

WCMC
(a charitable company limited by guarantee)

Registered Company No. 02330031
Registered Charity No. 328044

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2012

WCMC

Legal and Administrative Details

Board of Trustees

Mr Robert Napier (Chairman)

Sir Rudolph Agnew

Mr Patrick J Haighton

Mr Alasdair Poore

Mr Ian Cray (Treasurer)

Mr Robin Mortimer

(Appointed 4/12/2012)

Mrs Rita Gardner

(Resigned 18/7/2012)

Senior Management

Dr Timothy Johnson

Chief Operating Officer

Mrs Judith Haste

Director of Finance and Administration

Registered Office

219C Huntingdon Road

Cambridge

CB3 0DL

United Kingdom

Auditors

Kingston Smith LLP

Devonshire House

60 Goswell Road

London

EC1M 7AD

Bankers

Barclays Bank

15/16 Bene't Street

Cambridge

CB2 3PZ

Solicitors

Barr Ellison LLP

Solicitors

39, Parkside

Cambridge

CB1 1PN

WCMC

Trustees' Report

For the year ended 31st December 2012

The Trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present the report and financial statements for the year ended 31st December 2012. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the Memorandum and Articles of Association, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its Memorandum and 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 to be a Trustee, either to fill a vacancy or as an additional Trustee, provided the appointment does not cause the number of Trustees to exceed seven 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 Memorandum and Articles of Association.

Induction and training of new trustees

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

Organisation Structure

The day to day management of the Charity's staff, facilities and projects is undertaken by a management team comprising the Chief Operating Officer, Director of Finance and Administration and Head of Human Resources. 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.

The senior management team is supported by a management coordination team, comprised of Heads of Programmes and Heads of Units. 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.

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Trustees' Report

For the year ended 31st December 2012

Related parties

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 subleases its building to UNEP-WCMC. UNEP-WCMC leases the WCMC occupied areas of the building back to WCMC.

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 the major risks to which the charity is exposed, the most significant being the damage to the charity's reputation for the value of the work it performs.

The Trustees ensure that plans and strategies take full account of the risks identified and mitigate them as far as possible.

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. These are achieved as follows:

Significant activities

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

Supporting the development and adoption of policies and practices that will contribute to the conservation and sustainable use of biodiversity.

Creating important biodiversity knowledge by synthesising, analysing and reporting on the state and value of global biodiversity.

Encouraging and facilitating data sharing, interoperability and standards to create accessible web-based information on biodiversity areas of special conservation significance.

Being a trusted global repository and a partner for centralised and distributed 'foundation' databases, particularly those dealing with areas of special conservation significance.

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

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

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Trustees' Report

For the year ended 31st December 2012

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.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

The charity's objects continue to be met through the completion of projects agreed with UNEP and other third parties.

Activities are guided by the ten strategic priorities set out in the Charity's business plan for the three year period 2012 - 2014. The Charity made good progress in the implementation of its business plan and was active in many areas, in addition to the defined priorities. In 2012 we focused on four of the strategic priorities, as described below.

1. Facilitate international partnerships for indicator development, ecosystem assessment and capacity development in support of national biodiversity strategies and global biodiversity goals.

WCMC provides the secretariat of the Biodiversity Indicators Partnership (BIP). In 2012, the BIP was recognised as the principal vehicle for coordinating the development of biodiversity indicators at global, regional and national scales, and for delivery of indicator information for monitoring progress towards the Aichi Biodiversity Targets agreed by the Convention on Biological Diversity (CBD). At its meeting in Hyderabad, the CBD requested the BIP to work in collaboration with the CBD Executive and other relevant organisations to achieve a number of actions concerning indicator development at all scales. The significant role of the BIP in supporting the CBD's Strategic Plan for Biodiversity 2011-2020 was further cemented through the following:

- The BIP and CBD Secretariat agreeing to work together to ensure that the BIP is more closely integrated into CBD processes

- The CBD Executive Secretary, becoming chair of the BIP Steering Committee.

At the global level, the BIP is working to expand the suite of indicators available to monitor progress towards the CBD Strategic Plan. Due to the BIP's profile and the success of the Partnership to date, the BIP has much traction throughout the global biodiversity community, and in 2012, six new partners demonstrated their support by officially joining the BIP to contribute global indicators.

In addition to improving global-scale indicators, the BIP has been actively involved in supporting national and regional initiatives. The continued programme of capacity building workshops has proven extremely successful in mobilizing national biodiversity indicator development. In 2012, a number of participating countries have subsequently developed indicator task forces to take national indicator development forward or produced their own national biodiversity indicators reports or indicator information systems.

In 2012, we worked with the United Nations Environment Programme, United Nations Development Programme and the CBD Secretariat to establish a network that would support the development of National Biodiversity Strategy and Action Plans (NBSAPs). The NBSAP Forum is a community of practice that offers countries support in transforming and implementing their NBSAPs. The NBSAP Forum was extremely well received during its launch event at the CBD Conference of Parties 11, with over 15 organisations pledging their support and wishing to engage as active Partners.

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Trustees' Report

For the year ended 31st December 2012

2. Develop tools that help national authorities to transform existing international wildlife trade into sustainable green economic activity.

WCMC continued to manage the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Trade Database in 2012. It now holds over 13 million trade records and represents the largest global information resource on sustainable use of wildlife, and it plays a pivotal role in the implementation of CITES. WCMC also manages the Species database and is building a new integrated online information system *Species+*, to make information on the legal aspects of species-related MEA implementation available to global, regional and national policy-makers

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In 2012, to inform the deliberations of the Scientific Review Group of the European Union, WCMC reviewed 146 species/country combinations using data from the CITES Trade Database. These reviews informed the EU decisions in these cases. WCMC also prepared downlisting proposals for two taxa, resulting in their downlisting following discussions at CITES CoP16. WCMC prepared an analysis of EU annual reports to CITES and other global analyses of the trade data to act as an early warning system to identify high volume trade, sharp increases in trade and other notable trends. These reports informed key decision-makers in the EU and elsewhere.

To make the economic benefits of sustainable wildlife use more explicit to policy-makers, in 2012, WCMC developed a preliminary methodology to assess the economic value of international trade in species listed in the CITES Appendices, using CITES trade data. Initial estimates indicate that the value of the trade in the key commodities for CITES Appendix II listed animals was US\$ 350-530 million per year during the period 2006-2010; meanwhile, imports into the EU of all CITES-listed animals and animal products in 2010 were estimated to be worth some US\$ 3.5 billion. Further work is needed to refine these estimates before they can be translated into results-oriented policy by decision-makers.

3. Facilitate a global process to promote the sharing of biodiversity data in order to improve global knowledge and decision-making

During 2012, the marine decision support tools supported by WCMC have been enhanced in a number of ways, including the development of a state of the art interactive web-tool to assess "blue carbon" (the carbon sequestered in coastal marine habitats). Specifically, WCMC's Ocean Data Viewer has had numerous data additions to the seventeen global data sets it supports, including new global data layers for mangroves and cold-water corals. Continued emphasis on quality assurance and data validation has been maintained, with crowd-sourcing functionality being added to selected global layers. A validation tool for habitat layers has been launched, and the validation functionality has been added to WCMC's Global Island Database. The global marine habitat layers curated by WCMC have also been utilised in Abu Dhabi in a demonstration project on blue carbon visualisation and trade-off analysis.

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Trustees' Report

For the year ended 31st December 2012

The 2012 decision support data and tools have had a significant impact, even in the short period they have been live. The Ocean Data Viewer (ODV) is a core communication tool for the recently launched GEF-funded Trans-Boundary Water Assessment Programme for Large Marine Ecosystems and the Open Ocean, in which WCMC is a partner. The ODV is also being utilised by the UN World Ocean Assessment and by the international blue carbon community. The Global Islands Database (GID) has been highlighted in both a CBD COP 11 decision in 2012, and praised at the recent steering committee of the Global Islands Partnership. With 2014 being selected as UN International Year of Islands, it is expected that the GID will be central to GLISPA's engagement strategy. A third phase of development of the GID is currently in negotiation with its main funder. The Abu Dhabi blue carbon tool has catalysed work in global blue carbon assessment; resulting in WCMC joining a consortium on a GEF funded project (the Global Blue Forests Project 2013-2017), with the role of harmonising blue carbon data layers and developing a web-tool, building upon the work undertaken in 2012.

4. Secure a central role for biodiversity in the evolution of ecosystem-based mitigation and adaptation for climate change.

Much of our work on ecosystem-based mitigation has been undertaken within the framework of the UN-REDD Programme. We have helped to develop the UN-REDD Programme's Social and Environmental Principles and Criteria (SEPC). These were adopted by the Programme's Policy Board in March. As a consequence several national requests for further support have been received and we are responding to these. The SEPC are regularly cited alongside the FCPF's SESA and the REDD+ SES as international safeguards initiatives that support countries to implement the Cancun safeguards.

Our year's work was profiled at a South-South exchange workshop, "REDD+ Beyond Carbon: Safeguards and Multiple Benefits" held in November. The 46 participants included representatives from 14 partner countries. In response to the workshop recommendations, the UN-REDD Programme is integrating its work on social and environmental issues, including through its Safeguards Coordination Group.

We worked with 12 REDD+ countries in the course of 2012. In Ecuador, for example, we were contracted to support the implementation of its National Joint Programme. We are supporting the development of an integrated national REDD+ monitoring system incorporating biodiversity and ecosystem services. In the Democratic Republic of the Congo the results of our work have been incorporated in DR Congo's REDD+ Framework Strategy, which recognises the importance of addressing multiple benefits in spatial planning, and explicitly refers to the usefulness of this kind of analysis for the prioritisation of a national system for Payments for Ecosystem Services and for the forest macro-zoning process (which should lead to the definition of a Permanent Forest Domain). We also responded to a request from Bhutan to build awareness of, and capacity on, REDD+ safeguards and multiple benefits, and to assist Bhutan to develop a national approach to safeguards consistent with the UN Framework Convention on Climate Change decisions and the UN-REDD Programme Social and Environmental Principles and Criteria (SEPC). WCMC designed and facilitated the workshop, working closely with the UNEP regional office, and with logistical support from the Bhutan Ministry of Agriculture and Forests (MoAF).

Our work on ecosystem-based adaptation (EBA) has been largely undertaken as part of the UNEP-UNDP-IUCN Mountain EBA Programme. We have developed guidance on vulnerability assessments and on how to map areas suitable for EBA and have carried out associated capacity building. This has led to requests from countries for additional capacity building workshops that we hope to fulfil in 2013. We were also invited to contribute to the UNFCCC work on EBA, through participation in the technical workshop on EBA for climate change under the Nairobi Work Programme (21-23 March 2013).

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Trustees' Report

For the year ended 31st December 2012

Organisation

The Charity has also reviewed its organisation structure during the year and has appointed two new roles, Head of Cluster for Science, Economics, Policy and Partnerships and Head of Cluster for Assessment and Decision Support and in so doing has adopted a more flexible form of matrix structure. This has been designed to foster well managed technical programmes, strengthen collaboration, development and communication, and to optimise the efficiencies of the internal functions.

FINANCIAL REVIEW

Reserves policy

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. The Trustees will continue to review and modify the Reserves policy as circumstances require.

Based on the above, it is believed that at 31 December 2012, £1,927k, was needed to be held in reserves and at that point £1,738,308 general free reserves were held in unrestricted reserves. In this current economic climate, the Trustees believe this to be a satisfactory position.

Principal funding sources

The charity is funded by project income. UNEP was the single largest funder, and other funders included Government organisations, Intergovernmental organisations, the corporate sector charitable foundations and NGOs.

PLANS FOR FUTURE PERIODS

The Charity's plans for 2013 will continue to be guided by the strategic priorities set out in the business plan for 2012 - 2014, in order to progress the two strategic objectives set out in its strategy.

These objectives are:

1. Provide the data and information that supports decision-making
2. Strengthen capacity for biodiversity decision-making

As outlined above, good progress has been made with the strategic priorities and the early part of 2013 will focus on reviewing the relevance of these, reviewing project content and assigning development effort as needed to ensure progress continues.

Later in 2013, the Charity's business plan will be reviewed and updated, to cover the period 2014-2016. At this time, the strategic priorities will be re-assessed and redefined to ensure relevance for the period of the plan.

This review will focus on the impact of the Charity's work and will build on current work reviewing the Key Performance Indicators, such that our impact can be quantified and reported on.

WCMC
Trustees' Report
For the year ended 31st December 2012

We shall also review the five institutional ambitions contained within our Strategy, and establish objectives to develop them further. They are:

1. To be the partner of choice in our sector - trusted, reliable and inspiring confidence
2. To earn recognition as a centre of excellence at the science-policy interface
3. To deploy a world-class and highly motivated scientific and technical team, together with an outstanding support staff
4. To maintain a stable and financially successful organisation
5. To be an effective learning organisation with strong internal communication systems.

Our 2013 budget and plans provide for increased investment in training and development of our team, strengthening of our science resource and innovation and development processes, to progress these ambitions further during the year.

WCMC
Trustees' Report
For the year ended 31st December 2012

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Kingston Smith LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**This report was approved by the Board of Trustees
and signed on its behalf by:**



Mr Robert Napier
Trustee (Chairman)

Date:

20/3/2013

Independent Auditor's Report to the Members of WCMC

We have audited the financial statements of WCMC for the year ended 31st December 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 9 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 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.

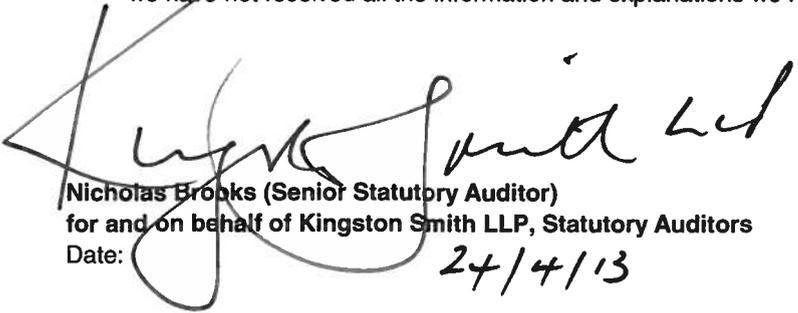
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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; and
- we have not received all the information and explanations we require for our audit.


Nicholas Brooks (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditors

Date:

24/4/13

Devonshire House
60 Goswell Road
London EC1M 7AD

WCMC
Statement of Financial Activities
For the year ended 31st December 2012

INCOME AND EXPENDITURE	Note	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income	2	249,100	-	249,100	251,245
Activities from generating funds		39,352	-	39,352	60,624
Investment income	3	120,952	-	120,952	120,885
Incoming resources from charitable activities					
Project income	4	7,637,972	527,844	8,165,816	6,301,835
Total Incoming Resources		<u>8,047,376</u>	<u>527,844</u>	<u>8,575,220</u>	<u>6,734,589</u>
Resources Expended					
Charitable activities	5	7,428,738	720,336	8,149,074	6,563,497
Governance costs	5	10,100	-	10,100	10,100
Total Resources Expended		<u>7,438,838</u>	<u>720,336</u>	<u>8,159,174</u>	<u>6,573,597</u>
Net Income/(Expenditure) before transfers		608,538	(192,492)	416,046	160,992
Transfers between funds	11	(192,492)	192,492	-	-
Net Movement in Funds		<u>416,046</u>	<u>-</u>	<u>416,046</u>	<u>160,992</u>
Balance at 1 st January 2012		<u>2,359,755</u>	<u>-</u>	<u>2,359,755</u>	<u>2,198,763</u>
Balance at 31 st December 2012	11	<u><u>2,775,801</u></u>	<u><u>-</u></u>	<u><u>2,775,801</u></u>	<u><u>2,359,755</u></u>

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

The notes on pages 12 to 16 form part of these financial statements.

WCMC

Balance Sheet as at 31st December 2012

	Note		2012 £	2011 £
Fixed Assets				
Tangible fixed assets	7		1,167,943	1,325,613
Current Assets				
Debtors	8	2,303,172	2,098,456	
Cash at bank and in hand		<u>4,061,051</u>	<u>2,731,303</u>	
		6,364,223	4,829,759	
Creditors: Amounts falling due within one year				
	9	<u>(4,756,365)</u>	<u>(3,795,617)</u>	
Net Current Assets			<u>1,607,858</u>	<u>1,034,142</u>
Net Assets			<u><u>2,775,801</u></u>	<u><u>2,359,755</u></u>
 Represented by:				
Restricted funds	11		-	-
Designated funds	11		1,037,493	-
General funds	11		<u>1,738,308</u>	<u>2,359,755</u>
			<u><u>2,775,801</u></u>	<u><u>2,359,755</u></u>

The notes on pages 12 to 16 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 20/3/2013 and signed on its behalf by:



Mr Robert Napier
Trustee (Chairman)

Company number: 02330031

WCMC
Cash Flow Statement
For the year ended 31st December 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	a	1,332,968	1,292,476
Returns on investment and servicing of finance			
Interest received		5,842	4,230
Capital expenditure and financial investment			
Payments made to acquire tangible assets		(9,062)	(24,882)
Increase in cash	b	<u>1,329,748</u>	<u>1,271,824</u>

Notes to the Cash Flow Statement

a) Reconciliation of Net Income before Other Gains and Losses to Net Cash Inflow from Operating Activities

	2012 £	2011 £
Net income before other gains and losses	416,046	160,992
Depreciation charge	166,732	188,591
Interest received	(5,842)	(4,230)
(Increase)/Decrease in debtors	(204,716)	(463,797)
Increase/(Decrease) in creditors	960,748	1,410,920
Net cash inflow from continuing operating activities	<u>1,332,968</u>	<u>1,292,476</u>

b) Reconciliation of Net Cash Flow to movement in Net Debt

	2012 £	2011 £
Increase in cash in the period	<u>1,329,748</u>	<u>1,271,824</u>
Movement in net debt in the year	1,329,748	1,271,824
Net debt at 1 January 2012	<u>2,731,303</u>	<u>1,459,479</u>
Net debt at 31 December 2012	<u>4,061,051</u>	<u>2,731,303</u>

c) Analysis of changes in Net Debt

	2012 £	2011 £
Cash at bank and in hand:		
At 1st January 2012	2,731,303	1,459,479
Cash flows	1,329,748	1,271,824
At 31st December 2012	<u>4,061,051</u>	<u>2,731,303</u>

WCMC

Notes to the Financial Statements

For the year ended 31st December 2012

1 Accounting Policies

The financial statements of the charity have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), applicable accounting standards and the Companies Act 2006.

The following principal accounting policies have been consistently applied in preparing these financial statements which remain unchanged from the previous year.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gifts in kind are valued at their estimated open market value.

Restricted project income represents contributions made by clients, including UNEP, for work on specific projects.

Projects in progress are valued at the lower of cost and net realisable value. Projects in progress comprise costs incurred on externally funded work undertaken where the charity is legally entitled to the funding of the costs from a 3rd party under contract and include the appropriate proportion of overheads, less progress payments to date, less any foreseeable losses that will be incurred by the charity itself.

Resources Expended

All expenditure is accounted for on an accruals basis and is directly classified under the expenditure category to which it relates. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of that resources.

Governance costs include those costs incurred in the governance of the charity and are primarily associated with constitutional compliance and statutory requirements.

Tangible Fixed Assets

Fixed assets, which are stated at cost, are depreciated at rates sufficient to reduce the net book amount of those assets to their estimated residual value at the end of their expected useful lives. The following rates are currently used:

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

Fund Accounting

Funds held by the charity are either:

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

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

Designated funds - these are funds set aside that represent the building shown in fixed assets.

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

Foreign Currency Transactions

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

Gifts in Kind

Gifts in kind are valued according to the cost of providing the benefit, as advised by the contributing party.

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Notes to the Financial Statements (continued)
For the year ended 31st December 2012

1 Accounting Policies (continued)

Taxation

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

Pension

The charity operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities in respect of pension costs is the charity's contributions payable in the year. The assets of the scheme are held separately from the charity. The pension cost in the year was £84,055 (2011: £251,148).

2 Voluntary income	Unrestricted 2012 £	Restricted 2012 £	Total 2012 £	Total 2011 £
Donations	-	-	-	2,145
Gifts in kind	249,100	-	249,100	249,100
	<u>249,100</u>	<u>-</u>	<u>249,100</u>	<u>251,245</u>
3 Investment income	Unrestricted 2012 £	Restricted 2012 £	Total 2012 £	Total 2011 £
Bank interest	5,842	-	5,842	4,230
Rental income	115,110	-	115,110	116,655
	<u>120,952</u>	<u>-</u>	<u>120,952</u>	<u>120,885</u>
4 Project income	Unrestricted 2012 £	Restricted 2012 £	Total 2012 £	Total 2011 £
Net monies in advance brought forward	2,753,621	464,901	3,218,522	1,492,067
Project income invoiced for in period	7,227,021	937,626	8,164,647	7,736,454
Net monies in advance carried forward	(2,662,178)	(874,683)	(3,536,861)	(3,218,522)
UNEP institutional support - gift in kind	319,508	-	319,508	291,836
	<u>7,637,972</u>	<u>527,844</u>	<u>8,165,816</u>	<u>6,301,835</u>

The UNEP institutional support comprises an in kind contribution covering the UNEP Director's and Deputy Director's salary and travel.

WCMC
Notes to the Financial Statements (continued)
For the year ended 31st December 2012

5 Resources Expended	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total 2012 £	Total 2011 £
Charitable Activities				
Staff costs	2,788,254	333,744	3,121,998	2,812,234
Direct project expenses	3,445,832	317,032	3,762,864	2,577,720
Gifts in Kind	568,608	-	568,608	540,936
Premises costs	75,047	8,339	83,385	69,650
Insurance costs	39,656	4,406	44,062	42,608
Legal and professional	23,174	2,575	25,749	65,405
Other expenses	338,108	37,568	375,676	266,353
Depreciation	150,059	16,673	166,732	188,591
	<u>7,428,738</u>	<u>720,336</u>	<u>8,149,074</u>	<u>6,563,497</u>
Governance Costs				
Audit fees	10,100	-	10,100	10,100
	<u>10,100</u>	<u>-</u>	<u>10,100</u>	<u>10,100</u>
Total Charitable Expenditure	<u><u>7,438,838</u></u>	<u><u>720,336</u></u>	<u><u>8,159,174</u></u>	<u><u>6,573,597</u></u>

6 Staff Costs	2012 £	2011 £
Wages and salaries	2,943,134	2,570,177
Social security costs	312,759	271,371
Pension contributions	284,055	251,148
	<u>3,539,948</u>	<u>3,092,696</u>
Group life insurance	32,416	38,340
Staff relocation, training and recruitment	58,730	36,818
Directly charged to projects	(509,096)	(355,620)
	<u><u>3,121,998</u></u>	<u><u>2,812,234</u></u>

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

	Number	Number
Management and administration	13	14
Research and operational staff	79	66
	<u><u>92</u></u>	<u><u>80</u></u>

2 employees received emoluments between £70,000 and £80,000, 1 employee between £80,000 and £90,000 and 1 employee between £90,000 and £100,000 (2011: 1 employee received emoluments between £70,000 and £80,000, 1 employee between £80,000 and £90,000 and 1 employee between £90,000 and £100,000). The total pension costs for these 4 employees (2011:3) was £31,158 (2011 £30,600).

No remuneration or benefits were paid to any of the Trustees and no Trustees received any reimbursed expenses (2011: nil).

WCMC
Notes to the Financial Statements (continued)
For the year ended 31st December 2012

7 Tangible Fixed Assets

	Freehold land & buildings £	Computer equipment & software £	Fixtures, fittings & equipment £	Total £
Cost				
1 st January 2012	1,698,932	246,935	248,886	2,194,753
Additions	-	1,850	7,212	9,062
	<u>1,698,932</u>	<u>248,785</u>	<u>256,098</u>	<u>2,203,815</u>
31 st December 2012	1,698,932	248,785	256,098	2,203,815
Depreciation				
1 st January 2012	627,463	154,495	87,182	869,140
Charge for year	33,976	76,418	56,338	166,732
	<u>661,439</u>	<u>230,913</u>	<u>143,520</u>	<u>1,035,872</u>
31 st December 2012	661,439	230,913	143,520	1,035,872
Net Book Value				
31 st December 2012	<u>1,037,493</u>	<u>17,872</u>	<u>112,578</u>	<u>1,167,943</u>
31 st December 2011	<u>1,071,469</u>	<u>92,440</u>	<u>161,704</u>	<u>1,325,613</u>

All assets are held for charitable purposes.

8 Debtors and Prepayments

	2012 £	2011 £
Trade debtors	1,632,003	1,903,362
Projects in progress	504,420	87,128
Recoverable VAT	-	8,831
Other debtors	93,093	7,096
Prepayments	73,656	92,039
	<u>2,303,172</u>	<u>2,098,456</u>

9 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	224,925	242,135
Taxation and social security	85,859	79,343
Monies in advance on projects	4,041,281	3,305,650
VAT payable	65,909	-
Other creditors	54,013	59,044
Accruals	284,378	109,445
	<u>4,756,365</u>	<u>3,795,617</u>

WCMC
Notes to the Financial Statements (continued)
For the year ended 31st December 2012

10 Analysis of Group Net Assets between Funds

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £
Tangible fixed assets	1,167,943	-	1,167,943
Net current assets	1,607,858	-	1,607,858
	<u>1,738,308</u>	<u>-</u>	<u>2,775,801</u>

11 Statement of Funds

	1 st January 2012 £	Incoming Resources £	Outgoing Resources £	Fund Transfers £	31 st December 2012 £
Restricted Funds:					
Project Income	-	527,844	(720,336)	192,492	-
Unrestricted Funds:					
Unrestricted general funds	2,359,755	8,047,376	(7,438,838)	(1,229,985)	1,738,308
Designated funds-Building fund	-	-	-	1,037,493	1,037,493
Total Funds	<u>2,359,755</u>	<u>8,575,220</u>	<u>(8,159,174)</u>	<u>-</u>	<u>2,775,801</u>

Restricted Funds

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

Fund Transfers

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

12 Related Party Transactions

There were no related party transactions during the year ended 31st December 2012.

13 Liability of Members

At 31st December 2012 WCMC had 6 members (2011: 6 members). The liability of each member is £1.