

Registered number: 02330031
Charity number: 328044

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

WCMC
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 17
Independent Auditors' Report on the Financial Statements	18 - 21
Consolidated Statement of Financial Activities	22
Consolidated Balance Sheet	23 - 24
Charity Balance Sheet	25 - 26
Consolidated Statement of Cash Flows	27
Notes to the Financial Statements	28 - 57

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 Mr Andrew Powell Ms Idunn Eidheim Ms Charlotte Wolff-Bye Dr Jennifer Zerk Mr James Sloane Dr Kathleen Mackinnon Mr Alasdair Poore Professor William Adams Mr Robin Mortimer
Company registered number	02330031
Charity registered number	328044
Registered office	219 Huntingdon Road Cambridge CB3 0DL
Key Management Personnel	Mr Jonathan Hughes, Chief Executive Officer Professor Neil Burgess, Chief Scientist Mr Evgeny Dmitriev (resigned May 2021) Dr Naomi Kingston, Head of Operations Ms Hannah Braithwaite, Head of External Affairs
Independent auditors	Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
Bankers	Barclays Bank 9-11 St Andrews Street Cambridge CB2 3AA
Solicitors	Mills and Reeve Botanic House 100 Hills Road Cambridge CB2 1PH

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,

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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 asbl.) 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 170202, 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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

further 'Board Away Day' is usually held 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 Business 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.

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

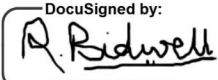
The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

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:

62223B90612C402...

Dr Robin Bidwell CBE
Chair of Trustees
Date: 06/09/2021

WCMC
(A Company Limited by Guarantee)

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

WCMC
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WCMC (CONTINUED)

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

WCMC
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WCMC (CONTINUED)

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 reviewing 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;

WCMC
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WCMC (CONTINUED)

- 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

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.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

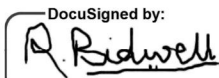
	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	13	13,029	57,285
Tangible assets	14	1,071,066	1,003,467
		<u>1,084,095</u>	<u>1,060,752</u>
CURRENT ASSETS			
Debtors	17	2,965,278	3,432,167
Cash at bank and in hand		9,273,801	6,187,843
		<u>12,239,079</u>	<u>9,620,010</u>
Creditors: amounts falling due within one year	18	(9,282,291)	(6,759,675)
NET CURRENT ASSETS		<u>2,956,788</u>	<u>2,860,335</u>
TOTAL NET ASSETS		<u><u>4,040,883</u></u>	<u><u>3,921,087</u></u>
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	<u>3,308,467</u>	<u>3,162,614</u>
TOTAL FUNDS		<u><u>4,040,883</u></u>	<u><u>3,921,087</u></u>

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

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

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:

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.

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

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2020

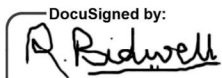
		2020 £	As restated 2019 £
FIXED ASSETS			
Intangible assets	13	13,029	57,285
Tangible assets	14	1,069,254	1,003,467
Investments	15	-	859
Social investments	16	642,928	759,145
		<u>1,725,211</u>	<u>1,820,756</u>
CURRENT ASSETS			
Debtors	17	2,999,570	3,432,162
Cash at bank and in hand		9,144,333	6,187,811
		<u>12,143,903</u>	<u>9,619,973</u>
Creditors: amounts falling due within one year	18	(9,457,766)	(7,518,970)
NET CURRENT ASSETS		<u>2,686,137</u>	<u>2,101,003</u>
Creditors: amounts falling due after more than one year	19	(459,953)	-
TOTAL NET ASSETS		<u><u>3,951,395</u></u>	<u><u>3,921,759</u></u>
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	<u>3,951,395</u>	<u>3,921,759</u>
TOTAL FUNDS		<u><u>3,951,395</u></u>	<u><u>3,921,759</u></u>

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

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

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:

62223B90612C102...

Dr Robin Bidwell CBE
(Chair of Trustees)

Date: 06/09/2021

The notes on pages 28 to 57 form part of these financial statements.

WCMC
(A Company Limited by Guarantee)

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

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 £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.

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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	<u>1,027,111</u>	<u>1,027,111</u>	<u>917,041</u>
TOTAL 2019	<u>917,041</u>	<u>917,041</u>	

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL 2019	8,937,676	2,815,362	11,753,038	
	<u> </u>	<u> </u>	<u> </u>	

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
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2019	61,538	61,538	
	<u> </u>	<u> </u>	

7. INVESTMENT INCOME

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	52	52	-
	<u> </u>	<u> </u>	<u> </u>
	52	52	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL 2019	-	-	
	<u> </u>	<u> </u>	

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL 2019	9,693,052	2,816,034	12,509,086	
	<u> </u>	<u> </u>	<u> </u>	

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
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL 2019	8,811,079	3,698,007	12,509,086	
	<u> </u>	<u> </u>	<u> </u>	

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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)
	<u>11,711,125</u>	<u>11,711,125</u>	<u>8,811,079</u>
 TOTAL 2019	 <u>8,811,079</u>	 <u>8,811,079</u>	

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u>3,450,478</u>	<u>3,450,478</u>	<u>3,698,007</u>
TOTAL 2019	<u>3,698,007</u>	<u>3,698,007</u>	

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
	<u>93,104</u>	<u>79,855</u>

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 No.	Group 2019 No.	Charity 2020 No.	Charity 2019 No.
Management and administration	16	12	13	12
Research and operational staff	145	121	143	121
	161	133	156	133

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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).

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. INTANGIBLE ASSETS

GROUP AND CHARITY

	Software £
COST	
At 1 January 2020	150,090
Additions	8,000
At 31 December 2020	<u>158,090</u>
AMORTISATION	
At 1 January 2020	92,805
Charge for the year	52,256
At 31 December 2020	<u>145,061</u>
NET BOOK VALUE	
At 31 December 2020	<u><u>13,029</u></u>
At 31 December 2019	<u><u>57,285</u></u>

WCMC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16. SOCIAL INVESTMENTS

CHARITY

	Programme related investments £
COST OR VALUATION	
At 1 January 2020 (as previously stated)	-
Prior year adjustment (note 15)	759,145
	<u>759,145</u>
IMPAIRMENT PROVISION	
Provision for the year	(116,217)
	<u>116,217</u>
NET BOOK VALUE	
At 31 December 2020	642,928
At 31 December 2019 (as restated)	<u>759,145</u>

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

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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)

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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	-

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 identified 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.

WCMC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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
	<u>3,162,614</u>	<u>10,361,312</u>	<u>(10,215,459)</u>	<u>-</u>	<u>3,308,467</u>
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)	-	-
	<u>758,473</u>	<u>4,920,087</u>	<u>(4,946,144)</u>	<u>-</u>	<u>732,416</u>
TOTAL OF FUNDS	<u><u>3,921,087</u></u>	<u><u>15,281,399</u></u>	<u><u>(15,161,603)</u></u>	<u><u>-</u></u>	<u><u>4,040,883</u></u>

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u>3,698,556</u>	<u>12,731,617</u>	<u>(12,508,414)</u>	<u>(759,145)</u>	<u>3,162,614</u>
RESTRICTED FUNDS					
WCMC Beijing	-	-	(672)	759,145	758,473
Restricted projects	-	2,815,362	(2,815,362)	-	-
	<u>-</u>	<u>2,815,362</u>	<u>(2,816,034)</u>	<u>759,145</u>	<u>758,473</u>
TOTAL OF FUNDS	<u>3,698,556</u>	<u>15,546,979</u>	<u>(15,324,448)</u>	<u>-</u>	<u>3,921,087</u>

WCMC
(A Company Limited by Guarantee)

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
	<u>3,921,759</u>	<u>10,535,940</u>	<u>(10,390,087)</u>	<u>-</u>	<u>(116,217)</u>	<u>3,951,395</u>
RESTRICTED FUNDS						
Restricted projects	-	4,739,578	(4,739,578)	-	-	-
	<u>-</u>	<u>4,739,578</u>	<u>(4,739,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OF FUNDS	<u>3,921,759</u>	<u>15,275,518</u>	<u>(15,129,665)</u>	<u>-</u>	<u>(116,217)</u>	<u>3,951,395</u>

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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
	<u>3,698,556</u>	<u>9,916,255</u>	<u>(9,693,052)</u>	<u>-</u>	<u>-</u>	<u>3,921,759</u>
RESTRICTED FUNDS						
Restricted projects	-	2,815,362	(2,815,362)	-	-	-
	<u>-</u>	<u>2,815,362</u>	<u>(2,815,362)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OF FUNDS	<u>3,698,556</u>	<u>12,731,617</u>	<u>(12,508,414)</u>	<u>-</u>	<u>-</u>	<u>3,921,759</u>

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 reimbursement 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

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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	<u>3,951,395</u>	<u>3,951,395</u>

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)
	<u>3,921,759</u>	<u>3,921,759</u>

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.