



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

WCMC

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WCMC

A Company Limited by Guarantee

Registered number: 02330031

Charity number: 328044

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

For the year ended 31 December 2022

Trustees	Mr Robin Bidwell CBE, Chair Mr Andrew Powell Ms Idunn Eidheim Ms Charlotte Wolff-Bye 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 Mrs Katie Penfold, Head of Finance 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

Trustees' report

For the year ended 31 December 2022

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

WHO WE ARE

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

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

Foreword

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

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

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

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

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

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

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



Robin Bidwell CBE
Chair of Trustees



Jonathan Hughes
Chief Executive Officer

Strategic report

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

OUR NEW STRATEGY AND ORGANISATIONAL DIRECTION

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

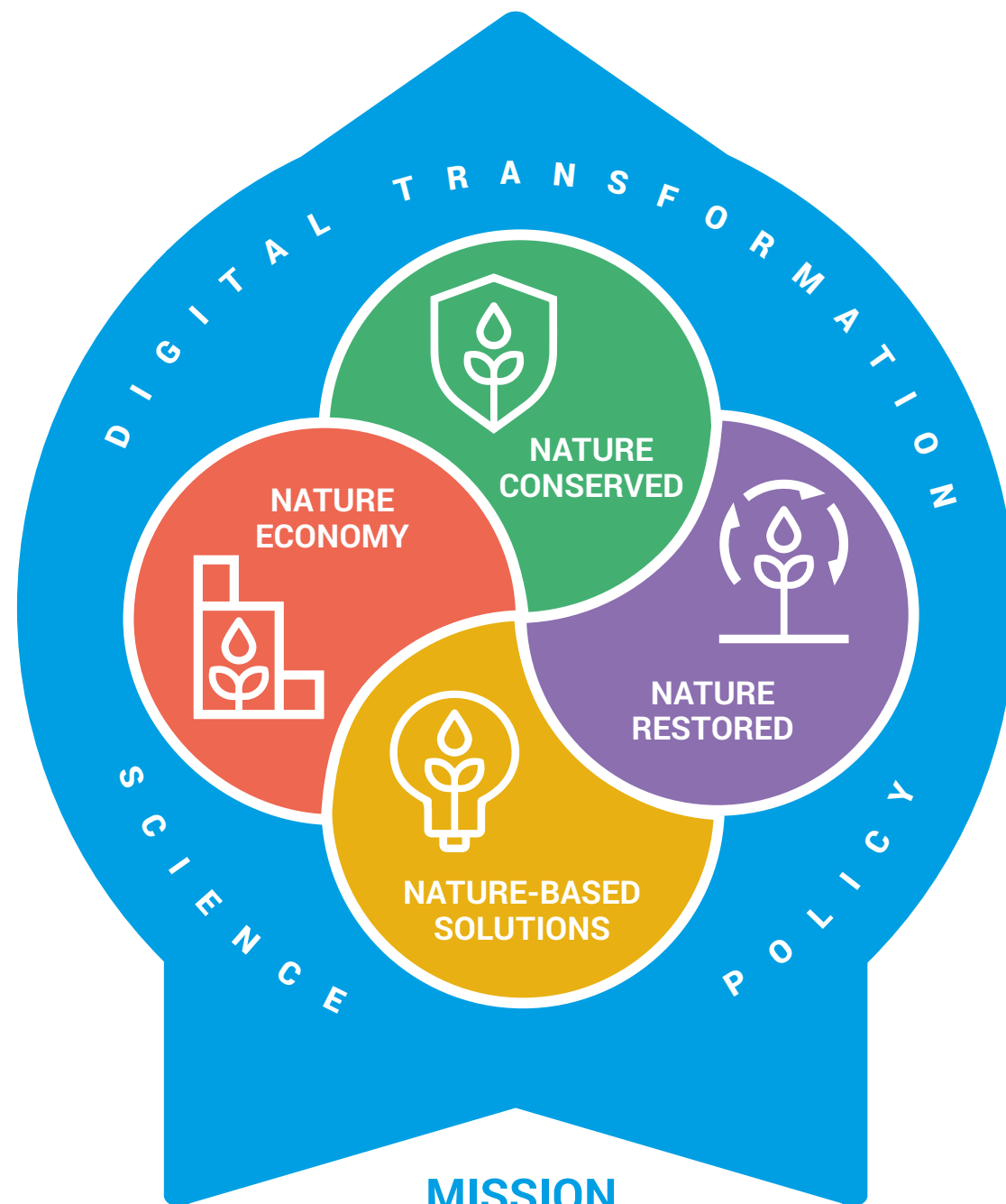
Our new Strategy sets out how we will generate impact across four priority areas. These impact areas are complemented by three innovation areas on **Digital Transformation, Science** and **Policy**.

Our four interdependent impact areas are:

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

VISION 2050

Living in harmony with nature



MISSION

We develop knowledge and capacity for a nature-positive world

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

NATURE CONSERVED

Delivering the definitive global resource on protected areas

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

Throughout the year our experts ensured that records on protected and conserved area coverage were continually updated. Over 2022, the Protected Planet Initiative recorded an increase of more than 1.1 million km² in protected land and marine areas, with a number of countries also submitting information for other effective area-based conservation measures. Records in the World Database on Protected Areas (WDPA), which can be accessed via Protected Planet, were updated for 79 countries worldwide, including an update for Bahrain for the first time in 20 years.

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

Supporting sustainable wildlife trade and better species protection

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

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

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

Trustees' report (continued)

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

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

Supporting new laws to reduce deforestation and forest degradation worldwide

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

Strengthening oversight of migratory species

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

NATURE RESTORED

Tracking global progress on the UN Decade on Ecosystem Restoration

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

Bringing nature back: celebrating and showcasing the power of restoration

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

Trustees' report (continued)

European seas and coastal areas. This showcase of compelling restoration results aims to inspire and accelerate similar action across the continent and worldwide.

New proposed law to restore damaged landscapes in Europe

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

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

NATURE-BASED SOLUTIONS

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

Ahead of major UN nature and climate conferences, we supported UNEP to develop a new policy report collating the key considerations around the uptake and implementation of NbS.

The synthesis report, titled "Nature-based Solutions: Opportunities and Challenges for Scaling Up" highlighted recent international progress on the definition of NbS and explored the possible complexities and contentions around NbS deployment. It highlighted the importance of building common understanding and integrated approaches to NbS, the need for a review of safeguards and monitoring, and the vital role of locally-led action. The report will be a key reference for governments, civil society and the private sector to drive forward action on scaling up the use of NbS.

Demonstrating the power of peatlands as NbS

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

The assessment reveals that while intact peatlands store twice as much carbon as found in all the world's forest biomass, degraded peatlands are now contributing to 4 per cent of man-made CO₂ emissions. It also demonstrates how the protection and restoration of tropical peatlands alone would cut annual carbon emissions by 2 per cent. Its findings will help countries to define priority actions to conserve and better manage their peatlands, develop further research to fill the knowledge gaps and undertake the needed steps for including peatlands in their climate action plans.

Highlighting the finance gap for forest solutions

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

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

NATURE ECONOMY

Supporting global corporate action for nature-related disclosure

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

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

Developing a nature dependencies tool to inform financial institutions and businesses

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

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

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

A one-stop shop to track the impact of global land use investments

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

Balancing the books to account for nature

Sustainable human development depends on economists, policy leaders and planners being able to quantify and incorporate multiple values of biodiversity. Natural Capital Accounts (NCAs) are an emerging tool to help quantify ecosystem stocks and services.

2022 saw the culmination of a three-and-a-half year, Darwin Initiative-funded project, in which we worked with state officials and international partners to assess NCAs in Uganda to incorporate the practice into country planning. The project resulted in three thematic sets of biodiversity-related

NCAs on Biodiversity and Tourism, Fisheries Resources, and Land and Soil Improvement, including assessments of economic and social benefits and recommendations for state and community-led interventions to boost sustainable development. The Ugandan government is now working with local stakeholders and industry leads to implement the accounts' recommendations.

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

Forging the way for sustainable commodities and wildlife trade

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

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

The TRADE Hub team also produced an award-winning documentary, 'A Smallholder's Voice' - something of a first for the organisation. The documentary focuses on Cameroonian farmers' perspectives and challenges in meeting the growing global demand for sustainably produced cocoa and palm oil.

SCIENCE

Mapping expertise showcases the holistic power of species restoration

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

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

Modelling the state of China's biodiversity by 2035

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

Key findings include that if nothing changes then half of China's species lose five per cent habitat or more, one-in-10 lose more than 30 per cent and natural habitat drops by 20 per cent. Meanwhile, if a super-green pathway is followed, based on green socioeconomic development with additional government interventions, more than half of species would expand their habitat, at least one-third expand their habitat range by 30 per cent and natural habitat across the country would increase by 42 per cent.

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

Devising a new clear, comprehensive measure of ecosystem health

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

POLICY

Supporting the delivery of a meaningful new global pact for nature

At the UN Biodiversity Conference in December 2022, countries adopted a historic package of measures to address global biodiversity loss and support the sustainable use of nature.

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

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

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

Accounting for biodiversity in national decision-making

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

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

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

The NEA team continued to produce wide-ranging resources – including training materials, case studies and reports on topics such as developing a communication strategy, selecting authors and capturing lessons learned from NEAs. The initiative also helped run or contribute to multiple webinars – alongside key partners including the Biodiversity and Ecosystem Services Network and UNESCO – on the importance of inclusivity and championing the vital contributions of women and Indigenous Peoples and local communities in the NEA process.

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

DIGITAL TRANSFORMATION

Supporting Indigenous Peoples and local communities to showcase conservation efforts

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

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

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

Weighing environmental risks against the economic benefits of transport infrastructure

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

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

Providing the technical backbone to a powerful spatial planning tool

combines more than 400 data layers derived from satellites, scientists in the field and Indigenous people and local communities across the globe. It enables all users – from governments and the private sector to non-governmental organisations and civil society – to create powerful custom maps to analyse land use and inform spatial planning and conservation priorities.

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

FUTURE PLANS

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

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

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

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

The theory of change underpinning our Strategy connects our programmes of activities and outputs to the change we seek through our contribution to outcomes and long-term impacts.

Our four interdependent impact areas which we will focus on until at least 2025 will be:

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

WCMC OPERATIONS REPORT

Operational review

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

In 2022, WCMC introduced a trial flexible-hybrid working model where staff attended the office at least twice a month. Staff have responded well to this policy, with no reduction in productivity and a positive impact on work-life balance and overall wellbeing.

Premises

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

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

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

Regional entities

On 10 December 2019, WCMC established a wholly owned subsidiary company in China called WCMC Beijing Co. Ltd., a Limited Liability Company, and registered in Chaoyang District, Beijing. "WCMC Beijing" was established with the objective of engaging in projects falling within the objectives of WCMC, and which are consistent with the collaboration between WCMC and the United Nations Environment Programme (UNEP) under the Collaboration Agreement between UNEP and WCMC. However, the work of WCMC Beijing does not itself fall within the scope of the Collaboration Agreement. The official registration address is 170202, 17th floor, 101 inside, 3rd~24th floor, Building #5, 19th yard, Dongfangdong Road, Chaoyang District, Beijing. The unified social credit code (company registration number) is 91110105MA01H49RXQ. The entity is in the process of being wound up and the process is expected to complete in autumn 2023.

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

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

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

WCMC FINANCIAL REVIEW

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

The Group derives most of its income through project-funded activities, and has little core funding, although it aspires to increase this source of funds. Total income in 2022 was £21,957,760 compared with £16,421,477 in the previous financial year. This substantial increase in revenue was primarily due to a significant donation of £3.649m received in the year and was recognised upfront in accordance with accounting standards. Whilst the donation is restricted to the Protected Planet programme, WCMC has some flexibility in its use given this is a programme broad in scope. When the impact of the donation carried forward to future years is removed, this left an underlying surplus for the group of £82,005.

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

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

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

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

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

WCMC RISK MANAGEMENT

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

The Board has identified the following risks as particularly important:

1. Staff retention and recruitment, notably:

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

2. Staff wellbeing and health and safety, notably:

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

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

4. Turbulent economic or political environment, notably:

- a. Widespread economic failure – mitigated by forward contracts and 6 months' operating reserves
- b. Dealing with sanctioned individuals/organisations – mitigated by due diligence and checks on sanctions registers

Trustees' report (continued)

- c. Deteriorating political situation in regional centres or host countries for major projects – monitoring of political situation in countries where we have projects, review with relevant staff and UNEP as necessary.

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

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

WCMC RESERVES POLICY

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

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

The liquidity based method of reserves calculation estimates WCMC reserves held at 31 December 2022 at £10,927k. The total operational cost budget for 2023 is £12,565k, therefore reserves are sufficient. According to the traditional method the Group had £6,591k of general free reserves as at 31 December 2022 (£3,158k as at 31 December 2021). The Trustees consider the liquidity based method to be a more realistic approach in the 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 12 in accordance with the Articles as the maximum number of Trustees. No person may be appointed as a Trustee until they have attained the age of 18 years; or in circumstances that had they already been a

Trustees' report (continued)

Trustee they would have been disqualified from acting under the provision of Article 43. The procedure for the recruitment and appointment of trustees is provided in the Charitable Company's Articles of Association.

Induction and training of new trustees

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

Roles and responsibilities of the Board of Trustees at WCMC

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

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

Frequency of Board meetings

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

A Finance Sub-Committee chaired by the Board Treasurer meets between regular Board Meetings. In addition, an annual meeting of the Steering Committee for the collaboration between UNEP and WCMC is held between the Executive Director of UNEP and the WCMC Board Chairman and attended by senior members of staff of WCMC and the leadership of UNEP-WCMC.

Trustees' report (continued)

Funds held as custodian trustees on behalf of others

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

Related parties and co-operation with other organisations

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

Pay policy for Key Management Personnel

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

STATEMENT OF TRUSTEES' FINANCIAL RESPONSIBILITIES

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

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

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

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

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

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

Trustees' report (continued)

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.

Approved by order of the members of the board of Trustees and signed on their behalf by



Robin Bidwell CBE

Chair of Trustees

Date:

The notes on pages 30 to 49 form part of these financial statements.

Independent Auditors' Report on the Financial Statements

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

Independent Auditors' Report on the Financial Statements (continued)

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

USE OF OUR REPORT

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

Kathryn Hebden
(Senior Statutory Auditor)

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

Date: 27/09/2023

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

For the year ended 31 December 2022

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

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

The notes on pages 30 to 59 form part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2022

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

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

Consolidated Balance Sheet (continued)

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



Robin Bidwell CBE
(Chair of Trustees)

Date: 27/09/2023

The notes on pages 30 to 59 form part of these financial statements.

Charity Balance Sheet

As at 31 December 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	12	500	5,347
Tangible assets	13	954,318	1,017,313
Social investments	14	1	642,928
		954,819	1,665,588
CURRENT ASSETS			
Debtors	15	7,968,947	4,696,135
Cash at bank and in hand	22	11,116,191	6,112,466
		19,085,138	10,808,601
Creditors: amounts falling due within one year	16	(12,942,077)	(8,051,964)
NET CURRENT ASSETS		6,143,061	2,756,637
Creditors: amounts falling due after more than one year	17	-	(464,279)
TOTAL NET ASSETS		7,097,879	3,957,946
CHARITY FUNDS			
Restricted funds	19	4,703,428	1,954,364
General unrestricted funds	19	1,239,633	980,921
Designated funds	19		
Fixed Assets		954,818	1,022,660
Building Maintenance		200,000	-
Total unrestricted funds	19	2,394,451	2,003,581
TOTAL FUNDS		7,097,879	3,957,946

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

Charity Balance Sheet (continued)

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



Robin Bidwell CBE
(Chair of Trustees)

Date: 27/09/2023

The notes on pages 30 to 59 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

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

The notes on pages 30 to 59 form part of these financial statements

Notes to the Financial Statements

1. GENERAL INFORMATION

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

The Charity's functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

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

The Statement of Financial Activities for the year for the charity showed a surplus of £3,139,933.

2.2 GOING CONCERN

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

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

2.3 FUND ACCOUNTING

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

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.

Notes to the Financial Statements (continued)

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

2.4 INCOME

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

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

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

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

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

All income is recognised exclusive of VAT.

2.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 INTEREST RECEIVABLE

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

2.7 FOREIGN CURRENCIES

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

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

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

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

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

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

2.8 TAXATION

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

2.9 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.

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.

Notes to the Financial Statements (continued)

2.17 PENSIONS

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

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

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

Critical accounting estimates and assumptions:

Revenue Recognition Projects

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

4. INCOME FROM DONATIONS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	63,939	3,649,635	3,713,574	3,498
TOTAL 2022	63,939	3,649,635	3,713,574	3,498
TOTAL 2021	3,498	-	3,498	-

Notes to the Financial Statements (continued)

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Project income	6,680,955	11,522,545	18,203,500	16,392,804
TOTAL 2022	6,680,955	11,522,545	18,203,500	-
TOTAL 2021	8,477,478	7,915,326	16,392,804	-

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from non-charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rent	29,105	29,105	25,175
Data Licenses	11,581	11,581	-
TOTAL 2022	40,686	40,686	25,175
TOTAL 2021	25,175	25,175	-

Notes to the Financial Statements (continued)

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Support of conservation and biodiversity initiatives	6,394,711	12,371,796	18,776,507	16,277,399
TOTAL 2022	6,394,711	12,371,796	18,776,507	-
TOTAL 2021	10,453,965	5,823,434	16,277,399	-

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Support of conservation and biodiversity initiatives	14,377,474	4,389,033	18,766,507	16,277,399
TOTAL 2022	14,377,474	4,389,033	18,766,507	-
TOTAL 2021	13,671,753	2,605,646	16,277,399	-

Notes to the Financial Statements (continued)

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

	Support of conservation and biodiversity initiatives 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	7,095,610	7,095,610	6,436,941
Collaborators & consultants	6,392,511	6,392,511	7,089,128
Travel and subsistence	503,592	503,592	58,532
Conferences and meetings	4,998	4,998	4,733
Foreign currency (gain)/loss	380,763	380,763	82,419
TOTAL 2022	14,377,474	14,377,474	13,671,753
TOTAL 2021	13,671,753	13,671,753	-

Notes to the Financial Statements (continued)

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Support of conservation and biodiversity initiatives 2022 £	Total funds 2022 £	Total funds 2021 £
Staff Costs	1,703,273	1,703,273	833,110
Staff Training & Welfare	389,544	389,544	135,880
Promotion	32,813	32,813	12,016
Printing, postage and stationery	192,015	192,015	103,443
Subscriptions	409,138	409,138	213,252
Premises costs	238,000	238,000	306,111
Insurance costs	143,982	143,982	109,424
Office equipment	555,527	555,527	469,451
Bank charges	24,512	24,512	14,387
Bad debts	-	-	(50,000)
Depreciation and amortisation	179,213	179,213	191,022
Other	354,550	354,550	159,023
Governance costs (note 9)	166,466	166,466	108,527
TOTAL 2022	4,389,033	4,389,033	2,605,646
TOTAL 2021	2,605,646	2,605,646	-

9. ANALYSIS OF GOVERNANCE COSTS

	2022 £	2021 £
Legal and professional	84,441	76,488
Trustee expenses	919	(47)
Audit fees	81,106	32,085
	166,466	108,527

Notes to the Financial Statements (continued)

10. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	32,97	29,112
Fees payable to the Charity's auditor in respect of all non audit services not included above	5,900	3,000
Fees in respect of 2021 audit overrun	38,800	-
Fees in respect of project audits	3,431	-
TOTAL 2022	81,106	32,112

Audit fees in the amounts of £1,449 (2021: £1,378) were paid to the Beijing subsidiary's auditor, and £682 (2021: £3,182) in respect of the Europe subsidiary's auditor.

11. STAFF COSTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	7,281,972	6,039,435	7,088,276	5,781,683
Social security costs	792,304	594,477	758,375	566,663
Pension costs	724,607	636,139	724,607	636,139
	8,798,883	7,270,051	8,571,258	6,984,485

During the year the Charity incurred termination-related costs of £26,945 in 2022 (2021: £54,000) of which £9,408 (2021 - £28,657) was non-contractual, arising from changes within support team roles. These costs were covered by unrestricted funds held within financial reserves.

Notes to the Financial Statements (continued)

11. STAFF COSTS (continued)

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

	Group 2022 No.	Group 2021 No.	Charity 2022 No.	Charity 2021 No.
Management and administration	21	20	19	17
Research and operational staff	88	158	186	155
	207	178	205	172

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	2	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	-	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
TOTAL	10	9

The key management personnel of the Charity comprise the Chief Executive Officer, the Head of Operations, the Head of Finance, the Head of External Affairs, and the Chief Scientist, whose employee benefits total £522,563 (2021 - £475,780).

During the year, no trustees received any remuneration or other benefits (2021 - £Nil). 2 trustees (2021 - no trustees) received reimbursed travel expenses totalling £860 during the year (2021 - £Nil).

Notes to the Financial Statements (continued)

12. INTANGIBLE ASSETS

GROUP AND CHARITY

	Software £
COST	
At 1 January 2022	158,090
Additions	-
At 31 December 2022	158,090
AMORTISATION	
At 1 January 2022	152,743
Charge for the year	4,847
At 31 December 2022	157,590
NET BOOK VALUE	
At 31 December 2022	500
At 31 December 2021	5,347

Notes to the Financial Statements (continued)

13. TANGIBLE FIXED ASSETS

GROUP

	Long term leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2022	1,698,932	287,874	449,995	2,436,801
Additions	-	-	110,241	110,241
At 31 December 2022	1,698,932	287,874	560,236	2,547,042
DEPRECIATION				
At 1 January 2022	967,243	120,974	326,867	1,415,084
Charge for the year	33,979	48,251	92,136	174,366
At 31 December 2022	1,001,222	169,225	419,003	1,589,450
NET BOOK VALUE				
At 31 December 2022	697,710	118,649	141,232	957,592
At 31 December 2021	731,689	166,900	123,127	1,021,717

Notes to the Financial Statements (continued)

13. TANGIBLE FIXED ASSETS (continued)

CHARITY

	Long term leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2022	1,698,932	285,911	446,376	2,431,219
Additions	-	-	109,884	109,884
At 31 December 2022	1,698,932	285,911	556,260	2,541,103
DEPRECIATION				
At 1 January 2022	967,243	120,823	325,840	1,413,906
Charge for the year	33,979	48,251	90,649	172,879
At 31 December 2022	1,001,222	169,074	416,489	1,586,785
NET BOOK VALUE				
At 31 December 2022	697,710	116,837	139,771	954,318
At 31 December 2021	731,689	165,088	120,536	1,017,313

All assets are held for charitable purposes.

Notes to the Financial Statements (continued)

14. SOCIAL INVESTMENTS

CHARITY	Programme related investments £
COST	
At 1 January 2022	642,928
	642,928
IMPAIRMENT PROVISION	
Provision as at 1 January 2022	(116,217)
Additional Impairment	(526,710)
	(642,927)
NET BOOK VALUE	
At 31 December 2022	1
At 31 December 2021	642,928

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

It is expected that the Beijing entity will cease trading in 2023 and the investment will not be realised. The investment value is partially offset by the unpaid share capital write down detailed in Note 17. Therefore, the investment has been written down to the nominal value of £1.

Notes to the Financial Statements (continued)

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	2,751,144	2,630,037	2,459,537	2,617,429
Accrued income	5,005,293	1,428,490	5,005,293	1,428,490
Amounts due from group undertakings	-	-	-	220,518
Other debtors	206,696	245,208	206,696	201,545
repayments	297,421	228,152	297,421	228,152
	8,260,554	4,531,887	7,968,947	4,696,134

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	343,846	145,024	228,082	104,509
Amounts due to group undertakings	-	-	33,480	348,347
Other taxation and social security	22,901	231,862	-	218,933
Other creditors	79,938	93,907	79,938	93,909
Accruals and deferred income	12,697,677	7,297,057	12,450,946	7,204,514
Financial liabilities at fair value through profit and loss	149,631	81,751	149,631	81,751
	13,293,993	7,849,601	12,942,077	8,051,963

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

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

It is expected that the Beijing entity will cease trading in 2023. Legal advice has confirmed that the remaining liability will not be due to the subsidiary and therefore it has been written down to the nominal value of £1.

Notes to the Financial Statements (continued)

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

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income at 1 January 2021	5,777,417	8,119,450	5,777,417	8,112,166
Resources deferred during the year	11,446,657	5,777,417	11,446,657	5,777,417
Amounts released from previous periods	(5,777,417)	(8,119,450)	(5,777,417)	(8,112,166)
	11,446,657	5,777,417	5,777,417	8,051,963

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

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

	Charity 2022 £	Charity 2021 £
Amounts owed to group undertakings	-	464,279

It is expected that the Beijing entity will cease trading in 2023. Legal advice has confirmed that the share capital liability will not be due to the subsidiary and therefore there is no longer any long-term liability presented in the accounts.

Notes to the Financial Statements (continued)

18. FINANCIAL INSTRUMENTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
FINANCIAL ASSETS				
Financial assets measured at fair value through income and expenditure	11,451,561	6,475,611	11,116,191	6,112,466
FINANCIAL LIABILITIES				
Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio	(149,631)	(81,751)	(149,631)	(81,751)

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

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

Notes to the Financial Statements (continued)

19. STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
UNRESTRICTED FUNDS					
Unrestricted general funds	337,992	6,785,580	(6,394,711)	(132,157)	596,704
Designated funds					
Fixed Assets	1,022,661	-	-	(67,843)	1,021,717
Building Maintenance	-	-	-	200,000	954,818
	1,360,653	6,785,580	(6,394,711)	-	1,751,522
RESTRICTED FUNDS					
WCMC Beijing	841,664	308,982	(280,452)	-	870,194
WCMC Europe	28,280	833,852	(811,062)	-	51,070
Restricted projects	1,954,364	14,029,346	(11,280,282)	-	4,703,428
	2,824,308	15,172,180	(12,371,796)	-	5,624,692
TOTAL FUNDS	4,184,961	21,957,760	(18,766,507)	-	7,376,214

Notes to the Financial Statements (continued)

19. STATEMENT OF FUNDS (continued)

GROUP STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
UNRESTRICTED FUNDS					
Unrestricted general funds	2,226,184	8,506,151	(10,453,965)	59,622	337,993
Designated funds - Fixed Asset fund	1,082,283	-	-	(59,622)	1,022,660
	3,308,467	8,506,151	(10,453,965)	-	1,360,653
RESTRICTED FUNDS					
WCMC Beijing	735,878	474,678	(368,892)	-	841,664
WCMC Europe	(3,462)	511,349	(479,607)	-	28,280
Restricted projects	-	6,929,299	(4,974,935)	-	1,954,364
	732,416	7,915,326	(5,823,434)	-	2,824,308
TOTAL FUNDS	4,040,883	16,421,477	(16,277,399)	-	4,184,961

Notes to the Financial Statements (continued)

19. STATEMENT OF FUNDS (continued)

PARENT STATEMENT OF FUNDS - CURRENT YEAR

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

Notes to the Financial Statements (continued)

19. STATEMENT OF FUNDS (continued)

PARENT STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
UNRESTRICTED FUNDS					
Unrestricted general funds	2,869,112	9,328,718	(11,276,531)	59,623	980,922
Designated funds - Fixed Asset fund	1,082,283	-	-	(59,623)	1,022,660
	3,951,395	9,328,718	(11,276,531)	-	2,003,581
RESTRICTED FUNDS					
Restricted projects	-	6,929,299	(4,974,935)	-	1,954,364
	-	6,929,299	(4,974,935)	-	1,954,364
TOTAL FUNDS	3,951,395	16,258,017	(16,251,466)	-	3,957,946

19. STATEMENT OF FUNDS (continued)

Designated Funds

Fixed Assets

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

Building Maintenance

Trustees agreed to create a designated fund in 2022 to allow the charity to respond to expected critical work required to maintain the building.

Restricted Funds

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

Restricted projects

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

30by30 Evidence review and scoping	Dasgupta Review Follow On Decade on Restoration Final Report	Land Use Finance Programme -2022	Reef Futures
30x30 Bezos Earth Foundation	Defining and Measuring "Destructive" Fish	Land Use Finance Programme - LUFFP Support	Reg Seas Ecosystem Approach and ABMTs
Guiding principles for Nature Accountability Workshop	Deforestation training	LHI Collaboration 2020-2022	Restoration-Adaptation Briefing Paper
Action Agenda Phase III	Defra effectiveness indicators	LUFFP - support to IFACC, Agri 3 and GF4S	REXUS
AFRIMED	Defra Nature Positive Economy Transition	MAIA	Road-testing the SBTN for Nature Initial
Align	Deliver IBAT	Mapping and Measuring Nature	SAICM capacity-building & reporting
ASEAN	Design a bright future	Mapping Biodiversity Priorities Phase 2	SBTN Biodiversity Hub input 2021/2022
Assessing the coverage of ICCAs: Phase 2	Development Corridors - GCRF	MAREA	SELLINA
Bezos_Andes_Congo	Dynamic World (IO)	Mining Guiding Principles	Sensitivity Mapping Mauritius
Bio-Agora	EAG Participation	Monitoring Support to COP 15	SPACES - Spatial planning
BIOCLIMA	EbA Effectiveness Project	Montreux Group (Phase 2)	State of Finance for Nature
Biodiversity Guidance Training	ELP Turkey	Mountain GCI revision	Stora Enso - Review
BIONEXT	ENCORE Analysis EIB	Myanmar UN-REDD mangroves component - 2	Support to build phase of the TNFD
BISI - Equinor Support	ENCORE Analysis Storebrand	NASA NSPIRES	Supporting the Global Peatlands Initiative
BTC - NB	ENDANGERED SEASCAPES	National ecosystem assessments & NBSAPs	SUSTAIN Horizon Europe
CABES	ESA Biodiversity+Precursors	Natural Capital Gap Reports	Sustainable Food Systems Assessment
Capacity for National Assessment (EU Wildlife Trade 2022-2024	NbS Synthesis Report	Sustainable Land Use Finance Capacity Building Targets and Indicators SCL
Carbon finance for restoration - ELP	EU Wildlife Trade 2022-2024	NC4-AFD Policy Briefs	TEEB support – agrifood / oceans & coast
Caribbean Biodiversity Fund	Fashion Pact and Biodiversity	NCA for Sustainable Development in Ghana	TNFD GEF Research
CCI Agriculture impacts on biodiversity	Freshwater STAR	NERC CongoPeat	Transboundary PAs
CCI Bird Trade Analysis	FutureMARES	Aligning Biodiversity Metrics	Transformative pathways project
CCI post2020 Coordination	FutureWebs	OBAMA-NEXT	UN Decade Monitoring Framework
CCI post2020 Coordination/Ext	GCRF Trade Hub	One Health Intelligence Scoping	UNEP Europe Cooperation on NbS
Central Highlands deforestation	GEF Connect	Open Access Block Grant 2021/2022	UNEP Mangroves & People 2020
CITES data analysis training	GEF-FARM project	Open Access Block Grant 2022/23	UNEP Regional Seas SDG 14 Gap Report
CITES RST, vultures and plants (Annex C)	GEMS/Ocean	ORS Bern Convention	Urban Alliance S and M
CITES Support 2020-2022	GEO for Business Briefs	ORS Maintenance and Support for Ramsar	World Heritage Comparative Analysis
CLEVER	GFEP2	Pan Europe information Systems Phase 3	WWF Poverty, Biodiversity & Carbon
Climate change mitigation	Global infrastructure mapping and modelling	Paraguay GCF 2020	
Climate Mitigation in the ELP	GRASP database user manual	PLANET4B	
CMS State of Migratory Species, Appendix	Green Public Finance	Protected Planet	
Cocoa, biodiversity & ecosystem services	IACS Trade Study 2020-2022	Reduce Deforestation Lower Mekong	
Congo Basin ILUMPs	IBAT Data Investment		
Connectivity workshops	Impact Indicators for Banks		
Cross Cluster Synergies	Indicator metadata sheets		
	IPBES Capacity Building in West Africa		
	IPBES National Assessments		
	IUCN Urban Nature Index		
	IWT and zoonotic diseases		

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	954,318	3,274	957,592
Intangible fixed assets	500	-	500
Current assets	9,944,886	9,767,229	19,712,115
Creditors due within one year	(9,148,182)	(4,145,811)	(13,293,993)
TOTAL	1,751,522	5,624,692	7,376,214

GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

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

Notes to the Financial Statements (continued)

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	954,318	-	954,318
Intangible fixed assets	500	-	500
Investments	1	-	1
Current assets	9,944,886	9,140,252	19,085,138
Creditors due within one year	(8,505,253)	(4,436,824)	(12,942,077)
Creditors due after one year	(1)	-	(1)
TOTAL	2,394,451	4,703,428	7,097,879

PARENT ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,017,313	-	1,017,313
Intangible fixed assets	5,347	-	5,347
Investments	642,928	-	642,928
Current assets	6,127,195	4,681,406	10,808,601
Creditors due within one year	(5,324,923)	(2,727,041)	(8,051,964)
Creditors due after one year	(464,279)	-	(464,279)
TOTAL	2,003,581	1,954,365	3,957,946

Notes to the Financial Statements (continued)

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

	Group 2022 £	Group 2021 £
Net income for the period (as per Statement of Financial Activities)	3,191,253	144,078
ADJUSTMENTS FOR:		
Depreciation charges	174,366	183,354
Amortisation charges	4,847	7,682
Increase in debtors	(3,728,669)	(987,891)
Increase in creditors	5,376,513	(2,124,613)
Fair value (gains) on forward exchange contracts	67,880	113,206
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,086,190	(2,664,184)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £
Cash in hand	11,451,561	6,475,612
NET CASH PROVIDED BY OPERATING ACTIVITIES	11,451,561	6,475,612

Notes to the Financial Statements (continued)

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	6,475,612	4,975,949	11,451,561
TOTAL	6,475,612	4,975,949	11,451,561

24. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £724,607 (2021: £636,139). Contributions of £79,938 (2021: £61,055) were outstanding at the balance sheet date.

25. OPERATING LEASE COMMITMENTS

At 31 December 2022 the Group and the Charity had commitments to make future minimum lease payments under non cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Not later than 1 year	29,537	29,537	29,537	29,537
Later than 1 year and not later than 5 years	42,914	72,451	72,451	72,451
Later than 5 years	-	-	-	-
	72,451	101,988	101,988	101,988

Notes to the Financial Statements (continued)

26. RELATED PARTY TRANSACTIONS

In the year 2022, purchases of £4,556 (2021: £12,838) were made from Mills and Reeves LLP, an entity in which a Trustee is a partner. At the balance sheet date, amounts of £Nil were owed (2021: £818).

One Trustee was a member of the Board of Trustees of RSPB effective from October 2022. In 2022, purchases of £8,138 we made (2021: £Nil). No balances were outstanding as at the year-end (2021: £Nil).

Another Trustee is a member of the Council of the University of Cambridge. In the year 2022 payments totalling £16,662 were made (2021: £85,085).

The WCMC Head of Operations is a Director of the Cambridge Conservation Initiative (CCI). WCMC collaborated with CCI on a number of projects. Included in work in progress is £7,262 in accrued income and £60,086 in deferred income (2021: £71,203 deferred income) in respect of these projects. Revenue generated from these projects amounted to £9,148 (2021: £35,393).

The WCMC CEO is a member of the Science-Based Targets Network (SBTN) Council. Included in Work In Progress for 2022 was £4,098 (2021: £Nil) of deferred income in respect of projects on which WCMC collaborates with SBTN. Revenue generated from these projects amounted to £137,726 (2021: £68,724) and deferred income totalled £4,098 (2021: £56,640 accrued income).

Transactions with subsidiaries

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

- Due to the decision to wind up the Beijing subsidiary operation, £1 (2021: £625,808) is recognised as the nominal sum due to WCMC Beijing in respect of unpaid share capital.
- £27,715 (2021: £176,553) in respect of project consultancy fees to Beijing. During the year, WCMC Beijing provided consultancy services to the value of £325,166 (2021: £556,622).
- £10,950 (2021: £297,348 owed to WCMC) in respect of joint project work to WCMC Europe.

During the year, WCMC provided services to the value of £325,166 (2021: £Nil) to WCMC Beijing and provided working capital funding to WCMC Europe asbl. of £145,356 (2021: 154,418).

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

- £5,184 (2021: £297,348) from WCMC Europe in respect of work completed.

WCMC