wellbeing and health and safety, notably:**

Staff struggling with workload – mitigated by monthly line management 'three core goal' meetings to help with focus and time management, flexible/hybrid working arrangements, responding to regular staff surveys and feedback.

**3. Loss of critical assets, notably:**

Risk of cyber-attack, loss of critical data or IP – mitigated by regular measures to continually improve cyber security and data protection, Cyber Essentials accreditation, penetration testing and staff training.

Trustees have also recognised that risks to the organisation as a result of external geo-political factors are increasing, and this is being monitored closely and reflected in the risk register as appropriate.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The Charitable Company is controlled by its Articles of Association, and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

### Recruitment and appointment of new trustees

The Board may appoint a person who is willing to act as a Trustee, either to fill a vacancy or as an additional Trustee, provided the appointment does not cause the number of Trustees to exceed 12 in accordance with the Articles as the maximum number of Trustees. No person may be appointed as a Trustee until they have attained the age of 18 years; or in circumstances that had they already been a Trustee they would have been disqualified from acting under the provision of Article 43. The procedure for the recruitment and appointment of trustees is provided in the Charitable Company's Articles of Association.

### Induction and training of new trustees

New Trustees are provided with the Charitable Company's Articles of Association, the 2010 Collaboration Agreement with UN Environment Programme and the 2021 exchange of letters between UNEP and WCMC that supplements the Collaboration Agreement, The Essential Trustee, and information from the Charity Commission website. They receive the latest Audited Accounts and Minutes of the four previous Board Meetings. The corporate strategy and detailed operational materials covering financial performance, staff satisfaction and staffing levels of the charity are also all communicated.

### Roles and responsibilities of the Board of Trustees at WCMC

When joining the Board, WCMC trustees are informed of their responsibilities. These include the following:

- Set and maintain the vision, mission, and values of the organisation
- Develop direction, strategy, and planning
- Ensure the organisation has the structure and resources for its work
- Satisfy themselves that there are appropriate policies and procedures to govern organisational activities, including guidance for the board, volunteers and staff and subcontractors on health and safety, harassment, safeguarding, non-discrimination etc.
- Establish systems for reporting and monitoring
- Manage risk and ensure compliance and accountability with the governing document, external regulators and the law
- Make certain that the financial affairs of the organisation are conducted properly and are accurately reported
- Ensure that the relationship we have with UNEP prospers and is of mutual benefit to each organisation

### Frequency of Board meetings

The Board of Trustees of WCMC meet at least three times per year. A further 'Board Away Day' is usually held in Spring, to focus on matters of strategic importance for the year ahead. These meetings are also usually attended by senior members of staff of WCMC. A representative from UNEP is an observer to the Board.

A Finance Sub-Committee chaired by the Board Treasurer meets between regular Board Meetings. The Audit & Risk Sub-Committee meets twice per year. An annual meeting of the Steering Committee for the collaboration between UNEP and WCMC is held between the Executive Director of UNEP and the WCMC Board Chairman and attended by Chief Executive Officer of WCMC and the leadership of UNEP-WCMC.

### Funds held as custodian trustees on behalf of others.

As at 31 December 2024, the Charitable Company did not hold any funds as custodian trustees on behalf of others.

### Related parties and co-operation with other organisations

The Charitable Company works in close collaboration with the United Nations Environment Programme, (UNEP), headquartered in Nairobi, Kenya, through its office called the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), which is co-located with the Charitable Company at 219 Huntingdon Road, Cambridge. Under the terms of the collaboration, the Charitable Company sub-leases the office building to UNEP for UNEP-WCMC. UNEP sub-leases the WCMC-occupied areas of the building back to WCMC. None of the trustees receive remuneration or other benefit from their work with the Charitable Company.

### Pay policy for Key Management Personnel

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. The pay of the Chief Executive Officer and the Chief Finance Officer is set by the Board, and the Board also review any proposed pay awards for senior staff (A and B Grade).

## STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The Trustees (who are also directors of WCMC for the purposes of company law) are responsible for preparing all statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the trustees are aware that they are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for ensuring that proper accounting records are kept and that these disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware: there is no relevant audit information of which the charitable company's auditor is unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 public benefit.

**Auditors**

The Trustees resolved to appoint Peters, Elworthy & Moore Chartered Accountants during the year in accordance with section 485 of the Companies Act 2006.

The above Trustees Report (incorporating the Strategic Report) was approved by the Board of Trustees and signed on its behalf by:



**Robin Bidwell, CBE**
(Chair of Trustees)

Date: 11 July 2025

# Independent Auditors' Report on the Financial Statements

## OPINION

We have audited the financial statements of WCMC (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities (incorporating the income and expenditure account), the Consolidated Balance Sheet, the Foundation Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

The other information comprises the information included in the Trustees' Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees', which includes the Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report included within the Report of the Trustees' has been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company'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 Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## AUDITORS' 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 (UK) 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge of charity and company law and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011 and taxation legislation;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid material penalties;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non compliance throughout the audit; and
- we reviewed the minutes of Trustees' meetings to identify any references to non compliances with laws and regulations.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with relevant regulators such as the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non compliance. Auditing standards also limit the audit procedures required to identify non compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Nikki Loan**
(Senior Statutory Auditor)

for and on behalf of
**Peters Elworthy & Moore**
Registered Auditors
Salisbury House
Station Road
Cambridge, CB1 2LA

Date:

# Consolidated Statement of Financial Activities
(Incorporating income and expenditure account)

## For the year ended 31 December 2024

| | Note | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|---|
| **INCOME FROM:** | | | | | |
| Donations | 4 | 41,631 | - | 41,631 | **40,109** |
| Charitable activities | 5 | 11,322,257 | 8,666,716 | 19,988,973 | **21,735,567** |
| Investment income | 6 | 72,867 | - | 72,867 | **29,574** |
| **TOTAL INCOME** | | **11,436,755** | **8,666,716** | **20,103,471** | **21,805,250** |
| **EXPENDITURE ON:** | | | | | |
| Charitable activities | 7 & 8 | 11,071,707 | 9,793,005 | 20,864,712 | **22,054,43** |
| **TOTAL EXPENDITURE** | | **11,071,707** | **9,793,005** | **20,864,712** | **22,054,433** |
| **NET INCOME / (EXPENDITURE)** | | 365,048 | (1,126,289) | (761,241) | (249,183) |
| **TRANSFERS** | 16 | 305,469 | (305,469) | - | - |
| **NET MOVEMENT IN FUNDS** | | **670,517** | **(1,431,758)** | **(761,241)** | **(249,183)** |
| **RECONCILIATION OF FUNDS:** | | | | | |
| Total funds brought forward | | 3,810,002 | 3,317,029 | 7,127,031 | **7,376,214** |
| Net movement in funds | | 670,517 | (1,431,758) | (761,241) | **(249,183)** |
| **TOTAL FUNDS CARRIED FORWARD** | 16 | **4,480,519** | **1,885,271** | **6,365,790** | **7,127,031** |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 49 form part of these financial statements.

# WCMC Consolidated Balance Sheet

Registered number: 02330031
Charity number: 328044

## As at 31 December 2024

| | Note | | 2024 £ | | 2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | **768,203** | | 866,158 |
| | | | **768,203** | | 866,158 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 13 | **6,323,758** | | 5,753,341 | |
| Cash at bank and in hand | 19 | **5,634,572** | | 10,568,904 | |
| Short-Term investments | 20 | **1,209,122** | | - | |
| | | **13,167,452** | | 16,322,245 | |
| Creditors: amounts falling due within one year | 14 | **(7,569,865)** | | (10,061,372) | |
| **NET CURRENT ASSETS** | | | **5,597,587** | | 6,260,873 |
| **TOTAL NET ASSETS** | | | **6,365,790** | | 7,127,031 |
| **CHARITY FUNDS** | | | | | |
| Restricted funds | 16 | | **1,885,271** | | 3,317,029 |
| General unrestricted funds | 16 | **3,513,107** | | 2,745,150 | |
| Designated funds | 16 | | | | |
| Fixed Assets | | **767,412** | | 864,852 | |
| Building Maintenance | | **200,000** | | 200,000 | |
| Total unrestricted funds | 16 | | **4,480,519** | | 3,810,002 |
| **TOTAL FUNDS** | | | **6,365,790** | | 7,127,031 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Robin Bidwell CBE**
(Chair of Trustees)

Date: 11 July 2025

The notes on pages 24 to 49 form part of these financial statements.

# WCMC Charity Balance Sheet

Registered number: 02330031
Charity number: 328044

## As at 31 December 2024

| | Note | | 2024 £ | | 2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | **767,412** | | 864,852 |
| | | | **767,412** | | 864,852 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 13 | **6,019,970** | | 6,171,239 | |
| Cash at bank and in hand | | **5,561,690** | | 10,100,608 | |
| Short-Term investments | | **1,209,122** | | - | |
| | | **12,790,782** | | 16,271,847 | |
| Creditors: amounts falling due within one year | 17 | **(7,175,051)** | | (10,036,253) | |
| **NET CURRENT ASSETS** | | | **5,615,731** | | 6,235,594 |
| **TOTAL NET ASSETS** | | | **6,383,143** | | 7,100,446 |
| **CHARITY FUNDS** | | | | | |
| Restricted funds | 16 | | **1,902,624** | | 3,290,444 |
| General unrestricted funds | 16 | **3,513,107** | | 2,745,150 | |
| Designated funds | | | | | |
| Fixed Assets | | **767,412** | | 864,852 | |
| Building Maintenance | | **200,000** | | 200,000 | |
| Total unrestricted funds | 16 | | **4,480,519** | | 3,810,002 |
| **TOTAL FUNDS** | | | **6,383,143** | | 7,100,446 |

The Charity's net movement in funds for the year was (£717,304) (2023: £2,567).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Robin Bidwell CBE**
(Chair of Trustees)

Date: 11 July 2025

The notes on pages 24 to 49 form part of these financial statements.

# Consolidated Statement of Cash Flows

## For the year ended 31 December 2024

| | Note | 2024 £ | 2023 £ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net cash from operating activities | 18 | **(3,720,562)** | (805,595) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Dividends, interests and rents from investments | | **45,275** | - |
| Purchase of intangible assets | | **(1,209,122)** | - |
| Purchase of tangible fixed assets | | **(49,923)** | (77,062) |
| **NET CASH USED IN INVESTING ACTIVITIES** | | **(1,213,770)** | (77,062) |
| **CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR** | | **(4,934,332)** | (882,657) |
| Cash and cash equivalents at the beginning of the year | | **10,568,904** | 11,451,561 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | 19 | **5,634,572** | 10,568,904 |

The notes on pages 24 to 49 form part of these financial statements

# Notes to the Financial Statements

## 1. GENERAL INFORMATION

WCMC is a company limited by guarantee, incorporated in England and Wales and a registered charity. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The Charity's functional and presentational currency is GBP.

## 2. ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

WCMC meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Statement of Financial Activities for the year for the charity showed a planned deficit of £717,304. The Charity planned to use £940,886 of restricted reserves to fund the Protected Planet programme. When this is considered, the overall result for the Charity is a surplus of £223,582. The Protected Planet programme was funded by a donation of £3,649,635 in 2022. Unspent funds were placed in restricted reserves and are being used across the life of the project which is expected to continue to 2027.

### 2.2 GOING CONCERN

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

In particular the trustees have considered the Group's forecasts and projections and have taken account of pressures on fundraising income, foreign exchange risk, especially the USD and also the impact of rising inflation on its ability to operate as a going concern. After making enquiries the trustees have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

### 2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. Restricted funds are established for each project grant, the names of which are set out in the notes.

### 2.4 INCOME

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. Entitlement is considered to have arisen immediately upon receipt of the donation.

Contract/grant project income is recognised in line with the related expenditure which is considered to be a reasonable estimate of the performance and delivery of the contract. Amounts are deferred as appropriate.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The cost of raising and administering such funds are charged against the specific fund. Restricted funds are established for each project grant, the names of which are set out in the notes.

Data licence income is recognised once the Group has entitlement to the income. Entitlement is considered to have arisen at the point of sale.

Income from charitable activities is earned from contributions made by clients, including UNEP, for work on specific projects. Income is recognised when the Group has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be reliably measured and is not deferred.

All income is recognised exclusive of VAT.

### 2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

All projects support the core activity of the charity in the support of conservation and biodiversity initiatives. The projects are staffed and managed comprehensively so that although the themes are drawn out in the Trustees' report of activities it is not considered practical to account on these themes. Therefore Trustees consider that the Charity has one charitable activity.

### 2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.7 FOREIGN CURRENCIES

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Charity's functional currency and presentational currency is GBP.

Within the charity, monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities.

The results and financial position for all Group entities that have a functional currency other than sterling are translated as follows:

- income and expenses are translated at average exchange rates;
- assets and liabilities are translated at the closing exchange rate at the Consolidated Balance Sheet date; and
- any resulting exchange differences are recognised as other comprehensive income.

### 2.8 TAXATION

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 2.9 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives are as follows:

| | |
|---|---|
| Long term leasehold property | 50 years |
| Fixtures, fittings and equipment | 5 years |
| Computer equipment | 3 years |

### 2.10 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

### 2.13 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, except for foreign exchange forward contracts as set out below. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### Derivatives

Foreign exchange forward contracts are used to manage exchange risk associated with project income received in foreign currencies, primarily Euro and US Dollar, where associated expenditure is in Sterling. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date.

Changes in the fair value of derivatives are recognised in the Statement of Financial Activities. The Group does not currently apply hedge accounting for foreign exchange derivatives.

### 2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

### 2.15 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

### 2.16 SHORT TERM INVESTMENTS

Current asset investments are held at market value.

## 3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

**Revenue Recognition - Projects**

Given the project nature of the Group's revenue, there are estimates involved regarding the recognition and stage of completion of contracts which differs from the timing of invoicing. This includes an assessment of the performance against budget, identification of potential losses on costs to complete the contracts and the timing of contract completion. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 4. INCOME FROM DONATIONS

| | **Unrestricted funds 2024 £** | **Restricted funds 2024 £** | **Total funds 2024 £** | Total funds 2023 £ |
|---|---|---|---|---|
| Donations | 41,631 | - | 41,631 | **40,109** |
| **TOTAL 2024** | **41,631** | **-** | **41,631** | **40,109** |
| TOTAL 2023 | 40,109 | - | 40,109 | - |

## 5. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|
| Project income | 11,322,257 | 8,666,716 | **19,988,973** | 21,735,567 |
| **TOTAL 2024** | 11,322,257 | 8,666,716 | **19,988,973** | - |
| TOTAL 2023 | 10,592,597 | 11,142,970 | **21,735,567** | - |

Included in income from Charitable activities is £3,392,567 (2023: £4,946,282) relating to grants from government bodies. There are 4 projects (2023: 4) with a value of £2,855,007 (2023: £272,639) which are managed on an agency basis. Of that total £1,636,595 (2023: £223,859) relates to work performed by the charity which is recognised in income.

## 6. INVESTMENT INCOME

| | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|
| Rent | 27,592 | **27,592** | 29,574 |
| Interest Income | 45,275 | **45,275** | - |
| **TOTAL 2024** | 72,867 | **72,867** | |
| TOTAL 2023 | 29,574 | **29,574** | |

## 7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|
| Support of conservation and biodiversity initiatives | 11,071,707 | 9,793,005 | **20,864,712** | 22,054,433 |
| **TOTAL 2024** | **11,071,707** | **9,793,005** | **20,864,712** | - |
| TOTAL 2023 | 9,557,369 | 12,497,064 | 22,054,433 | - |

## 8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2024 £ | Support costs 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|
| Support of conservation and biodiversity initiatives | 16,382,231 | 4,482,481 | **20,864,712** | 22,054,433 |
| **TOTAL 2024** | **16,382,231** | **4,482,481** | **20,864,712** | - |
| TOTAL 2023 | 17,398,929 | 4,655,504 | 22,054,433 | - |

## 8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

| | **Support of conservation and biodiversity initiatives 2024 £** | **Total funds 2024 £** | Total funds 2023 £ |
|---|---|---|---|
| Staff costs | 9,862,319 | **9,862,319** | 8,960,947 |
| Collaborators & consultants | 5,883,115 | **5,883,115** | 8,614,429 |
| Travel and subsistence | 533,000 | **533,000** | 519,021 |
| Conferences and meetings | 8,975 | **8,975** | 11,596 |
| Foreign currency (gain)/loss | 94,822 | **94,822** | (707,064) |
| **TOTAL 2024** | 16,382,231 | **16,382,231** | 17,398,929 |
| TOTAL 2023 | 17,398,929 | 17,398,929 | - |

## 8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

| | Support of conservation and biodiversity initiatives 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|
| Staff costs | 1,634,879 | **1,634,879** | 1,626,862 |
| Staff training & welfare | 447,587 | **447,587** | 504,765 |
| Promotion | 55,284 | **55,284** | 81,327 |
| Printing, postage and stationery | 77,748 | **77,748** | 61,440 |
| Subscriptions | 306,739 | **306,739** | 369,476 |
| Premises costs | 236,408 | **236,408** | 233,907 |
| Insurance costs | 120,463 | **120,463** | 144,033 |
| Office equipment | 1,046,617 | **1,046,617** | 693,836 |
| Bank charges | 16,046 | **16,046** | 18,552 |
| Depreciation and amortisation | 147,812 | **147,812** | 168,384 |
| Other | 309,657 | **309,657** | 618,985 |
| Governance costs (note 9) | 83,241 | **83,241** | 133,937 |
| **TOTAL 2024** | 4,482,481 | **4,482,481** | 4,655,504 |
| TOTAL 2023 | 4,655,504 | 4,655,504 | - |

## 9. ANALYSIS OF GOVERNANCE COSTS

| | 2024 £ | 2023 £ |
|---|---|---|
| Legal and professional | **28,082** | 80,114 |
| Trustee expenses | **2,326** | 1,588 |
| Audit fees | **52,833** | 52,235 |
| **TOTAL** | **83,241** | 133,937 |

## 10. AUDITORS' REMUNERATION

| | 2024 £ | 2023 £ |
|---|---|---|
| Fees payable to the Charity's auditor: | | |
| For the audit of the charity's annual accounts | **37,000** | 31,006 |
| Fees paid in respect of the audit of the Europe Subsidiary | **1,865** | - |
| Additional fees paid in respect to prior years | **2,403** | - |
| Fees payable to the Charity's auditor in respect of all non audit services not included above | **3,550** | 3,000 |
| Fees in respect of project audits | **11,565** | 4,897 |
| **TOTAL 2024** | **56,383** | 38,903 |

Audit fees in the amounts of £1,865 (2023: £1,914) were paid in respect of the Europe subsidiary's auditor.

## 11. STAFF COSTS

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Wages and salaries | **9,430,894** | 8,740,799 | **9,336,452** | 8,565,602 |
| Social security costs | **1,028,279** | 933,220 | **999,227** | 907,917 |
| Pension costs | **1,038,025** | 913,790 | **1,038,025** | 913,790 |
| **TOTAL** | **11,497,198** | 10,587,809 | **11,373,704** | 10,387,309 |

During the year the Charity incurred termination-related costs of £Nil in 2024 (2023: £15,103) of which £Nil (2023: £10,000) was non-contractual, arising from changes within support team roles. These costs were covered by unrestricted funds held within financial reserves.

## 11. STAFF COSTS (continued)

The average number of persons employed by the Charity during the year was as follows:

| | **Group 2024 No.** | Group 2023 No. | **Charity 2024 No.** | Charity 2023 No. |
|---|---|---|---|---|
| Management and administration | **28** | 27 | **27** | 26 |
| Research and operational staff | **213** | 209 | **212** | 208 |
| **TOTAL** | **241** | 236 | **239** | 234 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | **Group 2024 No.** | Group 2023 No. |
|---|---|---|
| In the band £60,001 - £70,000 | **6** | 9 |
| In the band £70,001 - £80,000 | **9** | 2 |
| In the band £80,001 - £90,000 | **1** | 2 |
| In the band £90,001 - £100,000 | **2** | 1 |
| In the band £120,001 - £130,000 | **-** | 1 |
| In the band £130,001 - £140,000 | **1** | - |
| **TOTAL** | **19** | 15 |

The key management personnel of the Charity comprise the Chief Executive Officer, the Chief Impact Officer, the Chief Finance Officer, the Head of External Affairs, and the Chief Scientist, whose employee benefits including National Insurance and pension costs total £616,049 (2023 £645,197).

During the year, no trustees received any remuneration or other benefits (2023: £Nil). 4 trustees (2023: 4 trustees) received reimbursed travel expenses totalling £1,953 during the year (2023: £1,588). Trustee-related expenses totalling £373 were paid directly (2023: £Nil)

## 12. TANGIBLE FIXED ASSETS

### GROUP

| | Long term leasehold property £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| At 1 January 2024 | **1,698,932** | **294,769** | **629,542** | **2,623,243** |
| Additions | - | 34,888 | 15,035 | 49,923 |
| At 31 December 2024 | **1,698,932** | **329,657** | **644,577** | **2,673,166** |
| **DEPRECIATION** | | | | |
| At 1 January 2024 | **1,035,201** | **214,406** | **507,478** | **1,757,085** |
| Charge for the year | 33,979 | 36,360 | 77,540 | 147,878 |
| At 31 December 2024 | **1,069,180** | **250,766** | **585,018** | **1,904,963** |
| **NET BOOK VALUE** | | | | |
| At 31 December 2024 | **629,752** | **78,891** | **59,559** | **768,203** |
| At 31 December 2023 | 663,731 | 80,363 | 122,064 | 866,158 |

## 12. TANGIBLE FIXED ASSETS (continued)

### CHARITY

| | Long term leasehold property £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| At 1 January 2024 | **1,698,932** | **292,806** | **626,428** | **2,618,166** |
| Additions | - | 34,888 | 15,035 | 49,923 |
| At 31 December 2024 | **1,698,932** | **327,694** | **641,463** | **2,668,089** |
| **DEPRECIATION** | | | | |
| At 1 January 2024 | **1,035,201** | **214,255** | **503,858** | **1,753,314** |
| Charge for the year | 33,979 | 36,360 | 77,024 | 147,363 |
| At 31 December 2024 | **1,069,180** | **250,615** | **580,882** | **1,900,677** |
| **NET BOOK VALUE** | | | | |
| At 31 December 2024 | **629,752** | **77,079** | **60,581** | **767,412** |
| At 31 December 2023 | 663,731 | 78,551 | 122,570 | 864,852 |

All assets are held for charitable purposes.

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | **Group 2024 £** | Group 2023 £ | **Charity 2024 £** | Charity 2023 £ |
|---|---|---|---|---|
| Trade debtors | **4,471,995** | 4,491,169 | **4,089,668** | 4,491,169 |
| Accrued income | **1,449,100** | 1,041,893 | **1,449,100** | 1,041,893 |
| Amounts due from group undertakings | **-** | - | **85,180** | 422,382 |
| Other debtors | **36,535** | 12,540 | **29,894** | 8,055 |
| Prepayments | **287,887** | 174,780 | **287,887** | 174,781 |
| VAT Repayable | **76,155** | - | **76,155** | - |
| Financial Assets at Fair Value through Profit & Loss | **2,086** | 32,959 | **2,086** | 32,959 |
| **TOTAL** | **6,323,758** | 5,753,341 | **6,019,970** | 6,171,239 |

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | **Group 2024 £** | Group 2023 £ | **Charity 2024 £** | Charity 2023 £ |
|---|---|---|---|---|
| Trade creditors | **728,843** | 34,783 | **727,843** | 32,476 |
| Other taxation and social security | **259,047** | 498,618 | **259,047** | 498,618 |
| Other creditors | **123,150** | 111,491 | **107,634** | 96,843 |
| Accruals and deferred income | **6,387,215** | 9,341,717 | **6,008,917** | 9,333,553 |
| Financial liabilities at fair value through profit and loss | **71,610** | 74,763 | **71,610** | 74,763 |
| **TOTAL** | **7,569,865** | 10,061,372 | **7,175,051** | 10,036,253 |

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

| | **Group 2024 £** | Group 2023 £ | **Charity 2024 £** | Charity 2023 £ |
|---|---|---|---|---|
| Deferred income at 1 January 2023 | **7,672,409** | 8,126,178 | **7,666,594** | 8,126,178 |
| Resources deferred during the year | **5,776,712** | 7,672,409 | **5,505,948** | 7,666,594 |
| Amounts released from previous periods | **(7,672,409)** | (8,126,178) | **(7,666,594)** | (8,126,178) |
| **TOTAL** | **5,776,712** | 7,672,409 | **5,505,948** | 7,666,594 |

Deferred income comprises project work invoiced in advance of the performance criteria being met.

## 15. FINANCIAL INSTRUMENTS

| | **Group 2024 £** | Group 2023 £ | **Charity 2024 £** | Charity 2023 £ |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| Financial assets measured at fair value through income and expenditure | **5,642,809** | 10,601,863 | **5,569,927** | 10,133,567 |
| Short-Term Investments | **1,209,122** | - | **1,209,122** | - |
| **TOTAL** | **6,851,931** | 10,601,863 | **6,779,049** | 10,133,567 |
| **FINANCIAL LIABILITIES** | | | | |
| Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio | **(71,610)** | (74,763) | **(71,610)** | (74,763) |

Financial assets measured at fair value through income and expenditure comprise cash held at bank and financial assets arising from foreign exchange derivatives.

Derivative financial instruments measured at fair value through income and expenditure comprise financial liabilities arising from foreign exchange derivatives. These instruments are used in order to manage foreign exchange risk from receiving income in foreign currencies and their use is covered in the WCMC Foreign Exchange Risk Management Policy.

## 16. STATEMENT OF FUNDS

### GROUP STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2024 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (losses) £ | Balance at 31 December 2024 £ |
|---|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | | |
| Unrestricted general funds | 2,745,150 | 11,436,755 | (10,976,885) | 402,909 | (94,822) | 3,513,107 |
| Fixed Assets | 864,852 | - | - | (97,440) | - | 767,412 |
| Building Maintenance | 200,000 | - | - | - | - | 200,000 |
| | **3,810,002** | **11,436,755** | **(10,976,885)** | **305,469** | **(94,822)** | **4,480,519** |
| **RESTRICTED FUNDS** | | | | | | |
| WCMC Europe | 26,586 | 1,254,560 | (1,298,498) | - | - | (17,352) |
| Restricted projects | 3,290,443 | 7,412,156 | (8,494,507) | (305,469) | - | 1,902,623 |
| | **3,317,029** | **8,666,716** | **(9,793,005)** | **(305,469)** | | **1,885,271** |
| **TOTAL FUNDS** | **7,127,031** | **20,103,471** | **(20,769,890)** | **-** | **(94,822)** | **6,365,790** |

Transfers between reserves are comprised of the following:

| | |
|---|---|
| Transfers in respect of balances from completed Restricted projects | 305,469 |
| **Net Transfers** | **305,469** |

The movement between the Fixed Asset Designated Fund and Unrestricted Fund represents the net change in the value of fixed assets across the year.

## 16. STATEMENT OF FUNDS (continued)

### GROUP STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (losses) £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | | |
| Unrestricted general funds | 596,704 | 10,662,280 | (10,267,427) | 1,043,535 | 710,058 | 2,745,150 |
| Fixed Assets | 954,818 | - | - | (89,966) | - | 864,852 |
| Building Maintenance | 200,000 | - | - | - | - | 200,000 |
| | **1,751,522** | **10,662,280** | **(10,267,427)** | **953,569** | **710,058** | **3,810,002** |
| **RESTRICTED FUNDS** | | | | | | |
| WCMC Beijing | 870,194 | 36,123 | (181,313) | (725,004) | - | - |
| WCMC Europe | 51,070 | 961,834 | (986,318) | - | - | 26,586 |
| Restricted projects | 4,703,428 | 10,145,013 | (11,329,433) | (228,565) | - | 3,290,443 |
| | **5,624,692** | **11,142,970** | **(12,497,064)** | **(953,569)** | | **3,317,029** |
| **TOTAL FUNDS** | **7,376,214** | **21,805,250** | **(22,764,491)** | **-** | **710,058** | **7,127,031** |

Transfers between reserves are comprised of the following:

| | |
|---|---|
| Transfer of funds allocated to the Beijing subsidiary From Restricted Funds following its closure in 2023 | 725,004 |
| Transfers in respect of balances from completed Restricted projects | 228,565 |
| **Net Transfers** | **953,569** |

## 16. STATEMENT OF FUNDS (continued)

### PARENT STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2024 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains & Losses £ | Balance at 31 December 2024 £ |
|---|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | | |
| Unrestricted general funds | 2,745,150 | 11,436,755 | (10,976,885) | 402,909 | (94,822) | 3,513,107 |
| Designated funds | | | | | | |
| Fixed Assets | 864,852 | - | - | (97,440) | - | 767,412 |
| Building Maintenance | 200,000 | - | - | - | - | 200,000 |
| | **3,810,002** | **11,436,755** | **(10,987,886)** | **305,469** | **(94,822)** | **4,480,519** |
| **RESTRICTED FUNDS** | | | | | | |
| Restricted projects | 3,290,444 | 7,947,969 | (9,030,320) | (305,469) | - | 1,902,624 |
| | **3,290,444** | **7,947,969** | **(9,030,320)** | **(305,469)** | **-** | **1,902,624** |
| **TOTAL FUNDS** | **7,100,446** | **19,384,723** | **(20,007,205)** | **-** | **(94,822)** | **6,383,142** |

## 16. STATEMENT OF FUNDS (continued)

### PARENT STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains & Losses £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | | |
| Unrestricted general funds | 1,239,633 | 10,744,354 | (10,267,426) | 318,531 | 710,058 | 2,745,150 |
| Designated funds | | | | | | |
| Fixed Assets | 954,818 | - | - | (89,966) | - | 864,852 |
| Building Maintenance | 200,000 | - | - | - | - | 200,000 |
| | **2,394,451** | **10,744,354** | **(10,267,426)** | **228,565** | **710,058** | **3,810,002** |
| **RESTRICTED FUNDS** | | | | | | |
| Restricted projects | 4,703,428 | 10,739,433 | (11,923,852) | (228.565) | - | 3,290,444 |
| | **4,703,428** | **10,739,433** | **(11,923,852)** | **(228,565)** | **-** | **3,290,444** |
| **TOTAL FUNDS** | **7,097,879** | **21,483,787** | **(22,191,278)** | **-** | **710,058** | **7,100,446** |

## 16. STATEMENT OF FUNDS (continued)

### Designated Funds

*Fixed Assets*
This fund represents the net book value of the fixed assets of the Charitable Company. The transfer represents the movements of fixed assets during the year.

*Building Maintenance*
Trustees agreed to create a designated fund in 2022 to allow the charity to respond to expected critical work required to maintain the building. No funds were expended in 2024, however it is expected that planned boiler replacement works and a refurbishment of the top floor meeting space will occur in 2025.

### Restricted Funds

Restricted funds related to the charity's subsidiary which operate overseas and have narrower objectives than the charity.

### Restricted projects

Restricted projects represent non service grants that do not meet the definition of unrestricted service contracts. Restricted projects are as follows:

Accountability Workshop
Action Agenda Phase III
Align
Aligning Biodiversity Metrics
Assessing the coverage of ICCAs Phase 2
B&B IPBES TSU - DEFRA Funds
BENCHMARKS
Bezos Andes Congo
Bio-Agora
BIOCLIMA
BIONEXT
BTC - NB
CABES
Capacity for National Assessment (IKI)
Carbon finance for restoration - ELP
Caribbean Biodiversity Fund
CCI Agriculture impacts on biodiversity
CCI post-2020 Coordination
CCI restoration and NBS
Central Highlands deforestation-free project
CITES data analysis training
CLEVER
Climate Mitigation in the ELP Continued
CO-OP for CBD
Creating Foundation Systems for Environmental AI
Cross-Cluster Synergies
Defining and Measuring Destructive Fishing
DEFRA effectiveness indicators
Design a bright future
Dynamic World (IO)
EAG Participation 3rd meeting
EbA Effectiveness Project
EbA Facility Caribbean
ECF Mitigation from Biodiversity targets
ELP innovation grant for Med landscape
ELP Restoration Convening
ELP Restoration Funding
ENCORE SECO Phase II
ESA Biodiversity+Precursors
Freshwater STAR
FutureMARES
GCRF Trade Hub
GFEP2
IBAT
Impact Indicators for Banks
INC4 Plastics treaty
Indicator metadata sheets
Integrating Finance and Biodiversity
IUCN Urban Nature Index
IWT and zoonotic diseases
Land Use Finance Programme - 2022 PCA
M4N (Moore 4 Nature)
Montreux Group (Phase 2)
Moore Foundation UNBL
Mountain GCI revision
NASA NSPIRES
Natural Capital Gap Reports
NbS Synthesis Report
NBSAPs and Private Finance
NCA for Sustainable Development in Ghana
NCP Biodiversity Guidance Communications
NERC CongoPeat
NetworkNature+
OBAMA-NEXT
Odyssea 2018-2020
Open Access Block Grant
ORS Bern Convention
ORS Maintenance and Support for Ramsar
Paraguay GCF 2020
PLANET4B
Protected Planet
Restore +
REXUS
SAICM capacity-building & reporting
Science-Based Targets Network
SELINA
SPACES - Spatial planning
SPACES 2 - Kazakhstan
SPACES Phase 2
State of Finance for Nature
SUSTAIN Horizon Europe
Sustainable Infrastructure Green Economy
Targets and Indicators SCL
TRADE Hub website support and maintenance
Transformative pathways project
UN Decade Monitoring Framework
World Heritage Comparative Analysis
WWF Poverty, Biodiversity & Carbon

## 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

### GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|---|
| Tangible fixed assets | 767,412 | 791 | **768,203** |
| Current assets | 7,873,722 | 5,293,730 | **13,167,452** |
| Creditors due within one year | (4,160,615) | (3,409,250) | **(7,569,865)** |
| **TOTAL** | 4,480,519 | 1,885,271 | **6,365,790** |

### GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| Tangible fixed assets | 864,852 | 1,306 | **866,158** |
| Current assets | 8,469,844 | 7,852,401 | **16,322,245** |
| Creditors due within one year | (5,524,694) | (4,536,678) | **(10,061,372)** |
| **TOTAL** | 3,810,002 | 3,317,029 | **7,127,031** |

## 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

### PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|---|
| Tangible fixed assets | 767,412 | - | **767,412** |
| Current assets | 7,873,722 | 4,917,060 | **12,790,782** |
| Creditors due after one year | (4,160,615) | (3,014,436) | **(7,175,051)** |
| **TOTAL** | 4,480,519 | 1,902,624 | **6,383,143** |

### PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| Tangible fixed assets | 864,852 | - | **864,852** |
| Current assets | 8,469,844 | 7,802,003 | **16,271,847** |
| Creditors due within one year | (5,524,694) | (4,511,559) | **(10,036,253)** |
| **TOTAL** | 3,810,002 | 3,290,444 | **7,100,446** |

## 18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2024 £ | Group 2023 £ |
|---|---|---|
| Net income for the period (as per Statement of Financial Activities) | **(761,241)** | (249,183) |
| **ADJUSTMENTS FOR:** | | |
| Depreciation charges | **147,878** | 167,635 |
| Amortisation charges | **-** | 500 |
| Disposal of tangible fixed assets | **-** | 861 |
| Interest earned | **(45,275)** | - |
| Increase in debtors | **(595,141)** | (780,307) |
| Increase in creditors | **(2,488,353)** | 162,726 |
| Fair value (gains) on forward exchange contracts | **21,570** | (107,827) |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **(3,720,562)** | (805,595) |

## 19. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2024 £ | Group 2023 £ |
|---|---|---|
| Cash in hand | **5,634,572** | 10,568,904 |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **5,634,572** | 10,568,904 |

## 20. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 January 2024 £ | Cash flows £ | At 31 December 2024 £ |
|---|---|---|---|
| Cash at bank and in hand | **10,568,904** | (4,934,332) | **5,634,572** |
| Sort term investments | **-** | 1,209,122 | **1,209,122** |
| **TOTAL** | **10,568,904** | (3,725,210) | **6,843,694** |

## 21. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £1,038,025 (2023: £913,790). Contributions of £107,631 (2023: £95,681) were outstanding at the balance sheet date.

## 22. OPERATING LEASE COMMITMENTS

At 31 December 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Not later than 1 year | **14,733** | 29,537 | **14,733** | 29,537 |
| Later than 1 year and not later than 5 years | **-** | 13,377 | **-** | 13,377 |
| | **14,733** | 42,914 | **14,733** | 42,914 |

## 23. RELATED PARTY TRANSACTIONS

In the year 2024, purchases of £9,983 (2023: £12,070) were made from Fitzwilliam college, where a WCMC Trustee holds a Trusteeship. The same Trustee is also a Council Member of the University of Cambridge where purchases of £18,142 were made (2023: £32,415) and revenue earned was £14,124 (2023: £Nil). £5,939 was outstanding at the balance sheet date (2023: £5,393) and there was £6,129 (2023: £1,969) of work in progress.

One Trustee was a member of the Board of Trustees of RSPB in 2023 and subsequently stepped down from the position during the year. In 2024, there were no transactions with RSPB (2023: Purchases of £13,378).

The WCMC CEO is a member of the Science-Based Targets Network (SBTN) Council. Included in work in progress for 2024 was £86,184 (2023: £Nil) of accrued income in respect of projects on which WCMC collaborates with SBTN. Revenue generated from these projects amounted to £68,529 (2023: £46,091) and deferred income totalled £nil (2023 - £Nil).

The WCMC Chief Finance Officer is a Director of CCI Services Ltd. WCMC made payments of £10,815 during the year (2023: £11,579).

The WCMC Chief Scientist is a Programme Committee Member of WWF UK. £124,344 was paid to WWF UK with respect to the Trade Hub project (2023: £Nil). £Nil was received from WWF UK (2023: £32,300) and work in progress at the year-end amounted to £Nil (2023: £51,322).

A member of the Board of WCMC Europe is also an employee of Wildlife Conservation Society (WCS) from which purchases of £48,192 were made (2023: £159,602). In the year 2024, WCMC UK received income of £26,022 (2023: £Nil) in respect of projects where WCS is the client and had £50,850 (2023: £Nil) in deferred income at the year end.

## 24. SUBSIDIARIES

At 31 December, WCMC UK earned £454,900 in respect of consultancy services (2023: £456,354), £94,131 of which remained outstanding at the balance sheet date (2023: £422,382).

During the year, WCMC Europe provided services to WCMC UK totalling £80,913 (2023: £106,599) of which £8,951 was outstanding at the balance sheet date (2023: £Nil).

WCMC did not provide additional working capital to WCMC Europe during the year (2023: £Nil).

The Beijing subsidiary was wound up in 2023 and the remaining cash balance of £82,075 was returned to the parent company once all liabilities had been settled. In 2023, £31,427 of consultancy services had been provided to the parent.

WCMC Europe is a not-for-profit association based in Brussels. It has its own, distinct legal identity. It was set up as a charitable organisation, registered in Belgium, which operates under Belgian law. ASBL in French is an “association sans but lucratif” (translated: “not for profit organisation”).

The registered office is located at MundoB, Rue D’Edimbourg 26, 1050 Brussels, Belgium. The work of WCMC Europe does not fall within the scope of the Collaboration Agreement between WCMC and UNEP

Total income for the year ended 31 December 2024 is £1,254,560 (2023: £961,834) and expenditure of £1,298,498 (2023: £986,318) resulting in net decrease in funds of £43,938 (2023: £24,484). Brought forward reserves were £26,586 (2023: 51,070) resulting in net liabilities at the year end of £17,352 (2023: £26,586).

WCMC Beijing closed in 2023. In its final year of operation, it had total income for the year of 36,123 and expenditure of £181,313. Following the closure of the entity the remaining balance of £82,075 was returned to the parent.

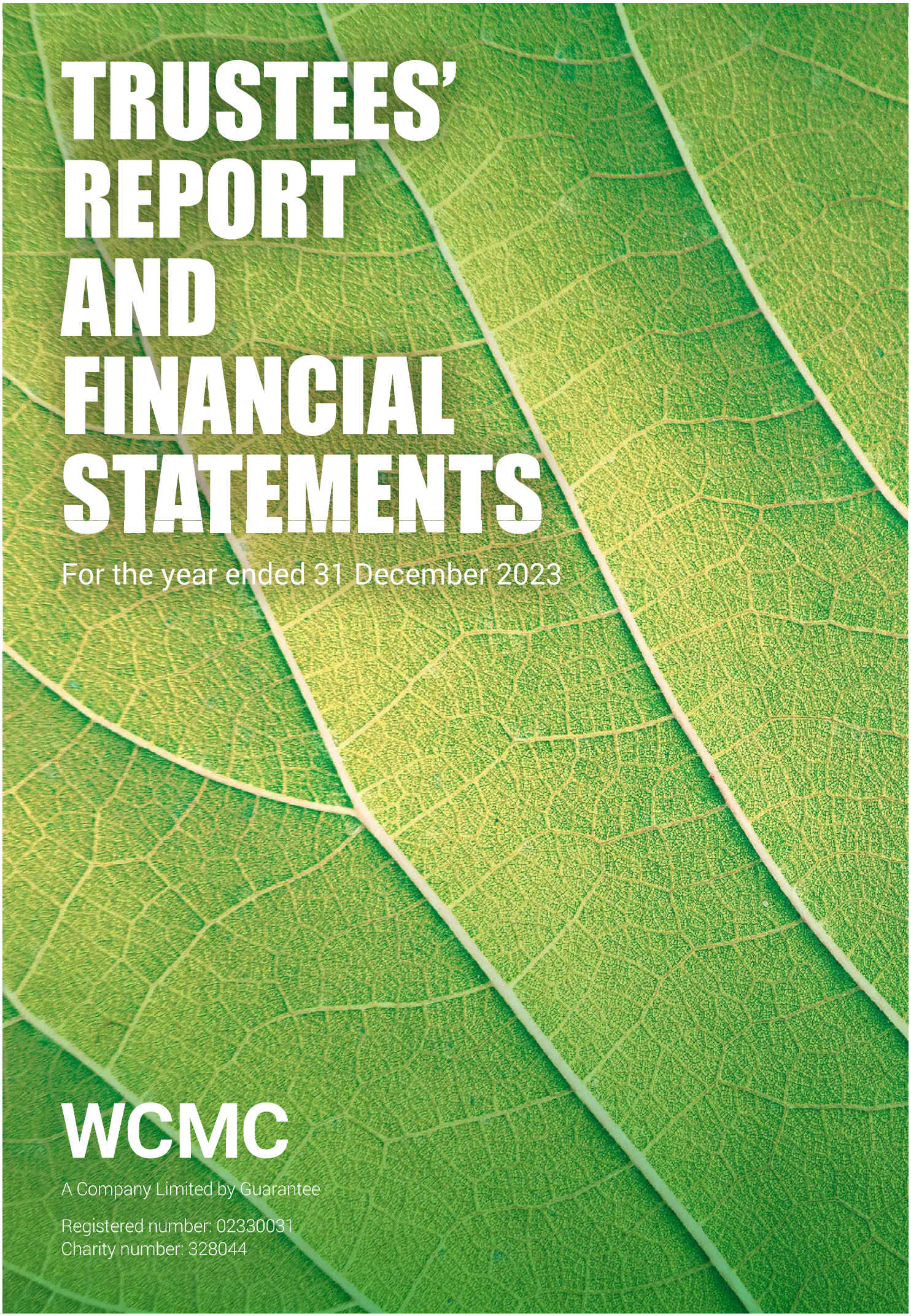
WCMC

**WCMC**

England & Wales - Charity number 328044

# Accounts

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# TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2023

WCMC

A Company Limited by Guarantee

Registered number: 02330031
Charity number: 328044

Docusign Envelope ID: 249CFC49-37E1-4748-95DF-F4A30BA167D0

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# Reference and administrative details of the charity, its trustees and advisers

## For the year ended 31 December 2023

| | |
|---|---|
| **Trustees** | Dr Robin Bidwell CBE, Chair<br>Mr Andrew Powell<br>Ms Idunn Eidheim<br>Ms Charlotte Wolff-Bye<br>Mr James Sloane<br>Ms Suraya Mailvaganam (appointed 6 December 2023)<br>Mr Alasdair Poore<br>Mr Rajkumar Sethurajan (appointed 6 December 2023)<br>Professor William Adams<br>Professor Bhaskar Vira<br>Ms Mette Wilkie<br>Ms Saleha Racheal Williams (appointed 6 December 2023)<br>Dr Kathleen McKinnon (retired 18 March 2023) |
| **Company registered number** | 02330031 |
| **Charity registered number** | 328044 |
| **Registered office** | 219 Huntingdon Road<br>Cambridge<br>CB3 0DL |
| **Key Management Personnel** | Mr Jonathan Hughes, Chief Executive Officer<br>Professor Neil Burgess, Chief Scientist<br>Mrs Katie Penfold, Chief Finance Officer<br>Mr Matthew Jones, Chief Impact Officer (appointed September 2023)<br>Ms Nichola Rowlands-Smith, Head of External Affairs (appointed November 2023) |
| **Independent auditors** | Peters Elworthy & Moore<br>Chartered Accountants<br>Salisbury House<br>Station Road<br>Cambridge<br>CB1 2LA |
| **Bankers** | Barclays Bank<br>9-11 St Andrews Street<br>Cambridge<br>CB2 3AA |
| **Solicitors** | Mills and Reeve<br>Botanic House<br>100 Hills Road<br>Cambridge<br>CB2 1PH |

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# Trustees' report

## For the year ended 31 December 2023

The Trustees, who are also the directors of the Charitable Company for the purposes of the Companies Act 2006, present the WCMC Trustees' Annual Report and financial statements for the year ended 31 December 2023. The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) second edition applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

### WHO WE ARE

WCMC is a UK charity that promotes the conservation, protection, enhancement and support of nature and natural resources worldwide. We do this by collecting, storing, analysing, interpreting and sharing data and knowledge to further understanding of biodiversity and the conservation of nature. We believe good data and knowledge are the foundations of informed decision-making.

WCMC operates in a collaboration with the United Nations Environment Programme (UNEP) at the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), based in Cambridge, UK. Our work brings together governments, businesses, NGOs and research bodies to put nature at the heart of decision-making and drive positive change. We are uniquely placed to ensure our science, knowledge and insights shape global and national policy.

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## Foreword

In 2023, WCMC, working in collaboration with UNEP as UNEP-WCMC, continued to grow through developing deeper and wider partnerships to deliver over 140 projects. In doing so, we retained a strong focus on generating lasting and long-term impact from our activities.

Working with the private sector, we continued to have a central role in developing and promoting global standards and frameworks for nature measurement and disclosure. We achieved this through working closely with key partners including the Taskforce for Nature-Related Financial Disclosures (TNFD), the Science-based Targets Network (SBTN), the Global Reporting Initiative (GRI). We also helped rationalise and harmonise standards through our European Commission funded 'Aligning accounting approaches for nature' (ALIGN) project. This project enhanced transparency and accountability in how businesses and financial institutions understand and report on their impacts and dependencies on nature.

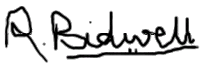
In 2023, our science team generated insights into the pressures and threats to biodiversity and the relative health of ecosystems at different geographical scales from global to local. One example was our work in collaboration with the Royal Botanic Gardens, Kew, where we identified global 'darkspots' – places on Earth where plant species remain largely undocumented. This work is now informing the targeting of conservation strategies and the prioritisation of future research. Another example was our work on transboundary conservation in Africa. Here we identified and mapped 27 Transboundary Conservation Areas - work which supported the implementation of the Kunming-Montreal Biodiversity Framework in Africa and highlighted the importance of cross-border conservation efforts for both nature and socio-economic development.

We continued to champion the vital importance of peatland ecosystems, particularly in the Congo Basin, emphasizing the essential role of peatlands in global carbon storage and climate stabilization. Technical, advocacy and policy outputs from our CongoPeat project highlighted the need for greater cross-sector collaboration to protect the immense store of carbon in the Congo Basin.

Another highlight in 2023 was our work to bring Indigenous knowledge into the national ecosystem assessment process. By collaborating with the Biodiversity and Ecosystem Services Network (BES-Net) and other partners, we ensured the inclusion of Indigenous and Local Knowledge in policy-making processes in countries like Botswana, Malawi, and Thailand. These efforts meant conservation action was better informed through a fuller understanding of ecosystems and the needs of local communities.

As we reflect on the achievements of 2023, we are motivated by the progress made and the challenges that lie ahead. Our commitment to supporting the implementation and monitoring of the Kunming-Montreal Global Biodiversity Framework remains unwavering. As we head into 2024 and beyond, we will continue to drive urgent action across all sectors and scales, ensuring our work contributes to a sustainable and nature-positive future.

We know that our potential for impact grows as we grow our partnerships, be these with governments, Indigenous and local communities, businesses, researchers or NGOs. Only through genuine partnership can we hope to build a resilient and thriving natural world for generations to come.



Robin Bidwell CBE
**Chair of Trustees**



Jonathan Hughes
**Chief Executive Officer**

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## Strategic report

### OBJECTIVES & ACTIVITIES

The following report summarises WCMC's key contributions towards global ambitions for conserving and restoring nature in 2023. All of WCMC's work is delivered in collaboration with the UN Environment Programme (UNEP) as UNEP-WCMC.

Our four interdependent impact areas are:

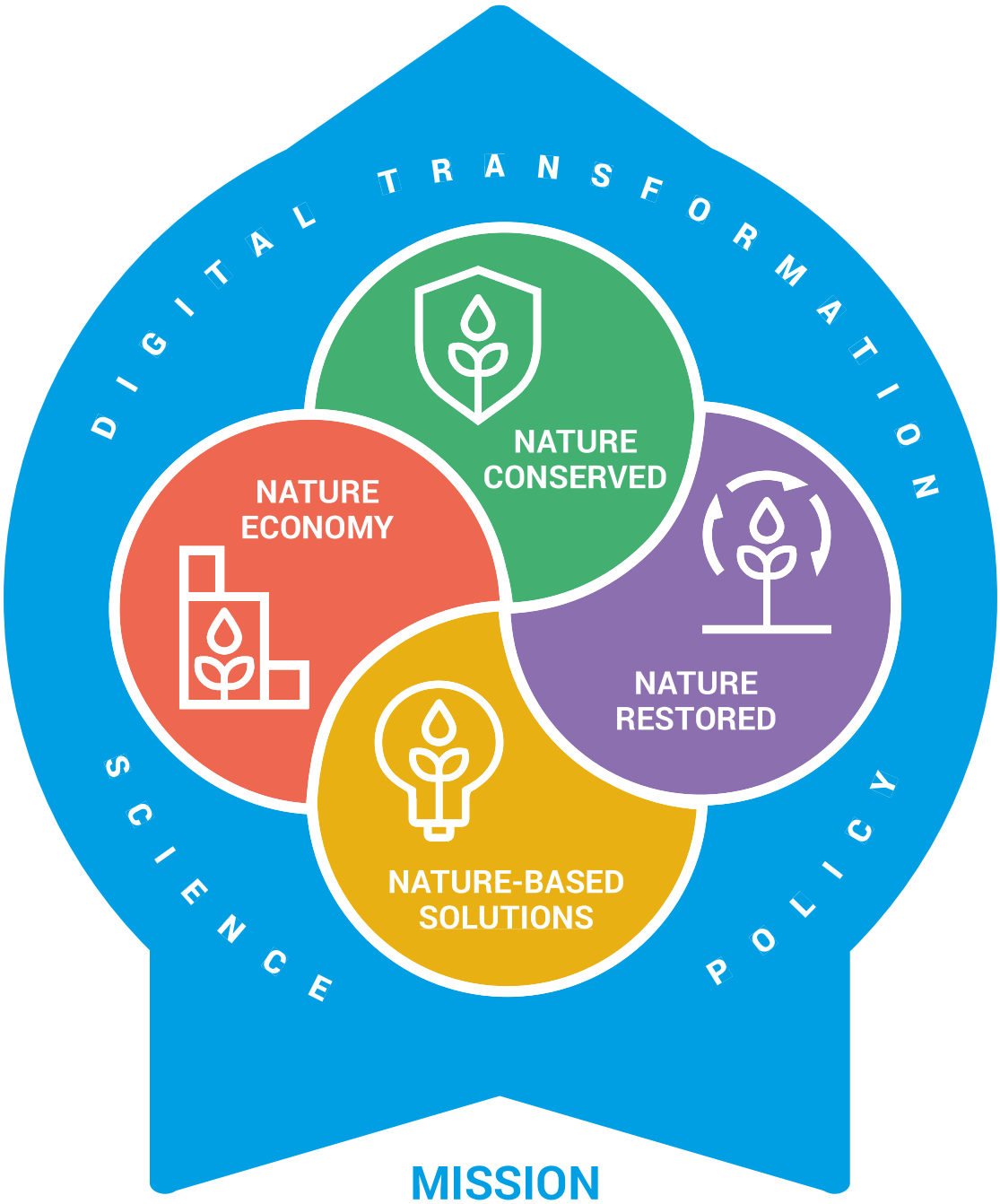
- **Nature Conserved:** resilient, connected ecosystems and their species are conserved, sustaining all life on Earth
- **Nature Restored:** degraded lands, inland waters and the ocean are restored for the benefit of people and nature
- **Nature-based Solutions:** public and private sectors make effective use of nature to address sustainable development challenges
- **Nature Economy:** the world transitions to a nature-positive global economy

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## VISION 2050

Living in harmony with nature




## MISSION

We develop knowledge and capacity
for a nature-positive world

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In 2023 we continued the development of a comprehensive 'impact framework' to help us understand the impact we are having as an organisation in the external world. The impact framework underpins and guides the implementation of our strategy and enables us to track progress towards our outcomes and organisational goals, including those aligned with the UN Environment Programme (UNEP) 2022-2025 Medium Term Strategy, the 2030 Agenda for Sustainable Development, the UN Decade on Ecosystem Restoration and the implementation of the Kunming-Montreal Global Biodiversity Framework.

## ACHIEVEMENTS & PERFORMANCE

Under each impact and innovation area, below is a selection of the over 140 projects in our current portfolio of work we took forward in 2023.

## NATURE CONSERVED

***We uncovered critical gaps in international wildlife trade protections***

In 2023, we shed light on key gaps in safeguarding wildlife threatened by international trade. Through collaborative research with partners from the University of Oxford, International Union for Conservation of Nature (IUCN), and the Zoological Society of London, our team identified deficiencies in global efforts to protect vulnerable species.

Using our expertise and leveraging data from the IUCN Red List, we cross-referenced species threatened by trade with those listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Our analysis unveiled alarming discrepancies, revealing that two-fifths of species likely threatened by international trade lacked essential protections afforded by CITES.

Among the 904 vulnerable species overlooked by international trade safeguards were 370 classified as Critically Endangered or Endangered. This highlighted the urgency of addressing gaps in the regulatory framework to ensure comprehensive protection for all species vulnerable to exploitation.

Our work also provided a robust methodology for identifying species in need of greater trade regulation, empowering decision-makers to make informed choices at future CITES conferences.

***We collaborated locally to advance nature conservation in the Cook Islands***

Over the past year, in partnership with the Cook Islands National Environment Service (NES), South Pacific Regional Environment Programme (SPREP), and IUCN Oceania, we spearheaded efforts to elevate Other Effectively Conserved and Managed Areas (OECMs) as vital conservation mechanisms on the islands. Through an inaugural workshop and collaborative discussions, we engaged stakeholders from government, local communities, NGOs, and the private sector to identify and assess potential OECM sites across the nation.

Building on the momentum generated during the workshop, we led the development of a discussion document highlighting over 40 sites with OECM potential in the Cook Islands, and guided participants through the concept of OECMs by facilitating discussions to identify conservation priorities.

Our collaboration with the Cook Islands is part of a broader initiative under the Biodiversity and Protected Areas Management (BIOPAMA) Programme to enhance conservation and sustainable resource management in the Pacific region. Through our management of the World Database on OECMs (WD-OECM), we are also helping the Cook Islands demonstrate their contribution to the global conservation goals outlined in the Kunming-Montreal Global Biodiversity Framework.

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## NATURE RESTORED

***We highlighted the crucial importance of caring for coastal ecosystems***

Coastal ecosystems play a crucial role in sustaining humanity and the planet's health. However, they face numerous threats, including habitat loss, rising temperatures and pollution. Recognising the urgency of protecting these blue ecosystems, we launched an interactive website so people can explore coastal ecosystems including kelp, coral reefs, seagrass meadows, and mangroves.

Additionally, our marine experts collaborated on a special report, analysing changes in mangrove coverage since the mid-1990s and the implications of these changes for biodiversity and carbon storage. By combining the latest data with wildlife assessments, we identified regions crucial for mangrove-associated species and where urgent strategic conservation efforts are needed. The report provided recommendations to strengthen mangrove management and restoration, emphasizing the importance of collaborative and coherent global action.

***We assessed and mapped marine restoration efforts in a global review***

Our marine experts conducted a global, comprehensive review of large-scale marine and coastal restoration efforts, mapping locations, primary sources of funding, and beneficiaries. The report, entitled 'Endangered Seascapes: Progress, needs, and opportunities for seascape restoration', emphasized the need for integrated approaches to coastal and marine socio-ecological systems. Released alongside an accessible online database, the report provided a detailed analysis of restoration projects spanning 2015 to 2022, aiding marine conservation practitioners and managers in understanding the purpose, location, intended outcomes and implementing partners for projects across the world.

Our report also highlighted potential restoration sites to assist funders in identifying areas of opportunity. The findings revealed a substantial investment of EUR 3.35 billion across 237 projects has already been made, with coral reefs being the most targeted habitat for restoration. Notably, mangroves received the highest proportion of funding, while the Asia-Pacific region attracted the largest amount of funding.

Our findings also showed there has been a steady increase in large-scale coastal and marine restoration projects, with biodiversity conservation being the most common goal. However, challenges such as fragmented data gathering and sharing, underscored the need for improved transparency to effectively meet restoration commitments. The project, commissioned by the Arcadia Fund, aimed to inform funders and conservationists, catalysing more strategic and impactful actions to safeguard our oceans' health.

***We worked in collaboration to tackle obstacles to large-scale ecosystem restoration in Europe***

We began working with other leading conservation organizations, including Birdlife International and the RSPB on a project to find collaborative solutions for ecosystem restoration across Europe. The initiative, known as the 'Convening for Restoration Project', seeks to tackle the challenges hindering large-scale restoration efforts in Europe by convening key stakeholders from various sectors.

Over the next three years, experts and practitioners will come together to identify and address barriers such as conflicting stakeholder interests, insufficient funding, and low political priority given to restoration. By leveraging dialogue and consultations, the project aims to generate actionable insights and sectoral best practices to inform policy and drive impactful action. With restoration efforts being a critical component of global targets for nature, this project holds immense potential to catalyse transformative change and pave the way for a more sustainable future for both people and the planet.

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***We contributed to the groundbreaking Ocean Census Initiative***

In the past year, we were proud to join the Ocean Census initiative, a pioneering effort aimed at discovering and safeguarding marine life. As a partner, we contributed to managing the vast data generated during expeditions and helped develop a cloud-based system for storing and sharing information. Through collaborative expeditions and cutting-edge technologies, such as DNA sequencing and high-resolution photography, we worked to uncover new insights into marine biodiversity.

Our involvement in Ocean Census demonstrates our commitment to advancing ocean conservation and promoting global understanding of marine ecosystems. Together with partners worldwide, we embarked on expeditions to document and describe marine species, including relatively understudied organisms like sponges. These efforts are vital as our ocean faces unprecedented threats, with marine species being impacted and lost at an alarming rate.

Despite the big technical challenge associated with such explorations, Ocean Census has made significant progress, with two expeditions completed this year. Spearheaded by the Nippon Foundation and Nekton Foundation, and supported by a diverse coalition of partners, this collaborative initiative holds immense promise for the future of ocean conservation.

## NATURE-BASED SOLUTIONS

***We identified barriers to scaling-up carbon finance for large-scale restoration projects***

Through our 'Rexus' project, we explored how carbon finance could be used to fill funding gaps for large-scale restoration of European habitats. This involved investigating how nature-based solutions (NbS) might be integrated into the Water-Energy-Food-Ecosystems nexus through better planning and adaptation. We also began building a decision support tool to show how this can be done in practice by blending novel green infrastructure with traditional grey infrastructure. Alongside our partners Flora and Fauna International and RSPB, we reviewed tools used by climate change adaptation planners, designed a roadmap guide for NbS safeguarding, and provided NbS expertise in workshops in a number of pilot areas.

Our insights from this work highlighted that despite market growth, concerns persist regarding carbon credit quality due to methodological uncertainties and lack of standards. Efforts to ensure quality include independent ratings and blockchain integration, while regulatory initiatives are aiming to secure market integrity. Restoration projects face hurdles in navigating carbon markets, with knowledge gaps hindering access for some ecosystems,

***We enhanced resilience in Thailand's water sector through ecosystem-based adaptation***

We worked with researchers to assess water-related climate change adaptation initiatives in Thailand, focusing on ecosystem-based adaptation (EbA) interventions such as living weirs and floodplain restoration. Our collaboration with government agencies and international partners highlighted the positive impacts of EbA, including increased soil moisture, groundwater recharge, and reduced flooding risk. Our analysis also revealed potential trade-offs, such as habitat fragmentation in floodplain areas.

Our recommendations emphasised the importance of participatory design, ongoing monitoring, and community engagement to maximize benefits and minimize risks. This work showed how EbA is essential in building resilience to climate change in highly vulnerable regions like Thailand, emphasizing the need for effective design and continuous evaluation of adaptation measures.

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***We championed the vital importance of peatlands in the Congo Basin at COP28***

Globally, peatlands contain around one third of the world's soil organic carbon. Healthy peatlands are one of the most efficient ecosystems for sequestering and storing carbon. They are therefore critical for achieving global climate goals. Despite their importance, peatlands are increasingly under threat and many have switched from carbon stores to carbon sources due to threats ranging from drainage, land conversion and fires.

Over five-years, our CongoPeat project has advocated the importance of peatlands in the Congo basin for global carbon storage and climate stabilization. These peatlands, which stretch across the Republic of Congo and the Democratic Republic of Congo, store 29Gt of soil organic carbon - the equivalent of three years' worth of global greenhouse gas emissions. Our work included a policy brief for the climate COP which provided options for further peatland protection, highlighting the need for cross-sector collaboration between countries, policymakers, scientists, NGOs and rural and Indigenous communities.

## NATURE ECONOMY

***We co-led the IPBES technical assessment on business and biodiversity***

We co-led the International Panel of Biodiversity and Ecosystem Services (IPBES) Technical Support Unit, collaborating with the Alexander von Humboldt Biological Resources Research Institute to provide essential technical, scientific, and administrative support for a pioneering global assessment approved by the IPBES Plenary.

This involved examining the relationship between business activities and biodiversity and developing clear criteria and indicators to measure the dependencies and impacts of businesses on nature. With a surge in private sector interest in sustainable business practices and growing recognition of the importance of integrating biodiversity targets into corporate frameworks, this work was much needed and well timed. Through this collaboration, we also reaffirmed our commitment to supporting sustainable trade and finance.

***We showed investors how financing for sustainable land use works in practice***

We produced case studies on sustainable land use finance and provided guidance for impact investors. These case studies focused on the experiences of AGRI3 and the Responsible Commodities Facility (RCF), two impact investors we have worked closely with over several years. AGRI3 Fund is a guarantee fund dedicated to fostering sustainable agriculture and improving rural livelihoods. RCF focuses on incentivizing soy production in Brazil's threatened Cerrado landscape. Both are strategic investment approaches aimed at driving positive environmental and social outcomes while mitigating risks.

We found that their success is partly a result of robust impact frameworks which set safeguards, assess impacts, and measure progress effectively. Through these case studies, we aim to empower impact investors to develop impactful investment strategies that generate tangible environmental and social benefits while upholding principles of sustainability and accountability.

***We gave businesses guidance on improving ecosystem health***

In collaboration with our partners, we've developed practical guidance, including a 'Measuring Ecosystem Condition' primer, aimed at assisting businesses in improving ecosystem health. By considering biodiversity at both species and ecosystem levels and embracing ecosystem-level thinking, the private sector can drive standardized measurement of biodiversity performance, fostering a more sustainable relationship between the global economy and nature.

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***We helped develop world first science-based nature targets for the private sector***

In 2023, the Science Based Targets Network (SBTN) launched methods for target-setting for companies. This was a huge collaborative effort, involving over 80 leading organisations worldwide. This initial release focused reducing conversion and land occupation, promoting landscape-level engagement, and addressing water consumption and pollution. Our team played a central role in developing assessment and prioritization steps for companies and in providing tools and data to aid in target-setting processes. These resources will enable companies to assess their operations and supply chains, identify priority areas for action, and understand the materiality of their activities.

***We underpinned the development of multiple disclosure standards and frameworks***

We supported the technical development of a number key reporting and disclosure standards and frameworks in 2023 raising the level of ambition and increasing the level of alignment among them.

These included:

- the Taskforce for Nature Related Financial Disclosure (TNFD) V1 framework that was released in September for which there are already over 300 early adopters
- The Global Reporting Initiative (GRI) biodiversity standard that was finalised in December 2023 and is expected to be applied by thousands of companies that report against the GRI standards
- the European Sustainability Reporting Standards (ESRS) standard that was formally adopted as part of the Corporate Sustainability Reporting Directive (CSRD) in July 2023 became mandatory for over 50,000 companies within the EU

All of these frameworks adopted many of the recommendations of our Align project on biodiversity measurement and reference our Align guidance note on measuring ecosystem condition.

We expect these contributions to influence the reporting and disclosure of businesses and financial institutions around the world. Our work will help ensure that the information disclosed is meaningful, reflects the performance of entities to better manage their relationship with nature, improves alignment across the initiatives, and supports effective uptake and implementation. This will enable greater accountability based on the right information and help direct financial flows for more positive environmental outcomes.

## SCIENCE

***We shone a light on the global 'darkspots' of plant biodiversity***

In collaboration with scientists at Royal Botanic Gardens (RBG) Kew, we spearheaded groundbreaking research identifying 32 global 'darkspots' where plant species remain scientifically unnamed, described, and mapped. This research, featured in Kew's State of the World's Plants and Fungi report, highlighted the urgent need to expand scientific knowledge of plants and fungi worldwide to understand ecosystems, predict responses to global change, and prioritize conservation efforts.

As lead authors of the report's chapter 'Illuminating the darkspots of the plant world', we use various datasets to model the number of unnamed species per 'botanical country', revealing significant knowledge gaps in regions such as tropical Asia and South America. Our findings showed the need for targeted botanical expeditions and digitalisation efforts to address these gaps, crucial for informing conservation strategies and protecting valuable biodiversity.

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***We mapped transboundary conservation areas across Africa***

We contributed to a mapping project on potential transboundary conservation areas (TBCAs) across Africa. Collaborating with partners like the University of British Columbia and WWF-US, our goal was to provide valuable insights into the conservation landscape of the continent.

We identified a total of 27 existing TBCAs in Africa, encompassing an impressive area of 847,158 km2. Additionally, we discovered a significant potential for further TBCAs, with 8,481 potential combinations of individual protected areas (PAs), spanning nearly 2,000,000 km2.

Utilizing sophisticated methodologies and leveraging the World Database on Protected Areas managed by UNEP-WCMC, we prioritized potential TBCAs based on various factors such as size, connectivity, and feasibility of establishment. Our analysis revealed that the majority of existing TBCAs are located in southern Africa, with additional clusters in west and eastern Africa.

These insights hold significance not only for African countries but also align with the global aspirations of the Kunming-Montreal Global Biodiversity Framework, providing a roadmap for increased investment in effective TBCAs worldwide. Moreover, transboundary conservation initiatives not only benefit biodiversity but also contribute to socio-economic progress and cultural exchange, promoting harmony among neighbouring nations.

Reflecting on our research, we believe that connecting stakeholders across sectors is paramount to viewing natural ecosystems as interconnected wholes. Furthermore, emphasizing a clear business case is essential to ensure sustained support for TBCAs, safeguarding the future of shared ecosystems for both people and wildlife.

## POLICY

***Integrating Indigenous Knowledge in National Ecosystem Assessments: Promoting Well-Being and Biodiversity***

Through collaboration with the Biodiversity and Ecosystem Services Network (BES-Net) Indigenous and Local Knowledge (ILK) Support Unit, the National Ecosystem Assessment (NEA) Initiative facilitated the incorporation of ILK into national ecosystem assessments (NEAs). In Botswana, community dialogues preceded the NEA launch, fostering collaboration between Indigenous Peoples, local communities, and the government. A resulting policy brief detailed outcomes and community needs.

In Malawi, the NEA team hosted the first national BES-Net Trialogue, engaging science, policy, and local communities to refine assessment objectives. Field visits enriched discussions on community-led conservation.

In Thailand, the NEA team finalized a Scoping Report addressing ILK's role in coastal and marine biodiversity understanding. This approach empowers policymakers with insights from Indigenous and local communities, such as the Chao Lay 'sea people'.

Looking ahead, the NEA Initiative aims to further fuse Indigenous wisdom with science-based practices, fostering holistic approaches to biodiversity preservation and human well-being.

***Monitoring implementation of the Kunming – Montreal Global Biodiversity Framework***

In December 2022, at the UN Biodiversity Conference, countries adopted an historic package of measures to address global biodiversity loss and support the sustainable use of nature. Subsequently, our work through 2023 focused on supporting implementation of the Kunming-Montreal Global Biodiversity Framework package of decisions.

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Work included supporting the monitoring of implementation of the Global Biodiversity Framework, at national, regional and global scales. We did this through providing technical support to the Ad Hoc Technical Expert Group on indicators and were mandated to further develop the methodologies by which countries will measure national implementation of the Framework. We provided technical inputs, advice and made accessible, associated information to support countries with national monitoring, including access to the metadata for the indicators (https://gbf-indicators.org/), and real time data visualisations of progress in implementation of the Framework via a Target Tracker tool, launched in October 2023. In addition, we provided guidance to help countries assess their national monitoring capacity, and tools to support the selection of relevant indicators and datasets. We also provided in person training and webinars for countries on assessing national monitoring, via the GEF Early Action Support project.

Future work will focus on developing national capacity for monitoring implementation of the Global Biodiversity Framework. We will work with the global community of scientific and technical partners, and civil society to support the development of national monitoring systems. Improved capacity to monitor implementation of national biodiversity actions and targets, will enable countries to keep national activities under review, and ratchet up actions where needed, to deliver the Global Biodiversity Framework.

## DIGITAL TRANSFORMATION

***We supported development of new National Biodiversity Strategies and Action Plans (NBSAPs)***

Led by the Secretariat to the Convention on Biological Diversity, UNDP, UNEP, and Global Environment Facility, with technical backing from UNEP-WCMC, we upgraded the NBSAP platform in 2023. The platform serves as a vital repository and collaborative space for advancing National Biodiversity Strategies and Action Plans (NBSAPs) in accordance with the Kunming-Montreal Global Biodiversity Framework.

Our pivotal role included providing technical assistance to countries, offering guidance materials, and managing a multilingual help desk to address queries directly. Leveraging expertise gained from prior initiatives, we aimed to empower nations to revise, implement, and monitor their NBSAPs effectively.

As the world intensifies its efforts on biodiversity conservation post-COP15, we stand committed to supporting the NBSAP Forum 2.0. This launch marked a significant stride towards collective action in achieving the ambitious goals outlined in the Kunming-Montreal Global Biodiversity Framework.

***We introduced a new Data Reporting Tool for countries promoting synergies between Multilateral Environmental Agreements***

This initiative aimed to streamline the reporting process for countries, promote synergies between multiple biodiversity-related multilateral environmental agreements (MEAs), and alleviate the burden on national data experts.

In September 2023, we organized a workshop in Beijing, in collaboration with the Nanjing Institute of Environmental Sciences (NIES) of the Ministry of Ecology and Environment (MEE), to introduce DaRT to China's biodiversity-related MEA focal points. It was a groundbreaking event, marking the first time all of China's national MEA focal points had convened in one forum.

During the workshop, we engaged with 28 national experts representing various biodiversity-related conventions and MEAs, along with expert representatives from supporting departments involved in national reporting. The participants explored how DaRT could be utilized to streamline the reporting process, enhance data management, and promote synergies between different MEAs.

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DaRT, funded by Switzerland, Sweden, and the EU, offers a private and secure online platform for Parties to MEAs to organize, share, and maintain information and data. Through DaRT, national focal points can access a wealth of global data and guidance, facilitating the compilation of national reports and the update of National Biodiversity Strategies and Action Plans (NBSAPs) in alignment with the Kunming-Montreal Global Biodiversity Framework (GBF).

To date, DaRT has made significant progress, with over 110 countries having fully functional working spaces and 30 countries participating in dedicated training workshops. We believe that DaRT's uptake will continue to grow, fostering collaboration and synergy among biodiversity-related conventions and supporting the effective implementation of the GBF.

## FUTURE PLANS

In the coming year, WCMC will strengthen efforts to address the nature-climate crisis across the more than 20 focal initiatives outlined in our current strategy. In doing so, we will ensure a coherent, organisation-wide approach to our continuing support for the implementation of The Biodiversity Plan (the Kunming-Montreal Global Biodiversity Framework) by both countries and other actors, including the private sector. This will include an upgrade of the NBSAP (National Biodiversity Strategies and Action Plans) platform to provide technical assistance to countries revising, implementing, and monitoring their NBSAPs. We will also develop a new Data Reporting Tool (DaRT), designed to streamline reporting processes for countries, and promote synergies between, international Multilateral Environmental Agreements.

We will intensify our efforts on large-scale ecosystem restoration projects across Europe through the 'Convening for Restoration Project'. This initiative seeks to overcome barriers such as conflicting stakeholder interests, insufficient funding, and low political priority, fostering collaboration to drive nature recovery at scale.

Our participation in the Ocean Census initiative will continue to advance ocean conservation by managing large amounts of data generated during expeditions. We will also develop cloud-based systems to enable better and faster sharing of this information. These efforts will uncover new insights into marine biodiversity, contributing significantly to global understanding and protection of marine ecosystems

Our work on nature-based solutions will address the integration of carbon finance into large-scale habitat restoration projects. We will also explore innovative ways to blend green infrastructure with traditional grey infrastructure, aiming to fill funding gaps and enhance climate resilience through ecosystem-based adaptation.

Monitoring the implementation of the Biodiversity Plan will also remain a priority, as we support countries in their endeavours to address global biodiversity loss and promote the sustainable use of nature.

As we move forward, WCMC will continue to build on its successes, driven by a vision of a sustainable future where nature thrives and supports all life on Earth. Our strategic initiatives, collaborative projects, and commitment to innovation will be the cornerstone of our efforts to protect and restore the natural world.

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## WCMC OPERATIONS REPORT

### Operational review

WCMC continued to grow in 2023, with an average staff of 236 (225 FTE), up from 209 (197 FTE) in 2022. WCMC continued to recruit at a rate matching the growing pipeline of work. In 2023 staff turnover increased slightly from 17.9% in 2022 (UK 2022 average was 22.5%) to 18.7% (UK 2023 average 20%). At the end of 2023, WCMC had over 45 nationalities represented on the staff.

Since Covid-19, WCMC has introduced a number of initiatives to support staff in their roles, such as introducing a flexible working policy and commissioning a survey from Mind to assess staff mental wellbeing. We have created a Wellbeing Hub and trained a team of Mental Health first aiders. A successful all-staff retreat was held in 2023 which allowed for in-person team bonding and collaboration. This was a valuable session and from now on, annual all-staff retreats are planned.

WCMC conducts an annual staff survey to gain staff feedback and to monitor trends. The results of the 2023 survey were extremely positive, with staff reporting feeling supported by colleagues, able to contribute to the work of the organisation and feeling equally treated. Staff highlighted benefits and rewards, project management procedures and improvements to the office environment as being priorities going forward.

The recruitment environment continues to be challenging for WCMC, both in terms of ability to compete with private sector salaries and also with respect to the ability to recruit to technical roles at lower grades following changes to immigration legislation.

### Premises

WCMC staff are based at 219 Huntingdon Road, Cambridge, CB3 0DL. There is space for approximately 180 desks, although hybrid working is now embedded, with staff attending the office at least twice a month, with a recommended attendance of at least twice per week. An additional office is located at the Cambridge Conservation Initiative Campus at the David Attenborough Building in central Cambridge.

The Huntingdon Road building was constructed in 1993, and it is expected that significant maintenance will be required in the short to medium term. In 2022, Trustees elected to create a designated Building Maintenance Fund of £200,000 to allow for any urgent issues that may arise to be dealt with. The reserve was not utilised in 2023 but spend is expected in 2024 on a replacement boiler and new meeting room provision which should allow for staff to take calls and collaborate more easily.

### Regional entities

On 10 December 2019, WCMC established a wholly owned subsidiary company in China called WCMC Beijing Co. Ltd., a Limited Liability Company, and registered in Chaoyang District, Beijing. "WCMC Beijing" was established with the objective of engaging in projects falling within the objectives of WCMC, and which are consistent with the collaboration between WCMC and the United Nations Environment Programme (UNEP) under the Collaboration Agreement between UNEP and WCMC. Following a review of its Regional Engagement Strategy, the Board made a strategic decision to wind up the Beijing entity, with the process being completed on 28 December 2023.

WCMC Europe asbl. was established by WCMC on 14 November 2019. It was founded by WCMC, the UK registered charity and Ms Hilde Eggermont. WCMC Europe is a not-for-profit association based in Brussels. It has its own, distinct legal identity. It has been set up as a charitable organisation, registered in Belgium, which operates under Belgian law.

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ASBL in French is an "association sans but lucratif" (translated: "notforprofit organisation"). The registered office is located at MundoB, Rue D'Edimbourg 26, 1050 Brussels, Belgium. The work of WCMC Europe does not itself fall within the scope of the Collaboration Agreement between WCMC and UNEP.

WCMC Europe had two members of staff at the end of 2023 (2022: 2).

## WCMC FINANCIAL REVIEW

The accounts present the consolidated position for 2023 and 2022 which includes the subsidiary entities of WCMC Europe asbl. and WCMC Beijing Co. Ltd (now closed).

The Group derives most of its income through project-funded activities, and has little core funding, although it aspires to increase this source of funds. Total income in 2023 was £21,805,250 compared with £21,957,760 in the previous financial year. Income in 2022 was high due to a significant donation of £3.649m received in the year and was recognised upfront in accordance with accounting standards. As this is drawn down on, as well as taking into account the costs of closing down WCMC Beijing, a loss for the year was anticipated.

Project income from charitable activities in 2023 was £21,735,567 compared to £18,203,500 achieved in 2022. The increase in income from 2022 to 2023 was approximately 19%. Despite this increase, income from charitable activities was lower than anticipated, however, this shortfall was offset by underspends elsewhere. The compilation of the 2024 budget was an iterative process, with the finance team holding several meetings with all budget holders and Heads of Impact and Innovation Areas in order to ensure that budgets set going forward are realistic and achievable. The Project Excellence Team has since proposed multiple improvements to project management practices to ensure that all projects deliver on-budget.

Total expenditure on charitable activities in 2023 at £22,054,433 was higher than 2022 (2022: £18,766,507). This resulted in an overall loss for the group of £249,183. Given the substantial donation for Protected Planet, recognised upfront in 2022, but utilised over a five-year period, a loss was expected for the 2023 financial year.

After accounting for notional fair value losses on foreign exchange contracts held as at 31 December 2023 the Group recorded a net decrease in funds of £249,183 (2022: increase of £3,191,253).

The Group's balance sheet position remains strong with Net Current Assets of £6,260,873 (2022: £6,418,122). Total funds held at 31 December 2023 were £7,127,031 of which £1,064,852 was held in designated funds (2022: £7,376,214 & £1,154,818 respectively) representing the value of the Charity's fixed assets held at the reporting date and planned building maintenance. Restricted funds, representing net assets of the subsidiary companies and funds related to restricted projects in the parent, amounted to £3,317,029 (2022: £5,624,692). There were cash holdings at the year end of £10,568,904 (2022: £11,451,561).

WCMC Europe posted a loss of £24k for the year ended 2023. WCMC Beijing posted a final loss of £145k which was due to the costs of keeping the entity open during the closedown period when project work had ceased. £82k in cash was returned to the parent company upon closure if WCMC Beijing.

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One-off impacts reflected in the 2023 position include the impact of unplanned investment into the Online Reporting System, a project of strategic importance to the organisation. The impact of this work will be ongoing in the new financial year and due to complete in December 2024. Work is also being undertaken to rationalise the amount of digital products we support, ensuring that funding is identified to support this work going forward and building in budgets for support and maintenance for new products.

Also, due to improvements in the way foreign exchange is managed, large fluctuations are not anticipated going forward. Whilst the foreign exchange environment is currently stable, this will be continually monitored, as there will always be some risk around this, particularly as volatility is possible in 2024 as it is a general election year. Foreign exchange risk is managed through a Foreign Exchange Risk Management strategy and the purchase of forward contracts.

Irrecoverable VAT is an area that requires ongoing monitoring given the shift towards more 'non-business' projects in the portfolio affecting the amount of tax that can be reclaimed. This is being actively monitored by the finance team at the project proposal stage.

In 2022, £3.649m was received from the Arcadia Fund to support ongoing Protected Planet work through to 2027 and in accordance with the SORP was recognised as a donation upfront and in full in that financial year. Unspent funds related to this project are segregated within the Restricted Fund. As the project continues, funds will be drawn down from the Restricted Fund in order to cover the costs of this ongoing work.

### WCMC RESERVES POLICY

Given the Charitable Company's project commitments and the ongoing economic situation, it has been agreed that the organisation should aim to hold unrestricted reserves to enable the organisation to operate at full capacity for at least six months, even if all income were to cease. This recognises that shifts in funding do occur and that six months would be the minimum time in which to establish emergency funding sources, and to meet contractual commitments.

The alternative liquidity-based method of reserves calculation (including 100% of cash, 75% of trade debtors, 50% of billable accrued income less 25% of monies received in advance and less other net current liabilities except prepayments) is used alongside the "traditional method" based on net current assets.

The liquidity-based method of reserves calculation estimates WCMC reserves held at 31 December 2023 at £9,344k. The total operational cost budget for 2024 is £13,439k, therefore reserves are sufficient to cover more than six months' expenditure. According to the traditional method the Group had £6,261k of general free reserves as at 31 December 2023 (£6,591k as at 31 December 2022). The Trustees consider the liquidity-based method to be a more realistic approach in the scenarios envisaged by the policy.

The Trustees will continue to review and modify the reserves policy as circumstances require.

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## WCMC RISK MANAGEMENT

The Trustees have a duty to identify and review the risks to which the Charitable Company is exposed and to ensure appropriate plans and controls are in place to provide a reasonable assurance that they are effectively managed. An active risk register is maintained, which is reviewed by the Audit & Risk subcommittee and mitigation actions are agreed at full Board meetings. Risks are broken down into those that affect Governance, Strategy, Operations, Financial and External factors. They are reviewed by assessing the impact and likelihood of the risks, and then weighted as follows – (Impact x Likelihood) + Impact.

The Board has identified the following risks as particularly important:

1. **Staff retention and recruitment, notably:**

- Challenges around attracting new staff, slow recruitment and onboarding – mitigated by benchmarking to ensure salaries and non-monetary staff benefits are competitive for our sector, early and pre-emptive recruitment to fill gaps, sponsorship of staff not eligible to work in the UK.
- Loss of key staff and knock-on negative impacts on project delivery, corporate knowledge loss and maintaining capacity – mitigated by benchmarking to ensure salaries and non-monetary staff benefits are competitive for our sector, investing in career progression and development of key staff, active training programme, succession planning and project handovers.
- Changes to immigration legislation.

2. **Staff wellbeing and health and safety, notably:**

- Staff struggling with workload and/or difficult working conditions – mitigated by monthly line management 'core goal' meetings to help with focus and time management, flexible/hybrid working arrangements, responding to regular staff surveys and feedback.
- Health and safety of staff, volunteers, and collaborators, including while travelling – mitigated by adherence to policies and procedures, enhanced office sanitary measures, equipment and facilities, travel risk assessments, insurance cover.
- Staff welfare and mental health – mitigated by employee assistance line, Staff Liaison Committee, staff surveys and line management as well as hybrid working and staff wellbeing research and action plan.
- Project and financial commitments failing to be met due to staff illness – mitigated by monitoring staff wellbeing, maintaining full staff complement, allowing time for sick leave, hybrid working and negotiating contract flexibility.
- Health and safety of staff, volunteers and collaborators – mitigated by adequate insurance cover, adequate policies and procedures, maintenance of equipment and facilities.

3. **Loss of critical assets, notably:**

- Risk of cyber-attack, loss of critical data or Intellectual Property. Trustees are committed to cyber security and data protection and significant work has been undertaken to strengthen controls in this area, including achieving Cyber Essentials accreditation, penetration testing, training and documenting effective policies.

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## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The Charitable Company is controlled by its Articles of Association, and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

### Recruitment and appointment of new trustees

The Board may appoint a person who is willing to act as a Trustee, either to fill a vacancy or as an additional Trustee, provided the appointment does not cause the number of Trustees to exceed 12 in accordance with the Articles as the maximum number of Trustees. No person may be appointed as a Trustee until they have attained the age of 18 years; or in circumstances that had they already been a Trustee they would have been disqualified from acting under the provision of Article 43. The procedure for the recruitment and appointment of trustees is provided in the Charitable Company's Articles of Association.

### Induction and training of new trustees

New Trustees are provided with the Charitable Company's Articles of Association, the 2010 Collaboration Agreement with UN Environment Programme and the 2021 exchange of letters between UNEP and WCMC that supplements the Collaboration Agreement, The Essential Trustee, and information from the Charity Commission website. They receive the latest Audited Accounts and Minutes of the four previous Board Meetings. The corporate strategy and detailed operational materials covering financial performance, staff satisfaction and staffing levels of the charity are also all communicated.

### Roles and responsibilities of the Board of Trustees at WCMC

When joining the Board, WCMC trustees are informed of their responsibilities. These include the following:

- Set and maintain the vision, mission and values of the organisation.
- Develop direction, strategy and planning.
- Ensure the organisation has the structure and resources for its work.
- Satisfy themselves that there are appropriate policies and procedures to govern organisational activities, including guidance for the board, volunteers and staff and subcontractors on health and safety, harassment, safeguarding, non-discrimination etc.
- Establish systems for reporting and monitoring.
- Manage risk and ensure compliance and accountability with the governing document, external regulators and the law.
- Make certain that the financial affairs of the organisation are conducted properly and are accurately reported.
- Ensure that the relationship we have with UNEP prospers and is of mutual benefit to each organisation.

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### Frequency of Board meetings

The Board of Trustees of WCMC meet at least three times per year. A further 'Board Away Day' is usually held in Spring, to focus on matters of strategic importance for the year ahead. These meetings are also usually attended by senior members of staff of WCMC. A representative from UNEP is an observer to the Board.

A Finance Sub-Committee chaired by the Board Treasurer meets between regular Board Meetings. In 2023, an Audit & Risk Sub-Committee was established and under its Terms of Reference meets twice a year. An annual meeting of the Steering Committee for the collaboration between UNEP and WCMC is held between the Executive Director of UNEP and the WCMC Board Chairman and attended by Chief Executive Officer of WCMC and the leadership of UNEP-WCMC.

### Funds held as custodian trustees on behalf of others

As at 31 December 2023, the Charitable Company did not hold any funds as custodian trustees on behalf of others.

### Related parties and co-operation with other organisations

The Charitable Company works in close collaboration with the United Nations Environment Programme, (UNEP), headquartered in Nairobi, Kenya, through its office called the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), which is co-located with the Charitable Company at 219 Huntingdon Road, Cambridge. Under the terms of the collaboration, the Charitable Company sub-leases the office building to UNEP for UNEP-WCMC. UNEP sub-leases the WCMC-occupied areas of the building back to WCMC. None of the trustees receive remuneration or other benefit from their work with the Charitable Company.

### Pay policy for Key Management Personnel

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. The pay of the Chief Executive Officer and the Chief Finance Officer is set by the Board, and the Board also review any proposed pay awards for senior staff (A and B Grade).

## STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

The Trustees (who are also directors of WCMC for the purposes of company law) are responsible for preparing all statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the trustees are aware that they are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for ensuring that proper accounting records are kept and that these disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

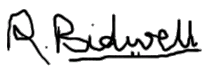
They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware: there is no relevant audit information of which the charitable company's auditor is unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 public benefit.

**Auditors**

The Trustees resolved to appoint Peters, Elworthy & Moore Chartered Accountants during the year in accordance with section 485 of the Companies Act 2006.

The above Trustees Report (incorporating the Strategic Report) was approved by the Board of Trustees and signed on its behalf by:



**Robin Bidwell CBE**
Chair of Trustees

Date: 24 July 2024

The notes on pages 32 to 59 form part of these financial statements.

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# Independent Auditors' Report on the Financial Statements

## OPINION

We have audited the financial statements of WCMC (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Foundation Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company'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 Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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## AUDITORS' 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 Auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, was as follows:

- the responsible individual ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge of charity and company law and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011 and UK taxation legislation, as well as those laws and regulations relating to the group's operations such as UK employment legislation and health and safety;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non compliance throughout the audit; and
- we reviewed the minutes of Trustees' meetings to identify any references to non compliances with laws and regulations.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias; and

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- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures that included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non compliance. Auditing standards also limit the audit procedures required to identify non compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Kathryn Hebden**
(Senior Statutory Auditor)

for and on behalf of
**Peters Elworthy & Moore**
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 24 July 2024

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# Consolidated Statement of Financial Activities
(Incorporating income and expenditure account)

## For the year ended 31 December 2023

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|---|
| **INCOME FROM:** | | | | | |
| Donations | 4 | 40,109 | - | 40,109 | **3,713,574** |
| Charitable activities | 5 | 10,592,597 | 11,142,970 | 21,735,567 | **18,203,500** |
| Other trading activities | 6 | 29,574 | - | 29,574 | **40,686** |
| **TOTAL INCOME** | | **10,662,280** | **11,142,970** | **21,805,250** | **21,957,760** |
| **EXPENDITURE ON:** | | | | | |
| Charitable activities | 7 & 8 | 9,557,369 | 12,497,064 | 22,054,433 | **18,766,507** |
| **TOTAL EXPENDITURE** | | **9,557,369** | **12,497,064** | **22,054,433** | **18,766,507** |
| **NET INCOME / (EXPENDITURE)** | | 1,104,911 | (1,345,094) | (249,183) | 3,191,253 |
| **TRANSFERS** | | 953,569 | (953,569) | - | - |
| **NET MOVEMENT IN FUNDS** | | 2,058,480 | (2,307,663) | (249,183) | **3,191,253** |
| **RECONCILIATION OF FUNDS:** | | | | | |
| Total funds brought forward | | 1,751,522 | 5,624,692 | 7,376,214 | **4,184,961** |
| Net movement in funds | | 2,058,480 | (2,307,663) | (249,183) | **3,191,253** |
| **TOTAL FUNDS CARRIED FORWARD** | 18 | **3,810,002** | **3,317,029** | **7,127,031** | **7,376,214** |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 59 form part of these financial statements.

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# WCMC Consolidated Balance Sheet

Registered number: 02330031
Charity number: 328044

## As at 31 December 2023

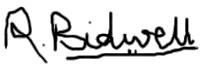
| | Note | | 2023 £ | | 2022 as restated £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | | - | | 500 |
| Tangible assets | 13 | | **866,158** | | 957,592 |
| | | | **866,158** | | 958,092 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | **5,753,341** | | 4,940,075 | |
| Cash at bank and in hand | 21 | **10,568,904** | | 11,451,561 | |
| | | **16,322,245** | | 16,391,636 | |
| Creditors: amounts falling due within one year | 16 | **(10,061,372)** | | (9,973,514) | |
| **NET CURRENT ASSETS** | | | **6,260,873** | | 6,418,122 |
| **TOTAL NET ASSETS** | | | **7,127,031** | | 7,376,214 |
| **CHARITY FUNDS** | | | | | |
| Restricted funds | 18 | | **3,317,029** | | 5,624,692 |
| General unrestricted funds | 18 | **2,745,150** | | 596,704 | |
| Designated funds | 18 | | | | |
| Fixed Assets | | **864,852** | | 954,818 | |
| Building Maintenance | | **200,000** | | 200,000 | |
| Total unrestricted funds | 18 | | **3,810,002** | | 1,751,522 |
| **TOTAL FUNDS** | | | **7,127,031** | | 7,376,214 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

Docusign Envelope ID: 249CFC49-37E1-4748-95DF-F4A30BA167D0



The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Robin Bidwell CBE**
(Chair of Trustees)

Date: 24 July 2024

The notes on pages 32 to 59 form part of these financial statements.

Docusign Envelope ID: 249CFC49-37E1-4748-95DF-F4A30BA167D0

# WCMC Charity Balance Sheet

Registered number: 02330031
Charity number: 328044

## As at 31 December 2023

| | Note | | 2023 £ | | 2022 as restated £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | | - | | 500 |
| Tangible assets | 13 | | **864,852** | | 954,318 |
| Social investments | 14 | | - | | 1 |
| | | | **864,852** | | 954,819 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | **6,171,239** | | 4,648,468 | |
| Cash at bank and in hand | | **10,100,608** | | 11,116,191 | |
| | | **16,271,847** | | 15,764,659 | |
| Creditors: amounts falling due within one year | 16 | **(10,036,253)** | | (9,621,599) | |
| **NET CURRENT ASSETS** | | | **6,235,594** | | 6,143,060 |
| **TOTAL NET ASSETS** | | | **7,100,446** | | 7,097,879 |
| **CHARITY FUNDS** | | | | | |
| Restricted funds | 18 | | **3,290,444** | | 4,703,428 |
| General unrestricted funds | 18 | **2,745,150** | | 1,239,633 | |
| Designated funds | | | | | |
| Fixed Assets | | **864,852** | | 954,818 | |
| Building Maintenance | | **200,000** | | 200,000 | |
| Total unrestricted funds | 18 | | **3,810,002** | | 2,394,451 |
| **TOTAL FUNDS** | | | **7,100,446** | | 7,097,879 |

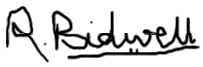
The Charity's net movement in funds for the year was £2,567 (2022: £3,139,933).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

Docusign Envelope ID: 249CFC49-37E1-4748-95DF-F4A30BA167D0



The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Robin Bidwell CBE**
(Chair of Trustees)

Date: 24 July 2024

The notes on pages 32 to 59 form part of these financial statements.

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# Consolidated Statement of Cash Flows

## For the year ended 31 December 2023

| | Note | 2023 £ | 2022 £ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net cash from operating activities | 20 | **(805,595)** | 5,086,190 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Dividends, interests and rents from investments | | **-** | - |
| Purchase of intangible assets | | **-** | - |
| Purchase of tangible fixed assets | | **(77,062)** | (110,241) |
| **NET CASH USED IN INVESTING ACTIVITIES** | | **(77,062)** | (110,241) |
| **CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR** | | **(882,657)** | 4,975,949 |
| Cash and cash equivalents at the beginning of the year | | **11,451,561** | 6,475,612 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | | **10,568,904** | 11,451,561 |

The notes on pages 32 to 59 form part of these financial statements

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# Notes to the Financial Statements

## 1. GENERAL INFORMATION

WCMC is a company limited by guarantee, incorporated in England and Wales and a registered charity. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The Charity's functional and presentational currency is GBP.

## 2. ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

WCMC meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Statement of Financial Activities for the year for the charity showed a surplus of £2,567.

### 2.2 GOING CONCERN

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

In particular the trustees have considered the Group's forecasts and projections and have taken account of pressures on fundraising income, foreign exchange risk, especially the USD and also the impact of rising inflation on its ability to operate as a going concern. After making enquiries the trustees have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

### 2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### 2.4 INCOME

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. Entitlement is considered to have arisen immediately upon receipt of the donation.

Data licence income is recognised once the Group has entitlement to the income. Entitlement is considered to have arisen at the point of sale.

Income from charitable activities is earned from contributions made by clients, including UNEP, for work on specific projects. Income is recognised when the Group has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be reliably measured and is not deferred.

Rents receivable under leases for properties are recognised on a straight line basis over the term of the lease.

All income is recognised exclusive of VAT.

### 2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

### 2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.7 FOREIGN CURRENCIES

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Charity's functional currency and presentational currency is GBP.

Within the charity, monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

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Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities.

The results and financial position for all Group entities that have a functional currency other than sterling are translated as follows:

- income and expenses are translated at average exchange rates;
- assets and liabilities are translated at the closing exchange rate at the Consolidated Balance Sheet date; and
- any resulting exchange differences are recognised as other comprehensive income.

### 2.8 TAXATION

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 2.9 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life.

The estimated useful lives are as follows:

| | |
|---|---|
| Software | 3 years |

### 2.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives are as follows:

| | |
|---|---|
| Long term leasehold property | 50 years |
| Fixtures, fittings and equipment | 5 years |
| Computer equipment | 3 years |

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### 2.11 SOCIAL INVESTMENTS

Programme related investments are held on the balance sheet at cost less impairment. The investments are held to fund the organisations in order to directly further the charitable aims of the charity. At the end of each year, the Trustees assess the carrying value of the investments for evidence of impairment.

### 2.12 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.13 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.14 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

### 2.15 FINANCIAL INSTRUMENTS

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, except for foreign exchange forward contracts as set out below. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### Derivatives

Foreign exchange forward contracts are used to manage exchange risk associated with project income received in foreign currencies, primarily Euro and US Dollar, where associated expenditure is in Sterling. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date.

Changes in the fair value of derivatives are recognised in the Statement of Financial Activities. The Group does not currently apply hedge accounting for foreign exchange derivatives.

### 2.16 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

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### 2.17 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

## 3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

**Revenue Recognition - Projects**

Given the project nature of the Group's revenue, there are estimates involved regarding the recognition and stage of completion of contracts which differs from the timing of invoicing. This includes an assessment of the performance against budget, identification of potential losses on contracts and the timing of contract completion. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 4. INCOME FROM DONATIONS

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|
| Donations | 40,109 | - | 40,109 | **3,713,574** |
| **TOTAL 2023** | **40,109** | **-** | **40,109** | **3,713,574** |
| TOTAL 2022 | 63,939 | 3,649,635 | 3,713,574 | - |

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## 5. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|
| Project income | 10,592,597 | 11,142,970 | **21,735,567** | 18,203,500 |
| **TOTAL 2023** | 10,592,597 | 11,142,970 | **21,735,567** | - |
| TOTAL 2022 | 6,680,955 | 11,522,545 | **18,203,500** | - |

## 6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non-charitable trading activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|
| Rent | 29,574 | **29,574** | 29,105 |
| Data Licenses | - | - | 11,581 |
| **TOTAL 2023** | 29,574 | **29,574** | **40,686** |
| TOTAL 2022 | 40,686 | **40,686** | - |

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## 7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

| | Unrestricted funds 2032 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|
| Support of conservation and biodiversity initiatives | 9,557,369 | 12,497,064 | **22,054,433** | 18,776,507 |
| **TOTAL 2023** | **9,557,369** | **12,497,064** | **22,054,433** | - |
| TOTAL 2022 | 6,394,711 | 12,371,796 | 18,766,507 | - |

## 8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|
| Support of conservation and biodiversity initiatives | 17,398,929 | 4,655,504 | **22,054,433** | 18,766,507 |
| **TOTAL 2023** | **17,398,929** | **4,655,504** | **22,054,433** | - |
| TOTAL 2022 | 14,377,474 | 4,389,033 | 18,766,507 | - |

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## 8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

| | **Support of conservation and biodiversity initiatives 2023 £** | **Total funds 2023 £** | Total funds 2022 £ |
|---|---|---|---|
| Staff costs | 8,960,947 | **8,960,947** | 7,095,610 |
| Collaborators & consultants | 8,614,429 | **8,614,429** | 6,392,511 |
| Travel and subsistence | 519,021 | **519,021** | 503,592 |
| Conferences and meetings | 11,596 | **11,596** | 4,998 |
| Foreign currency (gain)/loss | (707,064) | **(707,064)** | 380,763 |
| **TOTAL 2023** | 17,398,929 | **17,398,929** | 14,377,474 |
| TOTAL 2022 | 14,377,474 | 14,377,474 | - |

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## 8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

| | **Support of conservation and biodiversity initiatives 2023 £** | **Total funds 2023 £** | Total funds 2022 £ |
|---|---|---|---|
| Staff Costs | 1,626,862 | **1,626,862** | 1,703,273 |
| Staff Training & Welfare | 504,765 | **504,765** | 389,544 |
| Promotion | 81,327 | **81,327** | 32,813 |
| Printing, postage and stationery | 61,440 | **61,440** | 192,015 |
| Subscriptions | 369,476 | **369,476** | 409,138 |
| Premises costs | 233,907 | **233,907** | 238,000 |
| Insurance costs | 144,033 | **144,033** | 143,982 |
| Office equipment | 693,836 | **693,836** | 555,527 |
| Bank charges | 18,552 | **18,552** | 24,512 |
| Depreciation and amortisation | 168,384 | **168,384** | 179,213 |
| Other | 618,985 | **618,985** | 354,550 |
| Governance costs (note 9) | 133,937 | **133,937** | 166,466 |
| **TOTAL 2023** | 4,655,504 | **4,655,504** | 4,389,033 |
| TOTAL 2022 | 4,389,033 | 4,389,033 | - |

## 9. ANALYSIS OF GOVERNANCE COSTS

| | **2023 £** | 2022 £ |
|---|---|---|
| Legal and professional | **80,114** | 84,441 |
| Trustee expenses | **1,588** | 919 |
| Audit fees | **52,235** | 81,106 |
| **TOTAL** | **133,937** | 166,466 |

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## 10. AUDITORS' REMUNERATION

| | 2023 £ | 2022 £ |
|---|---|---|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **31,006** | 32,975 |
| Fees payable to the Charity's auditor in respect of all non audit services not included above | **3,000** | 5,900 |
| Fees in respect of 2021 audit overrun | **-** | 38,800 |
| Fees in respect of project audits | **4,897** | 3,431 |
| **TOTAL 2023** | **38,903** | 81,106 |

Audit fees in the amounts of £14,418 (2022: £1,449) were paid to the Beijing subsidiary's auditor, and £1,914 (2022: £682) in respect of the Europe subsidiary's auditor. The rise in fees in respect of the Beijing audit relates to additional work required to audit and wind up the entity in 2023.

## 11. STAFF COSTS

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|---|---|---|---|---|
| Wages and salaries | **8,740,799** | 7,281,972 | **8,565,602** | 7,088,276 |
| Social security costs | **933,220** | 792,304 | **907,917** | 758,375 |
| Pension costs | **913,790** | 724,607 | **913,790** | 724,607 |
| **TOTAL** | **10,587,809** | 8,798,883 | **10,387,309** | 8,571,258 |

During the year the Charity incurred termination-related costs of £15,103 in 2023 (2022: £26,945) of which £10,000 (2022 - £9,408) was non-contractual, arising from changes within support team roles. These costs were covered by unrestricted funds held within financial reserves.

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## 11. STAFF COSTS (continued)

The average number of persons employed by the Charity during the year was as follows:

| | **Group 2023 No.** | Group 2022 No. | **Charity 2023 No.** | Charity 2022 No. |
|---|---|---|---|---|
| Management and administration | **27** | 21 | **26** | 19 |
| Research and operational staff | **209** | 188 | **208** | 186 |
| **TOTAL** | **236** | 209 | **234** | 205 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | **Group 2023 No.** | Group 2022 No. |
|---|---|---|
| In the band £60,001 - £70,000 | **9** | 5 |
| In the band £70,001 - £80,000 | **2** | 2 |
| In the band £80,001 - £90,000 | **2** | 2 |
| In the band £90,001 - £100,000 | **1** | - |
| In the band £100,001 - £110,000 | **-** | - |
| In the band £110,001 £120,000 | **-** | - |
| In the band £120,001 £130,000 | **-** | 1 |
| In the band £130,001 £140,000 | **1** | - |
| **TOTAL** | **15** | 10 |

The key management personnel of the Charity comprise the Chief Executive Officer, the Chief Impact Officer, the Chief Finance Officer, the Head of External Affairs, and the Chief Scientist, whose employee benefits total £645,197 (2022 - £522,563).

During the year, no trustees received any remuneration or other benefits (2022 - £Nil). 4 trustees (2022 - 2 trustees) received reimbursed travel expenses totalling £1,588 during the year (2022 - £860).

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## 12. INTANGIBLE ASSETS

| GROUP AND CHARITY | Software £ |
|---|---|
| **COST** | |
| At 1 January 2023 | **158,090** |
| Additions | **-** |
| At 31 December 2023 | **158,090** |
| | |
| **AMORTISATION** | |
| At 1 January 2023 | **157,590** |
| Charge for the year | **500** |
| At 31 December 2023 | **158,090** |
| | |
| **NET BOOK VALUE** | |
| At 31 December 2023 | **-** |
| At 31 December 2022 | 500 |

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## 13. TANGIBLE FIXED ASSETS

### GROUP

| | Long term leasehold property £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| At 1 January 2023 | **1,698,932** | **287,874** | **560,236** | **2,547,042** |
| Additions | - | 6,895 | 70,167 | 77,062 |
| Disposals | - | - | (861) | (861) |
| At 31 December 2023 | **1,698,932** | **294,769** | **629,542** | **2,623,243** |
| **DEPRECIATION** | | | | |
| At 1 January 2023 | **1,001,222** | **169,225** | **419,003** | **1,589,450** |
| Charge for the year | 33,979 | 45,181 | 88,475 | 167,635 |
| At 31 December 2023 | **1,035,201** | **214,406** | **507,478** | **1,757,085** |
| **NET BOOK VALUE** | | | | |
| At 31 December 2023 | **663,731** | **80,363** | **122,064** | **866,158** |
| At 31 December 2022 | 697,710 | 118,649 | 141,232 | 957,592 |

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## 13. TANGIBLE FIXED ASSETS (continued)

### CHARITY

| | Long term leasehold property £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| At 1 January 2023 | **1,698,932** | **285,911** | **556,261** | **2,541,104** |
| Additions | - | 6,895 | 70,167 | 77,062 |
| At 31 December 2023 | **1,698,932** | **292,806** | **626,428** | **2,618,166** |
| **DEPRECIATION** | | | | |
| At 1 January 2023 | **1,001,222** | **169,074** | **416,489** | **1,586,785** |
| Charge for the year | 33,979 | 45,181 | 87,369 | 166,529 |
| At 31 December 2023 | **1,035,201** | **214,255** | **503,858** | **1,753,314** |
| **NET BOOK VALUE** | | | | |
| At 31 December 2023 | **663,731** | **78,551** | **122,570** | **864,852** |
| At 31 December 2022 | 697,710 | 116,837 | 139,771 | 954,318 |

All assets are held for charitable purposes.

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## 14. SOCIAL INVESTMENTS

### CHARITY

| | Programme related investments £ |
|---|---|
| **COST** | |
| At 1 January 2023 | 642,928 |
| Disposal at 31 December 2023 | (642,928) |
| **TOTAL** | - |
| | |
| **IMPAIRMENT PROVISION** | |
| Provision as at 1 January 2023 | (642,927) |
| Disposal at 31 December 2023 | 642,927 |
| **TOTAL** | - |
| | |
| **NET BOOK VALUE** | |
| At 31 December 2023 | - |
| At 31 December 2022 | 1 |

Social investments comprise subsidiary companies incorporated outside the UK to carry out WCMC's charitable activities overseas.

In 2022, the Trustees made the decisions to cease operations in Beijing and liquidate the entity, therefore the social investment was fully provided for in 2022.

The entity ceased on 31 July 2023, having been fully wound down, therefore the investment has been disposed of in 2023.

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## 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2023 £ | Group 2022 as restated £ | Charity 2023 £ | Charity 2022 as restated £ |
|---|---|---|---|---|
| Trade debtors | **4,491,169** | 2,751,144 | **4,491,169** | 2,459,537 |
| Accrued income | **1,041,893** | 1,684,814 | **1,041,893** | 1,684,814 |
| Amounts due from group undertakings | **-** | - | **422,382** | - |
| Other debtors | **12,540** | 206,696 | **8,055** | 206,696 |
| Prepayments | **174,780** | 297,421 | **174,781** | 297,421 |
| Financial Assets at Fair Value through Profit & Loss | **32,959** | - | **32,959** | - |
| **TOTAL** | **5,753,341** | 4,940,075 | **6,171,239** | 4,648,468 |

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2023 £ | Group 2022 as restated £ | Charity 2023 £ | Charity 2022 as restated £ |
|---|---|---|---|---|
| Trade creditors | **34,783** | 343,846 | **32,476** | 228,082 |
| Amounts due to group undertakings | **-** | - | **-** | 33,480 |
| Other taxation and social security | **498,618** | 22,901 | **498,618** | - |
| Other creditors | **111,489** | 79,938 | **96,843** | 79,938 |
| Accruals and deferred income | **9,341,717** | 9,377,198 | **9,333,553** | 9,130,468 |
| Financial liabilities at fair value through profit and loss | **74,763** | 149,631 | **74,763** | 149,631 |
| **TOTAL** | **10,061,370** | 9,973,514 | **10,036,253** | 9,621,599 |

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## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

| | **Group 2023 £** | Group 2022 as restated £ | **Charity 2023 £** | Charity 2022 as restated £ |
|---|---|---|---|---|
| Deferred income at 1 January 2022 | **8,126,178** | 5,777,417 | **8,126,178** | 5,777,417 |
| Resources deferred during the year | **7,672,409** | 8,126,178 | **7,666,594** | 8,126,178 |
| Amounts released from previous periods | **(8,126,178)** | (5,777,417) | **(8,126,178)** | (5,777,417) |
| **TOTAL** | **7,672,409** | 8,126,178 | **7,666,594** | 8,126,178 |

Deferred income comprises project work invoiced in advance of the performance criteria being met.

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## 17. FINANCIAL INSTRUMENTS

| | **Group 2023 £** | Group 2022 as restated £ | **Charity 2023 £** | Charity 2022 as restated £ |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| Financial assets measured at fair value through income and expenditure | **10,601,863** | 11,451,561 | **10,133,567** | 11,116,191 |
| **FINANCIAL LIABILITIES** | | | | |
| Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio | **(74,763)** | (149,631) | **(74,763)** | (149,631) |

Financial assets measured at fair value through income and expenditure comprise cash held at bank and financial assets arising from foreign exchange derivatives.

Derivative financial instruments measured at fair value through income and expenditure comprise financial liabilities arising from foreign exchange derivatives.

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## 18. STATEMENT OF FUNDS

### GROUP STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | |
| Unrestricted general funds | 596,704 | 10,662,280 | (9,557,369) | 1,043,535 | 2,745,150 |
| Designated funds | | | | | |
| Fixed Assets | 954,818 | - | - | (89,966) | 864,852 |
| Building Maintenance | 200,000 | - | - | - | 200,000 |
| | **1,751,522** | **10,662,280** | **(9,557,369)** | **953,569** | **3,810,002** |
| **RESTRICTED FUNDS** | | | | | |
| WCMC Beijing | 870,194 | 36,123 | (181,313) | (725,004) | - |
| WCMC Europe | 51,070 | 961,834 | (986,318) | - | 26,586 |
| Restricted projects | 4,703,428 | 10,145,013 | (11,329,433) | (228,565) | 3,290,443 |
| | **5,624,692** | **11,142,970** | **(12,497,064)** | **(953,569)** | **3,317,029** |
| **TOTAL FUNDS** | **7,376,214** | **21,805,250** | **(22,054,433)** | **-** | **7,127,031** |

Transfers between reserves are comprised of the following:

| | |
|---|---|
| Transfer of funds allocated to the Beijing subsidiary from Restricted Funds following its closure in 2023: | 725,004 |
| Transfers in respect of balances from completed Restricted projects | 228,565 |
| **Net Transfers** | **953,569** |

The transfer out of WCMC Beijing reflects the impairment written back on disposal which relates to unpaid share capital, and the net assets transferred back to WCMC UK on cessation.

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## 18. STATEMENT OF FUNDS (continued)

### GROUP STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2022 £ |
|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | |
| Unrestricted general funds | 337,992 | 6,785,580 | (6,394,711) | (132,157) | 596,704 |
| Designated funds | | | | | |
| Fixed Assets | 1,022,661 | - | - | (67,843) | 954,818 |
| Building Maintenance | - | - | - | 200,000 | 200,000 |
| | **1,360,653** | **6,785,580** | **(6,394,711)** | **-** | **1,751,522** |
| | - | | | | |
| **RESTRICTED FUNDS** | | | | | |
| WCMC Beijing | 841,664 | 308,982 | (280,452) | - | 870,194 |
| WCMC Europe | 28,280 | 833,852 | (811,062) | - | 51,070 |
| Restricted projects | 1,954,364 | 14,029,346 | (11,280,282) | - | 4,703,428 |
| | **2,824,308** | **15,172,180** | **(12,371,796)** | **-** | **5,624,692** |
| **TOTAL FUNDS** | **4,184,961** | **21,957,760** | **(18,766,507)** | **-** | **7,376,214** |

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## 18. STATEMENT OF FUNDS (continued)

### PARENT STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains & Losses £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | | |
| Unrestricted general funds | 1,239,633 | 10,744,354 | (10,267,426) | 318,531 | 710,058 | 2,745,150 |
| Designated funds | | | | | | |
| Fixed Assets | 954,818 | - | - | (89,966) | - | 864,852 |
| Building Maintenance | 200,000 | - | - | - | - | 200,000 |
| | 2,394,451 | 10,744,354 | (10,267,426) | 228,565 | 710,058 | 3,810,002 |
| **RESTRICTED FUNDS** | | | | | | |
| Restricted projects | 4,703,428 | 10,739,433 | (11,923,852) | (228,565) | - | 3,290,444 |
| | 4,703,428 | 10,739,433 | (11,923,852) | (228,565) | - | 3,290,444 |
| **TOTAL FUNDS** | 7,097,879 | 21,483,787 | (22,191,278) | - | 710,058 | 7,100,446 |

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## 18. STATEMENT OF FUNDS (continued)

### PARENT STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains & Losses £ | Balance at 31 December 2022 £ |
|---|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | | |
| Unrestricted general funds | 980,922 | 6,785,579 | (6,013,947) | (132,158) | (380,763) | 1,239,633 |
| Designated funds | | | | | | |
| Fixed Assets | 1,022,660 | - | - | (67,842) | - | 954,818 |
| Building Maintenance | - | - | - | 200,000 | - | 200,000 |
| | 2,003,582 | 6,785,579 | (6,013,947) | - | (380,763) | 2,394,451 |
| **RESTRICTED FUNDS** | | | | | | |
| Restricted projects | 1,954,364 | 14,890,171 | (12,141,107) | - | - | 4,703,428 |
| | 1,954,364 | 14,890,171 | (12,141,107) | - | - | 4,703,428 |
| **TOTAL FUNDS** | 3,957,946 | 21,675,750 | (18,155,054) | - | (380,763) | 7,097,879 |

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## 18. STATEMENT OF FUNDS (continued)

### Designated Funds

*Fixed Assets*

This fund represents the net book value of the fixed assets of the Charitable Company. The transfer represents the movements of fixed assets during the year.

*Building Maintenance*

Trustees agreed to create a designated fund in 2022 to allow the charity to respond to expected critical work required to maintain the building. No funds were expended in 2023, however the majority of the fund is earmarked for improvements taking place in 2024.

### Restricted Funds

Restricted funds related to the charity's subsidiaries which operate overseas and have narrower objectives than the charity.

### Restricted projects

Restricted projects represent non service grants that do not meet the definition of unrestricted service contracts. Restricted projects are as follows:

30by30 Evidence Review & Scoping
Accountability Workshop
Acton Agenda Phase III
Align
ASEAN Phase 1
B&B IPBES TSU
BENCHMARKS
Bezos_Andes_Congo
Bio-Agora
BIOCLIMA
BIONEXT
BISI - Equinor Support
BTC - NB
CABES
Capacity for National Assessment (IKI)
Caribbean Biodiversity Fund
CCI Agriculture impacts on biodiversity
CCI Bird Trade Analysis
CCI Multiple threats
CCI post2020 Coordination
CCI restoration and NBS
CITES Data Analysis Training
CITES Review of Long-Standing Suspension
CITES RST, Vultures and Plants
CITES Support 2020-2022
CLEVER
Climate Mitigation in the ELP
CMS State of Migratory Species, Appendix
Coalition Supplement - Decision Tree
Connectivity workshops
CO-OP for CBD
Cross Cluster Synergies
Darwin CBFM Economics (Tanzania)
Defining and Measuring Destructive Fish
Deforestation Training
Defra Effectiveness Indicators
Defra NTSP
Deliver IBAT
Design a Bright Future
Dynamic World (IO)
EAG Participation
EAG Participation 3rd meeting
EbA Effectiveness Project (Amend. 1757)
EbA Facility Caribbean
ECF Mitigation from Biodiversity targets
ELP innovation grant for Med landscape
ELP Restoration Convening
ELP Restoration Funding
ENCORE Analysis EIB
ENCORE Analysis Storebrand
ENCORE SECO Phase II
ESA Biodiversity+Precursors
EU Wildlife Trade 2022-2024
FutureWebs
GCRF Trade Hub
GFEP2
Global infrastructure Mapping
GRASP Database User Manual
Guyana TEK
IACTS Trade Study 2020-2022
IBAT Data Investment
Impact Indicators for Banks
Indicator Metadata Sheets
IUCN Urban Nature Index
IWT and Zoonotic Diseases
Land Use Finance Programme
MAREA Advisory Board Meeting
Monitoring Support to COP 15
Montreux Group (Phase 2)
Moore Foundation UNBL
NASA NSPIRES
Natural Capital Gap Reports
Naturemap
NbS Synthesis Report
NC4-AFD Policy Briefs
NCP Biodiversity Guidance Communications
NERC CongoPeat
Nereus Program 3rd Phase Funding
NetworkNature+
NEW (WCMC) Aligning Biodiversity Metrics
OBAMA-NEXT
Ocean SBT
Odyssea 2018-2020
One Health Intelligence Scoping
Open Access Block Grant
ORS Bern Convention
ORS Maintenance and Support for Ramsar
PLANET4B
Post 2020 support to CBD
Protected Planet (Arcadia)
Reef Futures
Restore + (2019 onwards)
REXUS
Road-Testing the SBTN
SBTN Biodiversity Hub
SBTN Tools and Integration
Science Based Targets
SPACES - Spatial planning
SPACES Phase 2 - Moore
State of Finance for Nature
Stora Enso - Review
Sustainable Food Systems Assessment
Sustainable Infrastructure Green Economy
Targets and Indicators SCL
TESSA Steering Committee
Transformative pathways project
UN Decade Monitoring Framework
UNEP Mangroves & People 2020
UNEP Regional Seas SDG 14 Gap Report 202
Urban Alliance Support and Maintenance
WCC Proposals
World Heritage Comparative Analysis
WWF Poverty, Biodiversity & Carbon

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## 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

### GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| Tangible fixed assets | 864,852 | 1,306 | **866,158** |
| Current assets | 8,469,844 | 7,852,401 | **16,322,245** |
| Creditors due within one year | (5,524,694) | (4,536,678) | **(10,061,372)** |
| **TOTAL** | 3,810,002 | 3,317,029 | **7,127,031** |

### GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2022 as restated £ | Restricted funds 2022 as restated £ | Total funds 2022 as restated £ |
|---|---|---|---|
| Tangible fixed assets | 954,318 | 3,274 | **957,592** |
| Intangible fixed assets | 500 | - | **500** |
| Current assets | 6,624,407 | 9,767,229 | **16,391,636** |
| Creditors due within one year | (5,827,703) | (4,145,811) | **(9,973,514)** |
| **TOTAL** | 1,751,522 | 5,624,692 | **7,376,214** |

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## 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

### PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| Tangible fixed assets | 864,852 | - | **864,852** |
| Current assets | 8,469,844 | 7,802,003 | **16,271,847** |
| Creditors due after one year | (5,524,694) | (4,511,559) | **(10,036,253)** |
| **TOTAL** | 3,810,002 | 3,290,444 | **7,100,446** |

### PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2022 as restated £ | Restricted funds 2022 as restated £ | Total funds 2022 as restated £ |
|---|---|---|---|
| Tangible fixed assets | 954,318 | - | **954,318** |
| Intangible fixed assets | 500 | - | **500** |
| Investments | 1 | - | **1** |
| Current assets | 6,624,407 | 9,140,252 | **15,764,659** |
| Creditors due within one year | (5,184,775) | (4,436,824) | **(9,621,599)** |
| **TOTAL** | 2,394,451 | 4,703,428 | **7,097,879** |

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## 20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2023 £ | Group 2022 as restated £ |
|---|---|---|
| Net income for the period (as per Statement of Financial Activities) | **(249,183)** | 3,191,253 |
| **ADJUSTMENTS FOR:** | | |
| Depreciation charges | **167,635** | 174,366 |
| Amortisation charges | **500** | 4,847 |
| Disposal of tangible fixed assets | **861** | - |
| Increase in debtors | **(780,307)** | (408,188) |
| Increase in creditors | **162,726** | 2,056,032 |
| Fair value (gains) on forward exchange contracts | **(107,827)** | 67,880 |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **(805,595)** | 5,086,190 |

## 21. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2023 £ | Group 2022 £ |
|---|---|---|
| Cash in hand | **10,568,904** | 11,451,561 |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **10,568,904** | 11,451,561 |

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## 22. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 January 2023 £ | Cash flows £ | At 31 December 2023 £ |
|---|---|---|---|
| Cash at bank and in hand | **11,451,561** | (882,657) | **10,568,904** |
| **TOTAL** | **11,451,561** | (882,657) | **10,568,904** |

## 23. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £913,790 (2022 - £724,607). Contributions of £95,681 (2022 - £79,938) were outstanding at the balance sheet date.

## 24. OPERATING LEASE COMMITMENTS

At 31 December 2023 the Group and the Charity had commitments to make future minimum lease payments under non cancellable operating leases as follows:

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|---|---|---|---|---|
| Not later than 1 year | **29,537** | 29,537 | **29,537** | 29,537 |
| Later than 1 year and not later than 5 years | **13,377** | 42,914 | **13,377** | 42,914 |
| | **42,914** | 72,451 | **42,914** | 72,451 |

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## 25. RELATED PARTY TRANSACTIONS

In the year 2023, purchases of £12,070 (2022: £Nil) were made from Fitzwilliam College, where a WCMC Trustee also holds a Trusteeship. As at the balance sheet date £Nil was owed (2022: £Nil).

The same Trustee is also a Council Member of the University of Cambridge where purchases of £32,145 were made (2022: £26,133). £5,393 was outstanding at the balance sheet date (2022: £Nil) and £1,969 (2022: £Nil) of work in progress.

One Trustee is a member of the Board of Trustees of RSPB. In 2023, purchases of £13,378 were made (2022: £8,138).

The WCMC CEO is a member of the Science-Based Targets Network (SBTN) Council. Included in Work In Progress for 2023 was £Nil (2022: £4,098) of deferred income in respect of projects on which WCMC collaborates with SBTN. Revenue generated from these projects amounted to £46,091 (2022: £137,726) and deferred income totalled £nil (2022 - £4,098).

The WCMC Chief Finance Officer is a Director of the Cambridge Conservation Initiative (CCI).

WCMC collaborated with CCI on a number of projects. Included in work in progress is £Nil in accrued income (2022: 7,262) and £1,591 in deferred income (2022: £60,086 deferred income) in respect of these projects. Revenue generated from these projects amounted to £Nil (2022: £9,148).

The WCMC Chief Scientist is a Programme Committee Member of WWF UK. £32,300 was received from WWF UK in 2023 (2022: £Nil) and work in progress at the year end amounted to £51,322 (2022: £Nil).

A member of the Board of WCMC Europe is also and employee of Wildlife Conservation Society (WCS) from which purchases of £159,602 were made (2022: £149,143).

### Transactions with subsidiaries

The Beijing subsidiary was wound up in 2023 and as a result the remaining cash balance of £82,075 was returned to the parent company once all liabilities had been settled. Before closure, WCMC Beijing provided consultancy services to the value £31,427 (2022: £325,166).

At 31 December, WCMC UK earned £456,354 from WCMC Europe in respect of consultancy services (2022: £332,941), £422,382 of which remained outstanding at the balance sheet date (2022: £47,810).

During the year, WCMC Europe provided services to WCMC UK totalling £106,599 (2022: £202,719) of which £Nil was outstanding at the balance sheet date (2022: £10,950).

WCMC did not provide additional working capital to WCMC Europe during the year (2022: £145,356).

## 26. PRIOR YEAR ADJUSTMENTS

### Accrued and Deferred Income

It was identified that in the prior year, due to the way certain multi-customer projects were managed, accrued and deferred income balances were overstated by £3,320,479. The Consolidated and Charity Balance Sheet and supporting notes have been restated to reflect this, although the net impact of the change on the net assets and income is £Nil.

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WCMC

**WCMC**

England & Wales - Charity number 328044

# Accounts

DocuSign Envelope ID: 22348870-5444-4A65-AB36-1D8A44280F15

**Registered number: 02330031**
**Charity number: 328044**

# WCMC

**(A Company Limited by Guarantee)**

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

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**WCMC**

**(A Company Limited by Guarantee)**

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**WCMC**

**(A Company Limited by Guarantee)**

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

| | |
|---|---|
| **Trustees** | Dr Robin Bidwell CBE, Chair<br>Mr Andrew Powell<br>Ms Idunn Eidheim<br>Ms Charlotte Wolff-Bye<br>Mr James Sloane<br>Dr Kathleen Mackinnon<br>Mr Alasdair Poore<br>Professor William Adams<br>Professor Bhaskar Vira<br>Ms Mette Wilkie |
| **Company registered number** | 02330031 |
| **Charity registered number** | 328044 |
| **Registered office** | 219 Huntingdon Road<br>Cambridge<br>CB3 0DL |
| **Key Management Personnel** | Mr Jonathan Hughes, Chief Executive Officer<br>Professor Neil Burgess, Chief Scientist<br>Mrs Katie Penfold, Head of Finance<br>Dr Naomi Kingston, Head of Operations<br>Ms Hannah Braithwaite, Head of External Affairs |
| **Independent auditors** | Peters Elworthy & Moore<br>Chartered Accountants<br>Salisbury House<br>Station Road<br>Cambridge<br>CB1 2LA |
| **Bankers** | Barclays Bank<br>9-11 St Andrews Street<br>Cambridge<br>CB2 3AA |
| **Solicitors** | Mills and Reeve<br>Botanic House<br>100 Hills Road<br>Cambridge<br>CB2 1PH |

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**WCMC**

**(A Company Limited by Guarantee)**

# TRUSTEES' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also the directors of the Charitable Company for the purposes of the Companies Act 2006, present the WCMC Trustees' Annual Report and financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) second edition applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

## Who we are

WCMC is a UK charity that promotes the conservation, protection, enhancement and support of nature and natural resources worldwide. We do this by collecting, storing, analysing, interpreting and sharing data and knowledge to further understanding of biodiversity and the conservation of nature. We believe good data and knowledge are the foundations of informed decision-making.

WCMC operates in a collaboration with the United Nations Environment Programme (UNEP) at the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), based in Cambridge, UK. Our work brings together governments, businesses, NGOs and research bodies to put nature at the heart of decision-making and drive positive change. We are uniquely placed to ensure our science, knowledge and insights shape global and national policy.

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**WCMC**

**(A Company Limited by Guarantee)**

# TRUSTEES' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2022

## Foreword

2022 was a year of major global summits on wetlands, wildlife trade, climate and nature ending with the greatly anticipated UN Biodiversity Convention. Here, governments adopted an ambitious Kunming-Montreal package of decisions, including the Global Biodiversity Framework. This historic agreement will be the basis for concerted action to protect, restore and sustainably use nature to 2030 and beyond.

The months leading up to this landmark agreement saw significant scientific impetus and political dialogue on action for nature, as well as the crucial integration of the climate and nature agendas. New science from intergovernmental expert groups underlined the fundamental role of nature in climate resilience and the impact and importance of humanity's use of wildlife. UN member states confirmed a global definition of nature-based solutions (NbS), and a momentous new UN resolution confirmed healthy ecosystems, biological diversity and a stable climate as fundamental human rights.

As a charity, we had an extremely busy year working at the heart of these major global processes. Guided by our new organisational strategy and structure for 2022-25, we worked with UN partner agencies and conventions, governments, the private sector and the civil and scientific communities to step up global action for people and nature.

We played a vital supporting role to the delivery of a good outcome from COP15. Our experts engaged with the negotiation process and provided technical support on many of its fundamental elements. This also positioned us in a central role to support various aspects of its implementation, working with governments and a range of other key stakeholders.

We launched innovative tools to help monitor and safeguard the lands of indigenous peoples and local communities, assess the environmental impact of planned transport infrastructure and help enforce wildlife trade laws. We led new cutting-edge scientific research, ranging from reports into the state of wildlife trade and the world's peatlands, to progress on forest funding and the projected future of biodiversity in China.

We continued to help governments and businesses progress nature-positive initiatives, growing the number of countries conducting and finalising national ecosystem assessments, providing research and guidance to shape how businesses and investors understand and disclose nature-related risk, and helping states and cities to tangibly assess the value of nature.

Our potential to deliver impact has only continued to grow over the past year, in line with increasing demand for our expertise. As we head into 2023 and beyond, our key focus will be on supporting and accelerating the delivery of the Kunming-Montreal package and drive cohesive action for nature across all sectors and scales.

Robin Bidwell CBE
**Chair of Trustees**

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Jonathan Hughes
**Chief Executive Officer**

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**WCMC**

**(A Company Limited by Guarantee)**

# TRUSTEES' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2022

## STRATEGIC REPORT

The following report summarises WCMC's key contributions towards global ambitions for conserving and restoring nature in 2022. All WCMC's work is delivered in collaboration with the United Nations Environment Programme as UNEP-WCMC.

### Our new strategy and organisational direction

Last year we launched our new organisational Nature and People Strategy for 2022-25, which sets out our priorities and focus for the next four years.

Our new strategy sets out how we will generate impact across four priority areas. These impact areas are complemented by three innovation areas on **Digital Transformation, Science** and **Policy**.

Our four interdependent impact areas are:

- **Nature Conserved**: resilient, connected ecosystems and their species are conserved, sustaining all life on Earth
- **Nature Restored**: degraded lands, inland waters and the ocean are restored for the benefit of people and nature
- **Nature-based Solutions**: public and private sectors make effective use of nature to address sustainable development challenges
- **Nature Economy**: the world transitions to a nature-positive global economy

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We are also improving how we measure our impact. In 2022 we began the development of an Impact Measurement Framework to underpin the implementation of our strategy and track the progress towards our outcomes and broader goals including the UN Environment Programme (UNEP) 2022-2025 Medium Term Strategy, the 2030 Agenda for Sustainable Development, the UN Decade on Ecosystem Restoration and the implementation of the newly agreed Kunming-Montreal Global Biodiversity Framework and related package of decisions.

## NATURE CONSERVED

### Delivering the definitive global resource on protected areas

Our Protected Planet focal initiative is the authoritative source of global data and knowledge on protected and conserved areas. It is a collaborative, open-access platform that raises ambition and catalyses action on the coverage, connectedness, effective management and equitable governance of protected and conserved areas worldwide.

Throughout the year our experts ensured that records on protected and conserved area coverage were continually updated. Over 2022, the Protected Planet Initiative recorded an increase of more than 1.1 million $km^2$ in protected land and marine areas, with a number of countries also submitting information for other effective area-based conservation measures. Records in the World Database on Protected Areas (WDPA), which can be accessed via Protected Planet, were updated for 79 countries worldwide, including an update for

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Bahrain for the first time in 20 years.

Measuring protected and conserved area effectiveness is a key issue for the global conservation community. We led a series of expert workshops and supported efforts to outline a roadmap towards feasible global indicators to measure progress against the new Kunming-Montreal Global Biodiversity Framework.

**Supporting sustainable wildlife trade and better species protection**

We continued to support the UN Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in improving global understanding and enforcement of global trade regulations and delivering higher levels of protection for species threatened with extinction.

We worked with CITES to develop and launch new tools which provide easily accessible information and knowledge on species and wildlife trade:

- We launched the Wildlife TradeView, a new online platform which for the first time allows users to easily access and visualise global wildlife trade data and trends over time. This tool will increase accessibility and transparency of CITES trade data and supports a broader understanding of the international trade in CITES-listed wildlife at different scales, even to non-experts.
- We developed a new app so users can directly access Species+ from smartphones anywhere in the world. Species+ provides open-source, verified information on species listings, trade restrictions, export quotas and trade suspensions. The Species+ app will deliver immediate access to essential information on species protection for those at the front line of enforcement, helping to protect wildlife in trade across the globe.

We also supported CITES on its major wildlife summit – CITES CoP19 – in November, providing expert scientific analysis and insights:

- We co-authored the first-ever World Wildlife Trade Report, providing an overview of the international trade in CITES-listed plants and animals over the past decade.
- We supported the European Union to develop successful listing proposals which resulted in increased levels of protection for a wide range of African and Neotropical tree species in the timber trade, as well as hammerhead sharks, Lemur leaf frog, Indochinese box turtle, sea cucumbers, and the medicinal plant *Rhodiola*.

**Supporting new laws to reduce deforestation and forest degradation worldwide**

In December, the EU Parliament provisionally approved a major new law to reduce the global drivers of deforestation and safeguard forests for biodiversity and their role as Nature-based Solutions (NbS) to climate change. We provided technical support to the European Commission during the development and negotiations of the new regulation, which will require suppliers and exporters of seven initial commodities – cattle, cocoa, coffee, palm oil, soya, rubber and timber, as well as some of their derived products – to prove their supply chains do not add to the global loss of forests before they can market their products in the EU.

**Strengthening oversight of migratory species**

Throughout 2022 we continued to provide support to the Convention on the Conservation of Migratory Species of Wild Animals (CMS). In 2022, we produced two key reports to help assess the implementation of the Agreement on the Conservation of African-Eurasian Migratory Waterbirds (AEWA), which had its latest Meeting of the Parties in Hungary in September. Our support to help Parties track and understand action on the treaty's five objectives included the first-ever analysis of the AEWA Plan of Action for Africa. The findings of these reports were then used to help inform decisions on future action.

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## NATURE RESTORED

### Tracking global progress on the UN Decade on Ecosystem Restoration

We worked with the Food and Agriculture Organization of the United Nations (FAO) to outline the best indicators to track global action and progress on ecosystem restoration. The metrics were identified through the Decade on Ecosystem Restoration's campaign monitoring task force and a two-year consultative process with over 100 experts. The 20 headline indictors, chosen to give robust data and strong geographic coverage, will contribute to tracking against the UN Decade's objectives, reporting on progress to the United Nations General Assembly and demonstrating its contributions to the 2030 Agenda for Sustainable Development. They include measuring population poverty levels, access to safe water, renewable energy use, marine protected area and forest coverage, as well as using trusted indices such as the Mountain Green Cover index and the International Union for Conservation of Nature's Red List.

### Bringing nature back: celebrating and showcasing the power of restoration

As part of a major push on restoration at the UN Biodiversity Conference in December, we supported a new report detailing the benefits of five powerful European restoration projects. Over the course of 2022, we worked with numerous stakeholders across Europe to collate the report's stories of ongoing impact from the initiatives – ranging from activities the Altyn Dala steppes of Kazakhstan, the Carpathian mountain wilderness, Turkey's Gökova Bay, the Danube Delta and restoration across five European seas and coastal areas. This showcase of compelling restoration results aims to inspire and accelerate similar action across the continent and worldwide.

### New proposed law to restore damaged landscapes in Europe

In June 2022, ahead of ratification by the European Parliament, the European Commission (EC) tabled a proposal for a pioneering EU-wide law to boost nature restoration. The proposed new Nature Restoration Law sets a comprehensive range of targets across land and sea ecosystems, with the overarching aim of covering at least 20 per cent of the EU with active nature restoration support by 2030. Member States will be required to develop and implement dedicated national action plans, in line with EU defined governance and enforcement measures.

Our review of existing biodiversity information and reporting underpinned the impact assessment that informed the choice of restoration targets set in the law. We also developed the rationale for the legislative proposal, assessed the degree of restoration required, proposed actions and analysed the economic costs and benefits.

## NATURE-BASED SOLUTIONS

### Leading the way on the effective uptake of nature-based solutions

Ahead of major UN nature and climate conferences, we supported UNEP to develop a new policy report collating the key considerations around the uptake and implementation of nature-based solutions (NbS). The synthesis report, titled "Nature-based Solutions: Opportunities and Challenges for Scaling Up" highlighted recent international progress on the definition of NbS and explored the possible complexities and contentions around NbS deployment. It highlighted the importance of building common understanding and integrated approaches to NbS, the need for a review of safeguards and monitoring and the vital role of locally-led action. The report will be a key reference for governments, civil society and the private sector to drive forward action on scaling up the use of NbS.

### Demonstrating the power of peatlands as NbS

We worked as part of the UNEP-led Global Peatlands Initiative to coordinate and co-author the most comprehensive assessment and showcase of peatlands to-date. Launched at climate COP27, the Global Peatlands Assessment highlights the location and condition of peatlands around the world and what regional actions could be taken to protect, restore, and sustainably manage them.

The assessment reveals that while intact peatlands store twice as much carbon as found in all the world's forest biomass, degraded peatlands are now contributing to 4 per cent of man-made $CO_2$ emissions. It also demonstrates how the protection and restoration of tropical peatlands alone would cut annual carbon emissions

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by 2 per cent. Its findings will help countries to define priority actions to conserve and better manage their peatlands, develop further research to fill the knowledge gaps and undertake the needed steps for including peatlands in their climate action plans.

**Highlighting the finance gap for forest solutions**
We delivered new research which showed that the world is not on track to achieve forest goals of ending and reversing deforestation by 2030. The report, “Making good on the Glasgow Climate Pact: a call to action to achieve one gigaton of emissions reductions from forests by 2025”, found that for the 1.5°C Paris Agreement goal to remain in reach, a one gigaton milestone of emissions reductions from forests must be achieved no later than 2025, followed by the same amount every year.

The report, released during the climate COP27, found that funding pledges are only at 24 per cent of the Green Gigaton Challenge target for 2025. With action on forests recognised as a crucial component of climate change mitigation, the report calls for urgent action to review forest financing incentives and mechanisms, and for fair and inclusive access to funding and capacity building.

**NATURE ECONOMY**

**Supporting global corporate action for nature-related disclosure**
Interest from the private sector in the relationship between sustainable business and nature is growing at an unprecedented rate. Businesses are increasingly aware of the need to assess, mitigate and plan for nature-related risks and opportunities. The Taskforce on Nature-related Financial Disclosure (TNFD) is developing a framework for businesses and financial institutions to assess and report on how they impact on, and are impacted by, nature.

We were announced as one of the 18 knowledge partners for TNFD in 2022. In this role, we advised the Taskforce on how companies can best understand and prioritise locations to evaluate their impacts and dependencies on nature. Our in-depth studies revealed the extent to which major global businesses and financial institutions are ready for nature-related financial disclosure, and we further guided TNFD on the availability and suitability of nature-related data to help prioritise disclosure efforts.

**Developing a nature dependencies tool to inform financial institutions and businesses**
The Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool helps finance institutions to better understand and visualise the impacts of environmental change on the economy as well as tracking both negative and positive impacts on nature as a result of their investments.

In 2022 ENCORE influenced nature risk assessments by the World Bank in Brazil and the Central Bank of Malaysia. We also saw uptake by many financial institutions, consulting companies and others, who used ENCORE to make better sustainability decisions.

ENCORE and the science that underpins it is also being relied upon by leading initiatives advancing action by business such as the Science Based Targets Network and the TNFD.

**A one-stop shop to track the impact of global land use investments**
We worked with the UNEP Climate Finance Unit to launch a new platform to help financial institutions measure the positive impact of their investments on nature conservation, climate mitigation and sustainable livelihoods. The new Land Use Finance Impact Hub acts as a central repository of information briefs, signposting and expert discussions on the impact and reporting of land investments. Within the Hub, the Positive Impact Indicators Directory also provides a shortlist of key performance indicators to help users identify and measure how land use investments generate positive environmental and social impacts.

**Balancing the books to account for nature**
Sustainable human development depends on economists, policy leaders and planners being able to quantify and incorporate multiple values of biodiversity. Natural Capital Accounts (NCAs) are an emerging tool to help

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quantify ecosystem stocks and services.

2022 saw the culmination of a three-and-a-half year, Darwin Initiative-funded project, in which we worked with state officials and international partners to assess NCA in Uganda to incorporate the practice into country planning. The project resulted in three thematic sets of biodiversity-related natural capital accounts into Biodiversity and Tourism**,** Fisheries Resources and Land and Soil Improvement, including assessments of economic and social benefits and recommendations for state and community-led interventions to boost sustainable development. The Ugandan government is now working with local stakeholders and industry leads to implement the accounts' recommendations.

Last year also saw the finalisation of knowledge materials to help city planners recognise and promote the value of urban nature-based solutions. Between 2019 and 2022, we worked as part of an international consortium to provide targeted training in urban ecosystem accounting – a discipline based on NCA – to city planners in China. As part of the project, we developed and released two new urban ecosystem accounting training handbooks and provided workshops for more than 500 delegates across China.

**Forging the way for sustainable commodities and wildlife trade**
We lead the UK Government-funded TRADE Hub initiative, which collaborates with more than 40 partners in 10 countries to focus on the environmental and socioeconomic impact of trading commodities and wildlife.

The Hub published more than 80 scientific publications and convened over 60 stakeholder events in 2022. It also supported the creation of tools like www.trase.earth that makes supply chain mapping much easier and the Trade Tools Navigator, which brings together tools that reveal the impacts of trade and commodity supply chains.

The TRADE Hub team also produced an award-winning documentary, entitled 'A Smallholder's Voice'. Making a feature film like this was something of a first or us and focuses on Cameroonian farmers perspectives and challenges in meeting the growing demand for sustainably produced cocoa and palm oil.

**SCIENCE**

**Mapping expertise showcases the holistic power of species restoration**
We demonstrated the powerful domino effect of species restoration, with the release of a study showing how the reintroduction of just 20 key species could restore natural large mammal populations and boost biodiversity across swathes of the Earth. Our paper mapped how much of the world still contains natural large mammal groupings. It identified seven predators and 13 herbivores whose reintroduction, if implemented in target regions – along with measures to ensure suitable habitat and address the causes of their original decline – would be the most effective in restoring "intact large mammal assemblages" around the world. These groupings play a crucial role in maintaining ecosystems and influencing other species down the food chain.

Our paper called for localised, project-level feasibility studies to assess where targeted reintroduction may be most useful and robust, as well as suggesting the creation of a new "Wildlife Recovery Index", incorporating variables around land protection, programme management and regulatory factors to give a better understanding of the progress being made towards restoration ambitions.

**Modelling the state of China's biodiversity by 2035**
In 2022 we worked with partners to forecast possible future outcomes for the state of biodiversity in China. Launched at the UN Biodiversity Conference in December, the China Biodiversity Outlook utilised land-use and biodiversity models and policy outcome scenarios to predict four futures for China's biodiversity by 2035.

Key findings include that if nothing changes then half of China's species lose five per cent habitat or more, one-in-ten lose more than 30 per cent and natural habitat drops by 20 per cent. Meanwhile, if a super green pathway is followed, based on green socioeconomic development with additional government interventions, more than half of species would expand their habitat, at least one third expand their habitat range by 30 per

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cent and natural habitat across the country would increase by 42 per cent.

The analysis demonstrates that biodiversity in China can continue to thrive, as long as national safeguarding and restoration policies are enacted, alongside the encouragement of cultural and individual action and behaviour change. It will provide a solid, scientific reference which will be used by China to speed up the implementation of the Kunming-Montreal Global Biodiversity Framework, with one most immediate opportunity to feed into China's ongoing revision of its National Biodiversity Strategy and Action Plan.

**Devising a new clear, comprehensive measure of ecosystem health**
During 2022, we began structuring and testing a new index to demonstrate how much of an area's natural space remains intact. This novel Ecosystem Integrity Index is the first ecological index to combine various measurements of ecosystem health, assessing and overlaying measurements of ecosystem structure, composition and function to give an area score of between 0 and 1, where 1 demonstrates a fully intact natural area.

**POLICY**

**Supporting the delivery of a meaningful new global pact for nature**
At the UN Biodiversity Conference in December 2022, countries adopted a historic package of measures to address global biodiversity loss and support the sustainable use of nature.

The Kunming-Montreal Global Biodiversity Framework includes 23 targets to be met by 2030. It also advances longer-term goals as part of the vision of living in harmony with nature by 2050.

We were involved in supporting the negotiations and input into the shaping of the final framework and support package throughout 2022 and over preceding years. This included our Protected Planet and connectivity experts, through to our science and policy teams who supplied guidance on monitoring, metrics and progress tracking, to our gender leads who worked with UN Women to ensure inclusivity within the framework, and deliver an ambitious Gender Plan of Action.

Now our major priority is to support its implementation and work with countries to boost knowledge, capacity and action. We will assist the Convention on Biological Diversity Secretariat with developing and collecting the main metrics for the Framework and will continue to support nations and the private sector with the training, guidance and tools they need to monitor and assess biodiversity and implement positive change.

**Accounting for biodiversity in national decision making**

Biodiversity makes key contributions to national economies and the wellbeing of people. Robust information on biodiversity, ecosystem services and their interlinkages with people is increasingly identified as paramount to support a government decision-making on a broad range of issues including the economy, human health and wellbeing.

Through expert guidance and knowledge brokerage our National Ecosystem Assessment Initiative (NEA Initiative) supports countries to understand and integrate the full consideration of the value of biodiversity in decision-making and to subsequently influence the implementation of national policy. This allows governments to make informed decisions on how to deliver the best outcomes for biodiversity and its people.

Cameroon and Ethiopia become the third and fourth countries to officially validate their NEAs, and, following a scoping project in 2021, Botswana began the process of project managing and consulting for its full assessment.

The NEA team continued to produce wide-ranging resources – including training materials, case studies and reports on topics such as developing a communication strategy, to selecting authors and capturing lessons learned from NEAs. The initiative also helped run or contribute to multiple webinars – alongside key partners

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including the Biodiversity and Ecosystem Services Network and UNESCO – on the importance of inclusivity and championing the vital contributions of both women and indigenous peoples and local communities in the NEA process.

In October, the NEA Initiative welcomed partners to its first in-person meeting in three years. The week-long global workshop welcomed 50 delegates – including eight country teams – and was especially aimed at giving newer participant countries a greater understanding of key concepts within the evaluation and use of the assessment findings stages of the NEA process.

## DIGITAL TRANSFORMATION

**Supporting Indigenous peoples and local communities to showcase conservation efforts**
We released a new version of a smartphone app to help Indigenous peoples and local communities (IP and LCs) map, monitor, and support their conservation activities and land rights.

The Mapeo for ICCAs app helps users create digital maps and gather images and information on key features within their territories and areas. The updated app – that we designed with Digital Democracy and the Forest Peoples Programme – was released during the UN Biodiversity Conference, as state and community leaders gathered to ensure the recognition of IP and LCs in the new Global Biodiversity Framework. It provides Indigenous and Community Conserved Areas (ICCA) custodians with the means to digitally map the boundaries of their ICCAs on their terms and enable them to submit their data to the Protected Planet Initiative.

Enabling self-reporting of ICCA boundaries contributes to demonstrating the importance of ICCAs to national and international decision makers and strengthens community efforts to gain appropriate recognition and support.

**Weighing the environmental risks against the economic benefit of transport infrastructure**
During 2022, we developed the first standardised global review of the potential risks and benefits to people and nature from planned road and rail projects. Our analysis, “Mapping Environmental Risks and Socio-Economic Benefits of Planned Transport Infrastructure: A Global Picture” was released during the UN Biodiversity Conference. It used novel methods and metrics to forecast the impact that large-scale transport infrastructure projects currently underway or planned in 137 countries will have on wildlife populations, carbon storage and nitrogen retention, in comparison to the anticipated boosts to jobs and countries’ gross domestic product. We found these projects could create 2.4 million new jobs around the world, but also threaten the habitats of 2,500 bird, amphibian and mammal species of conservation concern and stand to release 883 million tonnes of carbon from removed trees and vegetation.

We created a powerful online viewer tool – the Global Infrastructure Impact Viewer – which displays on a global map the multiple values for project risks and benefits. We are now looking to grow the database that powers the viewer, so it can be continually updated and made publicly available for global engagement.

**Providing the technical backbone to a powerful spatial planning tool**
Launched in autumn 2021, the UN Biodiversity Lab 2.0 (UNBL) is an open-access cloud-based platform that combines more than 400 data layers derived from satellites, scientists in the field and Indigenous people and local communities across the globe. It enables all users – from governments and the private sector to non-governmental organisations and civil society – to create powerful custom maps to analyse land use and inform spatial planning and conservation priorities.

We helped create UNBL – along with partners at the UN Development Programme – and we maintain its underpinning functionality. In 2022, we rolled out a new data update, along with enhanced data tagging and search abilities, and introduced the functionality to create maps of Essential Life Support Areas, which have now been used as proof-of-concept for spatial planning by three governments. We also supported various training initiatives and helped to promote UNBL at high profile events including the UN Environment Assembly and the UN Biodiversity Conference. In 2023, we will take over full hosting of UNBL, to enable seamless

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development support from within the UN system, and we will help oversee the inclusion of new forest, restoration and Global Biodiversity Framework relevant data, alongside ongoing work to promote UNBL and training modules.

## FUTURE PLANS

Nature continues to be in crisis with the loss of biodiversity and degradation of ecosystems undermining progress towards a sustainable future for people and nature. As we continue with the implementation of our Strategy to 2025, WCMC is responding to this crisis with renewed urgency. In particular, we will place a greater emphasis on tackling the underlying drivers of the nature crisis including unsustainable economic systems and patterns of consumption and production. In putting a sharper focus on these underlying drivers, we will, by extension, seek to achieve dramatic reductions in the direct threats to biodiversity, including those arising from changes in land and ocean use, overexploitation of natural capital, and climate change.

Our work under Protected Planet will continue to help bring land and ocean under protected or conserved status in line with the 30% by 2030 target in the Global Biodiversity Framework. Our work on wildlife trade will continue to inform policies and laws to help to secure a future for exploited species and the communities that depend on them. Our work at the interface between biodiversity and climate science will focus on catalysing a joined-up response to the nature and climate crises and, our work with business and the finance sector will place nature at the heart of economic and financial decision making.

We will also continue and strengthen our work to build capacity and bring innovative approaches for the conservation, restoration and sustainable use of nature on land and in the ocean. We will work with partners to bring and support the use of best-available data, knowledge and digital innovation for effective policy and practice across public and private sectors. We will work across both natural and managed areas, including an increased focus on the social science dimensions of our work including within cities and through our nature, gender and rights ‘focal initiative’ to strengthen our delivery with partners at the local, national and regional levels, whilst continuing our global reach and impact.

Delivery of our Strategy will also contribute to actions under the UN Decades on Ecosystem Restoration and on Ocean Science for Sustainable Development, and the implementation of the Global Biodiversity Framework.

The theory of change underpinning our strategy connects our programmes of activities and outputs to the change we seek through our contribution to outcomes and long-term impacts.
Our four interdependent impact areas which we will focus on until at least 2025 will be:

- Nature Conserved: resilient, connected ecosystems and their species are conserved, sustaining all life on Earth.
- Nature Restored: degraded lands, inland waters and the ocean are restored for the benefit of people and nature.
- Nature Based-Solutions: public and private sectors make effective use of nature to address sustainable development challenges.
- Nature Economy: the world transitions to a nature-positive global economy.

## WCMC OPERATIONS REPORT

### Operational review

WCMC continued to grow in 2022, with a staff of 207 (197 FTE) at the close of the year, up from 178 (164 FTE) in 2021. WCMC continued to recruit at a rate matching the growing pipeline of work. In 2022 staff turnover, decreased from 18.4% in 2021 (UK 2021 average was 15%) to 17.9% (UK 2022 average 22.5%). At the end of 2022, WCMC had 53 nationalities represented on the staff.

In 2022, WCMC introduced a trial flexible-hybrid working model where staff attended the office at least twice

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per month. Staff have responded well to this policy, with no reduction in productivity and a positive impact on work-life balance and overall well-being.

**Premises**

WCMC staff are based at 219 Huntingdon Road, Cambridge, CB3 0DL. There is space for approximately 180 desks, although the office (pre-pandemic) typically had c.50% occupancy. An additional office is located at the Cambridge Conservation Initiative Campus at the David Attenborough Building in central Cambridge.

The Huntingdon Road building was constructed in 1993, and it is expected that significant maintenance will be required in the short to medium term. Trustees have therefore elected to create a designated Building Maintenance Fund of £200,000 to allow for any urgent issues that may arise to be dealt with. This will be kept under review.

The WCMC Group includes regional entities in Belgium (WCMC Europe asbl.) and China (WCMC Beijing), each of which has small offices. Two staff are also based regionally, in Thailand and Brazil, and work for WCMC either from home, or from spaces in UNEP offices.

**Regional entities**

On 10 December 2019, WCMC established a wholly owned subsidiary company in China called WCMC Beijing Co. Ltd., a Limited Liability Company, and registered in Chaoyang District, Beijing. “WCMC Beijing” was established with the objective of engaging in projects falling within the objectives of WCMC, and which are consistent with the collaboration between WCMC and the United Nations Environment Programme (UNEP) under the Collaboration Agreement between UNEP and WCMC. However, the work of WCMC Beijing does not itself fall within the scope of the Collaboration Agreement. The official registration address is 1702O2, 17th floor, 101 inside, 3rd~24th floor, Building #5, 19th yard, Dongfangdong Road, Chaoyang District, Beijing. The unified social credit code (company registration number) is 91110105MA01H49RXQ. The entity is in the process of being wound up and the process is expected to complete in autumn 2023.

WCMC Beijing had 3 members of staff at the end of 2022 (2021: 3).

WCMC (Europe) asbl. was established by WCMC on 14 November 2019. It was founded by WCMC, the UK registered charity and Ms Hilde Eggermont. WCMC Europe is a not-for-profit association based in Brussels. It has its own, distinct legal identity. It has been set up as a charitable organisation, registered in Belgium, which operates under Belgian law. ASBL in French is an “association sans but lucratif" (translated: “notforprofit organisation”). The registered office is located at MundoB, Rue D’Edimbourg 26, 1050 Brussels, Belgium. The work of WCMC Europe does not itself fall within the scope of the Collaboration Agreement between WCMC and UNEP.

WCMC Europe had two members of staff at the end of 2022 (2021: 3).

**WCMC FINANCIAL REVIEW**

The accounts present the consolidated position for 2022 and 2021 which include the subsidiary entities of WCMC Europe asbl. and WCMC Beijing Co. Ltd.

The Group derives most of its income through project funded activities, and has little core funding, although it aspires to increase this source of funds. Total income in 2022 was £21,957,760 compared with £16,421,477 in the previous financial year. This substantial increase in revenue was primarily due to a significant donation of £3.649m received in the year and was recognised upfront in accordance with accounting standards. Whilst the donation is restricted to the Protected Planet programme, WCMC has some flexibility in its use given this is a programme broad in scope. When the impact of the donation carried forward to future years is removed, this

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left an underlying surplus for the group of £82,005.

Project income from charitable activities in 2022 was £18,203,500 compared to £16,392,804 achieved in 2021. The increase in income from 2021 to 2022 was approximately 11%.

Total expenditure on charitable activities in 2022 at £18,766,506 was higher than 2021 (2021: £16,277,399). Notwithstanding these increased costs, the Group was able to achieve an operating surplus of £3,191,253 in 2022, compared with a surplus of £144,078 in 2021. After accounting for notional fair value losses on foreign exchange contracts held as at 31 December 2022 the Group recorded a net increase in funds of £3,191,253 (2021: £144,078).

The Group's balance sheet position remains strong with Net Current Assets of £6,418,123 (2021: £3,157,897). Total funds held at 31 December 2022 were £7,376,214 of which £1,154,818 was held in designated funds (2021: £4,184,961 & £1,022,660 respectively) representing the value of fixed assets held at the reporting date and planned building maintenance. Restricted funds, representing net assets of the subsidiary companies and funds related to restricted projects in the parent, amounted to £5,624,692 (2021: £2,824,308). There were cash holdings at the year-end of £11,451,561 (2021: £6,475,612).

Both subsidiary companies delivered a modest surplus for the 2022 financial year.

Due to the decision to wind up the Beijing operation in 2022, the social investment value has been written down to £1. Legal advice has confirmed that the outstanding share capital will not need to be paid. No capital contributions were made to the entity in 2022.

**WCMC RISK MANAGEMENT**

The Trustees have a duty to identify and review the risks to which the Charitable Company is exposed and to ensure appropriate plans and controls are in place to provide a reasonable assurance that they are effectively managed. An active risk register is maintained, which is reviewed by Board finance subcommittee meetings and mitigation actions are agreed at full Board meetings. Risks are broken down into those that affect Governance, Strategy, Operations, Financial and External factors. They are reviewed by assessing the impact and likelihood of the risks, and then weighted as follows – (Impact x Likelihood) + Impact.

The Board has identified the following risks as particularly important:

1. Staff retention and recruitment, notably:
    - Challenges around attracting new staff, slow recruitment and onboarding – mitigated by benchmarking to ensure salaries and non-monetary staff benefits are competitive for our sector, early and pre-emptive recruitment to fill gaps, sponsorship of staff not eligible to work in the UK.
    - Loss of key staff and knock-on negative impacts on project delivery, corporate knowledge loss and maintaining capacity – mitigated by benchmarking to ensure salaries and non-monetary staff benefits are competitive for our sector, investing in career progression and development of key staff, active training programme, succession planning and project handovers.

2. Staff wellbeing and health and safety, notably:
    - Staff struggling with workload and/or difficult working conditions – mitigated by monthly line management 'core goal' meetings to help with focus and time management, flexible/hybrid working arrangements, responding to regular staff surveys and feedback.
    - Health and safety of staff, volunteers, and collaborators, including while travelling – mitigated by adherence to policies and procedures, enhanced office sanitary measures, equipment and facilities, travel risk assessments, insurance cover.

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- Staff welfare and mental health – mitigated by employee assistance line, Staff Liaison Committee, staff surveys and line management as well as hybrid working and staff wellbeing research and action plan.
- Project and financial commitments failing to be met due to staff illness – mitigated by monitoring staff well-being, maintaining full staff complement, allowing time for sick leave, hybrid working and negotiating contract flexibility.
- Health and safety of staff, volunteers and collaborators – mitigated by adequate insurance cover, adequate policies and procedures, maintenance of equipment and facilities.

3. Volatility of foreign exchange, notably, that adverse changes to exchange rates negatively impact income – mitigated by a clear policy on forex treatment, forward contracts, regular review of exchange rates and adding clauses to contracts on forex rates.

4. Turbulent economic or political environment, notably:
    a. Widespread economic failure – mitigated by forward contracts and 6 months' operating reserves
    b. Dealing with sanctioned individuals/organisations – mitigated by due diligence and checks on sanctions registers
    c. Deteriorating political situation in regional centres or host countries for major projects – monitoring of political situation in countries where we have projects, review with relevant staff and UNEP as necessary.

Management and Trustees have implemented a wide-ranging programme of improvements to financial management in response to items raised in the 2021 audit report. In autumn 2021 an external review was commissioned to ensure that recommendations raised were being fully addressed. This review involved an assessment of the strength of financial procedures, working papers and reconciliations, and is now fully concluded. Substantial improvements have been made during this time and Trustees are satisfied with the significant progress made.

2022 was a year of exceptional volatility in the foreign exchange markets due to many factors including the ongoing conflict in Ukraine and domestic political factors; the USD/GBP rate which began the year around 1.37, fell to a 40 year low of 1.08 in September, before recovering to finish the year at 1.21. WCMC's Foreign Exchange Risk Management policy is designed to mitigate as far as possible the impact of exchange rate volatility on the organisation across a budgeting cycle. Foreign exchange operations during the year had the effect of reducing the incidental gains in income which would have accrued, in the particular market environment we faced during the year. The policy has been reviewed by the Board in the light of experience and reaffirmed, subject to some operational enhancements

**WCMC RESERVES POLICY**

Given the Charitable Company's project commitments and the ongoing economic situation, it has been agreed that the Charitable Company should aim to hold unrestricted reserves to enable the organisation to operate at full capacity for at least six months, even if all income were to cease. This recognises that shifts in funding do occur and that six months would be the minimum time in which to establish emergency funding sources, and to meet contractual commitments.

The alternative liquidity-based method of reserves calculation (including 100% of cash, 75% of trade debtors, 50% of billable accrued income less 25% of monies received in advance and less other net current liabilities except prepayments) is used alongside the "traditional method" based on net current assets.

The liquidity-based method of reserves calculation estimates WCMC reserves held at 31 December 2022 at £10,927k. The total operational cost budget for 2023 is £12,565k, therefore reserves are sufficient. According to the traditional method the Group had £6,591k of general free reserves as at 31 December 2022 (£3,158k as at 31 December 2021). The Trustees consider the liquidity-based method to be a more realistic approach in the

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scenarios envisaged by the policy.

The Trustees will continue to review and modify the reserves policy as circumstances require.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The Charitable Company is controlled by its Articles of Association, and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

### Recruitment and appointment of new trustees.

The Board may appoint a person who is willing to act as a Trustee, either to fill a vacancy or as an additional Trustee, provided the appointment does not cause the number of Trustees to exceed twelve in accordance with the Articles as the maximum number of Trustees. No person may be appointed as a Trustee until they have attained the age of 18 years; or in circumstances that had they already been a Trustee they would have been disqualified from acting under the provision of Article 43. The procedure for the recruitment and appointment of trustees is provided in the Charitable Company's Articles of Association.

### Induction and training of new trustees

New Trustees are provided with the Charitable Company's Articles of Association, the 2010 Collaboration Agreement with UN Environment Programme and the 2021 exchange of letters between UNEP and WCMC that supplements the Collaboration Agreement, The Essential Trustee, and information from the Charity Commission website. They receive the latest Audited Accounts and Minutes of the four previous Board Meetings. The corporate strategy and detailed operational materials covering financial performance, staff satisfaction and staffing levels of the charity are also all communicated.

### Roles and responsibilities of the Board of Trustees at WCMC

When joining the Board, WCMC trustees are informed of their responsibilities. These include the following:

- Set and maintain the vision, mission and values of the organisation.
- Develop direction, strategy and planning.
- Ensure the organisation has the structure and resources for its work.
- Satisfy themselves that there are appropriate policies and procedures to govern organisational activities, including guidance for the board, volunteers and staff and subcontractors on health and safety, harassment, safeguarding, non-discrimination etc.
- Establish systems for reporting and monitoring.
- Manage risk and ensure compliance and accountability with the governing document, external regulators and the law.
- Make certain that the financial affairs of the organisation are conducted properly and are accurately reported.
- Ensure that the relationship we have with UNEP prospers and is of mutual benefit to each organisation.

### Frequency of Board meetings

The Board of Trustees of WCMC meet at least three times per year. A further 'Board Away Day' is usually held in Spring, to focus on matters of strategic importance for the year ahead. These meetings are also usually attended by senior members of staff of WCMC. A representative from UNEP is an observer to the Board.

A Finance Sub-Committee chaired by the Board Treasurer meets between regular Board Meetings. In addition,

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an annual meeting of the Steering Committee for the collaboration between UNEP and WCMC is held between the Executive Director of UNEP and the WCMC Board Chairman and attended by senior members of staff of WCMC and the leadership of UNEP-WCMC.

**Funds held as custodian trustees on behalf of others**

As at 31 December 2022, the Charitable Company did not hold any funds as custodian trustees on behalf of others.

**Related parties and co-operation with other organisations**

The Charitable Company works in close collaboration with the United Nations Environment Programme, (UNEP), headquartered in Nairobi, Kenya, through its office called the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), which is co-located with the Charitable Company at 219 Huntingdon Road, Cambridge. Under the terms of the collaboration, the Charitable Company sub-leases the office building to UNEP for UNEP-WCMC. UNEP sub-leases the WCMC occupied areas of the building back to WCMC. None of the trustees receive remuneration or other benefit from their work with the Charitable Company.

**Pay policy for Key Management Personnel**

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. The pay of the Chief Executive Officer and the Head of Finance is set by the Board, and the Board also review any proposed pay awards for senior staff (A and B Grade).

**STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES**

The Trustees (who are also directors of WCMC for the purposes of company law) are responsible for preparing all statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the trustees are aware that they are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for ensuring that proper accounting records are kept and that these disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware: there is no relevant audit information of which the charitable company's auditor is unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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**WCMC**

**(A Company Limited by Guarantee)**

## TRUSTEES' REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2022

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 public benefit.

**Auditors**

The Trustees resolved to appoint Peters, Elworthy & Moore Chartered Accountants during the year in accordance with section 485 of the Companies Act 2006.

The above Trustees Report (incorporating the Strategic Report) was approved by the Board of Trustees and signed on its behalf by: Approved by order of the members of the board of Trustees and signed on their behalf by

DocuSigned by:
62223B90612C402...

**Dr Robin Bidwell CBE**
Chair of Trustees

Date: 23 09 2023

The notes on pages 30 to 60 form part of these financial statements.

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**WCMC**

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WCMC

### OPINION

We have audited the financial statements of WCMC (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Foundation Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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## OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company'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 Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## AUDITORS' 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 Auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the responsible individual ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with trustees and other management, and from our knowledge of charity and company law and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011 and UK taxation legislation, as well as those laws and regulations relating to the group's operations such as UK employment legislation and health and safety;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we reviewed the minutes of Trustees' meetings to identify any references to non-compliances with laws and regulations.

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We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures that included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators such as the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Kathryn Hebden
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**Kathryn Hebden (Senior Statutory Auditor)**
for and on behalf of
**Peters Elworthy & Moore**
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 27/09/2023

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**WCMC**

**(A Company Limited by Guarantee)**

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|---|
| **INCOME FROM:** | | | | | |
| Donations | 4 | 63,939 | 3,649,635 | 3,713,574 | **3,498** |
| Charitable activities | 5 | 6,680,955 | 11,522,545 | 18,203,500 | **16,392,804** |
| Other trading activities | 6 | 40,686 | - | 40,686 | **25,175** |
| **TOTAL INCOME** | | **6,785,580** | **15,172,180** | **21,957,760** | **16,421,477** |
| **EXPENDITURE ON:** | | | | | |
| Charitable activities | 7 | 6,394,711 | 12,371,796 | 18,766,507 | **16,277,399** |
| **TOTAL EXPENDITURE** | | **6,394,711** | **12,371,796** | **18,766,507** | **16,277,399** |
| **NET MOVEMENT IN FUNDS** | | 390,869 | 2,800,384 | 3,191,253 | **144,078** |
| **RECONCILIATION OF FUNDS:** | | | | | |
| Total funds brought forward | | 1,360,653 | 2,824,308 | 4,184,961 | **4,040,883** |
| Net movement in funds | | 390,869 | 2,800,384 | 3,191,253 | **144,078** |
| **TOTAL FUNDS CARRIED FORWARD** | 19 | **1,751,522** | **5,624,692** | **7,376,214** | **4,184,961** |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 60 form part of these financial statements.

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**WCMC**

**(A Company Limited by Guarantee)**
**REGISTERED NUMBER: 02330031**

## CONSOLIDATED BALANCE SHEET
## AS AT 31 DECEMBER 2022

| | Note | | 2022 £ | | 2021 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | | **500** | | 5,347 |
| Tangible assets | 13 | | **957,592** | | 1,021,717 |
| | | | **958,092** | | 1,027,064 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | **8,260,554** | | 4,531,887 | |
| Cash at bank and in hand | 22 | **11,451,561** | | 6,475,612 | |
| | | **19,712,115** | | 11,007,499 | |
| Creditors: amounts falling due within one year | 16 | **(13,293,993)** | | (7,849,602) | |
| **NET CURRENT ASSETS** | | | **6,418,122** | | 3,157,897 |
| **TOTAL NET ASSETS** | | | **7,376,214** | | 4,184,961 |
| **CHARITY FUNDS** | | | | | |
| Restricted funds | 19 | | **5,624,692** | | 2,824,308 |
| General unrestricted funds | 19 | **596,704** | | 337,993 | |
| Designated funds | 19 | | | | |
| Fixed Assets | | **954,818** | | 1,022,660 | |
| Building Maintenance | | **200,000** | | - | |
| Total unrestricted funds | 19 | | **1,751,522** | | 1,360,653 |
| **TOTAL FUNDS** | | | **7,376,214** | | 4,184,961 |

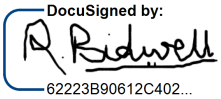
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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## CONSOLIDATED BALANCE SHEET (CONTINUED)
## AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:




**Dr Robin Bidwell CBE**
(Chair of Trustees)

Date: 23 09 2023

The notes on pages 30 to 60 form part of these financial statements.

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**WCMC**

**(A Company Limited by Guarantee)**
**REGISTERED NUMBER: 02330031**

## CHARITY BALANCE SHEET
## AS AT 31 DECEMBER 2022

| | Note | | 2022<br>£ | | 2021<br>£ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 12 | | **500** | | 5,347 |
| Tangible assets | 13 | | **954,318** | | 1,017,313 |
| Social investments | 14 | | **1** | | 642,928 |
| | | | **954,819** | | 1,665,588 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | **7,968,947** | | 4,696,135 | |
| Cash at bank and in hand | | **11,116,191** | | 6,112,466 | |
| | | **19,085,138** | | 10,808,601 | |
| Creditors: amounts falling due within one year | 16 | **(12,942,077)** | | (8,051,964) | |
| **NET CURRENT ASSETS** | | | **6,143,061** | | 2,756,637 |
| Creditors: amounts falling due after more than one year | 17 | | **-** | | (464,279) |
| **TOTAL NET ASSETS** | | | **7,097,879** | | 3,957,946 |
| **CHARITY FUNDS** | | | | | |
| Restricted funds | 19 | | **4,703,428** | | 1,954,364 |
| General unrestricted funds | 19 | **1,239,633** | | 980,921 | |
| Designated funds | | | | | |
| Fixed Assets | | **954,818** | | 1,022,660 | |
| Building Maintenance | 19 | **200,000** | | - | |
| Total unrestricted funds | 19 | | **2,394,451** | | 2,003,581 |
| **TOTAL FUNDS** | | | **7,097,879** | | 3,957,946 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

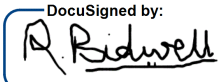
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**WCMC**

**(A Company Limited by Guarantee)**
**REGISTERED NUMBER: 02330031**

## CHARITY BALANCE SHEET
## AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:

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**Dr Robin Bidwell CBE**
(Chair of Trustees)

Date: 23 09 23

The notes on pages 30 to 60 form part of these financial statements.

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**WCMC**

**(A Company Limited by Guarantee)**

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 £ | 2021 £ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net cash from operating activities | 21 | **5,086,190** | (2,664,184) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Dividends, interests and rents from investments | | **-** | - |
| Purchase of intangible assets | | **-** | - |
| Purchase of tangible fixed assets | | **(110,241)** | (134,005) |
| **NET CASH USED IN INVESTING ACTIVITIES** | | **(110,241)** | **(134,005)** |
| **CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR** | | **4,975,949** | **(2,798,189)** |
| Cash and cash equivalents at the beginning of the year | | **6,475,612** | 9,273,801 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | 22 | **11,451,561** | 6,475,612 |

The notes on pages 30 to 60 form part of these financial statements

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. GENERAL INFORMATION

WCMC is a company limited by guarantee, incorporated in England and Wales and a registered charity. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The Charity's functional and presentational currency is GBP.

### 2. ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

WCMC meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Statement of Financial Activities for the year for the charity showed a surplus of £3,139,933.

#### 2.2 GOING CONCERN

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

In particular the trustees have considered the group's forecasts and projections and have taken account of pressures on fundraising income, foreign exchange risk, especially the USD and also the impact of rising inflation on its ability to operate as a going concern. After making enquiries the trustees have concluded that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

#### 2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 FUND ACCOUNTING (CONTINUED)

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### 2.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. Entitlement is considered to have arisen immediately upon receipt of the donation.

Data licence income is recognised once the Charity has entitlement to the income. Entitlement is considered to have arisen at the point of sale.

Income from charitable activities is earned from contributions made by clients, including UNEP, for work on specific projects. Income is recognised when the Charity has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be reliably measured and is not deferred.

Rents receivable under leases for properties are recognised on a straight line basis over the term of the lease.

All income is recognised exclusive of VAT.

### 2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.7 FOREIGN CURRENCIES

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Charity's functional currency and presentational currency is GBP.

Within the charity, monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities.

The results and financial position for all Group entities that have a functional currency other than sterling are translated as follows:

- income and expenses are translated at average exchange rates;
- assets and liabilities are translated at the closing exchange rate at the Consolidated Balance Sheet date; and
- any resulting exchange differences are recognised as other comprehensive income.

### 2.8 TAXATION

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.9 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

| | |
|---|---|
| Software | - 3 years |

### 2.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

| | |
|---|---|
| Long-term leasehold property | - 50 years |
| Fixtures, fittings and equipment | - 5 years |
| Computer equipment | - 3 years |

### 2.11 SOCIAL INVESTMENTS

Programme related investments are held on the balance sheet at cost less impairment. The investments are held to fund the organisations in order to directly further the charitable aims of the charity. At the end of each year, the Trustees assess the carrying value of the investments for evidence of impairment.

### 2.12 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.13 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.14 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

### 2.15 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, except for foreign exchange forward contracts as set out below. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Derivatives**

Foreign exchange forward contracts are used to manage exchange risk associated with project income received in foreign currencies, primarily Euro and US Dollar, where associated expenditure is in Sterling. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date.

Changes in the fair value of derivatives are recognised in the Statement of Financial Activities. The Group does not currently apply hedge accounting for foreign exchange derivatives.

### 2.16 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

### 2.17 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

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## 3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Revenue Recognition - Projects

Given the project nature of the Charity's revenue, there are estimates involved regarding the recognition and stage of completion of contracts which differs from the timing of invoicing. This includes an assessment of the performance against budget, identification of potential losses on contracts and the timing of contract completion. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 4. INCOME FROM DONATIONS

| | **Unrestricted funds 2022 £** | **Restricted funds 2022 £** | **Total funds 2022 £** | Total funds 2021 £ |
|---|---|---|---|---|
| Donations | 63,939 | 3,649,635 | 3,713,574 | **3,498** |
| **TOTAL 2022** | **63,939** | **3,649,635** | **3,713,574** | **3,498** |
| TOTAL 2021 | 3,498 | - | 3,498 | |

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## 5. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|
| Project income | 6,680,955 | 11,522,545 | **18,203,500** | 16,392,804 |
| **TOTAL 2022** | 6,680,955 | 11,522,545 | **18,203,500** | |
| TOTAL 2021 | 8,477,478 | 7,915,326 | **16,392,804** | |

## 6. INCOME FROM OTHER TRADING ACTIVITIES

**Income from non-charitable trading activities**

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|
| Rent | 29,105 | **29,105** | 25,175 |
| Data Licenses | 11,581 | **11,581** | - |
| **TOTAL 2022** | 40,686 | **40,686** | 25,175 |
| TOTAL 2021 | 25,175 | 25,175 | |

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## 7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

**Summary by fund type**

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|
| Support of conservation and biodiversity initiatives | 6,394,711 | 12,371,796 | **18,776,507** | 16,277,399 |
| **TOTAL 2022** | **6,394,711** | **12,371,796** | **18,776,507** | |
| TOTAL 2021 | 10,453,965 | 5,823,434 | 16,277,399 | |

## 8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|
| Support of conservation and biodiversity initiatives | 14,377,474 | 4,389,033 | **18,766,507** | 16,277,399 |
| **TOTAL 2022** | **14,377,474** | **4,389,033** | **18,766,507** | |
| TOTAL 2021 | 13,671,753 | 2,605,646 | 16,277,399 | |

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## 8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

### Analysis of direct costs

| | Support of conservation and biodiversity initiatives 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|
| Staff costs | 7,095,610 | **7,095,610** | 6,436,941 |
| Collaborators & consultants | 6,392,511 | **6,392,511** | 7,089,128 |
| Travel and subsistence | 503,592 | **503,592** | 58,532 |
| Conferences and meetings | 4,998 | **4,998** | 4,733 |
| Foreign currency (gain)/loss | 380,763 | **380,763** | 82,419 |
| **TOTAL 2022** | 14,377,474 | **14,377,474** | 13,671,753 |
| TOTAL 2021 | 13,671,753 | 13,671,753 | |

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## 8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

### Analysis of support costs

| | Support of conservation and biodiversity initiatives 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|
| Staff Costs | 1,703,273 | **1,703,273** | 833,110 |
| Staff Training & Welfare | 389,544 | **389,544** | 135,880 |
| Promotion | 32,813 | **32,813** | 12,016 |
| Printing, postage and stationery | 192,015 | **192,015** | 103,443 |
| Subscriptions | 409,138 | **409,138** | 213,252 |
| Premises costs | 238,000 | **238,000** | 306,111 |
| Insurance costs | 143,982 | **143,982** | 109,424 |
| Office equipment | 555,527 | **555,527** | 469,451 |
| Bank charges | 24,512 | **24,512** | 14,387 |
| Bad debts | - | **-** | (50,000) |
| Depreciation and amortisation | 179,213 | **179,213** | 191,022 |
| Other | 354,550 | **354,550** | 159,023 |
| Governance costs (note 9) | 166,466 | **166,466** | 108,527 |
| **TOTAL 2022** | 4,389,033 | **4,389,033** | 2,605,646 |
| TOTAL 2021 | 2,605,646 | 2,605,646 | |

## 9. Analysis of governance costs

| | 2022 £ | 2021 £ |
|---|---|---|
| Legal and professional | **84,441** | 76,488 |
| Trustee expenses | **919** | (47) |
| Audit fees | **81,106** | 32,085 |
| | **166,466** | 108,527 |

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## 10. AUDITORS' REMUNERATION

| | | 2022 £ | 2021 £ |
|---|---|---|---|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | | **32,975** | 29,112 |
| Fees payable to the Charity's auditor in respect of all non-audit services not included above | | **5,900** | 3,000 |
| Fees in respect of 2021 audit overrun | | **38,800** | - |
| Fees in respect of project audits | | **3,431** | - |
| | **TOTAL 2022** | **81,106** | 32,112 |

Audit fees in the amounts of £1,449 (2021: £1,378) were paid to the Beijing subsidiary's auditor, and £682 (2021: £3,182) in respect of the Europe subsidiary's auditor.

## 11. STAFF COSTS

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Wages and salaries | **7,281,972** | 6,039,435 | **7,088,276** | 5,781,683 |
| Social security costs | **792,304** | 594,477 | **758,375** | 566,663 |
| Pension costs | **724,607** | 636,139 | **724,607** | 636,139 |
| | **8,798,883** | 7,270,051 | **8,571,258** | 6,984,485 |

During the year the Charity incurred termination-related costs of £26,945 in 2022 (2021: £54,000) of which £9,408 (2021 - £28,657) was non-contractual, arising from changes within support team roles. These costs were covered by unrestricted funds held within financial reserves.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The average number of persons employed by the Charity during the year was as follows:

| | **Group 2022 No.** | Group 2021 No. | **Charity 2022 No.** | Charity 2021 No. |
|---|---|---|---|---|
| Management and administration | **21** | 20 | **19** | 17 |
| Research and operational staff | **188** | 158 | **186** | 155 |
| | **207** | 178 | **205** | 172 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | **Group 2022 No.** | Group 2021 No. |
|---|---|---|
| In the band £60,001 - £70,000 | **5** | 5 |
| In the band £70,001 - £80,000 | **2** | 2 |
| In the band £80,001 - £90,000 | **2** | - |
| In the band £90,001 - £100,000 | **-** | 1 |
| In the band £100,001-£110,000 | **-** | - |
| In the band £110,001 - £120,000 | **-** | 1 |
| In the band £120,001 - £130,000 | 1 | - |
| **TOTAL** | **10** | **9** |

The key management personnel of the Charity comprise the Chief Executive Officer, the Head of Operations, the Head of Finance, the Head of External Affairs, and the Chief Scientist, whose employee benefits total £522,563 (2021 - £475,780).

During the year, no trustees received any remuneration or other benefits (2021 - £Nil). 2 trustees (2021 - no trustees) received reimbursed travel expenses totalling £860 during the year (2021 - £Nil).

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## 12. INTANGIBLE ASSETS

### GROUP AND CHARITY

| | Software £ |
|---|---|
| **COST** | |
| At 1 January 2022 | **158,090** |
| Additions | **-** |
| At 31 December 2022 | **158,090** |
| | **.** |
| **AMORTISATION** | |
| At 1 January 2022 | **152,743** |
| Charge for the year | **4,847** |
| At 31 December 2022 | **157,590** |
| **NET BOOK VALUE** | |
| At 31 December 2022 | **500** |
| At 31 December 2021 | 5,347 |

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## 13. TANGIBLE FIXED ASSETS

### GROUP

| | Long-term leasehold property £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| At 1 January 2022 | **1,698,932** | **287,874** | **449,995** | **2,436,801** |
| Additions | **-** | - | 110,241 | 110,241 |
| At 31 December 2022 | **1,698,932** | **287,874** | **560,236** | **2,547,042** |
| **DEPRECIATION** | | | | |
| At 1 January 2022 | **967,243** | **120,974** | **326,867** | **1,415,084** |
| Charge for the year | 33,979 | 48,251 | 92,136 | 174,366 |
| At 31 December 2022 | **1,001,222** | **169,225** | **419,003** | **1,589,450** |
| **NET BOOK VALUE** | | | | |
| At 31 December 2022 | **697,710** | **118,649** | **141,232** | **957,592** |
| At 31 December 2021 | 731,689 | 166,900 | 123,127 | 1,021,717 |

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## 13. TANGIBLE FIXED ASSETS (CONTINUED)

### CHARITY

| | Long-term leasehold property £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| At 1 January 2022 | **1,698,932** | **285,911** | **446,376** | **2,431,219** |
| Additions | - | - | 109,884 | 109,884 |
| At 31 December 2022 | **1,698,932** | **285,911** | **556,260** | **2,541,103** |
| **DEPRECIATION** | | | | |
| At 1 January 2022 | **967,243** | **120,823** | **325,840** | **1,413,906** |
| Charge for the year | 33,979 | 48,251 | 90,649 | 172,879 |
| At 31 December 2022 | **1,001,222** | **169,074** | **416,489** | **1,586,785** |
| **NET BOOK VALUE** | | | | |
| At 31 December 2022 | **697,710** | **116,837** | **139,771** | **954,318** |
| At 31 December 2021 | 731,689 | 165,088 | 120,536 | 1,017,313 |

All assets are held for charitable purposes.

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## 14. SOCIAL INVESTMENTS

### CHARITY

| | Programme related investments £ |
|---|---|
| **COST** | |
| At 1 January 2022 | 642,928 |
| | **642,928** |
| **IMPAIRMENT PROVISION** | |
| Provision as at 1 January 2022 | (116,217) |
| Additional Impairment | (526,710) |
| | **(642,927)** |
| **NET BOOK VALUE** | |
| At 31 December 2022 | **1** |
| At 31 December 2021 | **642,928** |

Social investments comprise subsidiary companies incorporated outside the UK to carry out WCMC's charitable activities overseas.

It is expected that the Beijing entity will cease trading in 2023 and the investment will not be realised. The investment value is partially offset by the unpaid share capital write down detailed in Note 17. Therefore, the investment has been written down to the nominal value of £1.

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## 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | **Group 2022 £** | Group 2021 £ | **Charity 2022 £** | Charity 2021 £ |
|---|---|---|---|---|
| Trade debtors | **2,751,144** | 2,630,037 | **2,459,537** | 2,617,429 |
| Accrued income | **5,005,293** | 1,428,490 | **5,005,293** | 1,428,490 |
| Amounts due from group undertakings | **-** | - | **-** | 220,518 |
| Other debtors | **206,696** | 245,208 | **206,696** | 201,545 |
| Prepayments | **297,421** | 228,152 | **297,421** | 228,152 |
| | **8,260,554** | 4,531,887 | **7,968,947** | 4,696,134 |

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | **Group 2022 £** | Group 2021 £ | **Charity 2022 £** | Charity 2021 £ |
|---|---|---|---|---|
| Trade creditors | **343,846** | 145,024 | **228,082** | 104,509 |
| Amounts due to group undertakings | **-** | - | **33,480** | 348,347 |
| Other taxation and social security | **22,901** | 231,862 | **-** | 218,933 |
| Other creditors | **79,938** | 93,907 | **79,938** | 93,909 |
| Accruals and deferred income | **12,697,677** | 7,297,057 | **12,450,946** | 7,204,514 |
| Financial liabilities at fair value through profit and loss | **149,631** | 81,751 | **149,631** | 81,751 |
| | **13,293,993** | 7,849,601 | **12,942,077** | 8,051,963 |

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Amounts owed to group undertakings includes a capital contribution due to WCMC Beijing.

The total contribution due to WCMC Beijing during the 30-year term of the company is $1,000,000. At the year-end, $121,560 had been contributed, leaving a balance of $878,440 to be contributed.

It is expected that the Beijing entity will cease trading in 2023. Legal advice has confirmed that the remaining liability will not be due to the subsidiary and therefore it has been written down to the nominal value of £1.

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## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

| | **Group 2022 £** | Group 2021 £ | **Charity 2022 £** | Charity 2021 £ |
|---|---|---|---|---|
| Deferred income at 1 January 2021 | **5,777,417** | 8,119,450 | **5,777,417** | 8,112,166 |
| Resources deferred during the year | **11,446,657** | 5,777,417 | **11,446,657** | 5,777,417 |
| Amounts released from previous periods | **(5,777,417)** | (8,119,450) | **(5,777,417)** | (8,112,166) |
| | **11,446,657** | 5,777,417 | **11,446,657** | 5,777,417 |

Deferred income comprises project work invoiced in advance of the performance criteria being met.

## 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | **Charity 2022 £** | Charity 2021 £ |
|---|---|---|
| Amounts owed to group undertakings | - | 464,279 |

It is expected that the Beijing entity will cease trading in 2023. Legal advice has confirmed that the share capital liability will not be due to the subsidiary and therefore there is no longer any long-term liability presented in the accounts.

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## 18. FINANCIAL INSTRUMENTS

| | **Group 2022 £** | Group 2021 £ | **Charity 2022 £** | Charity 2021 £ |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| Financial assets measured at fair value through income and expenditure | **11,451,561** | 6,475,611 | **11,116,191** | 6,112,466 |

| | **Group 2022 £** | Group 2021 £ | **Charity 2022 £** | Charity 2021 £ |
|---|---|---|---|---|
| **FINANCIAL LIABILITIES** | | | | |
| Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio | **(149,631)** | (81,751) | **(149,631)** | (81,751) |

Financial assets measured at fair value through income and expenditure comprise cash held at bank and financial assets arising from foreign exchange derivatives.

Derivative financial instruments measured at fair value through income and expenditure comprise financial liabilities arising from foreign exchange derivatives.

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## 19. STATEMENT OF FUNDS

### GROUP STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2022 £ |
|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | |
| Unrestricted general funds | 337,992 | 6,785,580 | (6,394,711) | (132,157) | 596,704 |
| Designated funds | | | | | |
| Fixed Assets | 1,022,661 | - | - | (67,843) | 954,818 |
| Building Maintenance | - | - | - | 200,000 | 200,000 |
| | **1,360,653** | **6,785,580** | **(6,394,711)** | **-** | **1,751,522** |
| **RESTRICTED FUNDS** | | | | | |
| WCMC Beijing | 841,664 | 308,982 | (280,452) | - | 870,194 |
| WCMC Europe | 28,280 | 833,852 | (811,062) | - | 51,070 |
| Restricted projects | 1,954,364 | 14,029,346 | (11,280,282) | - | 4,703,428 |
| | **2,824,308** | **15,172,180** | **(12,371,796)** | **-** | **5,624,692** |
| **TOTAL FUNDS** | **4,184,961** | **21,957,760** | **(18,766,507)** | **-** | **7,376,214** |

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## 19. STATEMENT OF FUNDS (CONTINUED)

### GROUP STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2021 £ |
|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | |
| Unrestricted general funds | 2,226,184 | 8,506,151 | (10,453,965) | 59,622 | 337,993 |
| Designated funds - Fixed Asset fund | 1,082,283 | - | - | (59,622) | 1,022,660 |
| | 3,308,467 | 8,506,151 | (10,453,965) | - | 1,360,653 |
| **RESTRICTED FUNDS** | | | | | |
| WCMC Beijing | 735,878 | 474,678 | (368,892) | - | 841,664 |
| WCMC Europe | (3,462) | 511,349 | (479,607) | - | 28,280 |
| Restricted projects | - | 6,929,299 | (4,974,935) | - | 1,954,364 |
| | 732,416 | 7,915,326 | (5,823,434) | - | 2,824,308 |
| **TOTAL FUNDS** | 4,040,883 | 16,421,477 | (16,277,399) | - | 4,184,961 |

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### PARENT STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2022 | Income | Expenditure | Transfers in/out | Gains & Losses | Balance at 31 December 2022 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **UNRESTRICTED FUNDS** | | | | | | |
| Unrestricted general funds | 980,922 | 6,785,579 | (6,013,947) | (132,158) | (380,763) | 1,239,633 |
| Designated funds | | | | | | |
| Fixed Assets | 1,022,660 | - | - | (67,842) | | 954,818 |
| Building Maintenance | - | - | - | 200,000 | | 200,000 |
| | 2,003,582 | 6,785,579 | (6,013,947) | - | (380,763) | 2,394,451 |
| **RESTRICTED FUNDS** | | | | | | |
| Restricted projects | 1,954,364 | 14,890,171 | (12,141,107) | - | - | 4,703,428 |
| | 1,954,364 | 14,890,171 | (12,141,107) | - | - | 4,703,428 |
| **TOTAL FUNDS** | 3,957,946 | 21,675,750 | (18,155,054) | - | (380,763) | 7,097,879 |

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### PARENT STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2021 | Income | Expenditure | Transfers in/out | Balance at 31 December 2021 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **UNRESTRICTED FUNDS** | | | | | |
| Unrestricted general funds | 2,869,112 | 9,328,718 | (11,276,531) | 59,623 | 980,922 |
| Designated funds - fixed asset fund | 1,082,283 | - | - | (59,623) | 1,022,660 |
| | 3,951,395 | 9,328,718 | (11,276,531) | - | 2,003,581 |
| **RESTRICTED FUNDS** | | | | | |
| Restricted projects | - | 6,929,299 | (4,974,935) | - | 1,954,364 |
| | - | 6,929,299 | (4,974,935) | - | 1,954,364 |
| **TOTAL FUNDS** | 3,951,395 | 16,258,017 | (16,251,466) | - | 3,957,946 |

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**Designated Funds**

*Fixed Assets*
This fund represents the net book value of the fixed assets of the Charitable Company. The transfer represents the movements of fixed assets during the year.

*Building Maintenance*
Trustees agreed to create a designated fund in 2022 to allow the charity to respond to expected critical work required to maintain the building.

**Restricted Funds**
Restricted funds related to the charity's subsidiaries which operate overseas and have narrower objectives than the charity.

**Restricted projects**
Restricted projects represent non-service grants that do not meet the definition of unrestricted service contracts. Restricted projects are as follows:

30by30 Evidence review and scoping
30x30 Bezos Earth Foundation
Guiding principles for Nature Accountability Workshop
Action Agenda Phase III
AFRIMED
Align
ASEAN
Assessing the coverage of ICCAs: Phase 2
Bezos_Andes_Congo
Bio-Agora
BIOCLIMA
Biodiversity Guidance Training
BIONEXT
BISI - Equinor Support
BTC - NB
CABES
Capacity for National Assessment (
Carbon finance for restoration - ELP
Caribbean Biodiversity Fund
CCI Agriculture impacts on biodiversity
CCI Bird Trade Analysis
CCI post2020 Coordination
CCI post2020 Coordination/Ext
Central Highlands deforestation
CITES data analysis training
CITES RST, vultures and plants (Annex C)
CITES Support 2020-2022
CLEVER
Climate change mitigation
Climate Mitigation in the ELP
CMS State of Migratory Species, Appendix
Cocoa, biodiversity & ecosystem services
Congo Basin ILUMPs
Connectivity workshops
Cross Cluster Synergies
Dasgupta Review Follow On
Decade on Restoration Final Report
Defining and Measuring “Destructive” Fish
Deforestation training
Defra effectiveness indicators
Defra Nature Positive Economy Transition
Deliver IBAT
Design a bright future
Development Corridors - GCRF
Dynamic World (IO)
EAG Participation
EbA Effectiveness Project
ELP Turkey
ENCORE Analysis EIB
ENCORE Analysis Storebrand
ENDANGERED SEASCAPES
ESA Biodiversity+Precursors
EU Wildlife Trade 2022-2024
EU Wildlife Trade 2022-2024
Fashion Pact and Biodiversity
Freshwater STAR
FutureMARES
FutureWebs
GCRF Trade Hub
GEF Connect
GEF-FARM project
GEMS/Ocean
GEO for Business Briefs
GFEP2
Global infrastructure mapping and modelling
GRASP database user manual
Green Public Finance
IACTS Trade Study 2020-2022
IBAT Data Investment
Impact Indicators for Banks
Indicator metadata sheets
IPBES Capacity Building in West Africa
IPBES National Assessments
IUCN Urban Nature Index
IWT and zoonotic diseases
Land Use Finance Programme - 2022
Land Use Finance Programme - LUFP Support
LHI Collaboration 2020-2022
LUFP - support to IFACC, Agri 3 and GF4S
MAIA
Mapping and Measuring Nature
Mapping Biodiversity Priorities Phase 2
MAREA
Mining Guiding Principles
Monitoring Support to COP 15

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Montreux Group (Phase 2)
Mountain GCI revision
Myanmar UN-REDD mangroves component - 2
NASA NSPIRES
National ecosystem assessments & NBSAPs
Natural Capital Gap Reports
NbS Synthesis Report
NC4-AFD Policy Briefs
NCA for Sustainable Development in Ghana
NERC CongoPeat
Aligning Biodiversity Metrics
OBAMA-NEXT
One Health Intelligence Scoping
Open Access Block Grant 2021/2022
Open Access Block Grant 2022/23
ORS Bern Convention
ORS Maintenance and Support for Ramsar
Pan Europe information Systems Phase 3
Paraguay GCF 2020
PLANET4B
Protected Planet
Reduce Deforestation Lower Mekong
Reef Futures
Reg Seas Ecosystem Approach and ABMTs
Restoration-Adaptation Briefing Paper
REXUS
Road-testing the SBTN for Nature Initial
SAICM capacity-building & reporting
SBTN Biodiversity Hub input 2021/2022
SELINA
Sensitivity Mapping Mauritius
SPACES - Spatial planning
State of Finance for Nature
Stora Enso - Review
Support to build phase of the TNFD
Supporting the Global Peatlands Initiative
SUSTAIN Horizon Europe
Sustainable Food Systems Assessment
Sustainable Land Use Finance
Capacity Building Targets and Indicators SCL
TEEB support – agrifood / oceans & coast
TNFD GEF Research
Transboundary PAs
Transformative pathways project
UN Decade Monitoring Framework
UNEP Europe Cooperation on NbS
UNEP Mangroves & People 2020
UNEP Regional Seas SDG 14 Gap Report
Urban Alliance S and M
World Heritage Comparative Analysis
WWF Poverty, Biodiversity & Carbon

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## 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

### GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|---|
| Tangible fixed assets | 954,318 | 3,274 | **957,592** |
| Intangible fixed assets | 500 | - | **500** |
| Current assets | 9,944,886 | 9,767,229 | **19,712,115** |
| Creditors due within one year | (9,148,182) | (4,145,811) | **(13,293,993)** |
| **TOTAL** | 1,751,522 | 5,624,692 | **7,376,214** |

### GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|---|
| Tangible fixed assets | 1,017,313 | 4,404 | **1,021,717** |
| Intangible fixed assets | 5,347 | - | **5,347** |
| Current assets | 5,375,231 | 5,632,268 | **11,007,499** |
| Creditors due within one year | (5,037,238) | (2,812,364) | **(7,849,602)** |
| **TOTAL** | 1,360,653 | 2,824,308 | **4,184,961** |

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2022 | Restricted funds 2022 | Total funds 2022 |
|---|---|---|---|
| | £ | £ | £ |
| Tangible fixed assets | 954,318 | - | **954,318** |
| Intangible fixed assets | 500 | - | **500** |
| Investments | 1 | - | **1** |
| Current assets | 9,944,886 | 9,140,252 | **19,085,138** |
| Creditors due within one year | (8,505,253) | (4,436,824) | **(12,942,077)** |
| Creditors due after one year | (1) | - | **(1)** |
| **TOTAL** | **2,394,451** | **4,703,428** | **7,097,879** |

### PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2021 | Restricted funds 2021 | Total funds 2021 |
|---|---|---|---|
| | £ | £ | £ |
| Tangible fixed assets | 1,017,313 | - | **1,017,313** |
| Intangible fixed assets | 5,347 | - | **5,347** |
| Investments | 642,928 | - | **642,928** |
| Current assets | 6,127,195 | 4,681,406 | **10,808,601** |
| Creditors due within one year | (5,324,923) | (2,727,041) | **(8,051,964)** |
| Creditors due after one year | (464,279) | - | **(464,279)** |
| **TOTAL** | **2,003,581** | **1,954,365** | **3,957,946** |

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2022 £ | Group 2021 £ |
|---|---|---|
| Net income for the period (as per Statement of Financial Activities) | **3,191,253** | 144,078 |
| **ADJUSTMENTS FOR:** | | |
| Depreciation charges | **174,366** | 183,354 |
| Amortisation charges | **4,847** | 7,682 |
| Increase in debtors | **(3,728,669)** | (987,891) |
| Increase in creditors | **5,376,513** | (2,124,613) |
| Fair value (gains) on forward exchange contracts | **67,880** | 113,206 |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **5,086,190** | (2,664,184) |

### 22. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2022 £ | Group 2021 £ |
|---|---|---|
| Cash in hand | **11,451,561** | 6,475,612 |
| **TOTAL CASH AND CASH EQUIVALENTS** | **11,451,561** | 6,475,612 |

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## 23. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 January 2022 £ | Cash flows £ | At 31 December 2022 £ |
|---|---|---|---|
| Cash at bank and in hand | **6,475,612** | 4,975,949 | **11,451,561** |
| | **6,475,612** | **4,975,949** | **11,451,561** |

## 24. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £724,607 (2021 - £636,139). Contributions of £79,938 (2021 - £61,055) were outstanding at the balance sheet date.

## 25. OPERATING LEASE COMMITMENTS

At 31 December 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Not later than 1 year | **29,537** | 29,537 | **29,537** | 29,537 |
| Later than 1 year and not later than 5 years | **42,914** | 72,451 | **72,451** | 72,451 |
| Later than 5 years | **-** | - | **-** | - |
| | **72,451** | 101,988 | **101,988** | 101,988 |

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## 26. RELATED PARTY TRANSACTIONS

In the year 2022, purchases of £4,556 (2021: £12,838) were made from Mills and Reeves LLP, an entity in which a Trustee is a partner. At the balance sheet date, amounts of £Nil were owed (2021: £818).

One Trustee was a member of the Board of Trustees of RSPB effective from October 2022. In 2022, purchases of £8,138 we made (2021: £Nil). No balances were outstanding as at the year-end (2021: £Nil).

Another Trustee is a member of the Council of the University of Cambridge. In the year 2022 payments totalling £16,662 were made (2021: £85,085).

The WCMC Head of Operations is a Director of the Cambridge Conservation Initiative (CCI). WCMC collaborated with CCI on a number of projects. Included in work in progress is £7,262 in accrued income and £60,086 in deferred income (2021: £71,203 deferred income) in respect of these projects. Revenue generated from these projects amounted to £9,148 (2021: £35,393).

The WCMC CEO is a member of the Science-Based Targets Network (SBTN) Council. Included in Work In Progress for 2022 was £4,098 (2021: £Nil) of deferred income in respect of projects on which WCMC collaborates with SBTN. Revenue generated from these projects amounted to £137,726 (2021: £68,724) and deferred income totalled £4,098 (2021 - £56,640 accrued income).

**Transactions with subsidiaries**

At 31 December, WCMC owed the following balances to its subsidiaries:

- Due to the decision to wind up the Beijing subsidiary operation, £1 (2021: £625,808) is recognised as the nominal sum due to WCMC Beijing in respect of unpaid share capital.

- £27,715 (2021 - £176,553) in respect of project consultancy fees to Beijing. During the year, WCMC Beijing provided consultancy services to the value of £325,166 (2021: £556,622).

- £10,950 (2021: £297,348 owed to WCMC) in respect of joint project work to WCMC Europe.

During the year, WCMC provided services to the value of £325,166 (2021: £Nil) to WCMC Beijing and provided working capital funding to WCMC Europe asbl. of £145,356 (2021: 154,418).

At 31 December, WCMC was due the following balances from its subsidiaries:

- £5,184 (2021: £297,348) from WCMC Europe in respect of work completed.

**WCMC**

England & Wales - Charity number 328044

# Accounts

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**Registered number: 02330031**
**Charity number: 328044**

# WCMC

## (A Company Limited by Guarantee)

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2020

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**WCMC**
**(A Company Limited by Guarantee)**

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**WCMC**

**(A Company Limited by Guarantee)**

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

| | |
|---|---|
| **Trustees** | Dr Robin Bidwell CBE, Chair<br>Mr Andrew Powell<br>Ms Idunn Eidheim<br>Ms Charlotte Wolff-Bye<br>Dr Jennifer Zerk<br>Mr James Sloane<br>Dr Kathleen Mackinnon<br>Mr Alasdair Poore<br>Professor William Adams<br>Mr Robin Mortimer |
| **Company registered number** | 02330031 |
| **Charity registered number** | 328044 |
| **Registered office** | 219 Huntingdon Road<br>Cambridge<br>CB3 0DL |
| **Key Management Personnel** | Mr Jonathan Hughes, Chief Executive Officer<br>Professor Neil Burgess, Chief Scientist<br>Mr Evgeny Dmitriev (resigned May 2021)<br>Dr Naomi Kingston, Head of Operations<br>Ms Hannah Braithwaite, Head of External Affairs |
| **Independent auditors** | Peters Elworthy & Moore<br>Chartered Accountants<br>Salisbury House<br>Station Road<br>Cambridge<br>CB1 2LA |
| **Bankers** | Barclays Bank<br>9-11 St Andrews Street<br>Cambridge<br>CB2 3AA |
| **Solicitors** | Mills and Reeve<br>Botanic House<br>100 Hills Road<br>Cambridge<br>CB2 1PH |

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**WCMC**

**(A Company Limited by Guarantee)**

# TRUSTEES' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, who are also the directors of the Charitable Company for the purposes of the Companies Act 2006, present the WCMC Trustees' Annual Report and financial statements for the year ended 31 December 2020. The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) second edition applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

## Who we are

WCMC is a UK charity that promotes for public benefit the conservation, protection, enhancement and support of nature and natural resources worldwide. We do this by collecting, storing, processing, analysing, interpreting and sharing data that increase our knowledge and understanding of biodiversity and the conservation of nature. Good data are the foundation of informed decision-making and we work with many partners to help them develop their knowledge and capacity to make good decisions.

WCMC operates in collaboration with the United Nations Environment Programme (UNEP) at the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). Together we work with partners across the world to put nature at the heart of decision-making and drive positive change. UNEP-WCMC works on the interface of science, policy and practice to provide policy and business leaders with the tools and knowledge they need to make decisions that make a difference.

**Our vision**: A sustainable world for biodiversity and people.

**Our mission**: We provide strategic leadership, technical expertise, and project support to increase capacity and inspire decision makers to manage biodiversity and ecosystem services for people and the planet.

We deliver our mission by:

- Supporting decision makers with the knowledge and data to develop science-based policies and practices that promote conservation, restoration and the sustainable use of nature;
- Providing business leaders with strategic advice to drive private sector action to transition to truly sustainable business models and transform their supply chains;
- Generating cutting-edge knowledge, insights and thought leadership to inform and guide future action for nature;
- Being a trusted guardian of global biodiversity data;
- Driving the accessibility of authoritative information on global biodiversity; and
- Building capacity for individuals, organisations, government agencies and networks to address the global biodiversity and climate crises.

## STRATEGIC REPORT

2020 marked the beginning of a critical 'last chance' decade for the planet. We now have a clear and robust evidence base showing the urgency of changing course; we must rebalance the relationship between people and nature. This year we were expecting to see landmark moments for nature and climate, including important international agreements at the UN Biodiversity Conference in Kunming and the UN Climate Conference in Glasgow, which will frame actions of governments and others for decades to come. However, the emergence and rapid spread of the COVID-19 pandemic caused devastating human, social, and economic distress in almost every part of the world and resulted in many of these important events being postponed to 2021.

Despite this challenge, 2020 marked one of the most important years in UNEP-WCMC's history. UNEP-WCMC adapted to new ways of working, with staff working remotely from home for most of 2020. Significant achievements were delivered across all six areas of our current strategy. In partnership with the global conservation community, UNEP-WCMC helped public and private decision makers to make positive choices for the planet. We continued to collaborate with over 200 partners on 226 projects in 134 countries and territories,

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and WCMC established strengthened presence in China and the European Union (EU) through the establishment of two regional entities, WCMC Europe Absl and WCMC Beijing. These two regional entities follow the same vision, mission and strategic priorities as WCMC.

While the UN Biodiversity Conference was delayed due to the COVID-19 pandemic, work towards the post-2020 global biodiversity framework – including a new set of global goals for biodiversity – continued throughout last year. UNEP-WCMC maintained a leading role in identifying indicators and assessing their suitability for monitoring draft goals and targets under the framework. If we are to succeed in halting and reversing biodiversity loss, ambition will need to translate into support for the delivery of the post-2020 global biodiversity framework and into national and local action. The work of UNEP-WCMC throughout 2020 has been critical in helping to ensure that progress towards the new global goals will be meaningful, measurable and transparent.

We also continued to inform and direct effective global action for nature through our contribution to global knowledge insights and thought leadership. This includes our involvement with a ground-breaking global analysis on “Bending the Curve” on terrestrial biodiversity loss which set out a path for halting and reversing terrestrial biodiversity loss from land-use change. The first futures modelling of its kind, this research sets out six clear and ambitious actions for governments, businesses, and consumers to take on board as we work together to tackle the global nature crisis.

Towards the end of 2020, we began the process of developing a new strategy for 2022-2025 which will align with UNEP’s new Mid-Term Strategy. Our new strategy marks an exciting new period for UNEP-WCMC and will provide renewed focus for our efforts to deliver positive change for nature in the decade to come.

Key activities, outputs, and impacts in 2020 delivered by UNEP-WCMC under the six priority themes in our current UNEP-WCMC Strategy and Business plan (2017-2020) are set out below.

## 1. Nature in Sustainable Development: mainstreaming biodiversity into sustainable development

A healthy natural environment with thriving nature is the foundation of the Sustainable Development Goals (SDGs). Until recently, the importance of nature to both social and economic prosperity has not been understood or fully appreciated. Moreover, the costs of the decline in nature and the benefits it provides have not been calculated as part of traditional ways of measuring economic growth. This makes it difficult for decision makers to develop joined-up solutions and can result in nature not being accounted for in national policy-setting and decision-making processes. UNEP-WCMC is working to incorporate biodiversity into sustainable development policies and actions (a process commonly known as mainstreaming), so that biodiversity is taken fully into account across the board.

We support governments and other partners to recognise the importance of biodiversity in underpinning decisions on planning and implementing action to deliver the SDGs and associated targets at multiple scales. Biodiversity and ecosystem services are anchored in SDGs 6 (Clean water and sanitation), 14 (Life below water) and 15 (Life on land), but they also underpin many of the other cross-cutting social and economic goals such as Goals 1 (No poverty), 2 (Zero hunger), 3 (Good health and well-being), 5 (Gender equality), 8 (Decent work and economic growth), 12 (Responsible consumption and production) and 13 (Climate action).

By developing valuable analyses and resources for governments, delivering nationally bespoke programmes and expanding our successful and proven model of biodiversity mainstreaming, we continue to empower biodiversity and natural capital professionals with the skills to make informed sustainable development decisions.

***More countries are accounting for the importance of biodiversity and ecosystem services***
Nature and its contributions to people can be difficult to measure and are often overlooked and undervalued in national policies and decision-making processes worldwide. As a result, different sectors such as forestry, agriculture and water risk not accounting for the importance of biodiversity and ecosystem services.

National Ecosystem Assessments help to address this by establishing an up-to-date and broadly owned

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evidence base that informs cross-sectoral policies and national decision-making in response to the status of, and demands on, nature. They can help mobilise different actors for biodiversity conservation and can help rebalance the relationship between people and nature whilst fostering sustainable development. The changing policy context in which these ecosystem assessments are being developed means they are increasingly reflecting current priorities such as linkages between biodiversity and human health and well-being, and the importance of ecosystem restoration for building social and economic resilience.

UNEP-WCMC has been working to support countries to undertake National Ecosystem Assessments. Our portfolio of work on ecosystem assessments, funded by the German Government through the United Nations Development Programme (UNDP), has continued to support practitioners, researchers and policymakers in Ethiopia, Cameroon, Colombia, and Vietnam in completing their National Ecosystem Assessments. A second tranche of countries - Azerbaijan, Grenada, Bosnia Herzegovina, and Cambodia – continued to undertake their assessments and a third group of countries, comprising the Dominican Republic, Malawi, Argentina and Thailand, supported by a further phase of German International Climate Initiative (IKI) funding, have begun to plan their assessment processes.

***Putting biodiversity into the heart of government decision-making***
In 2020, our flagship Global Environment Facility (GEF) funded biodiversity mainstreaming project 'Connect' moved into a critical phase of implementation. Cross-sectoral groups of policymakers in each project country (Ghana, Uganda and Mozambique) identified biodiversity information products to support the chosen target sectors which need biodiversity information to inform decision making. Working with global experts, these products are now under development. The project connects biodiversity experts with policymakers to deliver biodiversity information in ways that improve development decisions and create a proof-of-concept to provide lasting lessons in biodiversity mainstreaming for a global audience.

***Incentivising engagement with biodiversity issues***
Voluntary National Reviews are an important part of the process of follow up and review of national progress towards the 2030 Agenda for Sustainable Development and the SDGs. They are led by governments and submitted to the UN High-Level Political Forum on Sustainable Development to allow sharing of experiences and lessons learned. In 2020, we published the first ever analysis of the profile of biodiversity within Voluntary National Reviews. Our study concluded that only half the countries reviewed reported on how they reflect biodiversity in national SDG implementation and review processes. However, positive examples of integration of biodiversity into wider sustainable development strategies were identified. The report also shared recommendations for the UN system and member states to strengthen biodiversity considerations in Voluntary National Reviews.

Our developmental work on ecosystem accounting speaks to decision makers who are more used to understanding the concept of profit and loss accounts and supports the development of global good practices as well as implementation at a national level. During 2020, we contributed to the revision of the UN System of Environmental Economic Accounting (UN SEEA) Ecosystem Accounting framework. We also worked with the Ugandan Government on a set of fisheries accounts. By encouraging their uptake across government, these will directly benefit decision makers to achieve national objectives for fisheries and also deliver on international commitments, such as reporting on SDG indicator 14.4.1 (Proportion of Fish Stocks within biologically sustainable levels).

## 2. Nature in Business: strengthening natural capital in private sector decision-making

Biodiversity is increasingly recognised for its important role in building resilience against climate change, in supporting communities and livelihoods, and in underpinning our broader society and the global economy. However, this macro-scale awareness is not yet accompanied by in-depth understanding of the extent to which individual businesses depend on biodiversity. As the state of nature continues to decline, and the pressures from business on nature continue to increase, the risk to business from inaction also increases.

UNEP-WCMC is working with business and their influencers to address this gap in understanding. We help to

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share cutting edge knowledge on the materiality of business-biodiversity interactions, develop and deliver the right tools and data to support action, and help increase capacity for change.

***Building on the success of the Proteus Partnership***
The Proteus Partnership is a unique collaboration between leading extractives companies and UNEP-WCMC to provide companies with the biodiversity information needed for better informed decisions and to support the development and improvement of key global biodiversity resources. In 2020, we successfully concluded a phase of the Proteus Partnership and renewed this flagship private sector initiative for a further five years. The 2016-2020 phase saw three new members join, increasing our ability to deliver decision-grade biodiversity data, tailored tools and approaches, and to facilitate peer-to-peer learning and good practice.

The next phase of Proteus will see the Partnership expand further, opening up to new sectors for the first time, and considerably broadening the reach and impact of the partnership. This will build on the successful foundation of Proteus developed over the last 18 years.

***Supporting early screening for natural habitats***
We produced the first ever global layer to help investors and businesses screen on the basis of natural and modified terrestrial habitat. Financial lending standards and corporate screening approaches commonly consider the state of habitat when setting mitigation requirements for new projects. Our peer reviewed data layer was designed to help both businesses and investors to understand the extent to which habitat was likely to have been modified by human activity. It could help businesses identify natural terrestrial habitat early in screening processes, helping to prevent impacts on nature whilst saving money. The data layer could also help investors by improving investment screening and guiding decision-making in global and regional banks and international corporations. The map could support portfolio-level analysis of existing operations and analysis of supply chains to understand the scale of businesses' presence in natural or modified habitats. This is a vital, but previously difficult to complete the first step in avoiding impacts on nature.

***Embedding biodiversity values into natural capital approaches***
A lack of consistent tools and frameworks to effectively integrate the value of biodiversity into corporate decision-making has hampered efforts by even the most forward-thinking companies to shift their business to become nature-positive. In 2020, we published the Biodiversity Guidance to accompany the Natural Capital Protocol to help address this gap. We collaborated with the Cambridge Conservation Initiative and Capitals Coalition to reveal biodiversity's role in delivering the benefits we derive from nature, so they could be more easily reflected in corporate natural capital assessments. We developed a series of guidance that explores a stepwise approach in incorporating biodiversity in decision-making, further strengthening the already established Natural Capital Protocol framework.

UNEP-WCMC led the guidance development and piloting with companies, contributing to its successful launch in September 2020. Throughout the project, we worked with more than 30 partners, received comments from an additional 20 organisations from the public consultation, conducted three deep dive pilots (with METRO, BNP Paribas AM, Repsol), and further contributed to three lighter touch pilots (with MUDJeans, CDC Biodiversité, De Nederlandsche Bank (DNB)/ Netherlands Environmental Assessment Agency (PBL)).

UNEP-WCMC is also working on a Land-Use Finance project aiming to leverage public finance to decouple private investment from deforestation, climate and ecosystem impacts, with the aim of providing the finance sector with standardised best-practice for environmental and social risk management and demonstration of impact.

## 3. Planning for Places: supporting area-based planning and decision-making

Effective spatial planning relies on inclusive processes working with a strong evidence base on the likely benefits and disadvantages of locating human activities across land and sea. UNEP-WCMC works to support multi-sectoral, integrated planning processes that include conservation and restoration within wider development and food system plans. This approach works across wide geographical areas and uses harmonised data to

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understand patterns of biodiversity and ecosystem services to identify priorities for different land uses. We also facilitate planning for the uniqueness of individual places: tailoring management to local needs and circumstances, understanding each landscape and its community in their own terms, and drawing on local knowledge.

UNEP-WCMC has worked with a diverse set of stakeholders in 2020 to improve area-based planning, providing the data, knowledge and tools to promote effective planning.

***Spatial planning for nature-based solutions***
As we move into a decade of action for people and the planet, the Nature Map initiative provides a key tool to deliver multiple benefits in decisions that make a difference. Nature Map brings together an international consortium of research institutes and conservation organisations to directly support area-based prioritisation for conservation and restoration. It helps to identify global areas of conservation and restoration significance and where action could provide the highest joint benefits for biodiversity conservation, climate change mitigation and other ecosystem services. In 2020, we continued to work on global analysis to identify 'win-win' areas, completed the creation of global layers and made them accessible through the UN Biodiversity Lab, which is used by more than 313 policymakers from 61 countries for biodiversity planning and reporting.

Ongoing research aims to refine our understanding of the contribution that achieving global conservation goals can make to achieving climate change mitigation goals, going beyond carbon storage to quantify potential emissions reductions. In November, we released 'Strengthening Synergies: How action to achieve post-2020 global biodiversity conservation targets can contribute to mitigating climate change', which highlighted the fundamental interconnectedness of the climate change and biodiversity loss crises and the need for more integrated approaches to address them together.

***Protected areas multiply, and protected area data gets better***
Protected Planet is the most up to date and complete source of data on protected areas and other effective area-based conservation measures (OECMs), updated monthly with submissions from governments, non-governmental organisations, landowners and communities. 2020 was a major year for the Protected Planet Initiative. In collaboration with governments and other partners, we were able to: update, validate or add 83 percent of the records in the World Database on Protected Areas and World Database on OECMs; add 50,000 new protected areas and OECMs (more than in 2017, 2018 and 2019 combined); update 151 countries and territories; and show that the terrestrial coverage of Protected Areas and OECMs is now over 16 percent - a step closer to Aichi Target 11's goal to protect at least 17 percent of earth's terrestrial area. The State of the World's Forests report, which we contributed to, showed that this target has been achieved for coverage of forests, although progress is still required to ensure the effectiveness of such protection and that the network adequately covers all the world's forest types.

***Guiding corridor development***
The Development Corridors Partnership (DCP) is a Global Challenges Research Fund project led by UNEP-WCMC, building capacity to address concerns about development corridors by encouraging scientific collaboration and stakeholder engagement on key issues of corridor planning and management. Collaborative work has continued remotely this year, with a midterm conference bringing partners together virtually in September. Expanding the policy level impact of DCP, we worked with other UK partners to provide technical assistance to the Federal Government of Nigeria to update their existing Minerals and Mining Act (2007) to include measures to guide 'Mineral Resource Corridors' for new mining developments so they can maximize their development potential whilst minimising environmental and social risks.

***Mapping Environmentally Sensitive Assets***
In 2020, in collaboration with the Norwegian Environment Agency (NEA) and Norkart under the Oil for Development (OfD) programme, following a successful workshop with participating countries (Ghana, Kenya, Lebanon, Mozambique, Tanzania, Somalia, and Uganda), we published methodology guidance on our Mapping Environmentally Sensitive Assets (MESA) tool to map Environmental Sensitivity atlases. Human development is associated with a range of pressures and related impacts (e.g. habitat loss, pollution) on environmental assets.

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Environmental sensitivity atlases are spatial tools that display the relative sensitivity of areas to a given pressure. They are used by decision makers to aid in the understanding of where sensitive assets are located and for the planning and management of industrial operations to minimise environmental and social risk. The new guidance provides a step-by-step protocol for evaluating environmental sensitivity of assets.

We also continued to work closely with national institutions within OfD countries to build capacity and support the development of environmental sensitivity atlases. In Ghana, we provided support to the Environmental Protection Agency to develop a coastal sensitivity atlas for oil spill response, which is due for publication in early 2021. In Lebanon, we expanded our engagement with the Lebanese Petroleum Agency and Ministry of Environment to begin the development of an atlas to identify coastal sensitivity to hydrocarbons. We also began a new collaboration with the Ugandan Wildlife Authority, National Environmental Management Authority and the Wildlife Conservation Society to develop a sensitivity atlas for the Semuliki National Park, in relation to a number of pressures including development of infrastructure within and around the park boundaries.

***UN-REDD, Cocoa and Restoration***
As part of our work in support of the United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD) in Cote d'Ivoire, we are assessing the potential of agroforestry implemented throughout cocoa areas and highly degraded forest reserves to contribute to Cote d'Ivoire's forest restoration target, with input gathered from local stakeholders.

We have also developed guidance for UN-REDD on how to create and design informative maps and data visualisations for effective policy communication, or otherwise visualise complex data. The guidance incorporates knowledge gained from working with over twenty developing countries to build capacity and analyse where forest conservation and restoration actions could result in additional social and environmental benefits.

**4. Nature Across Borders: securing a future for wildlife**

Overexploitation of wildlife is the second most important cause of the global decline in populations of terrestrial species and the main driver of species loss in the ocean. To effectively address this existential threat, governments around the world need to work together to protect nature. This requires high-quality accessible science and knowledge that can support decision makers to make informed choices about managing wildlife and wildlife trade.

UNEP-WCMC works to promote a sustainable future for wildlife by helping to ensure that nature that crosses borders – either naturally as migratory species or through international trade – is safeguarded.

***Improved knowledge on wildlife trade driving action for species***
By supporting the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), UNEP-WCMC works to ensure that international trade of animals and plants does not negatively impact on species and habitats in the wild. As part of our work with CITES, we help signatories to effectively implement the Convention through scientific, policy and technical advice and tools. In 2020, UNEP-WCMC worked closely with the Secretariat to improve global datasets and resources by adding CITES identification materials and making them searchable through these platforms. More than 4,000 new identification resources were made accessible in new and dynamic ways to support enforcement on the ground.

***Informing key global and regional efforts to monitor wildlife trade and reduce illegal trade***
This year was a productive year for UNEP-WCMC in for CITES outputs. Recent analytical outputs from UNEP-WCMC focused on supporting key CITES processes. In addition, we conducted an in-depth assessment of the conservation status and trade in a west African rosewood species (Pterocarpus erinaceus), produced as an urgent case for the consideration by the Plants Committee. Outputs were also produced to support the Review of Specimens Produced in Captivity to facilitate better regulation of international trade in wildlife and to address concerns on captive breeding of Sri Lankan Agamid lizards. As part of a new CITES process, UNEP-WCMC, jointly with IUCN, produced the first Rapid Assessment of Appendix I Taxa. This study aimed to determine which Appendix I species may benefit from more CITES actions based on an assessment of conservation status and

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legal/illegal trade. As the CITES meetings were not held in 2020 due to the Covid-19 pandemic, the discussions on these reports have not yet taken place, so the impact will be seen in future years.

We also continued our work to support the European Commission and EU Member States, by providing advice to the European Commission's Scientific Review Group on the implementation of the EU Wildlife Trade Regulations and on the sustainability of wildlife imports to the European Union. The reports we produce feed directly into decision-making at the EU-level. In 2020, we produced 22 reports and 54 decisions were made as a result of our reports. We also produced the annual analysis of EU Wildlife trade to help inform EU-wide decision-making. UNEP-WCMC also provided support to the European Commission and its Member States in monitoring the implementation and enforcement of legislation that aims to reduce the devastating effects of illegal timber trade.

As part of another Global Challenges Research Fund project at the Centre (TRADE hub), led by UNEP-WCMC and involving over 50 partners in 15 countries, we contributed to global considerations around indicators, providing a review of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) Sustainable Use Assessment, and through finding more innovative ways to visualise international wildlife trade patterns. UNEP-WCMC also worked in collaboration with other parts of UNEP, TRAFFIC International and partners to evaluate the relationship between the legal and illegal wildlife trade into the United States and the European Union.

***Prioritising action for migratory species***
Migratory species conservation requires global cooperation between countries. In support of the Convention on the Conservation of Migratory Species of Wild Animals (CMS), UNEP-WCMC presented an analysis of CMS National Reports and Progress Reports on the implementation of the Conventions' Strategic plan. The assessment drew on information provided by Parties in their national reports, as well as from additional datasets relating to six additional priority indicators. The report identifies gaps in information and provides recommendations to inform implementation and data collection for the remainder of the Strategic Plan period. Amendments to the CMS Appendices adopted by the Parties, as well as associated information on species distributions, were incorporated into Species +, a centralised portal for access to key information on species of global concern.

## 5. Healthy Oceans: supporting the transition to a healthy ocean

Our ocean covers two-thirds of the planet, playing a vital role in supporting life on Earth. Wherever we live, we all rely on the ocean – but this connection is not always clear. For those who live hundreds, or even thousands of miles away from the ocean, it is sometimes hard to see how our actions have direct consequences on seas and coasts. UNEP-WCMC is taking a collaborative approach to tackle the challenges facing the ocean through educating and engaging marine stakeholders. We are translating science into accessible information that decision makers can use to make sure the ocean is protected and used sustainably, and bring together civil society, governments, businesses, NGOs and academics to support decision makers and influence change.

***Protecting biodiversity in International Waters***
Over 40 percent of the planet's surface is ocean that is not under any one nation's jurisdiction. These areas are called Areas Beyond National Jurisdiction (ABNJ). The ocean provides us with many essentials, such as food, however lack of national jurisdiction makes it difficult to ensure that resources in the high seas, including fisheries, are being sustainably managed.

Cognisant of the growing threats to biodiversity, the ABNJ Deep Seas Project, supported by the Global Environment Facility and led by UNEP and the Food and Agriculture Organization of the United Nations (FAO), provided options to sustainably manage fisheries resources and biodiversity in ABNJ. UNEP-WCMC worked with key stakeholders to develop an evidence base, providing a platform and opportunity to share experiences, co-develop innovative solutions and gain a deeper understanding of the complex political and ecological realities of management in international waters. The project produced a range of outputs which supported the development of a framework for cross-sectoral area-based planning in ABNJ. Based on the success of the project, the GEF

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International Waters Programme will continue to support UNEP-WCMC in strengthening governance in international waters.

***Developing a common language and shared understanding of Marine Protected Areas***
There has long been confusion and debate as to how much of the ocean is protected, and what reasonable outcomes can be expected from Marine Protected Areas (MPAs). This ambiguity has hindered our ability to measure and articulate progress towards sustainability targets and goals and has caused divisions between ocean users and stakeholders. To help solve this challenge, in 2020 we produced an MPA Guide which provides a shared vision to describe MPAs and the conservation outcomes they provide. The MPA Guide will drive more and better ocean protection and reflects a collective ambition to find unity in language and consistency in approach.

***Putting MPAs and other effective area-based conservation measures on the map and tracking international progress***
Working with governments and other stakeholders, we updated data on the majority of MPAs recorded in the World Database on Protected Areas in 2020. These updated data show that MPAs now cover 7.65 percent of the world's ocean. We are also starting to see the impact of the recognition of other effective area-based conservation measures (OECMs) in the marine realm. Despite the small number of countries that have so far reported data on OECMs, these areas already increase global marine coverage to 7.71 percent in combination with protected areas.

Playing a leading role in preventing, halting and reversing ecosystem degradation
As we enter the UN Decade on Ecosystem Restoration, UNEP-WCMC is providing strategic leadership, evidence-based expertise and project support to inspire, empower and enable governments, businesses, scientists and society to achieve the aims of the decade. Throughout 2020, we collaborated with partners around the world to build capacity and create innovative solutions to environmental challenges through restoration at local, national and international scales. At a local and national local scale, we evaluated the effectiveness and success of innovative approaches to restore degraded coastal and deep-sea ecosystems, whilst on the regional scale we worked with the European Commission and European Environmental Agency to identify opportunities and data needs to develop a legally binding instrument for restoration. On the global scale, we began to work with FAO and UNEP to establish a monitoring framework for the UN Decade, providing key expertise regarding the restoration of aquatic and transitional waters.

## 6. Intergovernmental Agreements and Processes

One of the ways in which UNEP-WCMC has high impact is through our work with intergovernmental agreements and policy making. A key strength of this approach is that, by providing improved access to knowledge-based evidence, we help governments to develop and implement more informed decisions and policies related to issues such as land use, climate change adaptation and mitigation, use of natural resources, and more. Our primary approach has been to help ensure that the necessary knowledge base is available to support decision-making processes relating to both policy-setting and implementation, and then to support implementation and review. We remain impartial in our engagement on policy matters while advocating for effective use of knowledge in policy processes and for agreements and outcomes to reflect such knowledge.

***Supporting the post-2020 global biodiversity framework***
The year 2020 was meant to be the "super year" for nature, including both a UN Summit on Biodiversity and the UN Biodiversity Conference where a new global strategy would be put in place to address biodiversity loss. Unfortunately, the COVID-19 pandemic has had a severe impact on intergovernmental negotiations, and many meetings have been postponed. Nonetheless, UNEP-WCMC has continued to support the developments of the post-2020 global biodiversity framework (the new strategy). We have been working directly with the Secretariat of the Convention on Biological Diversity and the Biodiversity Indicators Partnership to develop a key document on biodiversity-related indicators that will provide essential support to Governments in developing and agreeing the monitoring framework.

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When Governments are negotiating it is important that they understand the positions and perspectives of other Governments. Discussions amongst negotiators outside negotiation rooms can allow for improved understanding of different positions, and the exploration of areas of divergence and convergence. UNEP-WCMC has been working with the Governments of Switzerland, the United Kingdom and Norway to convene two series of workshops amongst key negotiators that enables them to explore key issues relating to the post-2020 global biodiversity framework. This will continue in 2021.

***Strengthening capacity development strategies for international agreements***
In parallel with development of the post-2020 global biodiversity framework, the Convention on Biological Diversity is also developing a long-term strategic framework for capacity development to support implementation of the post-2020 global biodiversity framework. UNEP-WCMC was asked by the Convention Secretariat to develop a background study which would inform development of the strategic framework for capacity development, to ensure that the strategic framework was based on best practice and facilitated cooperation and collaboration in delivering capacity development.

As a direct result of work done in support of the Convention on Biological Diversity, UNEP-WCMC was invited to support another international agreement, the International Treaty on Plant Genetic Resources for Food and Agriculture. The Treaty has asked UNEP-WCMC to provide support to the Treaty Secretariat in elaborating a capacity development strategy (2022-2025) that builds stronger relationships with partner organisations in responding to the needs of Governments which are Party to the Treaty.

***Supporting nature-based solutions to climate change***
Since the adoption in 2015 of the Paris Agreement under the United Nations Convention on Climate Change, and especially since the UN Climate Action Summit in 2019, the role of nature in addressing climate change through both mitigation and adaptation (nature-based solutions) has received increasing attention in intergovernmental agreements and processes. This focus is increasing with preparations for the next Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) (COP26), and the emphasis on nature in the climate agenda coming from the UK, who have the COP Presidency. Work related to nature-based solutions for both mitigation and adaptation is a significant focus for UNEP-WCMC. We support many UNFCCC parties to develop their approaches to implementing the UNFCCC's Cancun Safeguards for REDD+ and to develop the necessary Safeguards Information Systems. In 2020, the Centre provided support on REDD+ safeguards to at least 11 countries (Malaysia, Myanmar, Cote d'Ivoire, Zambia, Argentina, Chile, Colombia, Honduras, Mexico, Paraguay, Peru) as part of the UN-REDD Programme and countries' own Green Climate Fund Projects.

Other Centre support to the UNFCCC and countries' progress towards its objectives includes work on ecosystem-based adaptation, which in 2020 included development of a guidebook on monitoring and evaluation for ecosystem-based adaptation, and associated contributions to the UNFCCC's Nairobi Work Programme.

## OPERATIONS REPORT

### Operational review

WCMC continued to grow in 2020, with a staff of 161 (150 FTE) at the close of the year, up from 133 (129 FTE) in 2019. We continued to recruit at a rate matching to our growing pipeline of work. In 2020 our staff turnover was 11% (UK average in 15%).

We implemented a refreshed Diversity and Inclusion Policy in 2020 which include some new approaches, including 'blind' shortlisting to reduce the risk of unconscious bias, wider advertising and budgeting for visa sponsorship. We have around 30 nationalities represented on the staff at any given time. In line with our flexible working policy, we also offered the option of part-time working where appropriate.

As a consequence of remote working requirements during the Covid-19 pandemic we moved to remote recruitment and onboarding. This worked well throughout 2020. As part of our response to the Covid-19

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pandemic we ran a series of staff surveys to regularly check on well-being and ensure we continued to respond to staff needs and provide a supportive environment for working lives. There was no decrease in productivity evident as a result of Covid-19 disruptions, and only a small number of staff have found it a wholly negative experience (5%). When possible during the year we have opened the office for a small number of staff who could not work from home for various reasons.

The nature of the work undertaken by WCMC meant that it was possible during the period of restrictions caused by the global pandemic to adapt relatively quickly to remote working. This, combined with the long-term nature of some of WCMC's contracts, meant that the financial effects of the pandemic were relatively minor in 2020.

**Premises**

WCMC staff work primarily from the Head Office at 219 Huntingdon Road, Cambridge, CB3 0DL. There is space for approximately 180 desks, although the office typically has c.50% occupancy. A second office is located at the Cambridge Conservation Initiative Campus at the David Attenborough Building in central Cambridge. Since mid-March 2020, almost all staff worked from home in line with government guidelines during the Covid-19 pandemic.

The WCMC Group includes regional entities in Belgium (WCMC Europe absl.) and China (WCMC Beijing), each of which has small offices. Four staff are also based regionally, in Thailand, Vietnam, Brazil and the Netherlands, and work as contractors for WCMC either from home, or from spaces in offices of partner organisations.

**Regional entities**

On 10 December 2019, WCMC established a wholly owned subsidiary company in China called WCMC Beijing Co. Ltd., a Limited Liability Company (wholly foreign invested), and registered in Chaoyang District, Beijing. "WCMC Beijing" was established with the objective of engaging in projects falling within the objectives of WCMC, and which are consistent with the collaboration between WCMC and the United Nations Environment Programme (UNEP) under the Collaboration Agreement between UNEP and WCMC. The official registration address is 1702O2, 17th floor, 101 inside, 3rd~24th floor, Building #5, 19th yard, Dongfangdong Road, Chaoyang District, Beijing. The unified social credit code (company registration number) is 91110105MA01H49RXQ.

WCMC Beijing had three members of staff at the end of 2020 – the Executive Director, one office manager and one project portfolio manager.

WCMC (Europe) asbl was established by WCMC on 14 November 2019. It was founded by WCMC, the UK-registered charity and Ms Hilde Eggermont. WCMC Europe is a not-for-profit association based in Brussels. It has its own, distinct legal identity. It has been set up as a charitable organisation, registered in Belgium, that operates under Belgian law. ASBL in French is an "association sans but lucratif" (translated: "not-for-profit organisation"). The registered office is located at Mundo-B, Rue D'Edimbourg 26, 1050 Brussels, Belgium.

WCMC Europe has two members of staff – one operations manager and one project portfolio manager.

**FINANCIAL REVIEW**

For the first time we present consolidated accounts, which include the 2019 and 2020 results of the two recently established subsidiaries of the Charity, WCMC Europe asbl and WCMC Beijing Co. Ltd. Both subsidiary companies have traded satisfactorily during the year.

The Group derives most of its income through project-funded activities, and has little core funding, although it aspires to increase this source of funds. Total income in 2020 was £15,281,399 compared with £12,731,617 in the previous financial year. Project income from charitable activities in 2020 was £14,198,292, which was significantly more than the £11,753,038 achieved in 2019. The increase in income from 2019 to 2020 was

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approximately 20% and resulted from an increase in number and average value of grants and funding contracts held.

Total expenditure on charitable activities in 2020 at £15,161,603 was higher than 2019 (£12,509,086) due to increases in pass-through expenses and higher employee headcount supporting growth in charitable activities. Notwithstanding these increased costs, the Group was able to achieve an operating surplus of £119,796 in 2020, compared with a surplus of £222,531 in 2019. After accounting for notional fair value losses on foreign exchange contracts held as at 31 December 2020 the Group recorded a net increase in funds of £119,796 (2019: £222,531).

The Group's balance sheet position remains strong with Net Current Assets of £2,956,788 (2019: £2,860,335). Total funds held at 31 December 2020 were £4,040,883, of which £1,082,283 was held in designated funds, representing the value of fixed assets held at the reporting date. Restricted funds, representing net assets of the subsidiary companies, amounted to £732,416 (2019: £758,473). Cash holdings at the year-end of £9,273,801 were particularly high due to the volume of payments due to be made to partners under collaboration agreements, shown as 'Accruals and Deferred Income'.

Within the accounts of the Charitable company the investments in the new subsidiaries have been classified as "social investments", on the basis that they are "Programme related investments" the purpose of which is to further the charitable aims of the company. The investments are held on the balance sheet at the value of future capital commitments, the corresponding liability being shown within creditors. Capital contributions made during the year have been written off as incurred. This policy, together with the exchange impact of revaluing this US$ liability, has resulted in an impairment charge of £116,217 for the year. The Trustees consider that this is a prudent and realistic approach.

**Reserves policy**

Given the Charitable Company's project commitments and the ongoing economic situation, it has been agreed that the Charitable Company should aim to hold unrestricted reserves to enable the organisation to operate at full capacity for at least six months, even if all income were to cease. This recognises that shifts in funding do occur and that six months would be the minimum time in which to establish emergency funding sources, and to meet contractual commitments. Based on this policy, it is believed that at 31 December 2020, between £3-4mn was needed to be held in reserves.

The reserves policy was reviewed by the Trustees in 2019 and an alternative liquidity-based method of reserves calculation (including 50% of cash, 75% of trade debtors, 50% of billable accrued income less 25% of monies received in advance and less other net current liabilities except prepayments) has been implemented, to be used alongside the "traditional method" based on net current assets.

The liquidity-based method of reserves calculation estimates WCMC reserves held at 31 December 2020 at £3,334k, which is within the target level of reserves. According to the traditional method the Group had £2,957k of general free reserves as at 31 December 2020 (£2,860k as at 31 December 2019). The Trustees consider the liquidity-based method to be a more realistic approach in the scenarios envisaged by the policy.

The Trustees will continue to review and modify the reserves policy as circumstances require.

**RISK MANAGEMENT**

The Trustees have a duty to identify and review the risks to which the Charitable Company is exposed and to ensure appropriate plans and controls are in place to provide a reasonable assurance that they are effectively managed. An active risk register is maintained, which is reviewed by Board subcommittee meetings and mitigation action agreed at full Board meetings.

The Trustees have identified 14 major risks to which the Charitable Company is exposed, the most significant

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being potential loss of funding that might arise from the global economic and political environment (including the impact of "Brexit" or donor policy changes), contract related risks, health and safety of staff, and exposure to foreign exchange variability.

Trustees ensure that Senior Management Team perform necessary due diligence on any donations coming into the charity. To mitigate the potential impact of Brexit, WCMC established a not-for-profit association in Belgium (WCMC Europe asbl) and in 2020 following successful tenders it was awarded two contracts by the European Commission. WCMC will continue to use WCMC Europe asbl to expand its work in Europe.

WCMC Europe was initially set up in part as a mechanism to ensure continued access to EU funding which, under certain Brexit scenarios, might have meant that WCMC would have been unable to apply for EU tenders and grants. According to the post-Brexit EU-UK Trade Agreement, it seems most likely that the UK will continue to be able to access a range of funds from EU sources, but there is likely to be some barriers and the situation may yet change. WCMC Europe will therefore remain an important entity strategically for WCMC and we will continue to invest in a core staffing complement of minimum two longer term permanent staff for this reason.

The principal focus of WCMC Europe under the period of UNEP-WCMC strategy 2022-2025 will be on pipeline development of projects in collaboration with WCMC. Additional functions will include technical implementation (likely to vary year to year), finance and administration, and providing insight on developments in EU policy and financing.

WCMC Beijing Co. Ltd was established in order to ensure that WCMC was able to work as effectively as possible with China, as it becomes increasingly central to driving the global environmental agenda. This has proven successful and WCMC Beijing is expanding and providing support and critical biodiversity insights for China based partners.

Health and safety of staff is recognised as a major risk, mitigated by policies and close adherence to them together with training of staff and ensuring that staff communicate with the Centre when travelling.

The Charitable Company's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from its trade debtors, with the UN Environment Programme the single largest funder. Management maintains close working relations with the UN Environment Programme and a joint UNEP-WCMC Steering Committee provides governance oversight of the collaboration. Other funders included government organisations, intergovernmental organisations, the corporate sector charitable foundations and NGOs. For all funders, activities are undertaken with all consideration to minimise exposure through a due diligence process.

The Charitable Company uses various financial instruments, these include cash, bank accounts and various items such as trade debtors and trade creditors that arise directly from these activities. The main purpose of these financial instruments is to raise finance for the Charitable Company's activities. The main risks arising from the Charitable Company's financial instruments are currency risk and credit risk. The currency risk is managed through forward foreign exchange contracts, in line with a foreign exchange hedging policy, which uses forward exchange contracts to protect income and expense against variations from budgeted rates. This is regularly reviewed by the finance sub-committee of the Board and at the full Board as appropriate.

**Outlook 2021/2022**

In order to understand the possible impact of the current coronavirus pandemic at the time, in May 2020 WCMC understood a detailed scenario planning exercise to forecast how various outcomes might affect WCMC financial forecast. The three scenarios were: 1) Delayed recovery 2) Prolonged contraction and 3) Serious disruption and recession. The results of this exercise showed that WCMC had sufficient unrestricted reserves to enable the organisation to operate at full capacity for at least six months, even if income were to cease entirely.

What happened in 2020 was that WCMC continued to grow, successfully attracting work from existing clients and expanding into new areas and attracting new donors. This pattern is expected to continue and as of July

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2021 when this report is being finalised, our pipeline and growth forecast for 2022 remains robust and is higher than the same stage in 2021.

The Group will continue its focus on cost control, predominately through the close management of the operational costs of the business, and discretionary investment in strategic areas.

UK Research Institutes (UKRI), who fund the WCMC led Development Corridors Partnership (DCP) and TRADE Hub projects, have been required by the UK Government to find substantial savings in the current financial year across their portfolio of Official Development Assistance (ODA) research and innovation projects.

For DCP we have been allocated a budget of £120,000 to end March 2022 (an approx. 66% reduction) but as we can use funds unspent in our bank account the impact on the WCMC bottom line is negligible.

After some rounds of clarification and negotiation, UKRI confirmed that the TRADE Hub is capped to £3.1 million spending from April 1st 2021 to end March 2022, a 35% reduction in spending across the consortium. Following extensive reworking of the project budgets and deliverables for both WCMC and all project partners, we have been able to limit the impact on WCMC funding, with WCMC UK retaining 76% of original budget and WCMC Beijing 66% of original budget. Staff have also been re-deployed within WCMC onto other projects. So, despite the initial concern about the cuts, the impact on the WCMC bottom line for 2021 is likely to be modest.

UKRI further suggests that additional further funding up to £3.5 million could be made available in the year April 1st 2022 to March 31st 2023, and a further £3.5 million in 2023-2024. We have signed a contract / form accepting these figures and sent this back to UKRI in May 2021. At present this newly signed document means that there is a reduction from the original total project budget of around £4.5 million, but could yet be re-instated in the 2022-2025/2026 period.

## FUTURE PLANS

2021, and the decade ahead, will be critical for tackling the global nature crisis and securing a better, healthier and more resilient future for people and planet. Building back better from the COVID-19 crisis will be a collective challenge. The pandemic has reinforced the need for urgent action on reversing ecological degradation worldwide. As the world works to recover from the devastating impacts, there must be a transformational change in the relationship between people and nature to reduce future risks.

UNEP-WCMC will take an active role in the recovery process, using our existing expertise to better assess the risks posed by disease emergence and how these risks can be managed. We will also work with our partners, and seek new collaborations, to help improve the resilience of ecological, economic and social systems.

The Centre will also continue to play a leading role in shaping and supporting the global environmental agreements. Both the UN Biodiversity Conference in Kunming, with the expected adoption of a new global biodiversity framework, and the Climate Conference in Glasgow will be landmark moments for the future of our planet. A clear and robust monitoring system for the new global biodiversity framework will be crucial for providing transparency and turning global ambition into the necessary action and leadership on the national level.

In 2021, the Centre will continue to lead and innovate. We will finalise a new UNEP-WCMC strategy which has impact at its heart, in line with UNEP's Medium-Term Strategy, and we will also continue our work making biodiversity data more integrated. Underpinning our new strategy will be the principle that the Sustainable Development Goals can only be achieved if we reverse the loss and degradation of nature. Healthy, resilient societies and economies depend fundamentally on healthy, resilient nature. Reversing this trend of loss and putting the world on a pathway towards a sustainable, nature-positive future is our goal. It will require transformative changes across sectors and society in financial systems, patterns of consumption and production and other behaviours in order to reduce the pressures on nature from changes in land and sea use; direct exploitation; climate change; pollution; and the spread of invasive alien species. It requires that we both scale up existing efforts and are also innovative in bringing new approaches for the conservation and sustainable use of

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nature.

For over 40 years, UNEP-WCMC has provided the world with trusted science, knowledge, data and policy advice on nature, always with a focus on finding solutions to crisis facing nature. UNEP-WCMC will continue and strengthen our work to bring innovative approaches to understand trends and scale up solutions for the conservation, restoration and sustainable use of nature. We will work in partnership to bring the best-available data, knowledge and digital innovation in support of policy and practice across public and private sectors for the benefit of people and nature. Over the coming year and the decade ahead, UNEP-WCMC will continue to work with partners and leaders across all sectors of society, ensuring that decision makers have the information they need to make positive choices that benefit both people and nature.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The Charitable Company is controlled by its Articles of Association, and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

### Recruitment and appointment of new trustees

The Board may appoint a person who is willing to act as a Trustee, either to fill a vacancy or as an additional Trustee, provided the appointment does not cause the number of Trustees to exceed ten in accordance with the Articles as the maximum number of Trustees. No person may be appointed as a Trustee until he has attained the age of 18 years; or in circumstances that had he already been a Trustee he would have been disqualified from acting under the provision of Article 43. The procedure for the recruitment and appointment of trustees is provided in the Charitable Company's Articles of Association.

### Induction and training of new trustees

New Trustees are provided with the Charitable Company's Articles of Association, the Collaboration Agreement with UN Environment, The Essential Trustee, and information from the Charity Commission website. They receive the latest Audited Accounts and Minutes of the four previous Board Meetings. The WCMC Strategic Plan and detailed operational materials covering financial performance, staff satisfaction and staffing levels are all made available.

### Roles and responsibilities of the Board of Trustees at WCMC

To enable the organisation to meet its aims, trustees should:

- Set and maintain the vision, mission and values of the organisation.
- Develop direction, strategy and planning.
- Ensure the organisation has the structure and resources for its work.
- Satisfy themselves that there are appropriate policies and procedures to govern organisational activities, including guidance for the board, volunteers and staff and subcontractors on health and safety, harassment, safeguarding, non-discrimination etc.
- Establish systems for reporting and monitoring.
- Manage risk and ensure compliance and accountability with the governing document, external regulators and the law.
- Make certain that the financial affairs of the organisation are conducted properly and are accurately reported.
- Ensure that the relationship with UNEP prospers and is of mutual benefit to each organisation.

### Frequency of Board meetings

The Board of Trustees of WCMC meet at least three times per year, usually in April, July and November. A

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further 'Board Away Day' is usually help in January to focus on matters of Strategic importance for the year ahead. These meetings are also usually attended by members of the Senior Management Team of WCMC and the leadership of UNEP-WCMC. In addition, a Finance Sub-Committee chaired by the Board Treasurer meets between regular Board Meetings.

In addition, an annual meeting of the UNEP-WCMC collaboration is held between the Executive Director of UNEP and the WCMC Board Chairman and attended by members of the Senior Management Team of WCMC and the leadership of UNEP-WCMC.

**Funds held as custodian trustees on behalf of others**

As at 31 December 2020, the Charitable Company did not hold any funds as custodian trustees on behalf of others.

**Related parties and co-operation with other organisations**

The Charitable Company works in close collaboration with the United Nations Environment Programme, (UNEP), headquartered in Nairobi, Kenya, through its UK office called UNEP-WCMC, which is co-located with the Charitable Company. Under the terms of the collaboration, the Charitable Company leases its building to UNEP-WCMC. UNEP-WCMC leases the WCMC occupied areas of the building back to WCMC.

None of the trustees receive remuneration or other benefit from their work with the Charitable Company.

**Pay policy for Key Management Personnel**

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. The pay of the Chief Executive Officer and the Head of Finance & IT are subject to Board approval, and the remaining senior staff are reviewed through the Charitable Company's Remuneration Committee, which includes the Chief Executive Officer, the Head of Finance & IT, the Head of Operations and Senior HR Busines Partner.

**STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES**

The Trustees (who are also directors of WCMC for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material
- departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware: there is no relevant audit information of which the charitable company's auditor is unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 public benefit.

**Auditors**

The Trustees resolved to appoint PEM Chartered Accountants during the year in accordance with section 485 of the Companies Act 2006.

The above Trustees Report (incorporating the Strategic Report) were approved by the Board of Trustees and signed on its behalf by:

Approved by order of the members of the board of Trustees and signed on their behalf by:

DocuSigned by:
R. Bidwell
62223B90612C402...

**Dr Robin Bidwell CBE**
Chair of Trustees
Date: 06/09/2021

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# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WCMC

## OPINION

We have audited the financial statements of WCMC (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company'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 Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## AUDITORS' 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 Auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge of charities and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, taxation legislation and data protection, anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- we reviewed the minutes of Trustees' meetings to identify and references to non-compliances with laws and regulations.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and revieing accounting estimates for bias.

In response to the risk of irregularities, including fraud and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence made available to us such as that correspondence with HMRC, relevant regulators and the company's legal advisors (where applicable).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Jayne Rowe (Senior Statutory Auditor)**
for and on behalf of
**Peters Elworthy & Moore**
Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

10 September 2021

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**WCMC**

**(A Company Limited by Guarantee)**

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|---|
| **INCOME FROM:** | | | | | |
| Donations | 4 | **1,027,111** | **-** | **1,027,111** | 917,041 |
| Charitable activities | 5 | **9,278,257** | **4,920,035** | **14,198,292** | 11,753,038 |
| Other trading activities | 6 | **55,944** | **-** | **55,944** | 61,538 |
| Investments | 7 | **-** | **52** | **52** | - |
| **TOTAL INCOME** | | **10,361,312** | **4,920,087** | **15,281,399** | 12,731,617 |
| **EXPENDITURE ON:** | | | | | |
| Charitable activities | 8 | **10,215,459** | **4,946,144** | **15,161,603** | 12,509,086 |
| **TOTAL EXPENDITURE** | | **10,215,459** | **4,946,144** | **15,161,603** | 12,509,086 |
| **NET MOVEMENT IN FUNDS** | | **145,853** | **(26,057)** | **119,796** | 222,531 |
| **RECONCILIATION OF FUNDS:** | | | | | |
| Total funds brought forward | | **3,162,614** | **758,473** | **3,921,087** | 3,698,556 |
| Net movement in funds | | **145,853** | **(26,057)** | **119,796** | 222,531 |
| **TOTAL FUNDS CARRIED FORWARD** | | **3,308,467** | **732,416** | **4,040,883** | 3,921,087 |

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 57 form part of these financial statements.

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**WCMC**

**(A Company Limited by Guarantee)**
**REGISTERED NUMBER: 02330031**

## CONSOLIDATED BALANCE SHEET
## AS AT 31 DECEMBER 2020

| | Note | | 2020 £ | | 2019 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 13 | | **13,029** | | 57,285 |
| Tangible assets | 14 | | **1,071,066** | | 1,003,467 |
| | | | **1,084,095** | | 1,060,752 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 17 | **2,965,278** | | 3,432,167 | |
| Cash at bank and in hand | | **9,273,801** | | 6,187,843 | |
| | | **12,239,079** | | 9,620,010 | |
| Creditors: amounts falling due within one year | 18 | **(9,282,291)** | | (6,759,675) | |
| **NET CURRENT ASSETS** | | | **2,956,788** | | 2,860,335 |
| **TOTAL NET ASSETS** | | | **4,040,883** | | 3,921,087 |
| **CHARITY FUNDS** | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 22 | **732,416** | | 758,473 | |
| General unrestricted funds | 22 | **2,226,184** | | 2,101,862 | |
| Designated funds | 22 | **1,082,283** | | 1,060,752 | |
| Total unrestricted funds | 22 | | **3,308,467** | | 3,162,614 |
| **TOTAL FUNDS** | | | **4,040,883** | | 3,921,087 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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## CONSOLIDATED BALANCE SHEET (CONTINUED)
## AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:
R. Bidwell
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**Dr Robin Bidwell CBE**
(Chair of Trustees)

Date: 06/09/2021

The notes on pages 28 to 57 form part of these financial statements.

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**WCMC**

**(A Company Limited by Guarantee)**
**REGISTERED NUMBER: 02330031**

## CHARITY BALANCE SHEET
## AS AT 31 DECEMBER 2020

| | Note | | 2020 £ | | As restated 2019 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 13 | | **13,029** | | 57,285 |
| Tangible assets | 14 | | **1,069,254** | | 1,003,467 |
| Investments | 15 | | **-** | | 859 |
| Social investments | 16 | | **642,928** | | 759,145 |
| | | | **1,725,211** | | 1,820,756 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 17 | **2,999,570** | | 3,432,162 | |
| Cash at bank and in hand | | **9,144,333** | | 6,187,811 | |
| | | **12,143,903** | | 9,619,973 | |
| Creditors: amounts falling due within one year | 18 | **(9,457,766)** | | (7,518,970) | |
| **NET CURRENT ASSETS** | | | **2,686,137** | | 2,101,003 |
| Creditors: amounts falling due after more than one year | 19 | | **(459,953)** | | - |
| **TOTAL NET ASSETS** | | | **3,951,395** | | 3,921,759 |
| **CHARITY FUNDS** | | | | | |
| Restricted funds: | | | | | |
| General unrestricted funds | 22 | **2,869,112** | | 2,861,007 | |
| Designated funds | 22 | **1,082,283** | | 1,060,752 | |
| Total unrestricted funds | 22 | | **3,951,395** | | 3,921,759 |
| **TOTAL FUNDS** | | | **3,951,395** | | 3,921,759 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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## CHARITY BALANCE SHEET (CONTINUED)
## AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:
R. Bidwell
62223B90612C402...

**Dr Robin Bidwell CBE**
(Chair of Trustees)

Date: 06/09/2021

The notes on pages 28 to 57 form part of these financial statements.

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**WCMC**

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## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net cash used in operating activities | 24 | **3,327,162** | 3,951,341 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Dividends, interests and rents from investments | | **52** | - |
| Purchase of intangible assets | | **(8,000)** | - |
| Purchase of tangible fixed assets | | **(233,256)** | (83,669) |
| **NET CASH USED IN INVESTING ACTIVITIES** | | **(241,204)** | **(83,669)** |
| **CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR** | | **3,085,958** | **3,867,672** |
| Cash and cash equivalents at the beginning of the year | | **6,187,843** | 2,320,171 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | 25 | **9,273,801** | 6,187,843 |

The notes on pages 28 to 57 form part of these financial statements

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 1. GENERAL INFORMATION

WCMC is a company limited by guarantee, incorported in England and Wales and a registered charity. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The Charity's functional and presentational currency is GBP.

### 2. ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

WCMC meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

The Statement of Financial Activities for the year for the charity showed a surplus of £29,636.

#### 2.2 GOING CONCERN

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

In particular the trustees have considered the group's forecasts and projections and have taken account of pressures on fundraising income and the impact of COVID-19. After making enquiries the trustees have concluded that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

#### 2.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 FUND ACCOUNTING (CONTINUED)

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### 2.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. Entitlement is considered to have arisen immediately upon receipt of the donation. Gifts in kind donations are included at their value to WCMC, which is the value that they would pay on the open market.

Income from charitable activities is earned from contributions made by clients, including UNEP, for work on specific projects. Income is recognised when the Charity has entitlement to the funds, any performance conditions attached have been met, it is probable that the income will be received and the amount can be reliably measured and is not deferred.

Rents receivable under leases for properties are recognised on a straight line basis over the term of the lease.

All income is recognised exclusive of VAT.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

### 2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.7 FOREIGN CURRENCIES

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Charity's functional currency and presentational currency is GBP.

Within the charity, monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities.

The results and financial position for all Group entities that have a functional currency other than sterling are translated as follows:

- income and expenses are translated at average exchange rates;
- assets and liabilities are translated at the closing exchange rate at the Consolidated Balance Sheet date; and
- any resulting exchange differences are recognised as other comprehensive income.

### 2.8 TAXATION

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.9 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

| | | |
|---|---|---|
| Software | - | 3 years |

### 2.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

| | | |
|---|---|---|
| Long-term leasehold property | - | 50 years |
| Fixtures, fittings and equipment | - | 5 years |
| Computer equipment | - | 3 years |

### 2.11 SOCIAL INVESTMENTS

Programme related investments are held on the balance sheet at the value of future capital commitments, the corresponding liability being shown in creditors.

### 2.12 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.13 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.14 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

### 2.15 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, except for foreign exchange forward contracts as set out below. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Derivatives**

Foreign exchange forward contracts are used to manage exchange risk associated with project income received in foreign currencies, primarily Euro and US Dollar, where associated expenditure is in Sterling. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date.

Changes in the fair value of derivatives are recognised in the Statement of Financial Activities. The Group does not currently apply hedge accounting for foreign exchange derivatives.

### 2.16 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

### 2.17 PENSIONS

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

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## 3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Revenue Recognition - Projects

Given the project nature of the Charity's revenue, there are estimates involved regarding the recognition and stage of completion of contracts which differs from the timing of invoicing. This includes an assessment of the performance against budget, identification of potential losses on contracts and the timing of contract completion. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical areas of judgment:

In categorising leases as finance or operating leases, management makes judgements as to whether the significant risks and rewards of ownership have transferred to the Charity as lessee, or the lessee, where the Charity is the lessor.

The proportion of the freehold building rented out to third parties is not held to earn rentals or solely for capital appreciation. The property is held for the purpose of providing a base from which to supply scientific and administrative services during the ordinary course of business, the property is therefore not accounted for as an investment property.

## 4. INCOME FROM DONATIONS

| | **Unrestricted funds 2020 £** | **Total funds 2020 £** | Total funds 2019 £ |
|---|---|---|---|
| Donations | 139,042 | **139,042** | - |
| Gifts in kind | 888,069 | **888,069** | 917,041 |
| **TOTAL 2020** | 1,027,111 | **1,027,111** | 917,041 |
| TOTAL 2019 | 917,041 | 917,041 | |

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## 5. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|
| Project income | 9,278,257 | 4,920,035 | **14,198,292** | 11,753,038 |
| TOTAL 2019 | 8,937,676 | 2,815,362 | 11,753,038 | |

## 6. INCOME FROM OTHER TRADING ACTIVITIES

**Income from non charitable trading activities**

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|
| Rent | 55,944 | **55,944** | 61,538 |
| TOTAL 2019 | 61,538 | 61,538 | |

## 7. INVESTMENT INCOME

| | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|
| Bank interest | 52 | **52** | - |
| | 52 | **52** | - |
| TOTAL 2019 | - | - | |

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## 8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

**Summary by fund type**

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|
| Support of conservation and biodiversity initiatives | 10,215,459 | 4,946,144 | **15,161,603** | 12,509,086 |
| TOTAL 2019 | 9,693,052 | 2,816,034 | 12,509,086 | |

## 9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|
| Support of conservation and biodiversity initiatives | 11,711,125 | 3,450,478 | **15,161,603** | 12,509,086 |
| TOTAL 2019 | 8,811,079 | 3,698,007 | 12,509,086 | |

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## 9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

### Analysis of direct costs

| | Support of conservation and biodiversity initiatives 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|
| Staff costs | 5,387,349 | **5,387,349** | 4,669,838 |
| Collaborators & consultants | 6,233,817 | **6,233,817** | 3,330,249 |
| Travel and subsistence | 168,793 | **168,793** | 882,561 |
| Conferences and meetings | 7,576 | **7,576** | 4,857 |
| Foreign currency (gain)/loss | (86,410) | **(86,410)** | (76,426) |
| | 11,711,125 | **11,711,125** | 8,811,079 |
| TOTAL 2019 | 8,811,079 | 8,811,079 | |

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## 9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

### Analysis of support costs

| | Support of conservation and biodiversity initiatives 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|
| Staff costs | 852,674 | **852,674** | 739,111 |
| Staff training and welfare | 133,155 | **133,155** | 274,461 |
| Promotion | 20,363 | **20,363** | 27,212 |
| Printing, postage and stationery | 83,700 | **83,700** | 97,933 |
| Subscriptions | 272,352 | **272,352** | 269,822 |
| Premises costs | 146,167 | **146,167** | 157,379 |
| Insurance costs | 69,617 | **69,617** | 84,330 |
| Office equipment | 1,346,979 | **1,346,979** | 1,352,161 |
| Bank charges | 12,558 | **12,558** | 18,213 |
| Bad debts | 50,000 | **50,000** | - |
| Depreciation | 217,913 | **217,913** | 165,527 |
| Other | 151,896 | **151,896** | 432,003 |
| Governance costs (note 10) | 93,104 | **93,104** | 79,855 |
| | 3,450,478 | **3,450,478** | 3,698,007 |
| TOTAL 2019 | 3,698,007 | 3,698,007 | |

## 10. Analysis of governance costs

| | 2020 £ | 2019 £ |
|---|---|---|
| Legal and professional | **69,878** | 47,785 |
| Trustee expenses | **1,127** | 3,774 |
| Audit fees | **22,099** | 28,296 |
| | **93,104** | 79,855 |

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## 11. AUDITORS' REMUNERATION

| | **2020** | 2019 |
|---|---|---|
| | **£** | £ |
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **12,500** | 14,150 |
| Fees payable to the Charity's auditor in respect of: | | |
| All non-audit services not included above | **3,500** | 9,260 |

The audit and non-audit services fees in the prior year were payable to the group's previous auditors.

## 12. STAFF COSTS

| | **Group 2020** | Group 2019 | **Charity 2020** | Charity 2019 |
|---|---|---|---|---|
| | **£** | £ | **£** | £ |
| Wages and salaries | **5,207,006** | 4,476,945 | **5,110,251** | 4,476,945 |
| Social security costs | **500,138** | 447,677 | **482,183** | 447,677 |
| Pension costs | **532,879** | 484,327 | **528,918** | 484,327 |
| | **6,240,023** | 5,408,949 | **6,121,352** | 5,408,949 |

During the year the group incurred redundancy costs of £nil (2019 - £10,500). The redundancy costs incurred in the prior year relate to an organisational restructuring.

The average number of persons employed by the Charity during the year was as follows:

| | **Group 2020** | Group 2019 | **Charity 2020** | Charity 2019 |
|---|---|---|---|---|
| | **No.** | No. | **No.** | No. |
| Management and administration | **16** | 12 | **13** | 12 |
| Research and operational staff | **145** | 121 | **143** | 121 |
| | **161** | 133 | **156** | 133 |

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## 12. STAFF COSTS (CONTINUED)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | **Group 2020 No.** | Group 2019 No. |
|---|---|---|
| In the band £60,001 - £70,000 | **4** | 4 |
| In the band £70,001 - £80,000 | **2** | 1 |
| In the band £80,001 - £90,000 | **1** | 1 |
| In the band £90,001 - £100,000 | **-** | 1 |
| In the band £110,001 - £120,000 | **1** | - |

The key management personnel of the Charity comprise the Trustees, the Chief Executive Officer, the Head of Operations, the Head of Finance, Legal and IT, the Head of External Affairs, and the Chief Scientist, whose employee benefits total £491,725 (2019 - £405,366).

During the year, no trustees received any remuneration or other benefits (2019 - £NIL). Two trustees (2019 - three trustees) received reimbursed travel expenses during the year totalling £1,127 (2019 - £3,774).

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## 13. INTANGIBLE ASSETS

### GROUP AND CHARITY

| | Software £ |
|---|---|
| **COST** | |
| At 1 January 2020 | **150,090** |
| Additions | **8,000** |
| At 31 December 2020 | **158,090** |
| **AMORTISATION** | |
| At 1 January 2020 | **92,805** |
| Charge for the year | **52,256** |
| At 31 December 2020 | **145,061** |
| **NET BOOK VALUE** | |
| At 31 December 2020 | **13,029** |
| At 31 December 2019 | 57,285 |

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## 14. TANGIBLE FIXED ASSETS

### GROUP

| | Long-term leasehold property £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| At 1 January 2020 | **1,698,932** | **114,646** | **255,964** | **2,069,542** |
| Additions | **-** | **118,330** | **114,924** | **233,254** |
| At 31 December 2020 | **1,698,932** | **232,976** | **370,888** | **2,302,796** |
| **DEPRECIATION** | | | | |
| At 1 January 2020 | **899,286** | **51,868** | **114,921** | **1,066,075** |
| Charge for the year | **33,978** | **28,901** | **102,778** | **165,657** |
| Foreign exchange movement | **-** | **(2)** | **-** | **(2)** |
| At 31 December 2020 | **933,264** | **80,767** | **217,699** | **1,231,730** |
| **NET BOOK VALUE** | | | | |
| At 31 December 2020 | **765,668** | **152,209** | **153,189** | **1,071,066** |
| At 31 December 2019 | 799,646 | 62,778 | 141,043 | 1,003,467 |

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## 14. TANGIBLE FIXED ASSETS (CONTINUED)

### CHARITY

| | Long-term leasehold property £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| At 1 January 2020 | **1,698,932** | **114,646** | **255,964** | **2,069,542** |
| Additions | **-** | **116,367** | **114,924** | **231,291** |
| At 31 December 2020 | **1,698,932** | **231,013** | **370,888** | **2,300,833** |
| **DEPRECIATION** | | | | |
| At 1 January 2020 | **899,286** | **51,868** | **114,921** | **1,066,075** |
| Charge for the year | **33,978** | **28,748** | **102,778** | **165,504** |
| At 31 December 2020 | **933,264** | **80,616** | **217,699** | **1,231,579** |
| **NET BOOK VALUE** | | | | |
| At 31 December 2020 | **765,668** | **150,397** | **153,189** | **1,069,254** |
| At 31 December 2019 | 799,646 | 62,778 | 141,043 | 1,003,467 |

All assets are held for charitable purposes.

£23,973 (2019 - £25,037) of the net book value of the freehold building is rented out to third parties, with the owner-occupied portion being rented back. During the year £1,064 (2019 - £1,064) of depreciation was charged on this property.

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## 15. FIXED ASSET INVESTMENTS

### CHARITY

| | Investments in subsidiary companies £ |
|---|---|
| At 1 January 2020 (as previously stated) | **760,004** |
| Prior year adjustment (note 16) | **(759,145)** |
| At 1 January 2020 (as restated) | **859** |
| Disposals | **(859)** |
| **AT 31 DECEMBER 2020** | **-** |
| **NET BOOK VALUE** | |
| At 31 December 2020 | **-** |
| At 31 December 2019 (as restated) | 859 |

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## 16. SOCIAL INVESTMENTS

### CHARITY

| | Programme related investments £ |
|---|---|
| **COST OR VALUATION** | |
| At 1 January 2020 (as previously stated) | - |
| Prior year adjustment (note 15) | 759,145 |
| | 759,145 |
| **IMPAIRMENT PROVISION** | |
| Provision for the year | (116,217) |
| | 116,217 |
| **NET BOOK VALUE** | |
| At 31 December 2020 | 642,928 |
| At 31 December 2019 (as restated) | 759,145 |

Social investments comprise subsidiary companies incorporated outside the UK to carry out WCMC's charitable activities overseas.

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## 17. DEBTORS

| | **Group 2020 £** | Group 2019 £ | **Charity 2020 £** | Charity 2019 £ |
|---|---|---|---|---|
| **DUE WITHIN ONE YEAR** | | | | |
| Trade debtors | **1,365,187** | 2,305,922 | **1,365,187** | 2,305,922 |
| Accrued income | **1,291,109** | 860,301 | **1,291,109** | 860,301 |
| Other debtors | **183,701** | 171,101 | **175,160** | 171,101 |
| Prepayments | **82,691** | 60,090 | **125,524** | 60,085 |
| Financial assets at fair value through profit and loss | **42,590** | 34,753 | **42,590** | 34,753 |
| | **2,965,278** | 3,432,167 | **2,999,570** | 3,432,162 |

## 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | **Group 2020 £** | Group 2019 £ | **Charity 2020 £** | Charity 2019 £ |
|---|---|---|---|---|
| Trade creditors | **352,972** | 267,512 | **344,955** | 267,512 |
| Amounts owed to group undertakings | **-** | - | **218,496** | 759,999 |
| Other taxation and social security | **161,662** | 137,528 | **160,723** | 137,527 |
| Other creditors | **95,762** | 110,109 | **79,077** | 109,406 |
| Accruals and deferred income | **8,660,760** | 6,189,105 | **8,643,380** | 6,189,105 |
| Financial liabilities at fair value through profit and loss | **11,135** | 55,421 | **11,135** | 55,421 |
| | **9,282,291** | 6,759,675 | **9,457,766** | 7,518,970 |

Amounts owed to group undertakings includes a capital contribution due to WCMC Beijing.

The total contribution due to WCMC Beijing during the 30-year term of the company is $1,000,000. At the year-end, $121,560 had been contributed, leaving a balance of $878,440 to be contributed.

The maximum contribution payable each year is $250,000. Accordingly, the sterling equivalent (£182,974) is recognised as falling due within one year; the remainder (£459,953) is recognised as falling due after more than one year (see note 19)

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## 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

| | **Group 2020 £** | Group 2019 £ | **Charity 2020 £** | Charity 2019 £ |
|---|---|---|---|---|
| | **Group 2020 £** | Group 2019 £ | **Charity 2020 £** | Charity 2019 £ |
| Deferred income at 1 January 2020 | **5,849,305** | 2,429,418 | **5,849,305** | 2,429,418 |
| Resources deferred during the year | **8,119,450** | 5,849,305 | **8,112,166** | 5,849,305 |
| Amounts released from previous periods | **(5,849,305)** | (2,429,418) | **(5,849,305)** | (2,429,418) |
| | **8,119,450** | 5,849,305 | **8,112,166** | 5,849,305 |

Deferred income comprises project work invoiced in advance of the performance criteria being met.

## 19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | **Charity 2020 £** | Charity 2019 £ |
|---|---|---|
| Amounts owed to group undertakings | **459,953** | - |

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## 20. FINANCIAL INSTRUMENTS

| | **Group 2020 £** | Group 2019 £ | **Charity 2020 £** | Charity 2019 £ |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| Financial assets measured at fair value through income and expenditure | **9,316,391** | 6,222,596 | **9,186,923** | 6,222,564 |

| | **Group 2020 £** | Group 2019 £ | **Charity 2020 £** | Charity 2019 £ |
|---|---|---|---|---|
| **FINANCIAL LIABILITIES** | | | | |
| Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio | **(11,135)** | (55,421) | **(11,135)** | (55,421) |

Financial assets measured at fair value through income and expenditure comprise cash held at bank and financial assets arising from foreign exchange derivatives.

Derivative financial instruments measured at fair value through income and expenditure comprise financial liabilities arising from foreign exchange derivatives.

## 21. PRIOR YEAR ADJUSTMENTS

The Trustees reviewed the nature of the investments in subsidiaries and identifed them as being social investments. As such, the investments previously held as fixed asset investments have been reclassified to social investments as a programme related investment. See note 16.

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## 22. STATEMENT OF FUNDS

### GROUP STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2020 £ |
|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | |
| Unrestricted general funds | **2,101,862** | **10,361,312** | **(10,215,459)** | **(21,531)** | **2,226,184** |
| Designated funds - Fixed Asset fund | **1,060,752** | **-** | **-** | **21,531** | **1,082,283** |
| | **3,162,614** | **10,361,312** | **(10,215,459)** | **-** | **3,308,467** |
| **RESTRICTED FUNDS** | | | | | |
| WCMC Beijing | **758,473** | **101,298** | **(123,893)** | **-** | **735,878** |
| WCMC Europe | **-** | **79,211** | **(82,673)** | **-** | **(3,462)** |
| Restricted projects | **-** | **4,739,578** | **(4,739,578)** | **-** | **-** |
| | **758,473** | **4,920,087** | **(4,946,144)** | **-** | **732,416** |
| **TOTAL OF FUNDS** | **3,921,087** | **15,281,399** | **(15,161,603)** | **-** | **4,040,883** |

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## 22. STATEMENT OF FUNDS (CONTINUED)

### GROUP STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2019 £ | As restated Income £ | As restated Expenditure £ | Transfers in/out £ | Balance at 31 December 2019 £ |
|---|---|---|---|---|---|
| **UNRESTRICTED FUNDS** | | | | | |
| Unrestricted general funds | 2,559,235 | 12,731,617 | (12,508,414) | (680,576) | 2,101,862 |
| Designated funds - Fixed Asset fund | 1,139,321 | - | - | (78,569) | 1,060,752 |
| | 3,698,556 | 12,731,617 | (12,508,414) | (759,145) | 3,162,614 |
| **RESTRICTED FUNDS** | | | | | |
| WCMC Beijing | - | - | (672) | 759,145 | 758,473 |
| Restricted projects | - | 2,815,362 | (2,815,362) | - | - |
| | - | 2,815,362 | (2,816,034) | 759,145 | 758,473 |
| **TOTAL OF FUNDS** | 3,698,556 | 15,546,979 | (15,324,448) | - | 3,921,087 |

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### PARENT STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2020 | Income | Expenditure | Transfers in/out | Gains/ (losses) | Balance at 31 December 2020 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **UNRESTRICTED FUNDS** | | | | | | |
| Unrestricted general funds | 2,861,007 | 10,535,940 | (10,390,087) | (21,531) | (116,217) | 2,869,112 |
| Designated funds - fixed asset fund | 1,060,752 | - | - | 21,531 | - | 1,082,283 |
| | 3,921,759 | 10,535,940 | (10,390,087) | - | (116,217) | 3,951,395 |
| **RESTRICTED FUNDS** | | | | | | |
| Restricted projects | - | 4,739,578 | (4,739,578) | - | - | - |
| | - | 4,739,578 | (4,739,578) | - | - | - |
| **TOTAL OF FUNDS** | 3,921,759 | 15,275,518 | (15,129,665) | - | (116,217) | 3,951,395 |

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## PARENT STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2019 | Income | Expenditure | Transfers in/out | Gains/ (losses) | Balance at 31 December 2019 |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **UNRESTRICTED FUNDS** | | | | | | |
| Unrestricted general funds | 2,559,235 | 9,916,255 | (9,693,052) | 78,569 | - | 2,861,007 |
| Designated funds - fixed asset fund | 1,139,321 | - | - | (78,569) | - | 1,060,752 |
| | 3,698,556 | 9,916,255 | (9,693,052) | - | - | 3,921,759 |
| **RESTRICTED FUNDS** | | | | | | |
| Restricted projects | - | 2,815,362 | (2,815,362) | - | - | - |
| | - | 2,815,362 | (2,815,362) | - | - | - |
| **TOTAL OF FUNDS** | 3,698,556 | 12,731,617 | (12,508,414) | - | - | 3,921,759 |

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**Designated Funds**
This fund represents the net book value of the fixed assets of the Charitable Company. The transfer represents the movements of fixed assets during the year.

**Restricted Funds**
Restricted funds related to the charity's subsidiaries which operate overseas and have narrower objectives than the charity.

**Restricted projects**
Restricted projects represent non-service grants that do not meet the definition of unrestricted service contracts. Restricted projects are as follows:

GCRF Trade Hub
Naturemap
Restore +
Capacity for National Assessment (IKI)
Guyana TEK
Cocoa, biodiversity & ecosystem services
EU funding for Coalition Biodiversity
MAIA (Horizon 20:20 NCA Accounting Project)
MPhil Conservation Lectures
ELP Turkey
Reef Futures
Science Based Targets
Design a bright future
Deliver IBAT Workplan 2019
ELP Restoration Funding
Darwin CBFM Economics (Tanzania)
NERC CongoPeat
IBAT 2018 Data Investment
FutureMARES
Post 2020 support to CBD
Development Corridors - GCRF
BNP Paribas pilot and GN5
Coalition Supplement - Decision Tree
WRI Open Access reimbursment 2019
IBAT Data Investment 2020 Part 2
TESSA Steering Committee
IBAT Data Investment 2020 Part 1
NCP Biodiversity Guidance Communications
Climate change mitigation
SBTN Tools and integration/translation
Mapping and Measuring Nature
DZL Donation 2020
CCI restoration and NBS
CCI Multiple threats
Odyssea 2018-2020
SBTN Biodiv Hub Coordination
ECF Mitigation from Biodiversity targets
Action Agenda Phase 2

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## 23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

### GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|---|---|---|---|
| Tangible fixed assets | 1,069,254 | 1,812 | **1,071,066** |
| Intangible fixed assets | 13,029 | - | **13,029** |
| Current assets | 11,411,688 | 827,391 | **12,239,079** |
| Creditors due within one year | (9,185,504) | (96,787) | **(9,282,291)** |
| **TOTAL** | 3,308,467 | 732,416 | **4,040,883** |

### GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|---|---|---|---|
| Tangible fixed assets | 1,003,467 | - | 1,003,467 |
| Intangible fixed assets | 57,285 | - | 57,285 |
| Current assets | 8,860,833 | 759,177 | 9,620,010 |
| Creditors due within one year | (6,758,971) | (704) | (6,759,675) |
| **TOTAL** | 3,162,614 | 758,473 | 3,921,087 |

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## PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|---|---|---|
| Tangible fixed assets | 1,069,254 | **1,069,254** |
| Intangible fixed assets | 13,029 | **13,029** |
| Investments | 642,928 | **642,928** |
| Current assets | 12,143,903 | **12,143,903** |
| Creditors due within one year | (9,457,766) | **(9,457,766)** |
| Creditors due after one year | (459,953) | **(459,953)** |
| **TOTAL** | 3,951,395 | **3,951,395** |

## PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2019 £ | Total funds 2019 £ |
|---|---|---|
| Tangible fixed assets | 1,003,467 | **1,003,467** |
| Intangible fixed assets | 57,285 | **57,285** |
| Investments | 760,004 | **760,004** |
| Current assets | 9,619,973 | **9,619,973** |
| Creditors due within one year | (7,518,970) | **(7,518,970)** |
| | 3,921,759 | **3,921,759** |

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## 24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2020 £ | Group 2019 £ |
|---|---|---|
| Net income for the period (as per Statement of Financial Activities) | **119,796** | 222,531 |
| **ADJUSTMENTS FOR:** | | |
| Depreciation charges | **165,657** | 117,976 |
| Amortisation charges | **52,256** | 44,262 |
| Dividends, interests and rents from investments | **(52)** | - |
| Decrease in debtors | **474,726** | 443,295 |
| Increase in creditors | **2,566,902** | 3,203,503 |
| Fair value (gains) on forward exchange contracts | **(52,123)** | (80,226) |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **3,327,162** | 3,951,341 |

## 25. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2020 £ | Group 2019 £ |
|---|---|---|
| Cash in hand | **9,273,801** | 6,187,843 |
| **TOTAL CASH AND CASH EQUIVALENTS** | **9,273,801** | 6,187,843 |

## 26. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 January 2020 £ | Cash flows £ | Other non-cash changes £ | At 31 December 2020 £ |
|---|---|---|---|---|
| Cash at bank and in hand | **6,187,843** | **3,085,958** | **-** | **9,273,801** |
| Derivatives | **34,753** | **-** | **7,837** | **42,590** |
| | **6,222,596** | **3,085,958** | **7,837** | **9,316,391** |

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## 27. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £532,879 (2019 - £484,327). Contributions of £56,226 (2019 - £24,647) were outstanding at the balance sheet date.

## 28. OPERATING LEASE COMMITMENTS

At 31 December 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | **Group 2020 £** | Group 2019 £ | **Charity 2020 £** | Charity 2019 £ |
|---|---|---|---|---|
| Not later than 1 year | **33,289** | 33,289 | **33,289** | 33,289 |
| Later than 1 year and not later than 5 years | **114,123** | 133,155 | **114,123** | 133,155 |
| Later than 5 years | **-** | 19,481 | **-** | 19,481 |
| | **147,412** | 185,925 | **147,412** | 185,925 |

## 29. UNEP SDSN NATUREMAP

During the year, WCMC received £27,670 from SDSN towards the Naturemap project. Expenditure on this project amounted to £61,235.

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## 30. RELATED PARTY TRANSACTIONS

During the year, purchases of £9,478 (2019 - £16,695) were made from Mills & Reeves LLP, an entity in which a Trustee is a Partner. At the balance sheet date, amounts of £1,500 (2019 - £nil) were owed.

One Trustee and the WCMC CEO are members of the International Union for Conservation of Nature (IUCN) Council. WCMC collaborated with IUCN on a number of projects during the year. Included in work in progress is £3,492 deferred income in respect of these projects. Revenue generated from these projects amounted to £24,973.

The WCMC CEO is also a member of the Cambridge Conservation Initiative (CCI) Council. WCMC collaborated with CCI on a number of projects. Included in work in progress is £19,692 deferred income in respect of these projects. Revenue generated from these projects amounted to £21,134.

The WCMC CEO is also a member of Science-based Targets Network (SBTN) Council. Included in work in progress is £131,433 deferred income in respect of projects on which WCMC collaborates with SBTN. Revenue generated from these projects amounted to £8,007.

**Transactions with subsidiaries**

At 31 December, WCMC owed the following balances to its subsidiaries:

- £nil (2019 - £854) to WCMC Europe bv in respect of unpaid share capital. The company was dissolved in the year so the balance is no longer payable.

- £642,928 (2019 - £759,145) to WCMC Beijing in respect of unpaid share capital, being USD $878,440 (2019 - USD $1,000,000). During the year, WCMC paid £85,007 (USD $121,560) to WCMC Beijing. The residual movement in the balance is foreign exchange movements.

- £42,714 (2019 - £nil) to WCMC Beijing in respect of project consultancy fees. During the year, WCMC Beijing provided consultancy services to the value of £61,010 (2019 - £nil).

At 31 December WCMC was due the following balances from its subsidiaries:

- £7,193 (2019 - £nil) from WCMC Beijing in respect of costs incurred on the subsidiary's behalf.

During the year, WCMC provided working capital funding to WCMC Europe asbl of £110,010 (2019 - £nil). No amounts were outstanding at the year end. Of these costs, £46,573 relates to 2021 operational costs to be incurred by WCMC Europe. Therefore, £46,573 has been prepaid in WCMC.