

Registered number: 02330031
Charity number: 328044

WCMC
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 Professor Bhaskar Vira Ms Mette Wilkie
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, Head of Finance (resigned May 2021) Mrs Katie Penfold, Head of Finance (appointed October 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

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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 2021. 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 operate in collaboration with the UN Environment Programme as the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). Together we are confronting the global crisis facing nature. We do this through collaborating with partners around the world to create innovative solutions to environmental challenges. Our work brings together governments, businesses, Non-Governmental Organisations (NGOs), and research bodies to put nature at the heart of decision-making and drive positive change. We are uniquely placed to ensure our science, knowledge and insights shape global and national policy.

Our vision: Living in harmony with nature

Our mission: We develop knowledge and capacity for a nature-positive world

STRATEGIC REPORT

Nature remained high on the global agenda in 2021, with widespread international recognition of the need to conserve and restore ecosystems to support a healthy future for humanity and nature.

While the Covid-19 pandemic continued to have widespread impacts around the world, as well as causing ongoing delays to environmental summits and conventions, our agile and collaborative working model enabled WCMC to continue with hundreds of vital projects, as well as strengthening our regional work in Europe and China.

The following report summarises WCMC's key contributions towards global ambitions for conserving and restoring nature in 2021. All WCMC's work is delivered in collaboration with the United Nations Environment Programme as UNEP-WCMC.

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 fully understood and appreciated. Moreover, the costs of the decline in nature and the benefits it provides have rarely been calculated in traditional economic approaches. This makes it difficult for decision makers to develop informed solutions and, can often result in nature not being valued in national policy-setting and decision-making. WCMC is working to incorporate biodiversity into sustainable development policies and actions (a process commonly known as mainstreaming), so that nature is taken fully into account across in wider policy making.

Achieving this integration is essential to creating the kind of transformative change the world needs to halt biodiversity loss and restore nature. We have played a major role in the mainstreaming agenda in the last decade, supporting countries to develop knowledge products so decision-makers can better account for nature

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including; building capacity so nature's contributions are better understood by a wide range of actors across sectors and providing tailored interventions to support planning and policy processes. We have also supported the Secretariat of the Convention on Biological Diversity (SCBD) to develop a proposed Long-Term Approach to mainstreaming to help countries to successfully implement the Post-2020 Global Biodiversity Framework. Mainstreaming will continue to be a key component of our new strategy, helping to achieve the outcomes and impacts we are striving towards in conserving and restoring nature, in Nature-based Solutions (NbS) and embedding nature into the global economy.

Embedding spatial biodiversity priorities into policy processes

Effective conservation and biodiversity stewardship depends on knowing the distribution of biodiversity across land- and seascapes to coordinate and prioritise action. To understand where they are starting from, countries need spatial data on nature. The Spatial Biodiversity Assessment and Prioritisation approach is a powerful way of incorporating biodiversity knowledge into national policy, planning and decision-making. It has the potential to be particularly influential in countries that are biodiversity-rich and resource-constrained. A few basic datasets can be combined to produce useful headline indicators of the state of biodiversity. These help to prioritise conservation action across the landscape and seascape and can inform a wide range of policy applications, such as National Biodiversity Strategies and Action Plans (NBSAPs), national development plans, protected area expansion, and informing land-use planning and decision-making across a range of sectors.

In 2021, we supported the governments of Ethiopia, Malawi, and Botswana to conduct spatial biodiversity assessments and use these to; inform implementation of national development plans; develop biodiversity-friendly national environmental and social impact assessment guidelines; and identify priority areas for the mitigation of adverse impacts on biodiversity and ecosystems. This work has generated rich practical learning and lessons that can now be replicated across other countries. Through our support to partners and key stakeholders we have also progressed an emerging community of practice for mapping and mainstreaming biodiversity in Africa.

Through the National Ecosystem Assessment Initiative (NEA Initiative), we also worked with partners in Botswana, Malawi, Zambia, and Zimbabwe to support scoping activities for assessments on biodiversity and ecosystem services, aiming to strengthen the consideration of spatial biodiversity priorities at the interface of knowledge, policy and practice.

Putting nature into the heart of government decision-making

In 2021, our flagship Global Environment Facility-funded project "Connect: mainstreaming biodiversity information into the heart of government decision making" came to an end. Connect worked with the governments of Ghana, Mozambique, and Uganda to provide a showcase of how biodiversity information can be made more credible, salient and legitimate for decision-makers. Each of the project countries delivered a suite of biodiversity information products to be used by policy makers to embed biodiversity information into their day-to-day work. Examples include; maps of ecosystem protection level and threat status now being used by the Ghana Land Use and Spatial Planning Authority for oil and gas infrastructure development; a sectoral paper on agriculture and biodiversity for the Uganda National Development Plan III; and a new platform for environmental licencing developed for use by government and private sector decision makers in Mozambique. Building upon the success of the Connect project, we are well positioned to lead the rollout of this approach in other countries and contexts.

The NEA Initiative also supported stakeholder-driven processes in 14 countries across five continents to scope or conduct national ecosystem assessments, and to integrate their findings into decision-making and policy processes. This included developing and strengthening national science-policy platforms on biodiversity and ecosystem services, including the launch of Azerbaijan's first ever National Biodiversity Platform.

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Making the value of nature visible

Biodiverse, healthy ecosystems provide essential contributions that humans depend upon in their daily lives – clean water, productive soils and flood control. However, a lack of understanding of the economic value of natural capital - the stocks of natural assets which include geology, soil, air, water and all living things - means that decision makers too often fail to take these values into account in economic strategies and planning processes.

During 2021, we contributed to the revision of the UN System of Environmental Economic Accounting Ecosystem Accounting framework. We also worked with the Ugandan Government to prepare a set of fisheries accounts with a view to achieving long term sustainable fisheries management. By encouraging the uptake of these outputs across government, our aim is to inform better decision making around the national objectives for fisheries and deliver on international commitments, such as reporting on SDG indicator 14.4.1 (Proportion of Fish Stocks within biologically sustainable levels).

Through our Darwin Initiative-funded project “Integrating Natural Capital Accounting into Sustainable Development in Uganda”, we have worked with government and international partners to develop three novel sets of natural capital accounts which have been adopted and validated by the Ugandan government. This endorsement of the accounts is a significant milestone and demonstrates government commitment to continue to produce and use these accounts within policy and planning processes. The accounts (and other resources developed under the project) also serve as a blueprint for other countries interested in natural capital accounting.

Growing the next generation of Nature Science-Policy specialists

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) was established in 2012. It strengthens the biodiversity and ecosystem services science-policy interface for conservation and sustainable use and long-term human well-being and sustainable development. The success of IPBES depends on the engagement and support of governments, experts and other stakeholders.

The West African Biodiversity and Ecosystem Service (WABES)s initiative has delivered a new MSc programme to nurture and train early career scientists, researchers, and facilitators in West African countries. We developed and delivered more than 10 modules on biodiversity, ecosystem services and sustainable development issues. Thirty West African students have graduated and are now working on science-policy-practice interfaces in their respective countries. We have also supported 15 focal points in West Africa countries to engage with the IPBES rolling work programme, including reviewing IPBES assessments and use of IPBES products in decision making in the region.

We also secured funding from the International Climate Initiative (IKI) for a successor initiative to expand impact into Central and East Africa. The WABES initiative will ensure that diverse science-policy-practice communities support national governments to engage in the IPBES rolling programme of work. We expect to support sustained and high-quality contributions of regional experts, for example, as authors of IPBES assessments and as members of national delegations. This will enhance the reflection of regional issues in IPBES processes so that the more than one billion inhabitants of the regions are adequately represented in international decision-making processes on biodiversity and ecosystem services.

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.

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We are working with business and their influencers to address this gap in understanding. We share cutting-edge knowledge on the materiality of business-biodiversity interactions, develop and deliver the right tools and data to support action, and increase capacity for change.

A new phase for the Proteus Partnership

The Proteus Partnership is a unique collaboration between leading 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 knowledge resources. In 2021, we launched a new phase of Proteus which will expand the Partnership to new sectors and support members to work collaboratively at landscape scales. The 2021-2025 phase will focus on helping companies recognise their responsibilities for nature and communicate the business case for its management; accelerating and scaling decision support tools and capacity building to help improve corporate performance; strengthening and increasing business engagement in the global policy agenda on nature; and sustaining a viable mutually beneficial partnership through cross-sectoral collaboration.

Aligning biodiversity measures for business

In 2021 we took further steps towards standardising biodiversity measurement by the private sector. The overall aim of our EU-funded Align project is to make recommendations that can be used to assess which methods to use in different contexts and what technical criteria must be met to make them fit for purpose. This will facilitate corporate accountability through tracking and disclosing biodiversity impacts and dependencies using commonly agreed methods. We are leading a multi-stakeholder team working closely with relevant initiatives and fostering dialogue for alignment to achieve uptake and integration of the recommendations into broader environmental management, accounting, and disclosure standards.

Convening businesses and conservationists to explore the real challenges facing a nature-positive economy

Together with the Capitals Coalition, Fauna & Flora International and IUCN, UNEP-WCMC convened a Business and Nature Hub at the IUCN World Conservation Congress in Marseille. Delayed due to the Covid-19 pandemic, this event was the first major conservation event held with in-person attendance, and an eagerly awaited feature of what should have been the so called "2020 super-year for nature". The Hub ran as a hybrid online/in-person space to convene business and the conservation community, and hosted sessions with over 100 speakers, and with considerable online presence.

Helping financial leaders act on mining and agricultural investments that threaten biodiversity

As part of the Natural Capital Finance Alliance – a collaboration between UNEP-WCMC, the UN Environment Programme Finance Initiative and Global Canopy – we launched a new biodiversity module within the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) online platform. Initially focussed on agriculture and mining industries - because of their exposure to biodiversity risks - the tool helps finance leaders explore the impact of specific portfolio investments on nature at local levels, so they can then take action to reduce biodiversity loss and business risk. More than 30 financial institutions helped to trial the new module ahead of its release, and it is now available to nearly 1,000 ENCORE users worldwide.

Launching a first-of-its-kind directory of indicators for positive impacts

Financial incentives for positive land-use practices are still at the early stages of development. To foster acceleration in this sector, we developed a Positive Impact Indicators directory to help harmonise monitoring and reporting across a range of positive environmental and social (E&S) impact areas: biodiversity conservation, climate adaptation, and mitigation, forest protection, and sustainable livelihoods. The directory can support financial institutions to identify; how their investments may generate positive E&S benefits; which

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Key Performance Indicators are most appropriate to demonstrate this impact and implement credible methodologies for monitoring them. It was developed in consultation with UNEP's Environmental and Social Knowledge Exchange Network, consisting of investment funds, banks, donors, and non-governmental organisations.

3. Planning for Places: supporting area-based planning and decision-making

In 2021, we worked with colleagues across the planet to provide data, knowledge, and tools to promote effective spatial planning.

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. We continue to support multisectoral, integrated planning processes that includes conservation and restoration within wider development and food system plans. This type of approach works across wide geographical areas and uses harmonised data to 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.

Spatial planning for Nature-based Solutions

Our expertise in combining conservation science and policy with spatial analysis resulted in a host of actionable research on the impact and strategic importance of Nature-based Solutions (NbS). In August, together with research partners, we revealed how protecting and managing a strategically located 30% of land on Earth could safeguard 70% of all considered terrestrial plant and vertebrate animal species, while simultaneously conserving more than 62% of the world's above and below ground vulnerable carbon, and 68% of all clean water.

Another thought-leadership paper published last summer mapped and quantified the extent of peatland degraded across Europe and made recommendations for improved management and restoration. A follow-on report we co-produced for COP26 set out how adequately funded and timeously implemented natural climate solutions have the potential to reduce carbon emissions by at least five gigatons of CO^{2e} per year by 2030.

The UN Biodiversity Lab: boosting access to integrated spatial data

To understand what conservation work is happening where, how this interlinks with sustainable development and thereby how to meet their international commitments on environmental protection and sustainable development, governments need access to accurate spatial data. Throughout 2021, our technical team worked alongside United Nations Development Programme to collate hundreds of wide-ranging data layers – combining information from satellites, scientists in the field and indigenous and local communities across the globe – and maximise their utility in a new cloud-based computer platform.

The UN Biodiversity Lab 2.0 launched in October 2021 and already has more than 5,000 active users around the world.

The definitive global resource on protected areas

Our flagship Protected Planet initiative is the world's authoritative source of data and knowledge on protected and conserved areas. It is a collaborative, open-access platform that combines databases on formally protected areas, as well as information on the location and contribution of other notable conservation areas. Last year, the initiative delivered the definitive report on progress towards Aichi Target 11 – the previous global 10-year target on protected areas – revealing that while the international community met targets on terrestrial coverage, it fell far short on commitments on the quality of these areas.

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Heading into 2022 and beyond, Protected Planet will be a fundamental resource for the world in tracking progress and raising ambition for protected territories across land and sea. Protected Planet continues to provide crucial intelligence on protected areas, helping better decision making around location, coverage, connectivity, effective management, and equitable governance of protected and conserved areas.

Introducing the UN Decade on Ecosystem Restoration

2021 marked the start of the UN Decade on Ecosystem Restoration, a rallying call for the protection and revival of ecosystems all around the world. We were lead authors of the campaign's launch report, published in June, which outlined the status and level of degradation across the world's ecosystems, while compelling setting out the benefits to the environment, economies and humanity that restoration will bring.

The trajectory of development corridors in the Global South

We lead the Development Corridors Partnership (DCP), a Global Challenges Research Fund (GCRF) project. It works to build capacity and encourage scientific collaboration and stakeholder engagement on key issues of development corridor planning and management. Collaborative work continued throughout 2021, despite restrictions caused by Covid-19 and a period of uncertainty caused by UK Government cuts to Official Development Assistance funding.

DCP hosted a series of dissemination webinars distilling project findings to Kenyan audiences in August, and worked with partners across Kenya, Tanzania, and China to complete a global review of biodiversity impacts of development corridors, as well as compiling a corridors database for Africa. As East Africa slowly opened to in-person working, we expanded the community level impact of DCP with a series of feedback and consultation workshops in Kenya in December.

Guiding state-level recognition of biodiversity

Throughout 2021, UNEP-WCMC's National Ecosystem Assessment (NEA) Initiative provided tailored capacity building and knowledge exchange to help countries carry out comprehensive ecosystem assessments, to empower the full consideration of the value of nature in decision-making.

In June 2021, Colombia became the first country to complete and launch its national assessment, and it is now moving to implementation.

The Dominican Republic, Malawi and Thailand initiated their national ecosystem assessment processes, taking their first steps towards accounting for nature and its contributions to people in national decision-making. Azerbaijan, Bosnia and Herzegovina, Cambodia and Grenada started the next stage of their assessments, working with diverse knowledge-holders to begin drafting their technical assessment reports. Azerbaijan also launched a knowledge-exchange platform to promote cross-sectoral dialogue around biodiversity and ecosystem services.

The initiative team – with partners in Columbia – addressed COP26 delegates in Glasgow at a dedicated side event to highlight how ecosystem assessments can help states meet their climate ambitions. Guidance was produced on how assessments can enable countries to meet global biodiversity commitments, as well as a 'lessons learned' report for partners. The Initiative also launched a new website, filled with resources to help countries undergoing, or looking to undertake, the assessment process.

4. Nature Across Borders: securing a future for wildlife

Overexploitation of wildlife is the second biggest 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

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knowledge that can support decision makers to make informed choices about managing wildlife and wildlife trade.

We worked to promote a sustainable future for wildlife by helping ensure that when nature crosses borders – either naturally as migratory species or through international trade – it 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), we worked to ensure that the 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 implement the Convention through scientific, policy and technical advice and tools. This includes ongoing management and maintenance of several key datasets, including the CITES Trade Database and the Checklist of CITES Species, managed on behalf of the CITES Secretariat, as well as Species+.

During 2021, we participated in the CITES Animals and Plants Committees, the final technical meetings held before CITES COP19. Key reports we produced in 2021, discussed by these committees, included; new draft guidance on artificially propagated plants for CITES; proposed COP decisions on west African vultures to address population declines through trade and poisoning; an assessment of trade sustainability for the precious African rosewood species *Pterocarpus erinaceus*; and an output on how to prioritise Appendix I taxa (or those species most vulnerable to trade) for future CITES action.

In collaboration with the FAO, we also produced 'CITES and the Sea', a report focusing on international trade in a number of important commercially exploited marine species, such as sharks and rays, corals and queen conch. The report brought together CITES trade data and expert assessment to enhance understanding of the patterns and reporting of trade in key marine species.

We also worked in collaboration with the Joint Nature Conservation Committee to complete a study investigating the zoonotic potential of international trade in CITES-listed species. The study assessed the prevalence in legal international trade of CITES-listed taxa that have been associated with at least one zoonotic disease, outlining the key trade routes and focusing on two commodities that were considered to have particularly high potential for zoonotic spill-over: live animals and meat.

We also continued to lead the large UKRI GCRF TRADE hub project, which involves over 50 partners in 15 countries, focuses on the environmental and socioeconomic impact of trading commodities, including wildlife. The project faced serious uncertainty last year, as a result of cuts to Official Development Assistance spending by the UK Government. However, we were successful in making the case for the continuation of both TRADE Hub, and the other UKRI-funded project on development corridors.

TRADE Hub continued to contribute to global considerations around indicators, and through finding more innovative ways to visualise international wildlife trade patterns. We also took part in an exercise to review the successes and failures of research into the sustainability of wild meat over the last 18 years. The resulting paper highlighted emerging issues and outlines areas where urgent research and action will be needed to prevent further depletion of wild meat species.

Informing key regional efforts to monitor wildlife trade and reduce illegal trade

We continued our work to support the European Commission and EU Member States by providing extensive technical advice to the European Commission and its Expert Groups on the implementation of the EU Wildlife Trade Regulations, and on the sustainability of wildlife imports to the European Union. Eight reports, including the annual Analysis of EU Wildlife trade, were produced in 2021 to help inform EU-wide decision-making, as well as guide EU preparations for CITES COP19.

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We 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. Work ranged from the publication of an EUTR Briefing note, to the provision of meeting logistics for a number of the European Commission's expert working groups on timber regulation, deforestation and forest degradation. Most notably, we supported the European Commission by identifying key datasets to support the development of their Proposal for a regulation on deforestation-free products. The end of 2021 saw a continuation of this work in the form of further background assistance to support the European Commission in their ongoing negotiations on the draft regulation.

Supporting global action for migratory species

Migratory species conservation requires global cooperation between countries. Our recent work in support of the Convention on the Conservation of Migratory Species of Wild Animals (CMS) has focused on helping to implement Decisions adopted at the 13th meeting of the Conference of the Parties to CMS (COP13), held in Gandhinagar, India, in early 2020. To date, we have prepared a review of the conservation and migratory status of species listed in CMS Appendix I, an assessment of the potential impacts of direct use and trade on the conservation status of Appendix I species, and a framework for a report reviewing the status of the world's migratory species, which has been approved by the CMS Scientific Council.

We also undertook analyses for a daughter agreement of CMS, the Agreement on the Conservation of African-Eurasian Migratory Waterbirds (AEWA). In the 'Analysis of AEWA National Reports for the triennium 2018-2020', we compiled an analysis of the information provided by AEWA Parties in their National Reports, laying out a picture of the level of implementation of the Agreement across the African-Eurasian Flyway and identifying the key areas of focus for AEWA to meet the objectives of its Strategic Plan. A second analysis, the 'Analysis of national reports on the implementation of the AEWA Plan of Action for Africa 2019-2020', focused specifically on AEWA's Plan of Action for Africa, synthesising the information provided by African Parties in a second set of National Reports regarding the steps they have taken towards fulfilling the actions and processes outlined in the Plan of Action for Africa.

5. Quantifying and championing the benefits of coastal habitats

The importance of coastal habitats to people and nature is enormous – they are home to numerous rare and endangered species and provide food, building materials, livelihoods, and natural and sacred spaces to hundreds of millions of people. They also help to reduce the severity of climate change and its impact on the planet by capturing atmospheric carbon and buffering the impacts of coastal storms and floods.

For many years, we have advised the private sector and governments to how to account for coastal habitats in their planning. In 2021 we significantly increased the depth of information provided: for the first time quantifying the biodiversity found within mangrove forests and predicting the consequence of changes in forest extent. Such information is essential in moving beyond simply knowing where the habitats towards a deeper understanding of their vulnerabilities and the impacts of change on local communities.

Revealing the impact of climate change upon coastal communities and their adaptive capacity

A first step in assessing the vulnerability of artisanal fishers in mangrove areas is to gain an understanding the complexity of mangrove dependent fishing communities. We therefore worked with local communities in Indonesia, Cambodia and the Caribbean to understand mangrove associated fisheries in a local context, revealing where people fish, when they fish, what species they target and how labour and the benefits they obtain are partitioned by gender, age and race. Subsequently, through interviews and observations, we established the extent to which local communities are experiencing the reality of climate change, are knowledgeable about it, and are able to change their behaviours to reduce and manage climate related risks.

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Helping improve the success of marine restoration

Successful restoration of marine-coastal systems can provide a multiple, tangible socio-economic benefits to nature and people. However, to date the success rate of marine restoration projects is relatively modest. To address this, we identified the factors contributing to the success of restoration actions in coastal and marine systems, working with the European Commission to support the development of evidence based, legally binding restoration targets based on their probability of success linked to environmental, social and economic benefits.

Celebrating the success of regional governance in advancing sustainable development

The discourse surrounding marine conservation and sustainable use can sometimes be polarised, highlighting differences rather than synergies. Reframing the conversation to include stories of success offers a sense of optimism, encourages action and provides tangible examples of policies and actions that have worked.

Within the ocean, regional governance is vital to address challenges such as overfishing and pollution, which transcend national borders. Working with the 18 Regional Seas Programmes, representing more than 143 countries, we demonstrated the importance of regional governance, partnerships, innovation and evidence-based decisions and actions in advancing progress towards the achievement of SDG target 14, providing decision-makers and ocean practitioners with examples of how science-based ocean action can be scaled up and strengthened to aid the transition to a healthy ocean.

6. Intergovernmental Agreements and Processes

For many years, we have supported the implementation of key international agreements and processes relating to the conservation and sustainable use of biodiversity and ecosystem services. We support the secretariats of several key agreements and processes, make inputs to key advisory and governing body meetings, and we support countries in their work to implement agreements and processes. This is work that happens right across the organisation, including, for example, our work relating to CITES implementation, and consideration of an international legally binding instrument on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction. In all cases, our focus is on helping to ensure the effective use of knowledge in furthering these policy processes, and in supporting their implementation.

Supporting negotiations on the post-2020 global biodiversity framework

Unfortunately, the Covid-19 pandemic continued to impact negotiations towards a new global biodiversity framework last year, with only virtual meetings able to take place. Nonetheless there was progress in 2021, and we continued to play an active role, working with the Secretariat of the Convention on Biological Diversity (SCDB), parties to the Convention, and a range of partner organizations.

Highlights included:

- Working closely with the SCBD members of the Biodiversity Indicators Partnership to inform Governments on available indicators and how they might be used to track progress towards implementation as part of an agreed monitoring framework.
- Convening groups of government negotiators to discuss key issues outside of formal negotiations, to facilitate understanding of the positions and perspectives of other governments and explore areas of divergence and convergence.
- Working with the Secretariat and with UN Women to increase understanding of the gender plan of action, and how gender-related issues can be integrated more effectively into the development and implementation of the post-2020 global biodiversity framework.

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United Nations Common Approach on Biodiversity

In the second quarter to 2021, UN officials adopted a “Common Approach to Integrating Biodiversity and Nature-based Solutions for Sustainable Development into United Nations Policy and Programme Planning and Delivery”, with the aim of addressing broader sustainable development-related risks and opportunities by taking on board the connections between nature, society and the economy. The Common Approach considers four impact areas: human rights, peaceful societies and planetary stability; a green and inclusive economic recovery; and strengthened institutions, accountability and justice. We played a major role in drafting the UN Common Approach and shepherding it through the UN system and are now working closely with colleagues from across the UN system on communication, implementation and tracking implementation.

Strengthening cooperation across biodiversity, chemicals and waste agreements

During 2021, we carried out a review of opportunities for strengthening collaboration and coordination among international agreements across two thematic clusters, biodiversity and chemicals and waste. This work, funded by the Nordic Council of Ministers, included desk-based research, peer review of the resulting text, and an expert consultation workshop with representatives of both secretariats and Governments. The resulting report and options for action are being widely communicated with the aim of increasing recognition that cooperation across thematic clusters is mutually beneficial in addressing the significant threats resulting from biodiversity loss, chemical and waste pollution.

Supporting international progress to protect and restore forests

Throughout 2021, we continued to support UNEP in implementing its UN-REDD Programme, helping countries deliver REDD+ actions to realise both carbon and non-carbon benefits from forests, in accordance with UNFCCC decisions.

REDD+ safeguard information system (SIS) operations were advanced via assessments of safeguards and SIS advances for countries, including Ghana, Uganda, Democratic Republic of Congo, Republic of Congo, Vietnam, Peru and Mexico, in order to evaluate conformance with UNFCCC and REDD+ standards. Mexico received technical support on how to implement continuous improvements in its SIS, while Peru was given guidance on finalising its Safeguards Information Module, which was successfully launched in December 2021.

A new iteration of the REDD+ Opportunities Assessment Tool was launched and an approach for environmental safeguards of the Forest Landscape Restoration Marketplace was developed, feeding into COP26 outcomes.

Looking to 2022 and beyond

2022 will bring significant opportunities to capitalise on the growing political recognition of nature's critical role in ensuring climate resilience, sustainable development and the transformation of economic and business models towards a nature-positive world. Not least, we are finally likely to see the ratification of new, vitally ambitious global targets for nature. We have worked diligently over recent years to test the framework for these targets, and we look forward to supporting their implementation and ensuring transparency across the international community. The focus now is on urgency and action – moving beyond planning and commitment making. This demands the type of evidence-based thought leadership - with a laser focus on tangible, positive impact for nature and people - that we are well placed to provide. WCMC is grateful to have received substantial contributions to these efforts in early 2022 from the Arcadia Foundation, Bezos Earth Fund and the Cordama Foundation.

We will continue to central role in helping governments monitor the delivery of their commitments, and the need for joined-up action on nature and climate to maximise opportunities for integrated, state-level planning that effectively protects and restores nature.

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We will support UNEP with the rollout of a shared strategy for mainstreaming biodiversity across the UN system and ensure action for nature is an integral driver of human development.

The past year has seen a sizable expansion of our internal capacity, as well as our impact in the wider world. This reflects a successful period of growth for the organisation, but also an increasing global demand for actionable insights on nature, and therefore our expertise. Our growth comes at a time of strengthened organisational focus, with the launch of our new four-year strategy, which very clearly defines the innovative approaches and thematic priorities which will be our focus.

Our core technical expertise in conservation mapping and modelling will continue to advance conservation science, developing scenarios and metrics to help plot pathways to a sustainable future. Sitting at the heart of the international nature-climate agenda, our policy team will support governments to measure and progress action for nature, whilst doing so in a way which addresses vital questions around fairness, equitability, gender and rights.

We will continue to produce cutting-edge digital tools to guide governments, businesses and civil society to make the right choices for nature and people.

We will continue to champion the expansion and effective use of protected areas via our flagship Protected Planet work, as well as supporting international efforts to increase ecological connectivity and regulate the wildlife trade. We will continue to showcase the benefits of both ecosystem restoration and nature-based solutions and help all stakeholders to adopt and scale up actions to help shape transformation of socio-economic models. In doing so, we will provide governments and businesses with the tools and clear insights they need to expedite progress towards a nature positive world.

Our work is driven by the global demand for solutions to combat the nature crisis, alongside our vision of a future of where we live in harmony with nature. Through 2022 and beyond, we will continue drive innovation and collaboration, building essential partnerships with researchers, policy leaders and businesses around the world to bring real, lasting benefits for future generations.

WCMC OPERATIONS REPORT**Operational review**

WCMC continued to grow in 2021, with a staff of 178 (164 FTE) at the close of the year, up from 161 (150 FTE) in 2020. WCMC continued to recruit at a rate matching the growing pipeline of work. In 2021 staff turnover, after a historically low staff turnover in 2020, increased to 18.4% (UK average in 15%). At the end of 2021, WCMC had 41 nationalities represented on the staff.

Most staff continued to work remotely during 2021, due the pandemic. We have remained open as much as possible for a small number of staff who, for various reasons, found it difficult to work from home. In a recent staff survey, most staff said that overall working from home had been a positive experience and productivity has remained high during this period (as measured by projects delivered on time and on budget).

Remote working has not significantly impacted on project delivery or productivity, although the lack of travel and external face-to-face interaction makes it harder to deliver on some aspects of our work such as capacity development and partnership networking. Similarly, the continual uncertainty over the dates for international policy negotiations has meant re-negotiation of several project extensions.

Premises

WCMC staff are based from the Head Office at 219 Huntingdon Road, Cambridge, CB3 0DL. There is space for approximately 180 desks, although the office (pre-pandemic) typically has c.50% occupancy. A second

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

office is located at the Cambridge Conservation Initiative Campus at the David Attenborough Building in central Cambridge. Since mid-March 2020, staff worked from home in line with government guidelines during the Covid-19 pandemic and a phased return to the office has now been initiated.

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 1702O2, 17th floor, 101 inside, 3rd~24th floor, Building #5, 19th yard, Dongfangdong Road, Chaoyang District, Beijing. The unified social credit code (company registration number) is 91110105MA01H49RXQ.

WCMC Beijing had three members of staff at the end of 2021 – the Executive Director, one office manager and one project portfolio manager. 2021 was the first full year of operation for the Beijing office and its work programme involved significant contributions to GIMM, GIZ and the Trade Hub Project.

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 had three members of staff at the end of 2021 (2020: 3).

WCMC FINANCIAL REVIEW

For the second time we present consolidated accounts, which include the 2021 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 2021 was £16,421,477 compared with £14,886,564 in the previous financial year. Project income from charitable activities in 2021 was £16,392,804, compared to £14,691,526 achieved in 2020. The increase in income from 2020 to 2021 was approximately 11%.

The Group also manages significant pass-through income (2021: £8,620,265, 2020: £7,446,981) which is a result of WCMC sub-contracting a number of partners to deliver our programmes.

Total expenditure on charitable activities in 2021 at £16,277,399 was higher than 2020 (2020: £14,766,768). Notwithstanding these increased costs, the Group was able to achieve an operating surplus of £144,078 in 2021, compared with a surplus of £119,796 in 2020. After accounting for notional fair value losses on foreign exchange contracts held as at 31 December 2021 the Group recorded a net increase in funds of £144,078 (2020: £119,796).

The Group's balance sheet position remains strong with Net Current Assets of £3,157,897 (2020: £2,956,788).

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Total funds held at 31 December 2021 were £4,184,961 of which £1,022,660 was held in designated funds (2020: £4,040,883 & £1,082,283 respectively) representing the value of fixed assets held at the reporting date. Restricted funds, representing net assets of the subsidiary companies and funds related to restricted projects in the parent, amounted to £2,824,308 (2020: £732,416). There were cash holdings at the year-end of £6,475,612.

Within the accounts of the Charitable company the investments in 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. No capital contributions were made in 2021. The Trustees have reviewed the value of the investment for 2021 and concluded that no impairments were required.

WCMC RISK MANAGEMENT

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

The Board has identified the following six key risks:

1. Staff retention and recruitment, notably:
 - Difficulty attracting new staff, slow recruitment and onboarding – mitigated by benchmarking to ensure salaries and non-monetary staff benefits are competitive for our sector, early and pre-emptive recruitment to fill gaps, sponsorship of staff not eligible to work in the UK.
 - Loss of key staff and negative impact on project delivery, corporate knowledge loss and maintaining capacity – mitigated by benchmarking to ensure salaries and non-monetary staff benefits are competitive for our sector, investing in career progression and development of key staff, active training programme, succession planning and project handovers.
2. Staff wellbeing and health and safety, notably:
 - Staff struggling with workload and difficult Covid-19 working conditions – mitigated by monthly line management meetings, flexible-hybrid working arrangements to suit staff needs, staff surveys.
 - Health and safety of staff, volunteers, and collaborators, including while travelling – mitigated by adherence to policies and procedures, enhanced office sanitary measures, equipment and facilities, travel risk assessments, insurance cover.
 - Staff welfare and mental health – mitigated by employee assistance line, staff liaison committee, staff surveys and line management.
 - Project and financial commitments cannot be met due to staff illness – mitigated by monitoring staff well-being, maintaining full staff complement, allowing time for sick leave, hybrid working and negotiating contract flexibility.
3. Loss or damage to critical assets, particularly through cyberattacks – mitigated by mandatory staff training, working towards cyber-essentials certification, use of antivirus software, firewalls, access controls, multi-factor authentication, backups and monitoring, adequate insurance.
4. Dependency on limited income sources – mitigated by maintaining a diverse range of projects and funding sources and using systems to manage and share intelligence on funding calls.
5. Poor contract management, notably through poor contract pricing and loss-making sub-contracts – mitigated by contract and budget review by suitably qualified staff at the proposal, quotation and contracting stages, budgeting for sufficient administrative and partner management time, clear information on project support costs.

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Reputational damage, notably through negative media attention – mitigated through application of quality assurance processes and compliance with social media guidance, review and sign-off of outputs, due diligence of donors and partners.

The Trustees note the opinion of the Auditors relating to internal financial controls stated on page 19. The period under review was affected by significant changes in the finance function, resulting in the appointment of a new Head of Finance in October 2021, followed by a full finance team restructure completed in mid-2022. Whilst there is no indication that the issues identified have led to any material losses to WCMC, the trustees continue to work closely with the new Head of Finance, Head of Operations and the CEO to ensure that any outstanding weaknesses in internal controls are fully addressed. Progress against actions relating to implementing these controls are regularly reviewed by WCMC senior management and reported to the Board quarterly. In addition, Trustees will also commission an external review of internal controls for additional assurance.

Trustees continue to monitor the risks associated with Brexit, particularly in relation to access to funding from within the European Union.

Exposure to foreign exchange risk is managed using Forward Foreign Exchange contracts.

WCMC RESERVES POLICY

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

The reserves policy was reviewed by the Trustees in 2021 and an alternative liquidity-based method of reserves calculation (including 100% of cash, 75% of trade debtors, 50% of billable accrued income less 25% of monies received in advance and less other net current liabilities except prepayments) 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 2021 at £5,041k, which is within the target level of reserves. The target level is to have sufficient funds for six months' core operations. The total operational cost budget for 2022 is £9,981k, therefore reserves are sufficient. According to the traditional method the Group had £3,158k of general free reserves as at 31 December 2021 (£2,957k as at 31 December 2020). 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing document**

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

Recruitment and appointment of new trustees.

The Board may appoint a person who is willing to act as a Trustee, either to fill a vacancy or as an additional Trustee, provided the appointment does not cause the number of Trustees to exceed twelve in accordance with the Articles as the maximum number of Trustees. No person may be appointed as a Trustee until he has

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 2021, 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.

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 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, the Head of Operations and Head of People.

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

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

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

In preparing these financial statements, the trustees are 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.

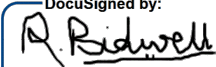
Auditors

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

The above Trustees Report (incorporating the Strategic Report) 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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

DocuSigned by:

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Dr Robin Bidwell CBE
(Chair of Trustees)

Date: 10/31/2022

The notes on pages 26 to 58 form part of these financial statements.

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

OPINION

We have audited the financial statements of WCMC (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 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, except for the possible effect of the matters described in the basis for qualified opinion section of our report:

- 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 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR QUALIFIED OPINION

Owing to the nature and availability of some of the Charity's records at 31 December 2021, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the reduction to unrestricted income of £295,497 is correct. Consequently, we have been unable to determine whether any adjustment to unrestricted income was necessary.

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

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

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 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.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge of charities and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, taxation legislation and data protection, anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- we reviewed the minutes of Trustees' meetings to identify and references to non-compliances with laws and regulations.

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

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

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

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

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

- agreeing financial statements disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence made available to use 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 limited 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.

DocuSigned by:

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Jayne Rowe (Senior Statutory Auditor)
for and on behalf of
Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 10/31/2022

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 as restated £
INCOME FROM:					
Donations	4	3,498	-	3,498	139,042
Charitable activities	5	8,477,478	7,915,326	16,392,804	14,691,526
Other trading activities	6	25,175	-	25,175	55,944
Investments	7	-	-	-	52
TOTAL INCOME		8,506,151	7,915,326	16,421,477	14,886,564
EXPENDITURE ON:					
Charitable activities	8	10,453,965	5,823,434	16,277,399	14,766,768
TOTAL EXPENDITURE		10,453,965	5,823,434	16,277,399	14,766,768
NET MOVEMENT IN FUNDS		<u>(1,947,814)</u>	<u>2,091,892</u>	<u>144,078</u>	<u>119,796</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,308,467	732,416	4,040,883	3,921,087
Net movement in funds		(1,947,814)	2,091,892	144,078	119,796
TOTAL FUNDS CARRIED FORWARD	21	1,360,653	2,824,308	4,184,961	4,040,883

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year. Restated funds are dealt with in Note 21.

The notes on pages 29 to 60 form part of these financial statements.

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REGISTERED NUMBER: 02330031

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 as restated £
FIXED ASSETS			
Intangible assets	13	5,347	13,029
Tangible assets	14	<u>1,021,717</u>	<u>1,071,066</u>
		<u>1,027,064</u>	<u>1,084,095</u>
CURRENT ASSETS			
Debtors	16	4,531,887	3,586,586
Cash at bank and in hand	24	<u>6,475,612</u>	<u>9,273,801</u>
		<u>11,007,499</u>	<u>12,860,387</u>
Creditors: amounts falling due within one year	17	<u>(7,849,602)</u>	<u>(9,903,599)</u>
NET CURRENT ASSETS		<u>3,157,897</u>	<u>2,956,788</u>
TOTAL NET ASSETS		<u>4,184,961</u>	<u>4,040,883</u>
CHARITY FUNDS			
Restricted funds	21	<u>2,824,308</u>	<u>732,416</u>
General unrestricted funds	21	337,993	2,226,184
Designated funds	21	1,022,660	1,082,283
Total unrestricted funds	21	<u>1,360,653</u>	<u>3,308,467</u>
TOTAL FUNDS		<u>4,184,961</u>	<u>4,040,883</u>

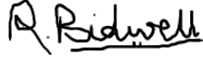
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

WCMC

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

**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021**

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: 10/31/2022

The notes on pages 29 to 60 form part of these financial statements.

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

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 as restated £
FIXED ASSETS			
Intangible assets	13	5,347	13,029
Tangible assets	14	1,017,313	1,069,254
Social investments	15	642,928	642,928
		<u>1,665,588</u>	<u>1,725,211</u>
CURRENT ASSETS			
Debtors	16	4,696,135	3,620,878
Cash at bank and in hand	24	<u>6,112,466</u>	<u>9,144,333</u>
		10,808,601	12,765,211
Creditors: amounts falling due within one year	17	<u>(8,051,964)</u>	<u>(10,079,074)</u>
NET CURRENT ASSETS		2,756,637	2,686,137
Creditors: amounts falling due after more than one year	18	<u>(464,279)</u>	<u>(459,953)</u>
TOTAL NET ASSETS		<u>3,957,946</u>	<u>3,951,395</u>
CHARITY FUNDS			
Restricted funds		1,954,364	-
General unrestricted funds	21	980,921	2,869,112
Designated funds	21	1,022,660	1,082,283
Total unrestricted funds	21	<u>2,003,581</u>	<u>3,951,395</u>
TOTAL FUNDS		<u>3,957,946</u>	<u>3,951,395</u>

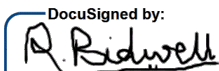
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WCMC

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

**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2021**

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

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62223B90612C402...

Dr Robin Bidwell CBE
(Chair of Trustees)

Date: 10/31/2022

The notes on pages 29 to 60 form part of these financial statements.

WCMC
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash from operating activities	23	(2,664,184)	3,327,162
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		-	52
Purchase of intangible assets		-	(8,000)
Purchase of tangible fixed assets		(134,005)	(233,256)
NET CASH USED IN INVESTING ACTIVITIES		(134,005)	(241,204)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(2,798,189)	3,085,958
Cash and cash equivalents at the beginning of the year		9,273,801	6,187,843
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	<u>6,475,612</u>	<u>9,273,801</u>

The notes on pages 29 to 60 form part of these financial statements

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 £6,551.

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. Trustees have also reviewed its position with regard to foreign exchange risk, especially the USD and also the impact of rising inflation on its ability to operate as a going concern. After making enquiries the trustees have concluded that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 FUND ACCOUNTING

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

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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 2021

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 2021

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
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2.10 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

The estimated useful lives are as follows:

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

2.11 SOCIAL INVESTMENTS

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

2.12 DEBTORS

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

2.13 CASH AT BANK AND IN HAND

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

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

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

Critical accounting estimates and assumptions:

Revenue Recognition - Projects

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

4. INCOME FROM DONATIONS

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds as restated 2020 £
Donations	3,498	3,498	139,042
TOTAL 2021	3,498	3,498	139,042
Total 2020	<u>139,042</u>	<u>139,042</u>	

WCMC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds as restated 2020 £
Project income	<u>8,477,478</u>	<u>7,915,326</u>	<u>16,392,804</u>	<u>14,691,526</u>
TOTAL 2020	<u>9,278,257</u>	<u>5,413,269</u>	<u>14,691,526</u>	

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non-charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total 2020 £
Rent	<u>25,175</u>	<u>25,175</u>	<u>55,944</u>
TOTAL 2020	<u>55,944</u>	<u>55,944</u>	

7. INVESTMENT INCOME

	Restricted funds 2021 £	Total funds 2021 £	Total funds as restated 2020 £
Bank interest	-	-	52
TOTAL 2020	<u>52</u>	<u>52</u>	<u>52</u>

WCMC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds as restated 2020 £
Support of conservation and biodiversity initiatives	<u>10,453,965</u>	<u>5,823,434</u>	<u>16,277,399</u>	<u>14,766,768</u>
TOTAL 2021	10,453,965	5,823,434	16,277,399	
TOTAL 2020	<u>9,327,442</u>	<u>5,439,326</u>	<u>14,766,768</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds as restated 2020 £
Support of conservation and biodiversity initiatives	<u>13,671,753</u>	<u>2,605,646</u>	<u>16,277,399</u>	<u>14,766,768</u>
TOTAL 2021	13,671,753	2,605,646	16,277,399	
TOTAL 2020	<u>12,204,359</u>	<u>2,562,409</u>	<u>14,766,768</u>	

WCMC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Support of conservation and biodiversity initiatives 2021 £	Total funds 2021 £	Total 2020 as restated £
Staff costs	6,436,941	6,436,941	5,387,349
Collaborators & consultants	7,089,128	7,089,128	6,727,051
Travel and subsistence	58,532	58,532	168,793
Conferences and meetings	4,733	4,733	7,576
Foreign currency (gain)/loss	82,419	82,419	(86,410)
	<u>13,671,753</u>	<u>13,671,753</u>	<u>12,204,359</u>
TOTAL 2020	<u>12,204,359</u>	<u>12,204,359</u>	

WCMC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Support of conservation and biodiversity initiatives 2021 £	Total funds 2021 £	Total 2020 as restated £
Staff Costs	833,110	833,110	852,674
Staff Training & Welfare	135,880	135,880	133,155
Promotion	12,016	12,016	20,363
Printing, postage and stationery	103,443	103,443	83,700
Subscriptions	213,252	213,252	272,352
Premises costs	306,111	306,111	146,167
Insurance costs	109,424	109,424	69,617
Office equipment	469,451	469,451	458,910
Bank charges	14,387	14,387	12,558
Bad debts	(50,000)	(50,000)	50,000
Depreciation	191,022	191,022	217,913
Other	159,023	159,023	151,896
Governance costs (note 10)	108,527	108,527	93,104
	<u>2,605,646</u>	<u>2,605,646</u>	<u>2,562,409</u>
TOTAL 2020	<u>2,562,409</u>	<u>2,562,409</u>	

10. Analysis of governance costs

	2021 £	2020 £
Legal and professional	76,488	69,878
Trustee expenses	(47)	1,127
Audit fees	32,085	22,099
	<u>108,527</u>	<u>93,104</u>

WCMC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	29,112	12,500
Fees payable to the Charity's auditor in respect of all non-audit services not included above	3,000	3,500
TOTAL 2021	<u>32,112</u>	<u>16,000</u>

Audit fees in the amounts of £1,378 were paid to the Beijing subsidiary's auditor, and £3,182 in respect of the Europe subsidiary's auditor.

12. STAFF COSTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	6,039,435	5,207,006	5,781,683	5,110,251
Social security costs	594,477	500,138	566,663	482,183
Pension costs	636,139	532,879	636,139	528,918
	<u>7,270,051</u>	<u>6,240,023</u>	<u>6,984,485</u>	<u>6,121,352</u>

During the year the Charity incurred termination-related costs of £28,657 (2020 - £nil) arising from changes within support team roles. These costs were covered by unrestricted funds held within financial reserves.

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

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
Management and administration	20	16	17	13
Research and operational staff	158	145	155	143
	<u>178</u>	<u>161</u>	<u>172</u>	<u>156</u>

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. STAFF COSTS (CONTINUED)

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £100,001-£110,000	-	-
In the band £110,001 - £120,000	1	1
TOTAL	9	8

The key management personnel of the Charity comprise the Chief Executive Officer, the Head of Operations, the Head of Finance, the Head of External Affairs, and the Chief Scientist, whose employee benefits total £475,780 (2020 - £491,725).

During the year, no trustees received any remuneration or other benefits (2020 - £NIL). No trustees (2020 - two trustees) received reimbursed travel expenses during the year (2020 - £1,127).

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. INTANGIBLE ASSETS

GROUP AND CHARITY

	Software £
COST	
At 1 January 2021	158,090
Additions	-
At 31 December 2021	<u>158,090</u>
AMORTISATION	
At 1 January 2021	145,061
Charge for the year	7,682
At 31 December 2021	<u>152,743</u>
NET BOOK VALUE	
At 31 December 2021	<u><u>5,347</u></u>
At 31 December 2020	<u><u>13,029</u></u>

WCMC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. TANGIBLE FIXED ASSETS

GROUP

	Long-term leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2021	1,698,932	232,976	370,888	2,302,796
Additions	-	54,898	79,107	134,005
At 31 December 2021	<u>1,698,932</u>	<u>287,874</u>	<u>449,995</u>	<u>2,436,801</u>
DEPRECIATION				
At 1 January 2021	933,264	80,767	217,699	1,231,730
Charge for the year	33,979	40,207	109,169	183,355
At 31 December 2021	<u>967,243</u>	<u>120,974</u>	<u>326,868</u>	<u>1,415,085</u>
NET BOOK VALUE				
At 31 December 2021	<u><u>731,689</u></u>	<u><u>166,900</u></u>	<u><u>123,127</u></u>	<u><u>1,021,717</u></u>
At 31 December 2020	<u>765,668</u>	<u>152,209</u>	<u>153,189</u>	<u>1,071,066</u>

WCMC
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. TANGIBLE FIXED ASSETS (CONTINUED)

CHARITY

	Long-term leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2021	1,698,932	231,013	370,888	2,300,833
Additions	-	54,898	75,488	130,386
At 31 December 2021	<u>1,698,932</u>	<u>285,911</u>	<u>446,376</u>	<u>2,431,219</u>
DEPRECIATION				
At 1 January 2021	933,264	80,616	217,699	1,231,579
Charge for the year	33,979	40,207	108,141	182,327
At 31 December 2021	<u>967,243</u>	<u>120,823</u>	<u>325,840</u>	<u>1,413,906</u>
NET BOOK VALUE				
At 31 December 2021	<u><u>731,689</u></u>	<u><u>165,088</u></u>	<u><u>120,536</u></u>	<u><u>1,017,313</u></u>
At 31 December 2020	<u>765,668</u>	<u>150,397</u>	<u>153,189</u>	<u>1,069,254</u>

All assets are held for charitable purposes.

WCMC
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. SOCIAL INVESTMENTS

CHARITY

**Programme
related
investments
£**

COST

At 1 January 2021

759,145

759,145

IMPAIRMENT PROVISION

Provision as at 1 January 2021

(116,217)

(116,217)

NET BOOK VALUE

At 31 December 2021

642,928

At 31 December 2020

642,928

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 2021

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Group	Charity	Charity
	2021	2020 as	2021	2020 as
	£	restated	£	restated
		£		£
Trade debtors	2,630,037	1,365,187	2,617,429	1,365,187
Accrued income	1,428,490	1,784,343	1,428,490	1,784,343
Amounts due from group undertakings	-	-	220,518	-
Other debtors	245,208	183,701	201,545	175,160
Prepayments	228,152	210,764	228,152	253,597
Financial assets at fair value through profit and loss	-	42,590	-	42,590
	<u>4,531,887</u>	<u>3,586,585</u>	<u>4,696,135</u>	<u>3,620,878</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Group	Charity	Charity
	2021	2020 as	2021	2020 as
	£	restated	£	restated
		£		£
Trade creditors	145,024	352,972	104,509	344,955
Amounts due to group undertakings	-	-	348,347	218,496
Other taxation and social security	231,862	161,662	218,933	160,723
Other creditors	93,907	95,762	93,909	79,077
Accruals and deferred income	7,297,057	9,282,068	7,204,514	9,264,688
Financial liabilities at fair value through profit and loss	81,751	11,135	81,751	11,135
	<u>7,849,602</u>	<u>9,903,599</u>	<u>8,051,964</u>	<u>10,079,074</u>

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Amounts owed to group undertakings includes a capital contribution due to WCMC Beijing.

The total contribution due to WCMC Beijing during the 30-year term of the company is \$1,000,000. At the year-end, \$121,560 had been contributed, leaving a balance of \$878,440 to be contributed.

The maximum contribution payable each year is \$250,000. Accordingly, the sterling equivalent (£184,695) is recognised as falling due within one year; the remainder (£464,279) is recognised as falling due after more than one year (see note 18)

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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

	Group	Group	Charity	Charity
	2021	2020 as	2021	2020 as
	£	restated	£	restated
		£		£
Deferred income at 1 January 2021	8,119,450	5,849,305	8,112,166	5,849,305
Resources deferred during the year	5,777,417	8,119,450	5,777,417	8,112,166
Amounts released from previous periods	(8,119,450)	(5,849,305)	(8,112,166)	(5,849,305)
	<u>5,777,417</u>	<u>8,119,450</u>	<u>5,777,417</u>	<u>8,112,166</u>

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

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Charity	Charity
	2021	2020
	£	£
Amounts owed to group undertakings	<u>464,279</u>	<u>459,953</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. FINANCIAL INSTRUMENTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
FINANCIAL ASSETS				
Financial assets measured at fair value through income and expenditure	<u>6,475,611</u>	<u>9,316,391</u>	<u>6,112,466</u>	<u>9,186,923</u>

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
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FINANCIAL LIABILITIES

Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio	<u>(81,751)</u>	<u>(11,135)</u>	<u>(81,751)</u>	<u>(11,135)</u>
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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.

20. PRIOR YEAR ADJUSTMENTS

Accruals and prepayments

It was identified that project accruals and prepayments relating to pass-through income had not been included in the prior year financial statements. The Statement of Financial Activities and Balance Sheet have been adjusted to reflect these costs and related pass-through income. As the costs related to pass-through income, the net impact on the Statement of Financial Activities is £nil.

Gift in kind

In 2020 a gift in kind of £888,069 was recognised in respect of licenses given to the charity at a reduced rate. Further investigation into the licenses this year identified that the company offers a reduced rate for charities, so WCMC are paying the fair value for the license and therefore this does not meet the definition of a gift in kind. Income and expenditure in the prior year have been reduced by £888,069 as a result.

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	Prior Year Accounts £	Project Expense Adjustment £	Gifts In-Kind £	Restated Value £
Income from Donations	1,027,111	-	(888,069)	139,042
Income from Charitable Activities	14,198,292	493,234	-	14,691,526
Expenditure on Charitable Activities	15,161,603	493,234	(888,069)	14,766,768
Prepayments	82,691	145,461	-	228,152
Accruals	8,660,760	(1,320,957)	-	7,339,803

21. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
UNRESTRICTED FUNDS					
Unrestricted general funds	2,226,184	8,506,151	(10,453,965)	59,622	337,992
Designated funds - Fixed Asset fund	1,082,283	-	-	(59,622)	1,022,661
	3,308,467	8,506,151	(10,453,965)	-	1,360,653
RESTRICTED FUNDS					
WCMC Beijing	735,878	474,678	(368,892)	-	841,664
WCMC Europe	(3,462)	511,349	(479,607)	-	28,280
Restricted projects	-	6,929,299	(4,974,935)	-	1,954,364
	732,416	7,915,326	(5,823,434)	-	2,824,308
TOTAL FUNDS	4,040,883	16,421,477	(16,277,399)	-	4,184,961

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. STATEMENT OF FUNDS (CONTINUED)

GROUP STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020 £	Income as restated £	Expenditure as restated £	Transfers in/out £	Balance at 31 December 2020 as restated £
UNRESTRICTED FUNDS					
Unrestricted general funds	2,101,862	9,473,295	(9,327,442)	(21,531)	2,226,184
Designated funds - Fixed Asset fund	1,060,752	-	-	21,531	1,082,283
	<u>3,162,614</u>	<u>9,473,295</u>	<u>(9,327,442)</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	-	5,232,760	(5,232,760)	-	-
	<u>758,473</u>	<u>5,413,269</u>	<u>(5,439,326)</u>	<u>-</u>	<u>732,416</u>
TOTAL FUNDS	<u><u>3,921,087</u></u>	<u><u>14,886,564</u></u>	<u><u>(14,766,768)</u></u>	<u><u>-</u></u>	<u><u>4,040,883</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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PARENT STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
UNRESTRICTED FUNDS					
Unrestricted general funds	2,869,112	9,328,718	(11,276,531)	59,623	980,921
Designated funds - fixed asset fund	1,082,283	-	-	(59,623)	1,022,660
	<u>3,951,395</u>	<u>9,328,718</u>	<u>(11,276,531)</u>	<u>-</u>	<u>2,003,581</u>
RESTRICTED FUNDS					
Restricted projects	-	6,929,299	(4,974,935)	-	1,954,364
	<u>-</u>	<u>6,929,299</u>	<u>(4,974,935)</u>	<u>-</u>	<u>1,954,364</u>
TOTAL FUNDS	<u>3,951,395</u>	<u>16,258,017</u>	<u>(16,251,466)</u>	<u>-</u>	<u>3,957,946</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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PARENT STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020 as restated £	Income as restated £	Expenditure as restated £	Transfers in/out £	Gains/ (losses) £	Balance at 31 December 2020 as restated £
UNRESTRICTED FUNDS						
Unrestricted general funds	2,861,007	9,473,295	(9,327,442)	(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>9,473,295</u>	<u>(9,327,442)</u>	<u>-</u>	<u>(116,217)</u>	<u>3,951,395</u>
RESTRICTED FUNDS						
Restricted projects	-	5,232,760	(5,232,760)	-	-	-
	<u>-</u>	<u>5,232,760</u>	<u>(5,232,760)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>3,921,759</u>	<u>14,706,055</u>	<u>(14,560,202)</u>	<u>-</u>	<u>(116,217)</u>	<u>3,951,395</u>

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Designated Funds

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

Restricted Funds

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

Restricted projects

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

AFRIMED

Capacity for National Assessment (IKI)
CCI Agriculture impacts on biodiversity
CCI Bird Trade Analysis
CCI Multiple threats
CCI Natural Capital Systems Operator
CCI post-2020 Coordination
CCI post-2020 Coordination/Extension
CCI restoration and NBS
CITES Review of Long-standing suspension
C Lewis Secondment
Climate change mitigation
Coalition Supplement - Decision Tree
Cocoa, biodiversity & ecosystem services
Darwin CBFM Economics (Tanzania)
Defining and Measuring Destructive Fish
Deliver IBAT Workplan 2019
Development Corridors - GCRF
ECF Mitigation from Biodiversity targets
ELP innovation grant for Med landscape
ELP Restoration Funding
ELP Turkey
Fashion Pact and Biodiversity
FutureMARES
GCRF Trade Hub
Guyana TEK
Hempel Foundation
IBAT Data Investment 2020 Part 1
IBAT Data Investment 2021
IPBES Capacity Building in W Africa
Joseph Kelly Secondment
Kathrin Holenstein Secondment
MAIA (Horizon 20:20 NCA Accounting Project)
Mapping and Measuring Nature
MERCES H2020
MPhil Conservation Lectures
Naturemap
NCP Biodiversity Guidance Communications
NERC CongoPeat
Nereus Program 3rd Phase Funding

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NOTES TO THE FINANCIAL STATEMENTS
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Ocean SBT
Odyssey 2018-2020
Open Access Block Grant 2021/2022
Post 2020 support to CBD
Reef Futures
Restore + (2019 onwards)
REXUS
SBTN Tools and integration/translation
Science Based Targets
Swedish Postcode Lottery
TESSA Steering Committee
WCC Proposals 2020 (IUCN)

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**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,017,313	4,404	1,021,717
Intangible fixed assets	5,347	-	5,347
Current assets	5,375,231	5,632,268	11,007,499
Creditors due within one year	(5,037,238)	(2,812,364)	(7,849,602)
TOTAL	<u>1,360,653</u>	<u>2,824,308</u>	<u>4,184,961</u>

GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2020 as restated £	Restricted funds 2020 as restated £	Total funds 2020 as restated £
Tangible fixed assets	1,069,254	1,812	1,071,066
Intangible fixed assets	13,029	-	13,029
Current assets	12,032,996	827,391	12,860,387
Creditors due within one year	(9,806,812)	(96,787)	(9,903,599)
TOTAL	<u>3,308,467</u>	<u>732,416</u>	<u>4,040,883</u>

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PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Tangible fixed assets	1,017,313	-	1,017,313
Intangible fixed assets	5,347	-	5,347
Investments	642,928	-	642,928
Current assets	6,127,195	4,681,406	10,808,601
Creditors due within one year	(5,324,923)	(2,727,042)	(8,051,964)
Creditors due after one year	(464,279)	-	(464,279)
TOTAL	<u>2,003,581</u>	<u>1,954,364</u>	<u>3,957,946</u>

PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2020 as restated £	Total funds 2020 as restated £
Tangible fixed assets	1,069,254	1,069,254
Intangible fixed assets	13,029	13,029
Investments	642,928	642,928
Current assets	12,765,211	12,765,211
Creditors due within one year	(10,079,074)	(10,079,074)
Creditors due after one year	(459,953)	(459,953)
	<u>3,951,395</u>	<u>3,951,395</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Group 2021 £	Group 2020 £
Net income for the period (as per Statement of Financial Activities)	144,078	119,796
ADJUSTMENTS FOR:		
Depreciation charges	183,354	165,657
Amortisation charges	7,682	52,256
Dividends, interests and rents from investments	-	(52)
Increase in debtors	(987,891)	1,224,107
Decrease in creditors	(2,124,613)	1,817,521
Fair value (gains) on forward exchange contracts	113,206	(52,123)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(2,664,184)</u>	<u>3,327,162</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £
Cash in hand	6,475,612	9,273,801
TOTAL CASH AND CASH EQUIVALENTS	<u>6,475,612</u>	<u>9,273,801</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	9,273,801	(2,798,189)	6,475,612
	<u>9,273,801</u>	<u>(2,798,189)</u>	<u>6,475,612</u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. 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 £636,139 (2020 - £532,879). Contributions of £61,055 (2020 - £56,226) were outstanding at the balance sheet date.

27. OPERATING LEASE COMMITMENTS

At 31 December 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Not later than 1 year	29,537	33,289	29,537	33,289
Later than 1 year and not later than 5 years	72,451	114,123	72,451	114,123
Later than 5 years	-	-	-	-
	<u>101,988</u>	<u>147,412</u>	<u>101,988</u>	<u>147,412</u>

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NOTES TO THE FINANCIAL STATEMENTS
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28. RELATED PARTY TRANSACTIONS

During the year, purchases of £11,836 (2020 - £9,478) were made from Mills & Reeves LLP, an entity in which a Trustee is a Partner. At the balance sheet date, amounts of £nil (2020 - £1,500) were owed.

In 2020, WCMC reported related party transactions as follows:

- One Trustee & WCMC CEO were members of the International Union for Conservation of Nature (IUCN) Council, and WCMC recognised revenue from collaborative projects totalling £24,973, with £3,492 of deferred income.
- The WCMC CEO was a member of the Cambridge Conservation Initiative (CCI) Council. WCMC recognised revenue from collaborative projects totalling £21,134, with £19,962 of deferred income.
- The WCMC CEO was also a member of the Science-Based Targets Network (SBTN) Council. Revenue generated from projects with SBTN totalled £8,007 and £131,433 was included in deferred income.

These entities are no longer related parties and so there is nothing to disclose in relation to 2021.

Transactions with subsidiaries

At 31 December, WCMC owed the following balances to its subsidiaries:

- £648,974 (2020 - £642,928) to WCMC Beijing in respect of unpaid share capital, being USD \$878,440 (2020 - USD \$878,440).
- £184,447 (2020- £42,714) to WCMC Beijing in respect of project consultancy fees. During the year, WCMC Beijing provided consultancy services to the value of £556,522 (2020 - £61,010).

At 31 December WCMC was due the following balances from its subsidiaries:

- £13,336 (2020 - £7,193) from WCMC Beijing in respect of project consultancy fees.
- £220,518 (2020 - £Nil) from WCMC Europe asbl

During the year, WCMC provided working capital funding to WCMC Europe asbl of £154,418 (2020 - £110,010). No amounts were outstanding at the year end.