

**Annual report and  
accounts for the year  
to March 2019**

## Trustees' annual report 2019

This is Global Canopy's formal report, written in accordance with the requirements of the Charity Commission. For a more colourful view of our work, our Annual Review will be published on our website at the start of our new financial year in spring 2020.

# Contents

|   |           |
|---|-----------|
| <b>1. Trustees' report</b>                  |           |
| 1.1 Objectives and activities               | 4         |
| 1.2 Achievements and performance            | 8         |
| 1.3 Financial review                        | 15        |
| 1.4 Structure, governance and management    | 19        |
| 1.5 Reference and administrative details    | 21        |
| 1.6 Risks                                   | 22        |
| 1.7 Statement of trustees' responsibilities | 23        |
| <b>2. Audit report</b>                      | <b>25</b> |
| <b>3. Global Canopy accounts</b>            | <b>29</b> |

# 1. Trustees' report

## 1.1 Objectives and activities

### Purpose

Global Canopy is an environmental organisation that works to identify and address the systemic market forces destroying the world's forests and natural capital.

Our overarching purpose, as expressed in our governing document, is to:

- promote the conservation, protection and improvement of the physical and natural environment, and in particular (but without limitation) the tropical and temperate forests of the world;
- gather and disseminate information internationally about best environmental practices and current thinking considering sustainable development;
- promote research into matters relating to biodiversity, climate, ecology, flora, fauna and sustainable development.

We focus on achieving a new level of transparency for the production, trade and financing of the forest risk commodities – including palm oil, soy, cattle and timber – that are responsible for two-thirds of tropical deforestation worldwide.

We provide data, insight and guidance for companies, investors and governments already taking positive action, and shine a light on those that need to do more.

These activities focus on three areas:

1. Holding companies to account through greater transparency
2. Providing the data and tools that enable leaders to act
3. Supporting forest jurisdictions to transition to sustainable land use

## Public benefit

All of Global Canopy's activities are directed towards the vital public benefit of a transition to a deforestation-free global economy.

The information and insights we provide help increase the effectiveness, efficiency and equity of global efforts to tackle tropical deforestation.

Forests are vital in the fight against climate change. Ending tropical deforestation and restoring forests can provide up to a third of the emissions reductions envisaged in the Paris Agreement to keep temperature rise under 2 degrees.

Tropical forests contain more than half of all remaining species on Earth. They are vital for regional water security, and over 1.5 billion of the world's poorest people depend on them for their livelihoods.

Protecting tropical forests is an urgent global priority – for all life on Earth.

The Trustees have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

## Vision, mission and aims

Our vision is to end the destruction of tropical forests and other vital natural capital that we all depend upon.

Tropical deforestation is driven by the expansion of a handful of agricultural commodities, such as soy, palm oil, beef and timber. Much of the demand for these commodities is driven by consumers in Europe and China, with soy predominantly used in animal feed, while palm oil is used in around half of the packaged products in our supermarkets.

Companies that produce, trade, and process these commodities must ensure that their production has not caused deforestation. Governments that regulate trade, and the financial institutions that finance these companies, also have a responsibility to ensure that corporate supply chains are deforestation-free.

Whilst a significant number of companies have made commitments, progress towards implementing these commitments is slow and many influential companies are yet to act.

Our mission is to accelerate the transition to a deforestation-free economy.

We aim to achieve this by addressing critical information gaps and catalysing action by the companies, financial institutions and governments most exposed to deforestation:

- 1. Transparency and accountability:** identifying the most influential actors in the deforestation economy and holding them accountable for their efforts to address deforestation.

We work with campaigning NGOs and the media who use our data to increase pressure on companies and increase accountability.

- 2. Enabling leaders to act:** we provide the data and tools required by companies, financial institutions and governments to understand their exposure to deforestation, identify the highest related risks and prioritise corrective action.

We work both through direct engagement with companies and by partnering with multi-stakeholder platforms and other organisations that can multiply the reach and impact of our information.

- 3. Supporting forest jurisdictions to transition to sustainable land use:** we support forward-thinking sub-national governments to access finance and markets to accelerate their transition to sustainable production and trade of (mainly agricultural) commodities.

## Programmes

Global Canopy's work is organised by three programmes: Supply Chains, Finance, and Sustainable Landscapes.

### **Supply Chains**

Our Supply Chains Programme focuses on increasing transparency and accountability in the commodity supply chains driving tropical deforestation – particularly cattle, soy, palm oil, and timber. This includes the Trase and Forest 500 initiatives.

### **Finance**

Our Finance Programme focuses on the trillions of dollars of global finance that power commodity supply chains. We support financial institutions to understand and take action to address their impacts and dependencies on nature, including forests. This includes the Natural Capital Finance Alliance (NCFI) initiative, and the SCRIPT and ENCORE tools.

### **Sustainable Landscapes**

Our Sustainable Landscapes Programme supports tropical forest regions in their transition to more sustainable economies. It aims to reduce pressure on forests while meeting development needs. It does this by working closely with forward-looking governments and financial institutions to create the enabling conditions for investment in more sustainable land use. Our work in this area includes the Unlocking Forest Finance initiative.

## Indicators of progress

We use the following organisational indicators to monitor our progress:

1. Number of companies, financial institutions and governments that use our tools and data
2. Number of intermediaries that use our data
3. Number of visitors accessing our tools and platforms (Trase, Forest 500, SCRIPT, and ENCORE)
4. Number of companies and financial institutions with policies to remove deforestation from their supply chains and investments
5. Number of governments and investors who use our data and methods to increase sustainable agricultural finance

## 1.2 Achievements and performance

### Supply Chains Programme

Our Supply Chains Programme aims both to support major companies to remove deforestation from their supply chains and to hold them accountable for their actions and impacts on forests.

#### 2018/19 objectives and achievements

##### **A. Transforming the transparency of forest-risk supply chains**

[Trase](#) is a groundbreaking supply chain transparency tool developed in partnership with the Stockholm Environment Institute. For the first time it maps and visualises the trade in forest risk commodities at scale for entire export markets (for instance all the soy being exported by Brazil in a given year). This leads to a better understanding of the links between import markets and sub-national production regions, and therefore deforestation risks. Trase aims to map the trade of 70% of forest-risk commodities by 2021.

In 2018/19, Trase improved the robustness of its Brazilian soy model and extended it to cover the period from 2005 to 2017. We also comprehensively mapped the supply chains for Paraguayan soy and beef exports. We started mapping Indonesian palm oil, Brazilian beef, and Argentinian soy supply chains, all of which will be published in 2019/2020 as part of our planned roll-out.

##### **B. Supporting action by buyers to remove deforestation from their supply chains**

We are working with the Consumer Goods Forum's Soy Buyers Coalition (including major UK retailers) to use Trase data to identify where the biggest deforestation risks lie in their supply chains. This enables these 'downstream' buyers to target their investments to improve sustainable production on the ground – a powerful addition to engagement with their suppliers, with whom in many cases they have limited influence. A number of other retailers have expressed interest in replicating this analysis for their own supply chains.

We have also engaged closely with governments in key consumer markets (e.g. the UK and France) for forest-risk commodities – supporting them to understand their exposure to deforestation risk in imports and to act to address them. We actively participated in the Amsterdam Declaration Partners’ meetings, the UK Roundtable on Sustainable Soy and the EU’s Consultation on its Action Plan for forests.

### **C. Monitoring progress towards deforestation-free supply chains**

We launched the fifth Forest 500 annual report in March 2019, identifying and tracking the progress of the 350 companies and 150 financial institutions with the greatest exposure to tropical deforestation. The 2018 assessment demonstrates significant gaps in policy coverage and shows that even those with policies are making limited progress towards effective implementation. This evidence was used by the New York Declaration on Forests Assessment Group to monitor progress against corporate and finance sector commitments, and by NGOs making the case for greater government regulation to improve company action on removing deforestation from supply chains.

### **Lessons learned**

- Supply chain transparency remains a key barrier for both companies and financial institutions. We need to invest more in enabling our users to access and effectively use our data, both through training materials and via partnerships with well-networked intermediary organisations.
- Voluntary company commitments on removing deforestation from supply chains have had limited impact to date – a sector-wide shift is required. Moving beyond the relatively small group of leading companies that are currently undertaking most of the action is likely to require government regulation.
- Data access is proving to be a significant barrier to effectively rolling out and updating Trase’s sub-national supply chain maps to new commodities and countries.

## Future plans

- Expand coverage of Trase commodities and geographies towards our target of 70% of global trade of forest-risk commodities.
- Focus on partnerships and training to enable effective uptake of Trase data and information by target audiences.
- Carry out Forest 500 annual assessment using the updated methodology that includes a focus on monitoring policy implementation.
- Develop a new platform to support companies to benchmark and improve their commitments, as well as to facilitate better engagement with companies in their supply chains.

## Finance Programme

Our Finance programme works with financial institutions to understand how their investments and loans are exposed to deforestation risks and how they depend on natural capital.

### 2018/19 objectives and achievements

#### **A. Increasing information on the exposure of financial institutions to environmental risks**

In partnership with UNEP-WCMC, Global Canopy developed an online Natural Capital Risk Explorer tool, [ENCORE](#) (Exploring Natural Capital Opportunities, Risk and Exposure). ENCORE for the first time enables financial institutions to assess the extent to which their portfolio in its entirety depends on natural capital, and to understand the related risks caused by environmental change. ENCORE was launched at the UNEP-FI Global Roundtable in Paris in November 2018 during a plenary session with CDC Biodiversité, First Rand Bank, UBS, the World Bank Group, The Nature Conservancy and Trucost S&P.

After subsequent launches in South Africa, Peru and Colombia, follow-up training sessions were held in all four countries with approximately 40 financial analysts from 20 different financial institutions. Further training and outreach in these countries will be supported by an agreed cost extension from the donor. This will also support the future development of ENCORE. Interest in the ENCORE tool continues to grow, with users increasing on average by 150–200 each month since its launch at the end of November 2018.

SCRIPT (Soft Commodity Risk Platform) is a policy benchmarking and portfolio screening tool for financial institutions, enabling them to better identify and manage risks associated with deforestation in their investment and lending. [SCRIPT](#) is a project of Global Canopy, Ceres and WWF.

One year on from the launch of SCRIPT, we have over 100 organisations registered on the platform and nearly 350 registered individuals. Of the registered organisations, 28 are banks and 26 investors. Of registered individuals, 111 are from financial organisations, 106 are from NGOs, and 37 are consultancies.

## **B. Increasing capacity of financial institutions to integrate environmental risks into their decision making**

We partnered with PwC to produce case studies for four banks in Colombia, Peru and South Africa to demonstrate proof of concept for integrating natural capital considerations into their existing risk management processes (building on the ENCORE tool and data). Each case study focused on a different sector, such as agriculture or mining, and looked at diverse risk management processes – from credit risk assessments to environmental stress testing.

Lessons from these pilots informed a [step by step](#) guide on natural capital risk management published by the NCFA and PwC. Country stakeholder groups in Colombia, South Africa and Peru were also set up to inform and advise on in-country pilots and share learnings with the wider banking sector.

In January 2019, we extended SCRIPT to include a regional policy benchmarking enhancement for Latin America and South East Asia, which helps banks better assess their commodity specific policies against their peers. This included a new seafood policy benchmarking framework for the SE Asia region.

More broadly, we have actively engaged with banks and investors in over 100 separate meetings. Norges Bank Investment Management quoted SCRIPT as a data source supporting their work in 2018 on portfolio company engagement on deforestation and soft commodity policies (along with CDP and Forest 500). Standard Chartered, BNP Paribas, ASN Bank and Aviva Investors have all written letters of endorsement for the platform.

## Lessons learned

- Banks can leverage their existing risk processes to embed natural capital considerations and do not need to invest significant resources and efforts to do so.
- Banks derive significant value from qualitative natural capital assessments which can point to regions that are at high risk of natural capital disruption and identify clients with whom discussions on natural capital risk management are most needed.

## Future plans

- We have donor pledges for work to enable us to build on the initial success of ENCORE. New activities will focus on the global uptake of ENCORE by financial institutions in their risk management processes, and on further developing the business case for financial institutions to integrate natural capital risks into their decision-making. We will also explore how to better tailor ENCORE for different users beyond banks - including investors and governments.
- We have received positive feedback on the SCRIPT tool, including several recommendations for improving the platform and enhancing its data. A key next step is to develop the company risk score by broadening and deepening indicators on policy implementation. We are also looking to deepen engagement with financial institutions in key producer and consumer jurisdictions.

# Sustainable Landscapes Programme

## 2018/19 objectives and achievements

### A. Building capacity and interest amongst agricultural banks and farmers on green credit in Peru

The Unlocking Forest Finance Project worked in Peru to design a green credit line to enable farmers in the San Martin region to finance the vital transition to more sustainable agricultural practices. Beyond designing this specific credit line, the project also focused on consulting farmers and financial institutions to understand the barriers to green credit and the conditions that would support its uptake.

The project signed an MOU and started work with a major regional lender, Agrobanco, to design the credit line. However the bank faced a crisis, which ultimately led to its collapse before the joint project was able to be completed. The project was unable to recruit other financial institutions in Peru at short notice to pursue this opportunity.

However, we were able to build on the momentum behind green credit generated by the project by holding a series of capacity building and knowledge-exchange workshops with financial institutions and government agencies. This also informed discussions on the measures to meet the [priority objectives 4](#) (Finance) and 9 (Environmental Sustainability) of the Peruvian National Policy on Competitiveness and Productivity.

## Lessons learned

- The farmers interviewed are interested in implementing more sustainable systems but currently lack the incentives and access to adequate finance and technical capacity to do so.
- To meet the needs of farmers, financial institutions need access to capital with reduced costs and longer payback periods, risk mitigation and risk transfer instruments.
- It is most effective to engage existing lenders to the agricultural sector (who already have mechanisms to manage risk within this sector) and to adapt existing products rather than designing new mechanisms.
- Governments will need to play a key role in financing non-reimbursable activities such as technical assistance and monitoring.

## Future plans

Global Canopy's strategy review for 2020–2025 will assess in detail whether the organisation should continue to focus on work to finance sustainable land use. Since we started work in this nascent area in 2012, we have been able to inform relevant government strategy across Latin America, and have helped to catalyse action by a number of donor governments and large civil society organisations (including through our [FinancingSustainableLandscapes.org](https://www.financingSustainableLandscapes.org) information portal). In the year ahead we can expect to reduce our work on Sustainable Landscapes – as our Unlocking Forest Finance project comes to its planned close, other organisations take more of an active lead in this space, and our strategy becomes ever more focused on transparency in the trade and financing of forest risk commodities. With Trase we are now engaging a number of the most progressive jurisdictions in tropical regions, and this work will continue to be informed by the lessons learnt from Unlocking Forest Finance.

## 1.3 Financial review

### Income

Global Canopy's total income decreased by £810k from £3519k to £2709k – around 23%.

Restricted income decreased by £748k – or 23%, following a peak in 2018. Global Canopy continues to receive important support for its programmes from governments and other institutions. Significant donors during 2018-19 were the UK government (DFID), The Gordon & Betty Moore Foundation, and the Swiss Government (SECO) – received via the UN Environment Programme.

Contracts and membership fees were comparable between 2017-18 and 2018-19, with an increase from £38k to £62k; Global Canopy does not receive the significant contracted-funding income of earlier years.

Unrestricted donations have decreased from £236k to £157k. This was a challenging year for Global Canopy's core fundraising efforts, as discussed in the fundraising section below.

| £000's                        | 2019         | 2018         | 2017         | 2016         |
|-------------------------------|--------------|--------------|--------------|--------------|
| Restricted Income             | 2472         | 3220         | 2400         | 2226         |
| Contracts and Membership Fees | 62           | 38           | 285          | 427          |
| Unrestricted Donations        | 157          | 236          | 258          | 184          |
| Other Income                  | 17           | 25           | 25           | 17           |
| <b>Total Income</b>           | <b>2,708</b> | <b>3,519</b> | <b>2,968</b> | <b>2,854</b> |

A detailed analysis of income is shown in the Statement of Financial Activities (SOFA) and notes 3, 4 and 17 to the accounts.

## Expenditure

Global Canopy's total expenditure on charitable activities increased slightly from £2,914k to £3,095k. While income has decreased – this means that Global Canopy has reduced the balance of restricted funds held from £783k to £453k.

The table below shows the proportion of total expenditure on charitable activities by charitable activity.

|                                  | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> |
|----------------------------------|-------------|-------------|-------------|-------------|
| Supply Chains Programme          | 45%         | 48%         | 33%         | 38%         |
| Sustainable Landscapes Programme | 7%          | 14%         | 40%         | 45%         |
| Finance Programme                | 48%         | 36%         | 26%         | 10%         |
| Strategic development            | -           | -           | 1%          | 1%          |
| Knowledge & Content              | -           | 1%          | -           | 6%          |
|                                  | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

Strategic development is no longer used as a separate heading – as the amounts were immaterial, and the related activities also support Global Canopy's other programmes.

Funding for the Sustainable Landscapes programme reached its expected end in spring 2019, and the future of the programme is under review as discussed above.

Support costs as a proportion of charitable expenditure have remained stable at 16% over the last 3 years.

Further detailed analysis of expenditure is shown in the SOFA and notes 5 to 10 in the accounts.

## Reserves

Global Canopy's policy is to hold reserves for the following reasons:

- to provide working capital – for example when funding is received after expenditure
- to cover the costs related to any adverse events which may occur – for example a legal bill or gaps between funding
- to allow exploration of new areas or to exploit opportunities

Having reviewed these different purposes, the trustees have set a target range for free reserves of 4 to 5 months payroll costs. This results in a current target range of £401-501k.

As at 31 March 2019, reserves held were as follows:

| <b>£000's</b>      | <b>2019</b> | <b>2018</b>  | <b>2017</b> | <b>2016</b> |
|--------------------|-------------|--------------|-------------|-------------|
| Unrestricted funds | 449         | 505          | 405         | 273         |
| Restricted funds   | 453         | 783          | 218         | 296         |
| <b>Total funds</b> | <b>902</b>  | <b>1,288</b> | <b>623</b>  | <b>569</b>  |

Restricted funds of £453k represent the unspent amount of grants received for specific purposes, which are allocated to particular ongoing projects and are therefore not regarded as free reserves.

Included within unrestricted funds is £41k relating to tangible fixed assets, which could only be realised by disposing of those assets, and are therefore not regarded as free reserves. After deducting this amount from the unrestricted funds, the free reserves held by the charity are £408k. This is within the target range set by the trustees – and indicates a healthy financial position, despite a deficit on unrestricted funds during the year.

## Fundraising

The financial position moving forward looks positive – with unrestricted income having been strengthened by recruitment of fundraising staff, and significant contracts secured until March 2021.

The performance for fundraising during the year was below budget mainly due to a drop in income from trusts and foundations. Delays in funding cycles from long-standing trust and foundation supporters accounted for the rest of the fall in income with grant renewals falling instead into the beginning of the 2019–2020 financial year.

The board of trustees approved investment in a fundraising post at director level. The recruitment took place during the summer and the post was filled in September 2018. An additional funding officer role was brought in to further support the development of the fundraising function in-house, and the organisation ended an external consultancy arrangement that was not successful as a model for raising increased funds. Resources were also expended to update our fundraising database and CRM system, Salesforce, which will allow better tracking of relationships in the future. Following all these new investments, the targeted income for unrestricted fundraising has been more than doubled for the financial year 2019–2020, with a significant uplift in both trust and foundation and major donor giving projected.

# 1.4 Structure, governance and management

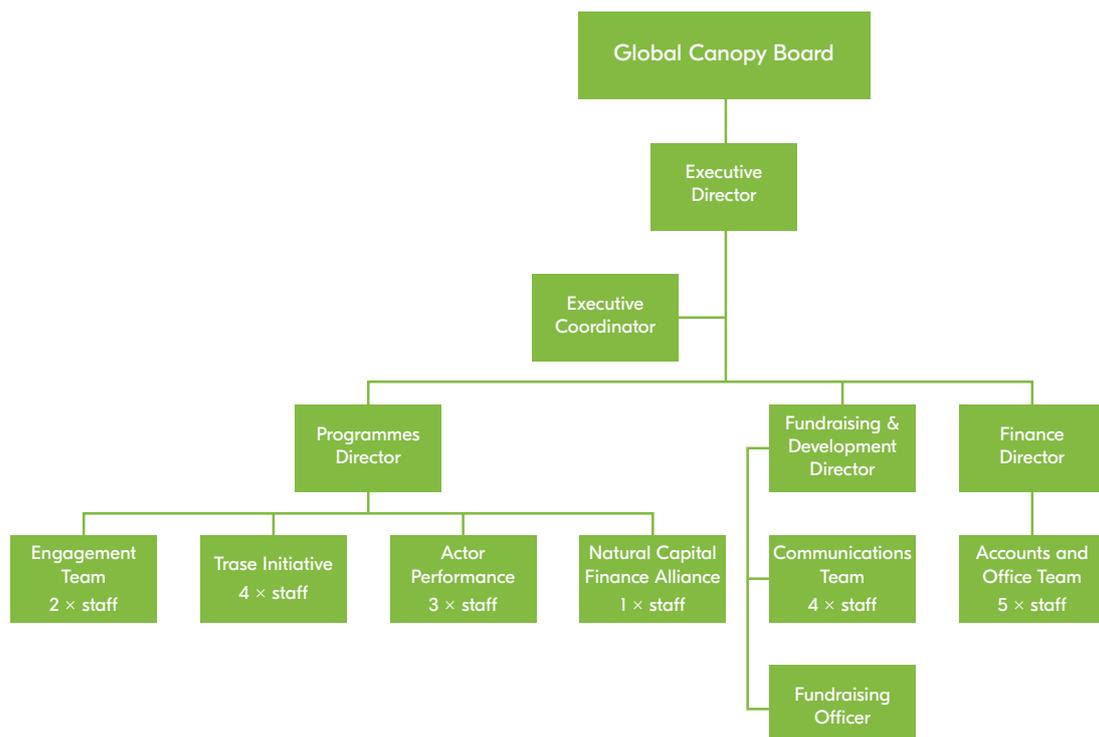
The charity is a company limited by guarantee and registered in England and Wales with the Companies House, Cardiff. It was formed through and is governed by its memorandum and articles of association.

## Trustee recruitment and induction

Global Canopy has a recruitment pack for trustees which is shared with interested persons. New trustees are appointed by the board following a successful meeting with the Chair and Executive Director after their initial application for the post.

New trustees receive a trustees' induction pack containing information about the organisation, guidance for trustees and other relevant documents. As part of their induction process, they are offered meetings with the members of the management team to help them better understand the organisation. Trustees are also offered the opportunity of participating in charity training courses.

## Charity's organisation structure



The board of trustees approves the budget and accounts of the organisation. They offer guidance and set strategic direction in pursuit of Global Canopy's objectives.

The day-to-day management of the organisation and staff is delegated to the Executive Director and the Management Team.

## Pay and remuneration

The pay for the Executive Director is set by the board and a pay review is carried out and agreed by the Chair of the board alongside a yearly appraisal meeting in spring. The Executive Director is responsible for setting the pay of the other senior management team members. The organisation sets salary brackets following a benchmarking exercise to understand market minimums, maximums and averages for similar organisations with a similar geography. In setting pay within those brackets, the skills and experience required for each of the roles as well as affordability are taken into account. Annual cost of living adjustments for all employees are awarded based on affordability and inflation rates. Other pay increases are awarded based on individual performance, or increased accountability or responsibility.

## Related parties

Transactions with related parties are disclosed in the financial statements. Related party transactions comprise donations received from board members or from foundations which have board members in common with Global Canopy.

In addition to this, Global Canopy has several strategic partnerships in order to deliver its work:

- Stockholm Environment Institute (SEI) is the joint founder of the Trase initiative with Global Canopy.
- Global Canopy also partners with UNEP Finance Initiative in leading the Natural Capital Finance Alliance (NCFA).

These relationships are not related parties in the context of the Charity-SORP.

## 1.5 Reference and administrative details

- **Registered name:** Global Canopy
- **Any other names it uses:** Global Canopy was previously registered as the Global Canopy Foundation, and used an operating name of Global Canopy Programme. This was changed in summer 2018, since when the legal and operating names have both been Global Canopy.
- **Charity registration number:** 1089110
- **Company registration number:** 4293417
- **Address of principal office:** 3 Frewin Chambers, Frewin Court, Oxford OX1 3HZ
- **Trustees:**
  - Hylton Murray-Philipson
  - Laura Ipacs
  - Fiona McKenzie
  - William Wint (resigned 26/03/2019)
  - Edward Mott (resigned 26/03/2019)
  - Lindsay Bury (resigned 26/03/2019)
  - Thomas Bible (appointed 26/03/2019)

Global Canopy is currently in the process of recruiting new trustees in order to strengthen the board.

- **Senior management:**
  - Niki Mardas, Executive Director
  - Helen Bellfield, Director of Programmes
  - Tom Espley, Finance Director
  - Ellie Fujioka, Director of Development & Fundraising

- **Other advisors:**
  - Auditors: Critchleys Audit LLP, Beaver House, 23–38 Hythe Bridge St, Oxford OX1 2EP
  - Solicitors: Charles Russell, 8–10 New Fetter Lane, London, EC4A 1RS
  - Bankers: Barclays Bank Plc, 211–213 Banbury Road, Oxford, OX2 7HH

## 1.6 Risks

The trustees have overall responsibility for ensuring that the organisation has an appropriate system of controls, financial or otherwise. The trustees annually review the major risks and uncertainties to which the organisation is exposed and the trustees believe that systems and procedures are in place to mitigate the major risks identified.

The table below shows the major risks that were identified by the trustees in 2018/19 and the plans and strategies for managing those risks:

| <b>Category</b>          | <b>Risk</b>  | <b>Plans and strategies for managing risks</b>  |
|--------------------------|--|---|
| Financial Sustainability | <ul style="list-style-type: none"> <li>• Ability to raise sufficient funding to cover staff costs</li> </ul> | <ul style="list-style-type: none"> <li>• Renewed strategy process for 2020-2025 to give clarity to future programme direction and enable a pipeline of projects/funding to be developed</li> <li>• Continue focus on immediate finance sector funding opportunities.</li> <li>• Continued monitoring of staffing coverage – and readiness of management to take action</li> </ul> |
| Impact                   | <ul style="list-style-type: none"> <li>• Unable to recruit and retain key staff and trustees</li> </ul>      | <ul style="list-style-type: none"> <li>• Implementation of an ongoing People Plan to improve Human Resource management and practices.</li> </ul>  |

## 1.7 Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the accounts in accordance with applicable law and regulations. Company law requires the trustees to prepare accounts for each financial year. Under that law, the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, 23 the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and each trustee has taken all steps that s/he ought to have taken as a director in order to make herself or himself aware of relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

A resolution proposing that Critchleys Audit LLP be re-appointed as auditors of the charity will be put to the Annual General Meeting.

**On behalf of the trustees:**

Hylton Murray-Philipson

Date: 26 November 2019

## 2. Audit report

### Independent auditor's report to the members of Global Canopy

#### Opinion

We have audited the accounts of Global Canopy (the “Charity”) for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2019 and of 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 accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Charity'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 accounts are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially mis-stated. If we identify such material inconsistencies or apparent material mis-statements, we are required to determine whether there is a material mis-statement in the accounts or a material mis-statement of the other information. If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions 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 (incorporating the strategic report and the directors' report) for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material mis-statements in the trustees' report.

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

- sufficient accounting records have not been kept;
- the accounts are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

## Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material mis-statement, 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 mis-statement when it exists. Mis-statements 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Charity'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 Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Mills (Senior Statutory Auditor)

For and on behalf of Critchleys Audit LLP (Statutory Auditor)

Oxford

Date: 6th December 2019

# 3. Global Canopy accounts

## Global Canopy Statement of Financial Activities for the year ended 31st March 2019

|                                      | Note | Unrestricted<br>funds<br>£000s | Restricted<br>funds<br>£000s | Total funds<br>year to Mar 19<br>£000s | Total funds<br>year to Mar 18<br>£000s |
|--------------------------------------|------|--------------------------------|------------------------------|--|--|
| <b>Income and endowments</b>         |      |                                |                              |  |  |
| Donations and legacies               | 3    | 157                            | 11                           | <b>168</b>                             | 239                                    |
| Income from charitable activities    | 4    | 62                             | 2,461                        | <b>2,523</b>                           | 3,254                                  |
| Other trading activities             |      | 17                             | -                            | <b>17</b>                              | 23                                     |
| Other income                         |      | -                              | -                            | -                                      | 2                                      |
| <b>Total income and endowments</b>   |      | <b>236</b>                     | <b>2,472</b>                 | <b>2,708</b>                           | <b>3,518</b>                           |
| <b>Expenditure</b>                   |      |                                |                              |  |  |
| Expenditure on raising funds         | 5    | 120                            | -                            | <b>120</b>                             | 85                                     |
| Expenditure on charitable activities | 6    | 160                            | 2,802                        | <b>2,962</b>                           | 2,754                                  |
| Other expenditure                    |      | 12                             | -                            | <b>12</b>                              | 14                                     |
| <b>Total expenditure</b>             |      | <b>292</b>                     | <b>2,802</b>                 | <b>3,094</b>                           | <b>2,853</b>                           |
| Net movement in funds                |      | (56)                           | (330)                        | <b>(386)</b>                           | 665                                    |
| <b>Reconciliation of funds</b>       |      |                                |                              |  |  |
| Funds brought forward                |      | 505                            | 783                          | <b>1,288</b>                           | 623                                    |
| <b>Funds carried forward</b>         |      | <b>449</b>                     | <b>453</b>                   | <b>902</b>                             | <b>1,288</b>                           |

## Global Canopy balance sheet as of 31 March 2019

|  | Notes | At 31 March 2019<br>£000s | At 31 March 2018<br>£000s |
|--|-------|---------------------------|---------------------------|
| <b>Fixed assets</b>                            |       |                           |                           |
| Tangible assets                                | 11    | 41                        | 42                        |
| Investments                                    | 12    | -                         | -                         |
|  |       | <u>41</u>                 | <u>42</u>                 |
| <b>Current assets</b>                          |       |                           |                           |
| Debtors  | 13    | 513                       | 361                       |
| Cash at bank                                   |       | 600                       | 1,082                     |
|  |       | <u>1,113</u>              | <u>1,443</u>              |
| Creditors: amounts falling due within one year | 14    | 252                       | 197                       |
|  |       | <u>861</u>                | <u>1,246</u>              |
| Net current assets                             |       | 861                       | 1,246                     |
|  |       | <u>902</u>                | <u>1,288</u>              |
| Net assets                                     |       | <u>902</u>                | <u>1,288</u>              |
| <b>Funds</b>                                   |       |                           |                           |
| Unrestricted funds                             |       | 449                       | 505                       |
| Restricted funds                               |       | 453                       | 783                       |
|  |       | <u>902</u>                | <u>1,288</u>              |

The notes on pages 32 to 51 form part of these accounts. The accounts on page 29 to 51 were approved by the board on 26th November 2019 and signed on its behalf by Hylton Murray-Philipson.

## Global Canopy statement of cashflows for the year ended 31 March 2019

|  | Year to Mar 19 | Year to Mar 18 |
|--|----------------|----------------|
|  | £000s          | £000s          |
| Net movement in funds for the reporting period<br>(as per the statement of financial activities) | (386)          | 665            |
| Adjustments for:   |                |                |
| Depreciation charges   | 11             | 8              |
| Loss on disposal of investment in subsidiary   | -              | 5              |
| (Increase) / decrease in debtors   | (152)          | (92)           |
| Increase / (decrease) in creditors   | 55             | (31)           |
| Net cash provided by (used in) operating activities  | <u>(472)</u>   | <u>555</u>     |
| Cash flows from investing activities   |                |                |
| Purchase of property, plant and equipment  | (10)           | (10)           |
| Net cash provided by (used in) investing activities  | <u>(10)</u>    | <u>(10)</u>    |
| Change in cash and cash equivalents in the reporting period                                      | (482)          | 545            |
| Cash and cash equivalents at the beginning of the reporting period                               | 1,082          | 537            |
| Cash and cash equivalents at the end of the reporting period                                     | <u>600</u>     | <u>1,082</u>   |
| Analysis of cash and cash equivalents  |                |                |
| Cash in hand   | 600            | 1,082          |
| Total cash and cash equivalents  | <u>600</u>     | <u>1,082</u>   |

# Notes to the accounts

## 1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

### a) Basis of accounting

The Foundation is a public benefit entity. The financial statements are prepared under the historical cost convention and in compliance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (for FRS 102), and FRS 102, The Financial Reporting Standard, applicable in the UK and Republic of Ireland.

### b) Income

Income is recognised in the period in which Global Canopy is entitled to receipt, it is probable that the income will be received and the amount can be measured reliably. Donated services and facilities are included at their estimated value to the charity when received. Income received in the year is deferred where it relates to services that will be provided after the year-end.

### c) Expenditure

Expenditure is accounted for on an accruals basis and includes irrecoverable VAT. Wherever possible, costs are allocated to specific charitable activities or costs of generating funds. Support costs are allocated in proportion to direct costs (including staff costs) by programme area.

Grants payable are recognised as expenditure when payment is due to the partner organisation in accordance with the terms of the agreement.

### d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation. Items costing less than £1,000 are not capitalised. Depreciation for all fixed assets is calculated on a straight-line basis to write off the cost of the assets over their estimated useful lives as follows:

- Leasehold property improvements: Lease period remaining
- Office furniture and fixtures: 10 years
- Computer and office equipment: 3 years

#### **e) Pensions – defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable under the scheme rules.

#### **f) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the SOFA.

#### **g) Funds**

Income which is restricted to a particular purpose is treated as restricted income in the Statement of Financial Activities. Any unspent balance will be carried forward as a restricted fund.

Unrestricted funds are crucial for delivering Global Canopy's mission and are essential for the Global Canopy's survival. They are available for use at the trustees' discretion in furtherance of the general objects of the charity.

#### **h) Legal status of the Foundation**

The Global Canopy is a charitable company limited by guarantee incorporated in the UK. Its registered office is 3 Frewin Chambers, Frewin Court, Oxford, OX1 3HZ.

#### **i) Group accounts**

These accounts do not consolidate the results of the charitable company's subsidiaries Canopy World Limited and Vivo Carbon Investments Limited as the effect of consolidating these results would be immaterial.

#### **j) Preparation of the accounts on a going concern basis**

As at 31 March 2019 the balance of unrestricted funds is £449k. After adjusting for the carry value of fixed assets, free reserves are £408k. This is within the trustees target reserves range of £401k to £501k. On this basis and given that there are no material uncertainties about the charity's ability to continue, the trustees are of the view that the charity is a going concern.

## 2. SOFA for the year ended March 2018

|                                      | Unrestricted<br>funds | Restricted funds | Total<br>Year to Mar 2018 |
|--------------------------------------|-----------------------|------------------|---------------------------|
|                                      | £000s                 | £000s            | £000s                     |
| <b>Income and endowments</b>         |                       |                  |                           |
| Donations and legacies               | 236                   | 3                | 239                       |
| Income from charitable activities    | 37                    | 3,217            | 3,254                     |
| Other trading activities             | 23                    | -                | 23                        |
| Other income                         | 2                     | -                | 2                         |
| <b>Total income and endowments</b>   | <b>298</b>            | <b>3,220</b>     | <b>3,518</b>              |
| <b>Expenditure</b>                   |                       |                  |                           |
| Expenditure on raising funds         | 85                    | -                | 85                        |
| Expenditure on charitable activities | 100                   | 2,654            | 2,754                     |
| Other expenditure                    | 14                    | -                | 14                        |
| <b>Total expenditure</b>             | <b>199</b>            | <b>2,654</b>     | <b>2,853</b>              |
| Net income / (expenditure)           | 99                    | 566              | 665                       |
| <b>Reconciliation of funds</b>       |                       |                  |                           |
| Funds brought forward                | 405                   | 218              | 623                       |
| Funds carried forward                | 505                   | 783              | 1,288                     |

### 3. Donations and legacies

|  | 2019  | 2018  |
|--|-------|-------|
|  | £000s | £000s |
| <b>Unrestricted donations</b>            |       |       |
| The Schroder Foundation                  | 45    | -     |
| The Bondi Foundation                     | 25    | 25    |
| The Houser Foundation                    | 20    | -     |
| The Millichope Foundation                | 10    | 10    |
| Rosanna Pearson Charitable Trust         | 5     | 5     |
| B and J Lloyd Family Charitable Trust    | 5     | 2     |
| Other foundations                        | 1     | -     |
| Waterloo Foundation                      | -     | 50    |
| The Ernest Kleinwort Charitable Trust    | -     | 40    |
| CHK Charities Limited                    | -     | 25    |
| The Tedworth Charitable Trust            | -     | 20    |
| Rufford Small Grants Foundation          | -     | 10    |
| The Little Charity                       | -     | 10    |
| The Oakdale Trust                        | -     | 1     |
| The Viscountess Cowdray Charitable Trust | -     | 1     |
| Individual donations                     | 46    | 37    |
|  | <hr/> | <hr/> |
|  | 157   | 236   |
| <b>Restricted donations</b>              |       |       |
| Individual donations                     | 8     | 1     |
| Wingate Ventures Limited                 | 3     | 2     |
|  | <hr/> | <hr/> |
|  | 168   | 239   |
|  | <hr/> | <hr/> |

Further grant funding from the Bondi foundation is mentioned in note 17.

## 4. Income from charitable activities

|                                  | 2019  | 2018  |
|----------------------------------|-------|-------|
|                                  | £000s | £000s |
| Supply Chain programme           | 1,223 | 1,749 |
| Sustainable Landscapes programme | 237   | 345   |
| Finance programme                | 1,063 | 1,160 |
|                                  | <hr/> | <hr/> |
|                                  | 2,523 | 3,254 |
|                                  | <hr/> | <hr/> |

## 5. Expenditure on raising funds

|               | 2019  | 2018  |
|---------------|-------|-------|
|               | £000s | £000s |
| Salaries      | 69    | 35    |
| Direct costs  | 32    | 37    |
| Support costs | 19    | 14    |
|               | <hr/> | <hr/> |
|               | 120   | 86    |
|               | <hr/> | <hr/> |

## 6. Expenditure on charitable activities

| In year to March 2019            | Grant funding | Activities undertaken directly | Support Costs (note 7) | Total 2019   |
|----------------------------------|---------------|--------------------------------|------------------------|--------------|
|                                  | £000s         | £000s                          | £000s                  | £000s        |
| Supply Chain programme           | 204           | 915                            | 211                    | <b>1,330</b> |
| Sustainable Landscapes programme | 40            | 145                            | 35                     | <b>220</b>   |
| Finance programme                | -             | 1,188                          | 224                    | <b>1,412</b> |
|                                  | <b>244</b>    | <b>2,249</b>                   | <b>469</b>             | <b>2,962</b> |

| In year to March 2018                      | Grant funding | Activities undertaken directly | Support Costs (note 7) | Total 2018   |
|--|---------------|--------------------------------|------------------------|--------------|
|  | £000s         | £000s                          | £000s                  | £000s        |
| Supply Chain programme                     | 333           | 780                            | 215                    | <b>1,329</b> |
| Financing Sustainable Landscapes programme | 99            | 225                            | 63                     | <b>386</b>   |
| Finance Sector programme                   | -             | 842                            | 163                    | <b>1,005</b> |
| Strategic Development                      | -             | 28                             | 6                      | <b>34</b>    |
|  | <b>432</b>    | <b>1,875</b>                   | <b>447</b>             | <b>2,754</b> |

## 6. Expenditure on charitable activities (continued)

Grant funding of activities was via the following organisations:

|   | 2019  | 2018  |
|---|-------|-------|
|   | £000s | £000s |
| Stockholm Environment Institute (SEI)       | 183   | 15    |
| CEDISA                                      | 23    | 68    |
| Carbon Disclosure Project                   | 21    | 315   |
| Helmholtz Centre for Environmental Research | 17    | 13    |
| Centre of Competence for Water (CCA)        | -     | 18    |
| Not 1 More                                  | -     | 3     |
| Total                                       | 244   | 432   |

## 7. Support costs

Support costs comprise:

|                                     | 2019  | 2018  |
|-------------------------------------|-------|-------|
|                                     | £000s | £000s |
| Administration and Management costs | 472   | 449   |
| Governance costs                    | 18    | 14    |
|                                     | 490   | 463   |

Administration and management costs include accounts, administration, governance, office costs, organisational management and communications.

## 7. Support costs (continued)

Support costs are allocated in proportion to direct costs (including staff costs) by programme area or other activities:

|                                | 2019  | 2018  |
|--------------------------------|-------|-------|
|                                | £000s | £000s |
| Charitable activities (note 6) | 470   | 447   |
| Fundraising (note 5)           | 19    | 14    |
| Other trading activities       | 2     | 2     |
|                                | <hr/> | <hr/> |
|                                | 490   | 463   |
|                                | <hr/> | <hr/> |

## 8. Staff costs, trustee remuneration and expenses, and the cost of key management personnel

|                       | 2019  | 2018  |
|-----------------------|-------|-------|
|                       | £000s | £000s |
| Wages & salary costs  | 944   | 881   |
| Social security costs | 65    | 44    |
| Pension contributions | 96    | 90    |
|                       | <hr/> | <hr/> |
|                       | 1,105 | 1,015 |
|                       | <hr/> | <hr/> |

Redundancy payments are accounted for in the period they fall due and charged to the activity to which they relate.

The average monthly number of employees, during the year was made up as follows:

|                      | 2019 | 2018 |
|----------------------|------|------|
| Directors            | 4    | 4    |
| Programmes & Support | 26   | 24   |

## 8. Staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees whose emoluments exceeded £60k was:

|          | 2019 | 2018 |
|----------|------|------|
| £60k-70k | 1    | 1    |

For these higher paid employees, the annual pension contributions were £6,234.2018: £6,045.

Two trustees received reimbursement of travel expenses during the year of £503.64. In 2018 two trustees received £284.10.

No other trustee received any remuneration or reimbursement of expenses during 2019 or 2018.

The directors consider the board of directors, who are the charity's trustees, and the senior management team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. The senior management team comprises 4 posts at 31 March 2019, namely the Executive Director, Programmes Director, Development Director and the Finance Director. The Communications Director and the Operations Manager left the senior management team during the year. The total employee benefits including employer pension costs of the key management personnel of the charity were:

|  | 2019  | 2018  |
|--|-------|-------|
|  | £000s | £000s |
| Senior management benefits, including employer pension costs | 297   | 372   |

## 9. Related party transactions

|  | 2019  | 2018  |
|--|-------|-------|
|  | £000s | £000s |
| Donations received from trustees & other related parties | 73    | 22    |

## 10. Net income and expenditure

|   | 2019  | 2018  |
|---|-------|-------|
|   | £000s | £000s |
| Is stated after charging                            |       |       |
| Depreciation  | 11    | 8     |
| Auditor's remuneration for the organisational audit | 4     | 3     |
| Auditor's remuneration for grant audits             | 5     | -     |
| Auditor's remuneration for payroll and HR services  | 5     | 4     |
| Rent payable  | 63    | 61    |

## 11. Tangible fixed assets

|                      | F&F      | Computer & office<br>equipment | Leasehold<br>improvements | Total     |
|----------------------|----------|--------------------------------|---------------------------|-----------|
| <u>Cost</u>          | £000s    | £000s                          | £000s                     | £000s     |
| At 1 April 2018      | 5        | 14                             | 40                        | <b>59</b> |
| Additions            | -        | 10                             | -                         | <b>10</b> |
| At 31 Mar 2019       | 5        | 24                             | 40                        | <b>69</b> |
| <u>Depreciation</u>  |          |                                |                           |           |
| At 1 April 2018      | 3        | 8                              | 6                         | <b>17</b> |
| Charge               | 0        | 7                              | 4                         | <b>11</b> |
| At 31 Mar 2019       | 3        | 15                             | 10                        | <b>28</b> |
| NBV - at 31 Mar 2019 | <b>2</b> | <b>9</b>                       | <b>30</b>                 | <b>41</b> |
| NBV - at 31 Mar 2018 | 2        | 6                              | 34                        | 42        |

## 12. Fixed asset investments

|   | 2019  | 2018  |
|---|-------|-------|
|   | £000s | £000s |
| Investments in subsidiary companies bf and cf | -     | -     |

The charity owns 100% of the issued share capital of Canopy World Limited, a company incorporated in England and Wales. The company is now dormant. A summary of the results is shown overleaf:

## 12. Fixed asset investments (continued)

|                      | 2019 | 2018 |
|----------------------|------|------|
|                      | £    | £    |
| Balance sheet        |      |      |
| Net assets           | -    | -    |
| Share capital        | 1    | 1    |
| Profit & loss        | (1)  | (1)  |
| Share holders' funds | -    | -    |

The charity also owned 100% of the issued share capital of Vivo Carbon Investments Ltd. The company was dissolved in the year to March 2018.

The company was dormant prior to dissolution.

These accounts do not consolidate the results of the charitable company's subsidiaries Canopy World Limited and Vivo Carbon Investments Limited as the effect of consolidating would be immaterial.

Investments in subsidiaries have zero value in these accounts, as no funds are expected to be recovered.

## 13. Debtors

|                   | 2019  | 2018  |
|-------------------|-------|-------|
|                   | £000s | £000s |
| Trade debtors     | 24    | 6     |
| Grants receivable | 157   | 272   |
| Prepayments       | 18    | 22    |
| Accrued income    | 314   | 61    |
|                   | <hr/> | <hr/> |
|                   | 513   | 361   |
|                   | <hr/> | <hr/> |

## 14. Creditors

|                               | 2019  | 2018  |
|-------------------------------|-------|-------|
|                               | £000s | £000s |
| Trade creditors               | 76    | 71    |
| Other taxes & social security | 44    | 51    |
| Accruals                      | 80    | 75    |
| Deferred income               | 52    | -     |
|                               | <hr/> | <hr/> |
|                               | 252   | 197   |
|                               | <hr/> | <hr/> |

## 15. Commitments

The charity had the following commitments at 31 March 2019:

### Operating leases

As at 31 March 2019 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

|  | 2019  | 2018  |
|--|-------|-------|
|  | £000s | £000s |
| Land and buildings                         |       |       |
| Amounts payable within one year            | 72    | 72    |
| Amounts payable between one and five years | 90    | 162   |

## Financial

The charity had committed the following amount in grants to international projects which will form part of the grants allocated in future years. The current grants from the UK Government's Department for International Development, the German Government's International Climate Initiative, the Fundacion Futuro Latinoamericano and the European Union will provide the income to cover these costs when they are payable.

|  | 2019  | 2018  |
|--|-------|-------|
|  | £000s | £000s |
| Grants which expire within one year          | 235   | 227   |
| Grants which expire within two to five years | 137   | 35    |

Grants to international projects contain certain performance related conditions, which determine when expenditure is recognised in the SOFA. Performance conditions under commitments noted above had not been fulfilled at 31 March 2019.

## 16. Unrestricted funds

|   | 2019       | 2018       |
|---|------------|------------|
|   | £000s      | £000s      |
| At 1 April                              | 505        | 405        |
| Transfers                               | -          | -          |
| Net income / (expenditure) for the year | (56)       | 100        |
| At 31 March                             | <u>449</u> | <u>505</u> |

## 17. Restricted funds

Movement in the year to March 2019:

|   | Balance at 1<br>Apr 2018                            | Incoming<br>resources | Expenditure  | Balance at 31<br>Mar 2019 |            |
|---|---|-----------------------|--------------|---------------------------|------------|
|   | £000s   | £000s                 | £000s        | £000s                     |            |
| <b>Financing Sustainable Landscapes</b> |   |                       |              |                           |            |
| 1                                       | German Government, ICI                              | -                     | 166          | 166                       | -          |
| 2                                       | Mennonite Economic Development Associates of Canada | -                     | 25           | 30                        | (5)        |
| 3                                       | Fundacion Futuro Latinoamericano                    | -                     | 21           | 21                        | -          |
|   |   | <b>-</b>              | <b>212</b>   | <b>217</b>                | <b>(5)</b> |
| <b>Supply Chains Programme</b>          |   |                       |              |                           |            |
| 4                                       | UK Government, DFID                                 | -                     | 582          | 372                       | 210        |
| 5                                       | European Union                                      | 323                   | 48           | 339                       | 32         |
| 6                                       | Global Environment Fund (via SEI)                   | 19                    | 136          | 155                       | -          |
| 7                                       | The Gordon & Betty Moore Foundation (via SEI)       | -                     | 293          | 134                       | 159        |
| 8                                       | Norwegian Government, NORAD (via CDP)               | 61                    | 29           | 80                        | 10         |
| 9                                       | Leonardo di Caprio Foundation                       | 70                    | -            | 70                        | -          |
| 10                                      | Climate & Land Use Alliance, CLUA                   | 22                    | 38           | 37                        | 23         |
| 11                                      | Norwegian Government, NICFI (via SEI)               | -                     | 36           | 36                        | -          |
| 12                                      | National Wildlife Federation US                     | 1                     | -            | 1                         | -          |
| 13                                      | The Nature Conservancy, TNC (via SEI)               | 14                    | 2            | 16                        | -          |
|   |   | <b>510</b>            | <b>1,164</b> | <b>1,240</b>              | <b>434</b> |

## 17. Restricted funds (continued)

Movement in the year to March 2019 (continued):

|  | Balance at 1<br>Apr 2018 | Incoming<br>resources | Expenditure  | Balance at 31<br>Mar 2019 |
|--|--------------------------|-----------------------|--------------|---------------------------|
| Finance Sector   | £000s                    | £000s                 | £000s        | £000s                     |
| 14 United Nations<br>Environment<br>Programme, UNEP-FI | 122                      | 826                   | 948          | -                         |
| 15 World Wildlife Fund US                              | 110                      | 149                   | 259          | -                         |
| 16 MAVA Foundation                                     | 36                       | 82                    | 118          | -                         |
| 17 Bondi Foundation                                    | -                        | 25                    | -            | 25                        |
| Fin-Other  | 6                        | 3                     | 9            | (1)                       |
|  | <b>273</b>               | <b>1,085</b>          | <b>1,334</b> | <b>24</b>                 |
| <b>Other</b>   |                          |                       |              |                           |
| 18 Funds received through<br>CAF America               | -                        | 8                     | 8            | -                         |
| 19 Gifts in Kind                                       | -                        | 3                     | 3            | -                         |
| <b>Total</b>   | <b>783</b>               | <b>2,472</b>          | <b>2,802</b> | <b>453</b>                |

## 17. Restricted funds (continued)

Movement in the year to March 2018:

|   | Balance at 1<br>Apr 2017 | Incoming<br>resources | Expenditure  | Balance at 31<br>Mar 2018 |
|---|--------------------------|-----------------------|--------------|---------------------------|
|   | £000s                    | £000s                 | £000s        | £000s                     |
| <b>Financing Sustainable Landscapes Programme</b> |                          |                       |              |                           |
| 1 German Government, ICI                          | -                        | 228                   | 228          | -                         |
| 3 Fundacion Futuro Latinoamericano                | 5                        | 117                   | 123          | (1)                       |
| 20 Sustainable Amazonas Foundation, FAS           | 5                        | -                     | 5            | -                         |
| Other (FSL)                                       | (2)                      | -                     | (2)          | -                         |
|   | <b>8</b>                 | <b>345</b>            | <b>354</b>   | <b>(1)</b>                |
| <b>Supply Chains Programme</b>                    |                          |                       |              |                           |
| 4 UK Government, DFID                             | 58                       | 634                   | 692          | -                         |
| 12 National Wildlife Federation US                | -                        | 233                   | 232          | 1                         |
| 8 Norwegian Government, NORAD (via CDP)           | 63                       | 113                   | 114          | 61                        |
| 6 Global Environment Fund (via SEI)               | -                        | 128                   | 109          | 19                        |
| 7 The Gordon & Betty Moore Foundation (via SEI)   | -                        | 69                    | 69           | -                         |
| 10 Climate & Land Use Alliance, CLUA              | -                        | 77                    | 54           | 22                        |
| 13 The Nature Conservancy, TNC (via SEI)          | (5)                      | 55                    | 36           | 14                        |
| 5 European Union                                  | -                        | 347                   | 24           | 323                       |
| 9 Leonardo di Caprio Foundation                   | -                        | 75                    | 5            | 70                        |
|   | <b>116</b>               | <b>1,731</b>          | <b>1,335</b> | <b>512</b>                |

## 17. Restricted funds (continued)

Movement in the year to March 2018:

|                                 | Balance at 1<br>Apr 2017                      | Incoming<br>resources | Expenditure  | Balance at 31<br>Mar 2018 |     |
|---------------------------------|---|-----------------------|--------------|---------------------------|-----|
|                                 | £000s   | £000s                 | £000s        | £000s                     |     |
| <b>Finance Sector Programme</b> |   |                       |              |                           |     |
| 14                              | United Nations Environment Programme, UNEP-FI | 14                    | 637          | 529                       | 122 |
| 15                              | World Wildlife Fund US                        | 75                    | 198          | 163                       | 110 |
| 21                              | Ceres, US                                     | -                     | 160          | 160                       | -   |
| 16                              | MAVA Foundation                               | -                     | 132          | 97                        | 36  |
| 22                              | German Government, GIZ                        | -                     | 14           | 14                        | -   |
|                                 | Fin-Other                                     | 5                     | -            | -                         | 5   |
|                                 | <b>94</b>                                     | <b>1,141</b>          | <b>963</b>   | <b>272</b>                |     |
| <b>Other</b>                    |   |                       |              |                           |     |
|                                 | Gifts in Kind                                 | -                     | 2            | 2                         | -   |
|                                 | Funds received through CAF America            | -                     | 1            | 1                         | -   |
|                                 | <b>218</b>                                    | <b>3,220</b>          | <b>2,655</b> | <b>783</b>                |     |

## 17. Restricted funds (continued)

### Notes

- 1 A grant from the German Government's International Climate Initiative to fund GC's "Unlocking Forest Finance" Project. This multi-year, multi-partner project aims to mobilise private sector capital to reduce deforestation through public/private sector partnerships for forests and rural livelihoods.
- 2 A grant from the Mennonite Economic Development Associates for Canada to support the development of credit products which can finance sustainable agriculture in Peru.
- 3 A grant from Fundacion Futuro Latinoamericano (FFLA) for a project on strengthening climate resilient development in the Cumbaza watershed. This project is part of the Climate Resilient Cities in Latin America research programme of CDKN, FFLA and IDRC.
- 4 Grants from the UK Government Department for International Development Forest Governance, Markets and Climate programme, to support GC's Forest 500 platform and engagement with UK and EU consumer governments, Chinese buyers and multi-stakeholder groups, such as the UK Roundtable on Sustainable Soy.
- 5 A grant from the European Union to support development of the Trase Platform to include a beta supply chain mapping of material flows of Indonesian palm oil exports from districts to consumer countries.
- 6 A grant from the Global Environment Fund (via WWF-US and SEI), to develop the Trase platform and associated stakeholder engagement and decision-relevant analyses in the context of Brazilian soy and Paraguayan beef.
- 7 Funds from the Gordon and Betty Moore foundation to support the development of the Trase platform, a joint initiative with SEI.
- 8 A grant from NORAD, the Norwegian Government development agency, for a project led by CDP that aims to catalyse action by companies on deforestation risk in commodity supply chains from Latin America to China and Europe.
- 9 A grant from the Leonardo di Caprio Foundation to support communications of key insights and data developed on the Trase platform - a supply chain transparency mapping platform for forest risk commodities.
- 10 A grant from the Climate & Land Use Alliance to support the development of the Supply Chain Transparency Network convened by GC and SEI.
- 11 A grant from the Norwegian Government International climate fund (NICFI) to support the development of the Trase platform, a joint initiative with SEI.

## 17. Restricted funds (continued)

### Notes

- 12 A grant from the National Wildlife Federation to assess the deforestation policies and self-reported progress of companies producing or sourcing soy and cattle from the Amazon, Cerrado and Gran Chaco regions.
- 13 This is funds from The Nature Conservancy to support the development of the Trase platform, a joint initiative with SEI. This project is part of the Gordon and Betty Moore Foundation's Forests and Agriculture Markets programme.
- 14 Funds from the United Nations Environment Programme Finance Initiative for implementation of the Advancing Environmental Risk Management (AERM) project as part of the Natural Capital Finance Alliance, a joint initiative of GC and the UNEP Finance Initiative. The AERM project is funded by the Swiss Government.
- 15 A grant from the WWF US to support the development of an online soft commodity forest-risk assessment tool that enables financial institutions to benchmark their policies against their peers. This project is part of the Gordon and Betty Moore Foundation's Conservation and Financial Markets Initiative.
- 16 A grant from The MAVA Foundation to support the Natural Capital Finance Alliance to advance finance sector leadership on natural capital through implementing a communications programme and strengthening the initiative's secretariat.
- 17 A grant from the Bondi Foundation to support engagement work with Financial Market Regulators about accounting for natural capital.
- 18 Funds received from individuals through the Charities Aid Foundation US. The funds can be used for all revenue costs of the charity, excluding lobbying government.
- 19 The donation of staff time to work on fundraising activities.
- 20 A grant from Sustainable Amazonas Foundation (FAS) for a project to develop business skills amongst riverine communities in the Amazon that help support an inclusive economy and forest conservation.
- 21 A grant from Ceres to support the development of an online portfolio risk screening tool that enables financial institutions to assess the exposure of their portfolio to deforestation risks associated with soft commodities. This project is part of the Gordon and Betty Moore Foundation's Conservation and Financial Markets Initiative.
- 22 GIZ funded a project to quantify water risks (as an example of Natural Capital risks) in corporate bond investments and a project to develop a framework and model to stress test corporate finance portfolios for exposure to economic risks from droughts.

## 18. Analysis of net assets by fund

|                    | Unrestricted | Restricted | Total        |
|--------------------|--------------|------------|--------------|
|                    | £000s        | £000s      | £000s        |
| 2019               |              |            |              |
| Fixed assets       | 41           | -          | <b>41</b>    |
| Net current assets | 408          | 453        | <b>861</b>   |
|                    | <b>449</b>   | <b>453</b> | <b>902</b>   |
| 2018               |              |            |              |
| Fixed assets       | 42           | -          | <b>42</b>    |
| Net current assets | 463          | 783        | <b>1,246</b> |
|                    | <b>505</b>   | <b>783</b> | <b>1,288</b> |

