



WCMC

collaborating with UN Environment

WCMC

(a charitable company limited by guarantee)

Registered Company No. 02330031

Registered Charity No. 328044

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2016

WCMC

Trustees' Annual Report

For the year ended 31 December 2016

The Trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present the annual trustees' report and financial statements of the charity for the year ended 31 December 2016. 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 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 2015).

Trustees' Report

Objectives and activities

Objects and aims

The Charity's objects are to promote, for the public benefit, the conservation, protection, enhancement and support of nature and natural resources world-wide where decision makers in all sectors recognise and take account of the values of biodiversity.

We work in close collaboration with the United Nations Environment Programme (UN Environment) undertaking work to provide data and information to support decision makers. We provide regions with advice, analyses, capacity building and digital solutions.

Significant activities

The objects are achieved through the collection, building and compiling of data about biodiversity, to provide political and economic decision makers with the best possible information.

This includes:

- Supporting the development and adoption of policies and practices that will contribute to the conservation and sustainable use of biodiversity.
- Creating important biodiversity knowledge by synthesising, analysing and reporting on the state and value of global biodiversity.
- Encouraging and facilitating data sharing, interoperability and standards to create accessible web based information on biodiversity areas of special conservation significance.
- Being a trusted global repository and a partner for centralised and distributed foundation' databases, particularly those dealing with areas of special conservation significance.

- Facilitating and supporting the creation of criteria, standards and certification to validate biodiversity related information and products.

The charity occupies a unique space in the biodiversity arena, by building and supporting collaboration and increasing the capacity of partners as necessary and appropriate, through the work of its expert and trusted scientific team that works in close collaboration with the United Nations Environment Programme

Key areas of success can be measured through a variety of drivers ranging from publications, to the development and deployment of models, such as land use, to the number of workshops conducted which directly contribute to capacity building. The Charity is able to align its short term objectives to the long term objectives, with both focused on the development of key relationships, quality data and information.

Strategic Report

WCMC's achievements and performance in 2016

Introduction

Our vision is for a world where decision makers in all sectors and at all levels recognise and take full account of the values of biodiversity as the bedrock of a global green economy and human well-being. We are concerned with the multiple values of biodiversity, particularly where it is at risk, and the relationship between biodiversity and ecosystem services that deliver human benefits.

Our mission is to provide authoritative information about biodiversity and ecosystem services in a way that is useful to decision makers who are driving change in environment and development policy. By working with expert partners worldwide, we draw together, analyse and interpret information on biodiversity, and strengthen the ability of others to do so.

Our key achievements in 2016

Our key achievements in 2016 are set out under headings representing the six strategic themes of the organisation.

Supporting the implementation of key Multilateral Environmental Agreements (MEAs)

Aim: To support countries in effectively implementing MEAs; provide support to MEA Secretariats; development of the post 2020 biodiversity agenda.

Achievements:

- supported intergovernmental processes in identifying and elaborating options for increased coherence and synergy in implementation of biodiversity-related conventions, including presenting the case for integrated and inter-disciplinary approaches to ocean governance at the United Nations Environment Assembly

(UNEA)2 Science-Policy Forum, an approach subsequently adopted in the UNEA2 resolution 'Oceans and Seas'; potentially include UNESCO.

- Influenced both climate change and biodiversity policy in Brazil and Congo Basin and providing additional mapping to selected other countries through the REDD-PAC project. Included the production of policy briefs and draft papers, and development with the International Institute for Applied Systems Analysis (IIASA) and colleagues of a further proposal to IKI for ongoing work supporting Brazil. The original project had an influence on both climate policy, with Brazil basing its forest-sector Intended Nationally Determined Contributions to climate change mitigation on the project results, and on biodiversity policy, with Vietnam including the resulting maps into its National Biodiversity Strategies and Action Plans (NBSAP) and Cameroon and Democratic Republic of Congo considering following suit.
- Deployed the updated Online Reporting System (ORS) to two new conventions and treaties - Ramsar Convention and the Food and Agriculture treaty on Plant Genetic Resources for Food and Agriculture who are already using the system to facilitate national reporting to their particular conventions / treaties. The ORS is now used by all the major Biodiversity conventions (excluding the Convention on Biological Diversity) opening the door for interoperability and improved efficiencies between convention secretariats and reporting parties.
- Supported progress on the UN Sustainable Development Goals by completing an analysis of relationships among the goals, focusing on human-environment interactions and reviews of progress on related research since the Millennium Assessment and of relevant conceptual frameworks for the Towards a Sustainable Earth Initiative (joint project of The Rockefeller Foundation and UK Natural Environment, and Economic and Social, Research Councils). These highly praised reports form background materials for a 'Bellagio convening' that aimed to draft a narrative and identify priorities for an international research agenda to support achievement of the UN Global Goals.

Mainstreaming biodiversity into the delivery of the Sustainable Development Goals

Aim: To develop a suite of 30-50 indicators for national governments; help countries report on their progress; expand our successful and proven model of biodiversity mainstreaming leadership.

Achievements:

- Contributed in three languages to the widely publicised Convention on Biological Diversity Secretariat and UNDP on-line free e-course on designing and managing protected area systems UNEP-WCMC presented the first seminar in this 8-week Massive Open Online Course (MOOC) entitled "The current status of protected areas globally".
- Developed a scoping study for the proposed Global Assessment on Bamboo and Rattan to help the International Network for Bamboo and Rattan define key policy-relevant questions, a conceptual framework, recommended approaches to

undertaking the assessment, and to be fully aware of existing, relevant analyses and assessments, as well as stakeholder interests. Bamboo and rattan has relevance to multiple UN Sustainable Development Goals and has the potential to address climate change mitigation and adaptation; green economic development and rural development; and restoration; and biodiversity conservation.

- Contributed to the development of a land-use model to support the development of policies in Brazil that balance food and biofuel production and environmental protection. The project revealed the crucial importance for Brazil of implementing its Forest Code, and the project results fed into the development of Brazil's Intended Nationally Determined Contributions submitted to the United Nations Framework Convention on Climate Change (UNFCCC) in September 2015, which should bring about a major decrease in greenhouse gas emissions in Brazil
- Delivered the second international workshop for the Mainstreaming Biodiversity into Development Policy and Planning Initiative in Accra, Ghana in collaboration with IIED, funded by BMZ. Participants from Botswana, Ghana, Malawi, Namibia, Seychelles, Uganda, Zambia and Zimbabwe attended. The primary objectives were to bring together countries who have been working together for over two years to share progress on their national mainstreaming plans, and create input into a tool to monitor and evaluate the impacts of biodiversity mainstreaming.
- Presented an overview of climate change impacts on fisheries-derived food security and highlighting current climate change adaptation and resilience projects led by UN Environment and UNEP-WCMC from policy-makers and researchers at the APEC 2016 Climate Change Symposium (APCS) in Piura, Peru. The forum supports multidisciplinary and region-wide discussions and promotes international collaboration and improved policy-making.
- Completed a series of UN Environment guidance documents funded by the MacArthur Foundation on biodiversity and ecosystem services mapping, scenario development, and land use modelling to help decision makers understand how to use modelling and scenarios to develop land use policy.
- Built capacity in integrating Ecosystem-based Adaptation (EbA) into national policies and plans in Caribbean and African Small Island Developing States (SIDS) through the Coastal Ecosystem-based Adaptation training workshops in Seychelles and Grenada. The workshops introduced a range of knowledge products to support EbA design and implementation, namely a website, decision support tool and EbA options guide. The countries will be better able to plan for Ecosystem-based Adaptation that enables coastal communities to be more resilient to the impacts of climate change.

Mainstreaming biodiversity/natural capital into private sector decisions

Aim: To provide knowledge and insights for the private sector; policy, safeguards and standards through Biodiversity and Ecosystem Services; creating tools, methodologies, standards and metrics and capacity in how to use them.

Achievements:

- Analysed the potential impacts of mining and oil and gas on Key Biodiversity Areas (KBAs) and protected areas undertaken for the International Council on Mining and Metals (ICMM) to inform their position on protected areas and other important areas of biodiversity. ICMM is a membership organisation of twenty three major mining companies and associations.
- Launched a new phase of the Proteus Partnership (2016-20) providing biodiversity data, data interpretation and advisory services and peer to peer learning to support decision making processes within fourteen multinational extractive companies.

Securing healthy oceans for healthy people

Aim: To provide direct and tailored support to three regional seas for the delivery of oceans sustainable development goals; evidence-based advice to enhance global practices in area based planning; convene an online portal and community of practice; demonstrate workable approaches to the integration of social and economic considerations to deliver healthy oceans.

Achievements:

- Identified the qualities of marine spatial planning (MSP) processes and practices that catalyse successful global MSP outcomes regardless of the format, structure or institutional setting of an MSP process. This presents a significant evolution from previous global advice in which a single idealised MSP model is advocated regardless of the prevailing social, economic or ecological context of a country. The new advice, developed in partnership with UN Environment, has been validated with practitioners involved in tropical marine management and was launched at United Nations Environment Assembly (UNEA) 2.

Supporting integrated area-based planning

Aim: To develop capacity to support area-based decision making; providing analyses and syntheses to support area-based planning and decision making; developing and maintain knowledge products and technical support tools.

Achievements in 2016:

- Presented work on species accounting in order to support the case for formal adoption of biodiversity accounting as part of the London Group's research agenda at their most recent Group Meeting on Environmental Economic Accounting in Oslo, Norway. The influential London Group comprises of representatives from National Statistics Agencies, International Agencies, Academia and Non-Governmental Organisations concerned with the technical development of the System of Environmental-Economic Accounting (SEEA) and provides input to the UN Statistics Division. This helped to consolidate our growing reputation for leading on species accounting work and should help to gear up research efforts in this developmental area asked to present this work.
- Published a new manual for practitioners and researchers on Resilience and Adaptation Planning for Communities in Protected Areas, which provides the

practical tools needed to effectively engage with communities living in, and around, protected areas to develop appropriate strategies to deal with the negative impacts of climate change MAVA funded.

- Launched the Mapping Biodiversity Priorities report in June at the 13th National Biodiversity Planning Forum (BPF13) in Wilderness, South Africa. This sets out a practical, science-based approach to spatial biodiversity assessment and prioritisation, and is intended to be applied at the national level in any country. It is aimed at a wide audience and in particular those involved in revising or implementing National Biodiversity Strategies and Action Plans (NBSAPs). This was a collaborative product between South African National Biodiversity Institute (SANBI) and UNEP-WCMC.
- Supported UN-REDD partner countries to achieve their goals on integrating multiple benefits considerations into REDD+ decision making, and designing or starting to put in place the safeguards components needed under the UNFCCC's Warsaw Framework. Included - Colombia (planning joint work including a safeguards workshop), Mongolia (validation workshop for the collaborative mapping report on multiple benefits of REDD+), Nigeria (validation workshop for risks and benefits analysis for REDD+ options, and planning of development of Principles and Criteria) and Paraguay (policies and measures workshop and review of our map analysis).

Supporting Sustainable Wildlife Management

Aim: To support global and regional initiatives to ensure international trade in wildlife and timber is within sustainable limits; building awareness and understanding; building the case for opportunities for “Wildlife as a viable land-use choice”; developing operational tools to manage wildlife.

Achievements:

- Launched the UN GRASP (Great Apes Survival Partnership) ‘Apes Database’ at CITES Conference of the Parties. This is a mobile application and database for collecting and storing records of illegal ape seizures in Africa and Asia. The application will help put a definitive figure on the scale of the problem of displaced apes for the first time. The application gained strong coverage from the media including the BBC.
- Undertook an analysis of trade in CITES-listed species for the Southern African Development Community (SADC) region. The results and recommendations of the analysis, were presented as part of a three day capacity building workshop in Johannesburg in June, which included training on the use of Species+, the Checklist of CITES Species and the CITES Trade Database.
- Continued support to the European Union to strengthen the scientific basis for decision making on wildlife trade. Four reports assessing the sustainable use of species within international trade were produced and presented to the European Union at the 76th Scientific Review Group in June. This included the assessment of an emerging issue of the threat posed by importing Asiatic salamander and newt species, which carry a fatal fungal pathogen believed to pose an ecological threat to native salamander species: Review of the risk posed by importing Asiatic species of Caudata amphibians (salamanders and newts) into the EU.

- Reviewed the environmental impacts of illegal trade in wildlife in response to the United Nations Environment Assembly (UNEA) 2 mandate to produce an analysis of the environmental impacts of illegal wildlife trade to be presented at UNEA-2 for consideration by governments.
- Supported the EU with the drafting of six species listing proposals, with five recommended for adoption and the sixth forming the basis for decisions relating to improved management for the endangered and endemic fish.

Financial Review

During the year the Charity has remained committed to building its expertise and continuing with investment decisions to support the development of the Charity's objectives. Strong cost control, predominately through the close management of the operational costs of the business, management of the personnel costs have resulted in a surplus of £242k being generated for the full year. The Charity remains in a financially strong position to shield the risks of short term issues and the reserves of the Charity are marginally higher than the previous year. The net current assets have increased by £327k and after depreciation and amortisation the net asset position is increased by £242k.

Reserves policy and going concern

The reserves policy has been reviewed by the Trustees, and given the Charity's project commitments and the ongoing economic situation, it has been agreed that the charity 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 2016, £3,039k, was needed to be held in reserves. The position as at 31 December 2015 was £2,112k of general free reserves, with an additional £1,770k which have previously been transferred into the Designated Funds for the Building project, reflecting the amount which has been approved by Trustees for 2015/6. In this current economic climate, the Trustees have deferred the building redevelopment so that the Building Designated funds have been released and now incorporated in the general free reserve. Free reserves as at 31 December 2016 are therefore £3,039k. The Trustees will continue to review and modify the Reserves policy as circumstances require.

Risk management

The Charity monitors the risks it is subject to and maintains a risk register to assist in that process. These risks are classified according to their relative strategic or operational impact. The principal risks are in respect of reputation and funding.

The Charity continues to enhance its quality assurance processes to mitigate against reputational risk and has an active project development process to mitigate against

funding risk. In particular, the Charity has strengthened further its links with UN Environment's Programme of Work and continues to expand its support to business through the Proteus Partnership arrangements.

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate plans and controls are in place to provide a reasonable assurance that they are effectively managed. The Trustees have identified the major risks to which the charity is exposed, the most significant being the damage to the charity's reputation for the value of the work it performs. The Trustees ensure that plans and strategies take full account of the risks identified and mitigate them as far as possible.

The Charity's principal financial assets are cash and trade debtors. The majority of the Charity's project contracts are denominated in foreign currency, predominantly US dollars. The main risks arising from the Charity's financial instruments are therefore credit risk and foreign exchange risk.

The principal credit risk arises from its trade debtors, with UN Environment the single largest funder, and other funders included government organisations, intergovernmental organisations, the corporate sector charitable foundations and NGOs. Activities are undertaken with consideration to minimise this exposure through a due diligence process.

The Charity mitigates the foreign exchange risk through the use of financial hedging instruments and natural currency hedging where possible.

Future plans

In 2017 we will be rolling out a new Strategy and Business Plan for the organisation. This will reiterate our vision and mission and will make explicit in our objectives on how we will support and influence decision-makers in the public and private sector to take account of the best available data, information and knowledge on biodiversity and natural capital. In line with our theory of change, this will include:

- improved availability and access to information on biodiversity, natural capital and ecosystem services
- strengthened knowledge on biodiversity, natural capital and ecosystem services
- increased impact of biodiversity knowledge in decision making for sustainable development

The Charity will focus delivery of our strategic objectives in the upcoming plan period in 2017 and beyond through a focus on a small number of priority areas. These are based on our capacity and comparative advantage as a Centre of Excellence on biodiversity and natural capital, and respond to the needs of the 2030 Agenda for Sustainable Development, key multilateral environmental agreements, and United Nations Environment Programme. The identified priorities during 2017-2021 are:

- 1) Supporting implementation of key Multilateral Environmental Agreements

- 2) Mainstreaming biodiversity and natural capital to deliver the Sustainable Development Goals
- 3) Mainstreaming biodiversity and natural capital into private-sector decision making
- 4) Supporting healthy oceans for healthy people
- 5) Mainstreaming biodiversity and natural capital into area-based planning processes
- 6) Supporting sustainable management and use of wildlife resources

Reference and Administrative Details

The charity is registered as WCMC with a registered company number: 02330031 and a registered charity number: 328044 Registered Office: 219 Huntingdon Road, Cambridge, CB3 0DL, United Kingdom.

Our advisors

Auditors

RSM UK Audit LLP Abbotsgate House Hollow Road Bury St Edmunds IP32 7FA

Bankers

Barclays Bank 9-11 St Andrews Street Cambridge CB2 3AA

Solicitors

Mills and Reeve Botanic House 100, Hills Road Cambridge CB2 1PH

Directors and Trustees

The directors of the charitable company (The Charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows;

Board of Trustees

Mr Robin Bidwell (Chair) appointed to the Board on 10 October, 2016 and appointed as Chair on 22 November 2016

Mr Robert Napier resigned from the Board and as Chair on 22 November 2016

Mr Patrick J Haighton

Mr Alasdair Poore

Mr Robin Mortimer

Professor William Adams

Dr Jennifer Zerk

Dr Kathleen MacKinnon

Mr Andrew Powell

Dr Camilla Toulmin resigned on 13 July 2016

Key Management Personnel - Senior Management

Dr Timothy Johnson, Chief Operating Officer

Mr Clive Cartwright, Interim Director of Finance and Administration appointed on 15 November 2016

Dr Matt Walpole, Director of Partnerships & Development

Ms Pamela Abbott, Director of Programmes
Ms Helen Joyce, Director of People appointed on 1 September 2016
Mrs Sally Newton, Director of People resigned on 24 March 2016
Mrs Sharon Hall, Director of Finance and Administration resigned on 1 November 2016

Structure, governance and management

Governing document

The charity 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 Charity's Articles of Association.

Induction and training of new trustees

New Trustees are provided with the Charity's Articles of Association, together with the latest Audited Accounts and Minutes of the four previous Board Meetings. Additional information, such as the Strategic Plan, and advice is available from the other Trustees.

Organisational Structure

The day to day management of the Charity's staff, facilities and projects is undertaken by a senior management team. The Charity is provided with strategic advice by the United Nations Environment Programme, (UN Environment), with which it closely collaborates and shares offices in the UK.

The joint activities of the two institutions are mediated through a Steering Committee. The senior management of the Charity and of UN Environment's offices in the UK meet every week to exchange ideas and information, assess the Centre's performance against the Steering Committee's requirements, plan for the future and collaborate to resolve any problems.

The senior management team is supported by a programme coordination team, comprised of members of the Senior Management Team and Heads of Programmes. This team has day to day responsibility for business development, project execution

and management. Our administration headcount is low and we closely monitor the amount of staff capacity deployed on non-earning functions.

Related parties and co-operation with other organisations

The Charity works in close collaboration with the United Nations Environment Programme, (UN Environment), headquartered in Nairobi, Kenya, through its UK office called UNEP-WCMC, which is co-located with the Charity. Under the terms of the collaboration, the Charity leases its building to UNEP-WCMC and UNEP-WCMC leases the WCMC occupied areas of the building back to the Charity. None of the trustees receive remuneration or other benefit from their work with the charity.

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 Operating Officer and the Director of Finance are subject to Board approval, whilst the remaining senior staff are reviewed through the Charity's Remuneration Committee.

Statement of trustees' 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.

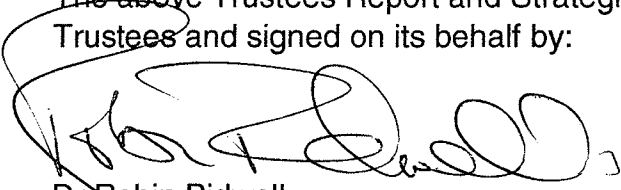
They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware: there is no relevant audit information of which the charitable company's auditor 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 RSM UK Audit LLP during the year in accordance with section 485 of the Companies Act 2006.

The above Trustees Report and Strategic Report were approved by the Board of Trustees and signed on its behalf by:



Dr Robin Bidwell
Trustee (Chair)

Date: 21/03/2011

Independent Auditor's Report to the Members of WCMC

Opinion on financial statements

We have audited the financial statements of WCMC (the 'charitable company') for the year ended 31 December 2016 which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cashflows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report and the incorporated 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on pages 11 and 12, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Claire Sutherland (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

25 April 2017

WCMC
Statement of Financial Activities
(including income and expenditure account)
For the year ended 31st December 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £ Restated
Income From					
Donations in Kind	2	424,768	-	424,768	604,144
Other Trading Activities		59,477		59,477	62,912
Investment	3	2,925	-	2,925	7,152
Charitable Activities	4	<u>7,839,342</u>	<u>614,539</u>	<u>8,453,881</u>	<u>8,521,178</u>
Total income		<u>8,326,512</u>	<u>614,539</u>	<u>8,941,051</u>	<u>9,195,386</u>
Expenditure On :					
Charitable activities	5	7,902,801	796,203	8,699,004	9,141,905
Total expenditure		<u>7,902,801</u>	<u>796,203</u>	<u>8,699,004</u>	<u>9,141,905</u>
Net income/(expenditure)		423,711	(181,664)	242,047	53,481
Transfers between funds	15	(181,664)	181,664	-	-
Net movement in funds		242,047	-	242,047	53,481
Reconciliation of Funds					
Total funds brought forward		<u>3,882,100</u>	-	<u>3,882,100</u>	<u>3,828,619</u>
Total funds carried forward	15	<u><u>4,124,147</u></u>	<u><u>-</u></u>	<u><u>4,124,147</u></u>	<u><u>3,882,100</u></u>

All amounts relate to continuing activities. There are no recognised gains and losses other than those dealt with in the above Statement of Financial Activities.

The notes on pages 18 to 27 form part of these financial statements.

WCMC
Balance Sheet as at 31st December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible asset	10	52,001	42,357
Tangible fixed assets	9	<u>1,033,081</u>	<u>1,127,616</u>
		1,085,082	1,169,973
Current assets			
Debtors	11	3,477,985	3,978,401
Cash at bank and in hand		<u>2,404,587</u>	<u>1,962,223</u>
		5,882,572	5,940,623
Liabilities			
Creditors: Amounts falling due within one year	12	<u>(2,843,507)</u>	<u>(3,228,497)</u>
Net current assets		<u>3,039,065</u>	<u>2,712,127</u>
Total net assets		<u>4,124,147</u>	<u>3,882,099</u>
The funds of the Charity			
Restricted funds	15	-	-
Designated funds	15	1,085,082	1,769,973
General funds	15	<u>3,039,065</u>	<u>2,112,127</u>
		<u>4,124,147</u>	<u>3,882,100</u>

The financial statements were approved by the Board and authorised for issue on 21/03/2017...
and signed on its behalf by:

Dr Robin Bidwell

WCMC
Statement of Cashflows
For the year ended 31st December 2016

	Note	2016 £	2015 £
Cash generated by operating activities	a	465,652	(1,190,365)
Cash flows from investing activities			
Interest received		2,925	7,152
Purchase of tangible fixed assets		(12,353)	(138,985)
Purchase of intangible fixed assets		(13,860)	(42,357)
Cash used in investing activities		<u>(23,288)</u>	<u>(174,190)</u>
Increase / (Decrease) in cash and cash equivalents in the year		<u>442,364</u>	<u>(1,364,555)</u>
Cash and cash equivalents at the beginning of the year		<u>1,962,223</u>	<u>3,326,778</u>
Total cash and cash equivalents at the end of the year		<u>2,404,587</u>	<u>1,962,223</u>
Relating to :			
Bank balances and short term deposits included in cash at bank and in hand		<u>2,404,587</u>	<u>1,962,223</u>
Note a. Reconciliation of net movement in funds to net cash inflow/(outflow) from operating activities			
		2016 £	2015 £
Net income		242,047	53,481
Depreciation charge		93,266	66,377
Amortisation charges		17,838	-
Interest received		(2,925)	(7,152)
Decrease/(Increase) in debtors		500,416	(1,612,898)
(Decrease)/Increase in creditors		<u>(384,990)</u>	<u>309,827</u>
Net cash used in operating activities		<u>465,652</u>	<u>(1,190,365)</u>

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

Accounting Policies

The financial statements of the charity have been prepared under the historical cost convention and in accordance with 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 (FRS102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the

WCMC is an incorporated charity domiciled and registered in England. WCMC meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

The trustees are satisfied that there are no material uncertainties in the adoption of the going concern basis of preparation and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income. It is probable that the income will be received and the amount can be quantified with reasonable accuracy. Gifts in kind are valued at their value to WCMC which is the value the Charity would pay in the open market.

Restricted project income represents 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 to the restricted funds have been met, and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

1 Accounting Policies (continued)

Fund Accounting

Funds held by the charity are either:

General funds - these are unrestricted funds which can be used for the charitable objects at the discretion of the Trustees.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds - are funds set for earmarked purposes or projects at the discretion of the trustees.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investment Income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

Debtors

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

Cash at bank and in hand

Cash at bank and cash 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.

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. 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.

Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates of exchange ruling at the balance sheet date. Transactions in other currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

1 Accounting Policies (continued)

Operating Leases

Rentals paid under operating leases are charged evenly to the Statement of Financial Activities over the period in which the related asset is utilised.

Taxation

The charity is exempt from corporation tax on its charitable activities. The charity was registered for VAT during the year and VAT is charged on income in accordance with HMRC rules and regulations. Income is shown net of VAT in the Statement of Financial Activities.

Pension

The charity operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension costs is the charity's contributions payable in the year. The assets of the scheme are held separately from the charity. The pension cost in the year was £489,550 (2015: £443,095).

Critical accounting estimates and areas of judgement

The Company 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.

The freehold building 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.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee, or the lessee, where the Company is a lessor.

2 Donations in kind	Unrestricted	Restricted	Total	Total
	2016	2016	2016	2015
	£	£	£	£
Gifts in kind	424,768	-	424,768	604,144
	<u>424,768</u>	<u>-</u>	<u>424,768</u>	<u>604,144</u>
3 Investment income	Unrestricted	Restricted	Total	Total
	2016	2016	2016	2015
	£	£	£	£
Bank interest	2,925	-	2,925	7,152
	<u>2,925</u>	<u>-</u>	<u>2,925</u>	<u>7,152</u>

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

4	Charitable Activities	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total 2016 £	Total 2015 £ Restated
	Project income				
	Net monies in advance brought forward	471,073	102,881	573,954	968,702
	Project income invoiced for in period	8,427,893	503,849	8,931,742	8,126,430
	Net monies in advance carried forward	<u>(1,059,624)</u>	<u>7,809</u>	<u>(1,051,815)</u>	<u>(573,954)</u>
		<u>7,839,342</u>	<u>614,539</u>	<u>8,453,881</u>	<u>8,521,178</u>
5	Expenditure	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total 2016 £	Total 2015 £ Restated
	<i>Charitable Activities</i>				
	Staff costs	4,439,787	417,275	4,857,062	4,436,696
	Direct project expenses	1,886,926	280,898	2,167,824	2,949,470
	Gifts in Kind	424,768	-	424,768	604,144
	Premises costs	126,423	15,014	141,437	69,023
	Insurance costs	60,462	7,181	67,643	47,328
	Legal and professional	76,201	9,050	85,251	47,835
	Other expenses	433,725	54,991	488,716	539,879
	Depreciation	99,310	11,794	111,104	66,377
	Research and development	<u>355,199</u>	<u>-</u>	<u>355,199</u>	<u>381,153</u>
	Total Charitable Expenditure	<u>7,902,801</u>	<u>796,203</u>	<u>8,699,004</u>	<u>9,141,905</u>

In 2016 the net foreign exchange gain of £809,241 has been classified as project income as the gain arises on the receipts. The 2015 comparatives have been reclassified with £143,781 and moved from other expenses to project income.

6	Analysis of Staff Costs, and cost of key management personnel	2016 £	2015 £
	Wages and salaries	4,377,897	4,222,249
	Social security costs	445,954	430,129
	Pension contributions	489,550	443,095
		<u>5,313,401</u>	<u>5,095,473</u>

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

7 Analysis of Staff Costs, and cost of key management personnel

The average headcount of staff employed during the year was as follows:

	2016	2015
	Number	Number
Management and administration	18	16
Research and operational staff	107	109
	<u>125</u>	<u>125</u>

The number of employees whose total employee benefits excluding pension contributions earning over £60,000 in the year. Classified within bands of £10,000 as follows:

	2016	Restated 2015
Higher pay breakdown		
£ 60,001-£70,000	2	1
£ 70,001-£80,000	2	-
£ 80,001-£90,000	-	2
£ 90,001-£100,000	-	-
£100,001-£110,000	1	2
£110,001-£120,000	2	-

The key management personnel of the Charity comprise the Trustees, the Chief Operating Officer, Director of Finance, the Director of Development, the Director of Programmes, the interim Director of Finance and the Director of People whose employee benefits total £ 541,746 (2015 : £431,381)

Termination payments of £79,968 of which £34,242 was non contractual were paid in the year.

No remuneration or benefits were paid to any of the Trustees. One Trustee received reimbursed travel expenses during the year of £779 (2015: £94).

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

8 Net income/(expenditure)

This is stated after charging / (crediting) :	2016	2015
	£	£
Depreciation	93,266	66,377
Amortisation	17,838	-
Operating leases - plant and machinery	20,681	23,820
Auditors remuneration		
- Statutory audit fees	10,825	9,760
-Other fees	5,790	11,958
Net/(profit)/loss on foreign currency transactions	<u>(809,241)</u>	<u>(143,781)</u>

9 Tangible fixed assets

	Freehold buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
1st January 2016	1,701,226	302,366	328,290	2,331,882
Transfer to Intangible fixed asset	-	(155,266)	-	(155,266)
Additions	<u>(2,294)</u>	<u>13,082</u>	<u>1,565</u>	<u>12,353</u>
31st December 2016	<u>1,698,932</u>	<u>160,182</u>	<u>329,855</u>	<u>2,188,969</u>
Depreciation				
1st January 2016	763,368	177,181	263,717	1,204,266
Transfer to Intangible fixed asset	-	(141,644)	-	(141,644)
Charge for year	<u>33,981</u>	<u>42,085</u>	<u>17,200</u>	<u>93,266</u>
31st December 2016	<u>797,349</u>	<u>77,622</u>	<u>280,916</u>	<u>1,155,888</u>
Net Book Value				
31st December 2016	<u>901,583</u>	<u>82,560</u>	<u>48,938</u>	<u>1,033,081</u>
31st December 2015	<u>937,858</u>	<u>125,185</u>	<u>64,573</u>	<u>1,127,616</u>

All assets are held for charitable purposes.

£28,230 (2015: £25,549) of the net book value of this freehold building is rented out to third parties, with the owner-occupied portion rented back. During the year, £1,064 (2015: £926) of depreciation was charged on this property.

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

10 Intangible fixed assets

	Software £
Cost	
1st January 2016	42,357
Transfer from tangible fixed assets	155,266
Additions	13,860
31st December 2016	211,483
Amortisation	
Transfer from tangible fixed assets	141,644
Charge for year	17,838
31st December 2016	159,482
Net Book Value	
31st December 2016	52,001
31st December 2015	42,357

11 Debtors

	2016 £	2015 £
Trade debtors	2,064,093	2,237,768
Accrued income	1,133,758	1,535,227
Recoverable VAT	61,710	31,293
Other debtors	134,555	135,964
Prepayments	83,869	38,149
	3,477,985	3,978,401

12 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	158,850	674,205
Taxation and social security	110,863	122,575
Monies in advance on projects	2,280,852	2,109,181
Other creditors	87,211	60,798
Accruals	205,731	261,738
	2,843,507	3,228,497

13 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	1,085,082	-	1,085,082
Net current assets	3,039,065	-	3,039,065
	4,124,147	-	4,124,147

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

14 Financial Instruments

The carrying amount of the charitable company's financial instruments at 31 December were:

Financial assets	2016	2015
	£	£
Trade debtors	2,064,093	2,237,768
Accrued income	1,133,758	1,535,227
Other debtors	134,555	135,964
Debt instruments measured at amortised cost	<u>3,332,406</u>	<u>3,908,959</u>
Trade creditors	158,850	674,205
Other creditors	87,211	60,798
Accruals	205,731	261,738
Measured at amortised cost	<u>(451,792)</u>	<u>(996,741)</u>

15 Analysis of charitable funds

	1 st January	Incoming	Outgoing	Fund	31st December
	2016	Resources	Resources	Transfers	2016
	£	£	£	£	£
Restricted funds:					
Project Income	-	614,539	(796,203)	181,664	-
Unrestricted funds:					
Unrestricted general funds	2,112,127	8,326,512	(7,902,801)	503,227	3,039,065
Designated funds - Building Project	600,000	-	-	(600,000)	-
Designated funds Fixed Asset Fund	1,169,973	-	-	(84,891)	1,085,082
Total funds	<u>3,882,100</u>	<u>8,941,051</u>	<u>(8,699,004)</u>	<u>-</u>	<u>4,124,147</u>

Restricted Funds

These funds are for the commissioning of various projects completed to achieve the charity's objectives.

Designated Funds

These funds represent a combination of the net book value of the building and the approved value of capital expenditure anticipated to be spent during 2016 on the building. The transfer made during the year represents the movements of Fixed assets during the year and the return of funds to unrestricted funds following the abortion of the Building project in 2016.

Fund Transfers

Funds have been transferred from unrestricted general funds to cover cost shortfalls on some restricted income project activities, and to transfer to designated funds the amount attributable to the fixed asset additions and depreciation, which are not readily convertible to liquid funds.

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

16 Liability of Members

At 31st December 2016 WCMC had 8 members (2015: 9 members). The liability of each member is £1.

17 Related Party Transactions

Purchases during the year of £8,428 (2015: £5,284) were made from Mills & Reeve LLP, a company for which a Trustee is also a Partner.

At the Balance Sheet date no amounts were owed to Mills & Reeve LLP.

WCMC
Notes to the Financial Statements
For the Year Ended 31st December 2016

18 Operating Lease Commitment

The Charity as lessee at 31st December

The Charity was committed to total future minimum lease payments under non-cancellable operating leases as follows;

	2016	2015
	£	£
Within 1 year	31,724	23,820
Within 2 - 5 years	70,353	41,685
Over 5 years	57,475	-
	<u>159,552</u>	<u>65,505</u>

19 Comparative SOFA by Fund

	Restated		
	Unrestricted	Restricted	Total
Note	Funds	Funds	
	£	£	£
Income From	2015	2015	2015
Donations in Kind	604,144	-	604,144
Other Trading Activities	62,912	-	62,912
Investment	7,152	-	7,152
Charitable Activities	<u>6,594,579</u>	<u>1,926,599</u>	<u>8,521,178</u>
Total Income	<u>7,268,787</u>	<u>1,926,599</u>	<u>9,195,386</u>
Expenditure On :			
Charitable activities	7,044,155	2,097,750	9,141,905
Total Expenditure	<u>7,044,155</u>	<u>2,097,750</u>	<u>9,141,905</u>
Net Income/(Expenditure)	224,632	(171,151)	53,481
Transfers between funds	<u>(171,151)</u>	171,151	-
Net movement in funds	53,481	-	53,481
Reconciliation of Funds			
Total funds brought forward	<u>3,828,619</u>	<u>-</u>	<u>3,828,619</u>
Total funds carried forward	<u>3,882,100</u>	<u>-</u>	<u>3,882,100</u>