



WCMC

WCMC

(A Charitable Company limited by guarantee)

Trustees' Report and Financial Statements

Year Ended 31 December 2017

Charity No: 328044
Company No: 02330031

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WCMC**(A Charitable Company limited by guarantee)****Trustees' Annual Report (incorporating Strategic Report) for the year ended 31 December 2017**

The Trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present the Trustees' Annual Report and financial statements of the charity for the year ended 31 December 2017. The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Objectives and activities**Objects and aims**

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

The Charity works in close collaboration with the United Nations Environment Programme (UNEP) undertaking work to provide data and information to support decision makers including advice, analysis, capacity building and digital solutions.

Significant activities

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

This includes:

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

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

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

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Strategic Report

WCMC's achievements and performance in 2017

Introduction

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

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

Our key achievements in 2017

Following the introduction of our new strategy and themes in 2016, this year saw us build upon our refocused priorities. These thematic areas are supported by our cross-cutting expertise in science, economics, knowledge management and digital innovation. By focusing our efforts in this way, we are more able to support the global policy agenda, meet the needs of our partners and, ultimately, make our work more impactful.

We have continued to cement our reputation as a world leader in biodiversity knowledge. Some of our stand out successes include our growing portfolio of work in and with China, our analysis underpinning the future allocation of Global Environment Facility biodiversity allocations and our work bringing natural capital to bear on public and private sector decision-making.

Our key achievements in 2017 are set out under headings representing the six strategic themes of the organisation and their associated aims.

1. Mainstreaming biodiversity into sustainable development

Aim: To develop a suite of tools, methodologies and measures for use by national governments and others, which clearly shows how biodiversity and ecosystem services underpin many cross-cutting social and economic sustainable development goals and targets, especially those related to ending poverty, ensuring healthy lives, and reducing inequality.

- **Mapping global goals:** In collaboration with the Sustainability Research Programme at the University of Sussex, we conducted an analysis for the Towards a Sustainable Earth (TaSE) initiative, a collaboration between the UK National Environment Research Council, The Rockefeller Foundation and the UK Economic and Social Research Council. The resulting report, Global Goals Mapping: The Environment-human Landscape, demonstrated how interactions between the environment and humans underpin each of the Sustainable Development Goals, and that understanding how these interactions link to the Goals is critical to achieving them. The analysis also highlighted gaps, opportunities and themes which will inform the TaSE initiative's prioritisation of research and innovation for sustainable development.
- **Mapping future scenarios in the Lake Victoria Basin:** The Lake Victoria Basin is recognised for its globally important biodiversity but is under threat from increasing and unsustainable land and resource use. In partnership with the Albertine Rift Conservation Society and the CGIAR programme on Climate Change, Agriculture and Food Security, we considered how future development in the Lake Victoria Basin might affect biodiversity and ecosystem services that support national economies and local livelihoods. Funded by the John D. and Catherine T.

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MacArthur Foundation, the project aimed to increase the consideration of biodiversity and ecosystem services in decision-making related to agricultural development and increase the capacity of stakeholders to use scenarios to develop more sustainable and 'future-proof' agricultural policy.

- **Mind the Gap:** WCMC supports the development of biodiversity indicators to measure global progress towards reaching the Sustainable Development Goals and the Aichi Biodiversity Targets. Currently, some of these targets have no, or unsuitable, biodiversity indicators. As secretariat of the Biodiversity Indicators Partnership, we bring together over 55 international partners to develop indicators to provide the most comprehensive information on biodiversity trends. In 2017, we added six new partners, including the Global Coral Reef Monitoring Network, and 25 new indicators.
- **Making the values of nature visible:** The Economics of Ecosystems and Biodiversity initiative, known as TEEB, has been supporting governments at a national and local scale to produce assessments of ecosystem services and integrate their results and recommendations into policies. Five countries – Bhutan, Ecuador, Liberia, Philippines and Tanzania – took part in the initiative to identify priority ecosystem services and integrate these into policies. We contributed to this work in Liberia and Tanzania. In Liberia we ran a training course with the Liberian Environmental Protection Agency to enable natural resource managers to help stakeholders and communities understand the impacts of different management options. In Tanzania, we considered the impacts of agricultural expansion on biodiversity and ecosystem services at the national scale and, at a local scale, valued different scenarios for the use of the Eastern Arc Mountains. Here, we linked our work to ongoing work on agriculture and food in Tanzania and Kenya, leaving a legacy for the project.

2. Strengthening natural capital in private sector decision-making

Aim: To strengthen the evidence-base and insights into the importance of biodiversity and natural capital to the private sector, through horizon scanning and scenario modelling, threat and opportunity analysis, and accounting approaches, as well as by undertaking corporate biodiversity and natural capital impact, risk and opportunity assessments. It will also support government and corporate decision-makers with tools, standards, methodologies and metrics, and provide technical advice on integrating biodiversity and natural capital into business models and decision making.

- **Proteus Partnership:** Each year, we conduct a survey to explore the value of the data, information and support provided by WCMC to corporate extractive sector Proteus Partners. Data provided through the Proteus Partnership has had substantial impacts on project development decisions such that 77% of policy/corporate users used data provided through the Proteus Partnership to shape decisions and 46% took additional management actions as a result. In addition, a global screening layer for Critical Habitat, as defined by the International Finance Corporation's Performance Standard 6 (PS6), was released to the Proteus Partnership in 2017. PS6 is one of the most influential biodiversity standards of current times, particularly within large-scale infrastructure and the extractives sector. It requires projects to achieve net gains in the biodiversity values for which the Critical Habitat was identified. The new data product will support high-level screening for Critical Habitat by companies, and the application of the mitigation hierarchy in early-stage project development.
- **Building a business case for pollination:** WCMC and partners, Fauna & Flora International, the Cambridge Institute for Sustainability Leadership and the University of East Anglia, built a business case for corporate engagement on pollination funded by the Cambridge Conservation Initiative Collaborative Fund. The project hosted 30 stakeholders from business, academia and conservation organisations for a workshop to discuss how the management of company supply

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chains can be strengthened to conserve wild pollinators and increase food security. The report to be launched in 2018 explores the implications of the emerging 'pollinator deficit' for 15 every day crops.

- **Using biodiversity knowledge to improve decisions for sustainable development:** The Integrated Biodiversity Assessment Tool (IBAT) is the only resource which brings together global conservation datasets from four leading conservation organisations – Birdlife International, Conservation International, International Union for Conservation of Nature and WCMC – who form the IBAT Alliance. Subscribers to IBAT have exclusive access to the IUCN Red List of Threatened Species, the World Database on Protected Areas, and the World Database of Key Biodiversity Areas. IBAT has been used by the private sector to identify potential business risks associated with development near important areas of biodiversity since 2005. In 2017, the IBAT Alliance made the decision to redevelop the tool and recruit a new IBAT Manager who will be hosted at WCMC.
- **Reviewing corporate biodiversity policies:** WCMC works directly with companies to ensure biodiversity is accounted for in their business decisions. In 2017, we worked with a multinational oil and gas company to review their biodiversity and ecosystem services policy and public disclosure. After carrying out a benchmarking exercise to see how their policies compared to those of their peers, we advised the company as they developed a broader and more detailed policy that will govern their approach to managing biodiversity going forwards. This policy has been approved and published on the company's website.

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

Aim: To promote area-based conservation approaches, including wider use of spatial decision support tools for multiple policy objectives, commitments and safeguards. WCMC will facilitate participatory planning processes to help governments, communities and the private sector anticipate the consequences of their decisions and its implications for biodiversity and for people.

- **Working with the Global Environment Facility/Informing allocation of funds for biodiversity:** The Global Environment Facility (GEF) provides eligible countries with financial resources to implement the Convention on Biological Diversity. The GEF's current biodiversity strategy focuses on helping countries to implement the Strategic Plan for Biodiversity 2011-2020 and achieve the 20 Aichi Biodiversity Targets. In 2017, WCMC worked with the GEF to revise and update the data and methodology used to calculate the GEF Benefits Index for Biodiversity. This index informs how the GEF allocates biodiversity financing at the national level. The Centre's work included a comprehensive spatial analysis of available global data sets, and was one of the inputs to the GEF Secretariat to plan for the seventh cycle of GEF financing, starting in 2018.
- **Making impacts with REDD+:** Reducing emissions from deforestation and forest degradation (REDD+) is a climate change mitigation solution which incentivises developing countries to protect their forests. We have worked with a large number of countries on ensuring that REDD+ delivers benefits and avoids risks. In 2017 these included Argentina, Costa Rica, Colombia, Côte d'Ivoire, Honduras, Mongolia, Myanmar, Vietnam and Zambia. We have been working with Argentina to ensure that REDD+ delivers both social and environmental benefits beyond climate change mitigation alone. In Mongolia, our support focused on the REDD+ safeguards. We helped to determine the goals and scope of the country approach, and assessed potential social, environmental and other benefits and risks of proposed REDD+ policies and measures, review policies, laws and regulations, together with their implementation in practice.
- **Supporting the Global Peatlands Initiative:** The Global Peatlands Initiative, established by UN Environment and the Food and Agriculture Organisation of the United Nations, is working to protect peatlands and secure their role in climate change mitigation. WCMC is a member of the

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initiative and in 2017 contributed to 'Smoke on Water', a global assessment of peatland status. As part of this work, we produced a rapid assessment of newly discovered peatlands in the Congo Basin. This novel analysis considered a significant area of peat forest shared between the Democratic Republic of Congo and the Republic of Congo, and mapped the biodiversity values of the area, and the threats it faces. This was shared with the two Congolese governments and spearheaded discussions to ensure this area of peatland is protected and used sustainably. It also fed into a scientific paper published jointly with the scientists who first discovered the extent of the peatland area.

- **Transforming data into insights:** WCMC and IUCN launched Marine Protected Planet – the world's most authoritative and ambitious platform for information about ocean protection. This dynamic resource, funded by the IUCN, will enable a scaling up of ambition for marine conservation. It reveals new layers of information on Marine Protected Areas and will include the IUCN Green List Standard, as well as tracking conservation commitments and progress towards global biodiversity targets such as Aichi Biodiversity Target 11. Further efforts are underway to develop standards in measuring the equity and effectiveness in protected areas management. By combining this information with other datasets, WCMC can advise governments and other stakeholders on whether marine protected areas are representing habitats of critical importance.
- **Planning for a sustainable future:** A WCMC led partnership was awarded £5 million by the Global Challenges Research Fund in 2017. The project, Advancing Capacity to Address Global Challenges through Investment Corridors in Africa (ACACIA), is helping countries in East Africa to plan for a sustainable future. The project will use a capacity building approach to analyse proposed development corridors in Kenya and Tanzania and consider how they can be designed to deliver sustainable, inclusive and resilient economic growth. To fulfil this ambition, ACACIA will focus on the transdisciplinary spectrum of challenges that these large scale investments need to tackle. Alongside our project partners, we will conduct research and trainings in the realms of economic development, nature conservation and poverty reduction – including natural capital assessments, scenario modelling and livelihood analyses. By focusing on links to Chinese investments and foreign policy, the ACACIA project will study one of the most significant external influences on the African continent today.

4. Securing a sustainable future for wildlife

Aim: To continue to support global and regional initiatives to ensure that any use and trade of wildlife and timber is sustainable and does not negatively impact species and habitats. This includes supporting parties to implement effectively the relevant conventions through scientific, policy and technical advice and tools. WCMC will also work with partners in the UN system and beyond to build the case for wildlife as a viable land-use choice, and support countries with land-use decisions, including on protected areas management and connectivity.

- **Analysing Amazonian wildlife trade:** The eight countries making up the Amazonian Cooperation Treaty Organisation have an extremely diverse range of wildlife, including over 12,000 species listed under CITES. To help monitor this wealth of biodiversity, we carried out a novel study which presented, for the first time, a comprehensive view of international trade in the wildlife in Amazonian countries. The study was carried out with support from the Amazon Regional Programme of the German-Dutch cooperation implemented by The German Corporation for International Co-operation (GIZ) and in close collaboration with the Amazonian countries. The study provides a baseline of information to governments and other stakeholders to inform the management of trade in the region. Accurate and up-to-date information is needed to ensure trade is sustainable, and can contribute to a better understanding of how well-managed trade can generate conservation incentives.

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- **Working with the European Commission:** In 2017, WCMC began a project with the European Commission and EU Member States' Competent Authorities to support the assessment of the implementation and enforcement of the EU Timber Regulation (EUTR) and the Forest Law Enforcement, Governance and Trade (FLEGT) Regulation. Together, these regulations prohibit illegally harvested timber from entering the EU market, thereby helping to ensure that EU timber imports are not contributing to the devastating effects of the illegal timber trade. As part of this work we also assist national authorities by providing well-researched syntheses of relevant information and access to key data, to help inform their implementation of the regulations. Our ongoing work in this area includes conducting analyses to see how the regulations are being put into effect within Member States, and how consistently this is being done across the EU. We are also producing resources that support countries by providing access to the information that they need to meet the requirements of the regulations – including overviews of 25 source countries and bimonthly briefing notes on recent developments relevant to the EUTR.
- **Supporting CITES decision-making on wildlife trade:** WCMC assists the CITES Animals and Plants Committees to ensure that use and trade of CITES-listed plants and animals is sustainable and does not negatively impact the survival of species. A key contribution in 2017 was our input into the CITES 'Review of Significant Trade' process, a key compliance mechanism for the Convention. A new methodology for the selection of species was devised which set trade thresholds at finer taxonomic levels and considered emergent trade at both the national and global scales. These changes mean that the outputs provide a more robust method for identifying trade trends to assist the Committees in prioritising species for review. Based on this work, 27 species/country combinations were selected for review using this method. We also produced detailed reviews of 36 species/country combinations selected for review at the previous Committee meetings, and made recommendations to the Committee on the need to retain species in the process. The Committee agreed with almost all the recommendations and WCMC worked with a small drafting group to propose actions directed to range States where trade levels were of concern.
- **Shaping the future of wildlife trade:** Following an increase in trade of captive-bred or ranched species over recent years, a new Resolution was adopted at CITES 17th Conference of the Parties to scrutinise trade from these production systems and put into place a process to select species for in depth review. In 2017, partnership with the CITES Secretariat, we held a workshop in Cambridge to discuss the selection criteria and expectations for the new review mechanism. The workshop was attended by representatives of CITES Parties that are key importers or exporters of captive bred and ranched specimens. Over the two-day workshop, a new method for selecting species was developed, which we further refined and tested. This was then successfully presented to the Animals Committee and, as a direct result, the committee selected a number of taxa for in depth review.

5. Supporting the transition to a healthy ocean

Aim: To provide direct and tailored support to specific regional seas conventions for the delivery of ocean-related sustainable development goals. It will provide evidence-based advice on marine spatial planning and sustainable ocean management within and beyond national jurisdictions. WCMC will also improve access and usability of oceans-related biodiversity and ecosystems data, and will demonstrate workable approaches to the integration of social and economic considerations to deliver healthy oceans for healthy people.

- **Supporting marine area-based planning:** Alderney's marine environment is nationally valuable but, until recently, its resources weren't being managed in a cohesive way. WCMC was invited by the States of Alderney to help them write a plan that would integrate the management of their marine resources. The first step was to establish the Alderney Marine Forum. Stakeholders and representatives from a range of industries, including tourism and shipping, to provide a

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mechanism to discuss the effective management of Alderney's waters. We worked with the Forum and the wider community to produce a management plan taking a consultative approach giving Alderney's residents the opportunity to contribute their views through household surveys and the public screening of a film made whilst carrying out research. With all resources now considered in parallel, this more integrated approach will result in more informed decisions made and, as a result, will have significant benefits for biodiversity.

- **Applying social science to reef conservation:** We are providing a step-change in our understanding of how citizen behaviour change can be influenced to support conservation and the sustainable use of coral ecosystems. We convened a diverse range of experts, including coral reef ecologists, social psychologists and marketing consultants, to identify the multitude of ways in which the behaviour of visitors affects coral reef ecosystems - known as behaviour-impact pathways. During this process we also identified intervention points for effective behaviour change and turned our findings into a guide which will be used to inform campaigns to catalyse change and support the conservation and sustainable use of coral reef ecosystems.
- **Analysing the impact of land use on the ocean:** In 2017, WCMC started work with the International Resource Panel on their first ever marine study, to analyse the impact of land-based activities on marine resources and how, in turn, this affects marine industries. The study aims to bring together industries, scientists, conservation practitioners and policy-makers in a shared understanding of marine resources, and the impacts on them, to improve global governance of the land-sea interface. With marine spatial planning and good management approaches, we can use marine resources more effectively. The study will be used to generate advice on governance of land based activities to allow marine resources to be conserved and support the blue economy.
- **Mapping global saltmarsh:** At the UN Ocean Conference, we pledged to promote the access and use of global marine biodiversity information. We collated globally unique data which enables us to produce the most comprehensive global map of the location and extent of saltmarsh – an extremely valuable but often overlooked “blue carbon” ecosystems. Produced with support from the UN Environment/Global Environment Facility Blue Forests Project, the dataset collates over 350,000 individual occurrences of saltmarshes and presents the first global estimate of their known extent.

6. Supporting intergovernmental agreements on biodiversity and ecosystem services

Aim: To support countries in effectively implementing national obligations under key international agreements on biodiversity and ecosystem services; and will provide technical support to the secretariats, governance and advisory bodies of individual conventions and to the intergovernmental processes. The Centre will convene, compile, synthesise and communicate lessons learned and implications for developing and addressing biodiversity related targets, as a contribution to achieving the Aichi targets, and the development of the post-2020 biodiversity agenda

- **Building capacity for assessment at national and regional levels:** Building capacity at the national level to carry out National Ecosystem Assessments is a priority under the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. As part of a four-year project in partnership with the United Nations Development Programme, we worked with practitioners, researchers and policy-makers in four countries - Ethiopia, Cameroon, Colombia and Vietnam - to support them in carrying out their assessments. Through the support we provide, we're developing a community of practice which can foster mutual support throughout this process, and eventually support other countries to do the same. After initial workshops, these countries are now undertaking their assessment processes and working with national stakeholders to make sure they are engaged in the process. These assessments will be used to inform a range of regional planning and national accounting processes, and help the countries to address the post-2020 agenda at the national level. At the same time, WCMC is working to

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extend the programme of support to other countries, and to increase opportunities for sharing experience within and between regions.

- **Reviewing legislation on Access and Benefit Sharing:** The Nagoya Protocol on Access and Benefit Sharing aims to ensure that the benefits resulting from utilisation of genetic resources, and associated traditional knowledge, are shared in a fair and equitable manner between those who use the resources and those who provide them. With entry into force of the Protocol in 2014, many countries have been revising their legal and policy frameworks, while others are analysing the implications of becoming Parties to this agreement. Working with both UN Environment Brazil and the Government of Brazil, WCMC is carrying out the development of a review of legislation on access and benefit sharing in eight countries – Bolivia, Brazil, Colombia, Ecuador, India, Japan, Peru and South Africa – and the European Union. The review focuses primarily on the scope and definitions covered by the relevant access and benefit sharing frameworks, as well as the monitoring and compliance mechanisms being implemented. The review aims to improve understanding of the various approaches that are being designed and implemented to regulate access to genetic resources, and the fair and equitable sharing of the benefits derived from the utilisation of these resources. Part way through the review we provided support to an expert meeting on access and benefit sharing national regimes and international compliance held in Rio de Janeiro, where we presented on the development of this report and initial results.
- **Reviewing environmental assessment legislation:** Through a consultative process with legal experts, environmental assessment practitioners, academics, non-governmental organisations and government officials, we supported UN Environment in developing a global stocktaking of environmental assessment legislation. The resulting study provides examples from a wide selection of countries of their institutional arrangements in relation to the different steps of the environmental assessment process, as well as highlighting emerging challenges and trends. The report aims to support legal practitioners and policy makers to make well-informed decisions when drafting and implementing laws and policies related to environmental assessments – whether at the project level or strategic planning stage. The report is also relevant to current discussions on mainstreaming at the Convention on Biological Diversity, and was made available to Parties at the subsidiary body meeting in December. The report will be widely disseminated in order to strengthen the knowledge base on common challenges faced in the implementation of environmental assessments, as well as supporting innovative approaches to address these challenges.

Customer Feedback

In addition to thematic achievements, we continue to gather customer feedback at all stages of our project lifecycle to ensure we continue to meet our customer needs and improve the way we work. In 2017, we sent out 42 post project surveys and had a response rate of 76%. Everyone who responded was either satisfied or very satisfied with their overall experience of WCMC, satisfied that the project met its objectives and with the way we delivered the project. We also asked how likely a customer would be to recommend WCMC to others. The most common score was 10 out of 10 with 38% of respondents choosing the highest possible score and 66% of respondents being 'net promoters' of WCMC giving a score of 9 or 10 out of 10.

Financial Review

During the year the Charity has remained committed to building its expertise and continuing with investment decisions to support the development of the Charity's objectives and despite achieving a net deficit of £179,730 for the full year, the Charity remains in a financially strong position to shield the risks of short term issues.

Project income in 2017 was £8,340,381, which was less than £8,453,881 achieved in 2016 due to lower foreign exchange gains and a one-off adjustment to accrued income balances following a detailed

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review as part of an upgrade in the Charity's accounting system, but this was offset by the growth in some elements such as pass-through costs.

Total expenditure on charitable activities in 2017 at £9,013,496 was higher than 2016 (£8,699,004). Increases in direct project expenses and other expenses were offset by planned reductions in staff costs as well as reduced expenditure on research and development activities.

The balance sheet position remains strong and, despite a reduction in the net assets due to in-year Deficit and planned investment in tangible fixed assets and business software upgrade, the Charity's cash reserves are marginally higher than at the end of December 2016.

A solid pipeline of income from projects, focus on cost control, predominately through the close management of the operational costs of the business, and continuing discretionary investment in strategic areas provide a good outlook for forecasted financial performance in 2018 and beyond.

Reserves policy and going concern

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

Based on this policy, it is believed that at 31 December 2017, £3,024k was needed to be held in reserves. The position as at 31 December 2017 was £2,786k of general free reserves (£3,039k as at 31 December 2016). The Trustees intend to review the reserves policy during the coming year to ensure that it remains appropriate in current circumstances.

Total funds held at 31 December 2017 were £3,944k and of this balance, £1,159k was held in designated funds, representing the value of fixed assets held at the reporting date.

Risk management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate plans and controls are in place to provide a reasonable assurance that they are effectively managed.

The Trustees have identified 14 major risks to which the Charity is exposed, the most significant being potential loss of funding that might arise from Brexit or donor policy changes, and exposure to foreign exchange variability.

Trustees ensure that management closely tracks donor policy to ensure actions are taken in good time to mitigate the impact of changes. A review of options to mitigate the impact of a hard Brexit is underway. Trustees have a foreign exchange hedging policy in place which management implements and is reviewed at Board meetings.

The Charity holds various financial instruments, these include various items such as trade debtors and trade creditors that arise directly from activities. The main risks arising from the Charity's financial instruments are currency risk and credit risk. Currency risk is managed through the use of derivatives as detailed within accounting policies.

The Charity's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from its trade debtors, with UN Environment the single largest funder. Management maintains close working relations with UN Environment and a joint UNEP-WCMC Steering Committee provides governance oversight of the collaboration. Other funders included government organisations, intergovernmental organisations, the corporate sector charitable foundations and NGOs. For all

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fundraising activities are undertaken with all consideration to minimise exposure through a due diligence process.

Future plans

In 2018, we will continue to focus on the implementation of our 2017-2021 strategy and the delivery of action plans in six thematic areas. We aim to broaden our partnerships to embrace expertise in new areas such as biodiversity and health, biodiversity and trade impacts as well as across the breadth of the sustainable development agenda. This focus is driving the creation of ambitious collaborative proposals to address key global challenges which drive biodiversity decline. In order to support this ambition, we have created internal structures that enhance innovation and engagement and support the development of new ideas and the efficient delivery of our portfolio of live projects.

2018 marks 25 years since the Convention on Biological Diversity came into force and WCMC is uniquely placed to compile, synthesise and communicate lessons learned and we anticipate playing a key role in supporting the development of the post-2020 agenda. Globally, significant effort is being put into the review of implementation. Every country with the exception of the United States of America has become a Party, and the Convention has had significant influence on both national and global action relating to the conservation and sustainable use of biodiversity.

In 2018, WCMC will provide technical expertise into the significant Conservation Futures initiative which aims to generate new ideas for conservation, new energy and a new sense of purpose. The initiative is a partnership between UN Environment, the Luc Hoffmann Institute and the Oxford Martin School and aims to contribute to the policy timeline leading to the 2020 Convention on Biological Diversity conference. Conservation Futures will explore fresh perspectives and approaches that can improve the impact of these efforts. It aims to mobilise new stakeholders, identify solutions that can be scaled up and craft a new, more positive narrative for conservation.

Reference and Administrative Details

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

Our advisers**Auditors**

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

Bankers

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

Solicitors

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

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Directors and Trustees

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

Board of Trustees

Dr Robin Bidwell CBE (Chair)

Mr Patrick J Haighton

Mr Alasdair Poore

Mr Robin Mortimer

Professor William Adams

Dr Jennifer Zerk

Dr Kathleen MacKinnon

Mr Andrew Powell

Ms Idunn Eidheim (appointed on 18 July 2017)

Key Management Personnel - Senior Management

Dr Timothy Johnson, Chief Operating Officer

Mr Clive Cartwright, Interim Director of Finance and Administration (until 10 August 2017)

Mr Evgeny Dmitriev, Head of Finance and Operations (from 19 March 2018)

Dr Matt Walpole, Director of Partnerships & Development (until 17 May 2017)

Ms Pamela Abbott, Director of Programmes

Ms Helen Joyce, Director of People

Structure, governance and management

Governing document

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

Recruitment and appointment of new trustees

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

Induction and training of new trustees

New Trustees are provided with the Charity's Articles of Association, the Collaboration Agreement with UN Environment, The Essential Trustee, and information from the Charity Commission website. They receive the latest Audited Accounts and Minutes of the four previous Board Meetings. The WCMC Strategic Plan and detailed operational materials covering financial performance, staff satisfaction and staffing levels are all made available.

Organisational structure

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

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

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Trustees' Annual Report (incorporating Strategic Report) for the year ended 31 December 2017

The Senior Management Team is supported by a programme coordination team, comprised of members of the Senior Management Team and Heads of Programmes. This team has day to day responsibility for business development, project execution and management. Our administration headcount is low and we closely monitor the amount of staff capacity deployed on non-earning functions.

Funds held as custodian trustees on behalf of others

As at 31 December 2017, the Charity did not hold any funds as custodian trustees on behalf of others.

Related parties and co-operation with other organisations

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

Pay policy for Key Management Personnel

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. The pay of the Chief Operating Officer and the Director of Finance are subject to Board approval, whilst the remaining senior staff are reviewed through the Charity's Remuneration Committee.

Statement of trustees' responsibilities

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

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

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of our auditors

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

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(A Charitable Company limited by guarantee)

Trustees' Annual Report (incorporating Strategic Report) for the year ended 31 December 2017

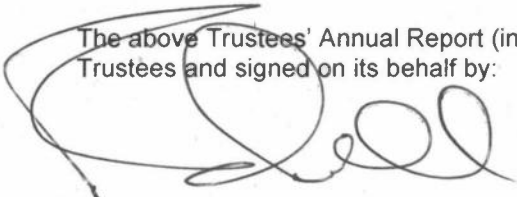
make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

The Trustees resolved to appoint RSM UK Audit LLP during the year in accordance with section 485 of the Companies Act 2006.

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



Dr Robin Bidwell CBE
Trustee (Chair)

Date: 26 April 2018

WCMC**(A Charitable Company limited by guarantee)****Independent Auditor's Report for the year ended 31 December 2017**

Opinion on financial statements

We have audited the financial statements of WCMC (the 'charitable company') for the year ended 31 December 2017 which comprise of the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

WCMC

(A Charitable Company limited by guarantee)

Independent Auditor's Report for the year ended 31 December 2017

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

27 April 2018

WCMC
(A Charitable Company limited by guarantee)
Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 December 2017


	Note	Unrestricted £	Restricted £	Total 2017 £	Total 2016 £
Income from:					
Donations	2	347,692	-	347,692	424,768
Other trading activities		64,428	-	64,428	59,477
Investment	3	13,044	-	13,044	2,925
Charitable activities	4	8,340,381	-	8,340,381	8,453,881
Other income		13,970	-	13,970	-
Total income		8,779,515	-	8,779,515	8,941,051
Expenditure on:					
Charitable activities	5	9,013,496	-	9,013,496	8,699,004
Total expenditure		9,013,496	-	9,013,496	8,699,004
Net (expenditure)/income		(233,981)	-	(233,981)	242,047
Transfer between funds	15	-	-	-	-
Fair value gains on foreign exchange contracts		54,251	-	54,251	-
Net movement in funds		(179,730)	-	(179,730)	242,047
Reconciliation of funds:					
Total funds brought forward		4,124,147	-	4,124,147	3,882,100
Total funds carried forward	15	3,944,417	-	3,944,417	4,124,147

There are no recognised gains and losses other than those dealt with in the above Statement of Financial Activities.

The notes on pages 19 to 28 form part of these financial statements.

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Intangible fixed assets	10		157,640		52,001
Tangible fixed assets	9		1,001,087		1,033,081
Total fixed assets			1,158,727		1,085,082
Current assets					
Debtors	11	4,194,133		3,477,985	
Cash at bank and in hand		2,437,877		2,404,587	
Total current assets		6,632,010		5,882,572	
Liabilities					
Creditors falling due within one year	12	(3,846,320)		(2,843,507)	
Net current assets			2,785,690		3,039,065
Total net assets			3,944,417		4,124,147
The funds of the Charity					
Restricted funds	15		-		-
Designated funds	15		1,158,727		1,085,082
General funds	15		2,785,690		3,039,065
			3,944,417		4,124,147

The financial statements were approved by the Board and authorised for issue on ^{26 April}..... 2018 and signed on their behalf by:



Dr Robin Bidwell CBE

	Note	2017 £	2016 £
Cash generated by operating activities	a	202,344	465,652
Cash flows from investing activities			
Interest received		13,044	2,925
Purchase of tangible fixed assets		(61,990)	(12,353)
Purchase of intangible fixed assets		(120,108)	(13,860)
Cash used in investing activities		(169,054)	(23,288)
Increase in cash and cash equivalents in the year		33,290	442,364
Cash and cash equivalents at the beginning of the year		2,404,587	1,962,223
Total cash and cash equivalents at the end of the year		2,437,877	2,404,587
Relating to:			
Bank balances and short-term deposits included in cash at bank and in hand		2,437,877	2,404,587

Note a. Reconciliation of net movement in funds to net cash inflow from operating activities

	2017 £	2016 £
Net (expenditure)/income	(179,730)	242,047
Fair value gains on financial instruments	(54,251)	-
Depreciation charge	93,984	93,266
Amortisation charges	14,469	17,838
Interest received	(13,044)	(2,925)
Decrease/(increase) in debtors	(660,485)	500,416
Increase/(decrease) in creditors	1,001,401	(384,990)
Net cash used in operating activities	202,344	465,652

WCMC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 December 2017**

1. ACCOUNTING POLICIES

The financial statements of the charity have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). WCMC is an incorporated charity domiciled and registered in England. WCMC meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

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

Income

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

Income from charitable activities is project income 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, and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure

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

Fund accounting

Funds held by the charity are either:

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

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

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

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

Investment income

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

WCMC

(A Charitable Company limited by guarantee)

Notes forming part of the financial statements for the year ended 31 December 2017

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Fixed assets, which are stated at cost, are depreciated at rates sufficient to reduce the net book value of those assets to their estimated residual value at the end of their expected useful lives. Assets with a value of £1,000 or greater are capitalised. The following rates are currently used:

Freehold buildings	- over 50 years
Computer equipment	- over 3 years
Furniture, fittings and equipment	- over 5 years

Intangible fixed assets

Intangible fixed assets, which are stated at cost, are amortised at rates sufficient to reduce the net book value of those assets to their estimated residual value at the end of their expected useful. Assets with a value of £1,000 or greater are capitalised. The following rates are currently used:

Software	- 3 - 5 years
----------	---------------

Debtors

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

Cash at bank and in hand

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

Creditors

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

Financial instruments

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

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 the 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. Fair value gains and losses are recognised in profit or loss.

Foreign currency transactions

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

WCMC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 December 2017**

1. ACCOUNTING POLICIES (CONTINUED)**Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period in which the related asset is utilised.

Taxation

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

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension

The charity operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension costs is the charity's contribution payable in the year. The assets of the scheme are held separately from the charity. The pension cost in the year was £424,138 (2016: £489,550) and there were contributions outstanding of £44,476 (2016: £47,535) within other creditors at the year end.

Critical accounting estimates

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

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

Critical areas of judgement

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

The proportion of the freehold building rented out to third parties is not held to earn rentals or solely for capital appreciation. The property is held for the purpose of providing a base from which to supply scientific and administrative services during the ordinary course of business, the property is therefore not accounted for as an investment property.

WCMC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 December 2017****2. DONATIONS IN KIND**

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Gifts in kind	345,830	-	345,830	424,768
Donations	1,862	-	1,862	-
	<u>347,692</u>	<u>-</u>	<u>347,692</u>	<u>424,768</u>

3. INVESTMENT INCOME

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Bank interest	13,044	-	13,044	2,925
	<u>13,044</u>	<u>-</u>	<u>13,044</u>	<u>2,925</u>

4. CHARITABLE ACTIVITIES

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Project income				
Net monies in advance brought forward	1,051,815	-	1,051,815	573,954
Project income invoiced for in period	9,546,673	-	9,546,673	8,931,742
Net monies in advance carried forward	(2,258,107)	-	(2,258,107)	(1,051,815)
	<u>8,340,381</u>	<u>-</u>	<u>8,340,381</u>	<u>8,453,881</u>

5. EXPENDITURE

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Charitable Activities				
Staff costs	4,689,736	-	4,689,736	4,857,062
Direct project expenses	2,991,811	-	2,991,811	2,167,824
Gifts in Kind	345,830	-	345,830	424,768
Premises costs	114,931	-	114,931	141,437
Insurance costs	39,664	-	39,664	67,643
Legal and professional	89,938	-	89,938	85,251
Other expenses	561,089	-	561,089	488,716
Depreciation	108,453	-	108,453	111,104
Research and development	72,044	-	72,044	355,199
	<u>9,013,496</u>	<u>-</u>	<u>9,013,496</u>	<u>8,699,004</u>

WCMC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 December 2017****6. ANALYSIS OF STAFF COSTS, AND COST OF KEY MANAGEMENT PERSONNEL**

	2017	2016
	£	£
Wages and salaries	3,976,031	4,377,897
Social security costs	389,376	445,954
Pension contributions	424,138	489,550
	<u>4,789,545</u>	<u>5,313,401</u>

7. ANALYSIS OF STAFF COSTS, AND COST OF KEY MANAGEMENT PERSONNEL

	2017	2016
	Number	Number
Management and administration	18	18
Research and operational staff	99	107
	<u>117</u>	<u>125</u>

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

Higher pay breakdown	2017	2016
£60,001-£70,000	6	2
£70,001-£80,000	1	2
£100,001-£110,000	1	1
£110,001-£120,000	-	2

The key management personnel of the Charity comprise the Trustees, the Chief Operating Officer, Director of Finance, the Director of Development, the Director of Programmes, the interim Director of Finance and the Director of People whose employee benefits total £418,214 (2016: £541,746)

Termination payments of £22,494 of which £3,000 was non- contractual were paid in the year.

No remuneration or benefits were paid to any of the Trustees. One Trustee received reimbursed travel expenses during the year of £1,581 (2016 £779).

8. NET INCOME/(EXPENDITURE)

This is stated after charging/(crediting):	2017	2016
	£	£
Depreciation	93,984	93,266
Amortisation	14,469	17,838
Operating leases – plant and machinery	31,724	20,681
Auditors remuneration		
- Statutory audit fees	11,475	10,825
- Other fees	4,554	5,790
Net gain on foreign currency transactions	(538,103)	(809,241)
Fair value gains on foreign exchange forward contracts	(54,251)	-
	<u></u>	<u></u>

WCMC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 December 2017****9. TANGIBLE FIXED ASSETS**

	Freehold buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
1 January 2017	1,698,932	160,182	329,855	2,188,969
Additions	-	53,688	8,302	61,990
31 December 2017	<u>1,698,932</u>	<u>213,870</u>	<u>338,157</u>	<u>2,250,959</u>
Depreciation				
1 January 2017	797,349	77,622	280,917	1,155,888
Charge for year	33,979	43,713	16,292	93,984
31 December 2017	<u>831,328</u>	<u>121,335</u>	<u>297,209</u>	<u>1,249,872</u>
Net Book Value				
31 December 2017	<u>867,604</u>	<u>92,535</u>	<u>40,948</u>	<u>1,001,087</u>
31 December 2016	<u>901,583</u>	<u>82,560</u>	<u>48,938</u>	<u>1,033,081</u>

All assets are held for charitable purposes.

£27,166 (2016: £28,230) of the net book value of the freehold building is rented out to third parties, with the owner-occupied portion rented back. During the year £1,064 (2016: £1,064) of depreciation was charged on this property.

10. INTANGIBLE FIXED ASSETS

	Software £
Cost	
1 January 2017	211,483
Additions	120,108
31 December 2017	<u>331,591</u>
Amortisation	
1 January 2017	159,482
Charge for year	14,469
31 December 2017	<u>173,951</u>
Net Book Value	
31 December 2017	<u>157,640</u>
31 December 2016	<u>52,001</u>

WCMC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 December 2017****11. DEBTORS**

	2017	2016
	£	£
Trade debtors	2,572,695	2,064,093
Accrued income	1,349,081	1,133,758
Recoverable VAT	44,736	61,710
Other debtors	120,002	134,555
Prepayments	51,956	83,869
Financial assets at fair value through profit or loss	55,663	-
	<u>4,194,133</u>	<u>3,477,985</u>

12. CREDITORS; AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	159,375	158,850
Taxation and social security	101,646	110,863
Monies in advance on projects	3,077,336	2,280,852
Other creditors	73,124	87,211
Accruals	433,427	205,731
Financial liabilities at fair value through profit or loss	1,412	-
	<u>3,846,320</u>	<u>2,843,507</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**At 31 December 2017**

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed assets	1,158,727	-	1,158,727
Net current assets	2,785,690	-	2,785,690
	<u>3,944,417</u>	<u>-</u>	<u>3,944,417</u>

WCMC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 December 2017****14. FINANCIAL INSTRUMENTS**

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

	2017	2016
	£	£
Financial assets		
Debt instruments measured at amortised cost	4,041,778	3,332,406
Instruments measured at fair value through profit or loss	55,663	-
	<u>4,097,441</u>	<u>3,332,406</u>
Financial liabilities		
Measured at amortised cost	665,926	451,792
Measured at fair value through profit or loss	1,412	-
	<u>667,338</u>	<u>451,792</u>

Foreign exchange forward contracts

The contracts are valued based on available market data. The Charity does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in profit or loss.

At the year end, the total carrying amount of outstanding foreign exchange forward contracts that the Charity has committed to are as follows:

	2017	2016
	£	£
Euros	47,435	-
US Dollars	1,553,590	-
	<u>1,601,025</u>	<u>-</u>

WCMC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 December 2017****15. ANALYSIS OF CHARITABLE FUNDS**

	1 January 2017 £	Income £	Expenditure £	Transfers, gains and (losses) £	31 December 2017 £
Unrestricted funds:					
Unrestricted general funds	3,039,065	8,779,515	(9,013,496)	(19,394)	2,785,690
Designated funds-Fixed Asset Fund	1,085,082	-	-	73,645	1,158,727
Total funds	4,124,147	8,779,515	(9,013,496)	54,251	3,944,417

Designated Funds

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

16. LIABILITY OF MEMBERS

At 31 December 2017 WCMC had 9 members (2016: 8 members). The liability of each member is £1.

17. RELATED PARTY TRANSACTIONS

Purchases during the year of £15,076 (2016: £8,428) were made from Mills & Reeves LLP, a company for which a Trustee is also a Partner.

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

WCMC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 December 2017****18. OPERATING LEASE COMMITMENT****The Charity as lessee at 31st December**

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

	2017	2016
	£	£
Within 1 year	31,724	31,724
Within 2 – 5 years	59,529	70,353
Over 5 years	36,575	57,475
	127,828	159,552

19. COMPARATIVE SOFA BY FUND

	Unrestricted Funds £ 2016	Restricted Funds £ 2016	Total £ 2016
Income from			
Donations in Kind	424,768	-	424,768
Other Trading Activities	59,477	-	59,477
Investment	2,925	-	2,925
Charitable Activities	7,839,342	614,539	8,453,881
Total Income	8,326,512	614,539	8,941,051
Expenditure On:			
Charitable Activities	7,902,801	796,203	8,699,004
Total Expenditure	7,902,801	796,203	8,699,004
Net Income/(Expenditure)	423,711	(181,664)	242,047
Transfers between funds	(181,664)	181,664	-
Net movement in funds	242,047	-	242,047
Reconciliation of funds			
Total funds brought forward	3,882,100	-	3,882,100
Total funds carried forward	4,124,147	-	4,124,147