



# Annual Report and Audited Financial Statements

For the year to 31 March 2017



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31 March 2017



# Welcome

We all depend on tropical forests.

They burst with life, removing carbon from the atmosphere, underpinning water security for entire regions, and supporting the wellbeing of people everywhere.

Action on forests can deliver up to 30% of the solution to tackling climate change.

The goal of a decarbonised economy under the Paris Agreement will not be achieved without a rapid transition to a deforestation-free economy now.



## Letter from our Chairman



Welcome to our 2016/17 Annual Report. It has been an exciting year of progress for the Global Canopy Programme.

We are making strong progress in executing our 2015-2020 strategy, with strides forward this year in our two key areas of action to tackle large-scale deforestation: supply chain transparency and sustainable finance.

Much more on that in the report, but I must note my particular pride at the launch this year of the Transparency for Sustainable Economies platform, known as Trase, after two years of work with our partners at the Stockholm Environment Institute. Trase brings unprecedented transparency to global trade in the key commodities driving deforestation. It shines a new light on risk for organisations right across these supply chains, but also on new sustainability opportunities to be seized.

In every area of our work – from unlocking investments in sustainable agriculture to the pioneering work of the Natural Capital Finance Alliance – we’re opening up new collaborations with some of the leading companies committed to achieving ‘deforestation-free’ supply chains and investments by 2020. We must keep this momentum going and strategise for the longer term.

I’m delighted to report that we have ended the year in great health. We have increased turnover and replenished reserves, and we look towards continued growth and impact in the year ahead. For that I must thank our donors, team and above all the outstanding partners we are privileged to work with in tropical forest nations around the world.

I invite you to join us on this journey, whether by following us on social media, talking to people about the vital issues we strive to address, or contributing to the invaluable core funds that make all our work possible.

Thank you,

Lindsay Bury



## Letter from our Executive Director



We all depend on tropical forests.

They burst with life, removing carbon from the atmosphere, underpinning water security for entire regions, and supporting the livelihoods and wellbeing of billions of people worldwide.

Action on forests can deliver up to 30% of the solution to tackling climate change. A precious lifeline.

Yet every second an area the size of a football field is cleared, mainly to produce commodities like palm oil, soy and beef. These are traded globally, ending up in over half the products in our supermarkets.

It's a crazy situation and one that affects us all.

But there have been reasons for optimism. Not least the historic commitments by leaders across sectors, including the CEOs of some of the world's largest companies and financial institutions, to ensure their supply chains and investments are free from deforestation by 2020.

But are they really on track? The simple answer in mid-2017 has to be 'no'. Confoundingly, despite all the political resolve, deforestation is back on the rise.

Over the next two and half years we need to see a redoubling of efforts by the powerful companies and investors we identify in our Forest 500 ranking. Even if the ambitious goal of deforestation-free commodities by 2020 is not fully achieved, significant action and progress must be demonstrated to maintain the vital momentum these commitments have created. They are spurring commercial, political and technical innovations and partnerships that will prove the true foundations for ending large-scale deforestation over the next decade.

Our mission is to support those taking positive action, and to help shine a light on those that need to do more. This year we are ramping up our own efforts – and growing fast in team and turnover – to help accelerate progress towards a deforestation-free 2020.

I hope you enjoy reading about our recent achievements and ambitious plans in the sections that follow.

Best wishes,

Niki Mardas

# 3. Our Strategy and Impact

## Our motivation and mission

Global Canopy exists to end the destruction of the world's remaining tropical forests.

This is essential if together we are to more effectively tackle climate change and biodiversity loss, and maintain water and food security in the face of growing global demand.

Yet we continue to destroy or degrade 160,000 acres of tropical forests every day, with only 15% of pristine forests now remaining intact. The majority of this deforestation is carried out to produce globally-traded commodities such as soy, beef, palm oil, timber, and pulp and paper. These commodities end up in 50% of the products in our supermarkets. But they could be produced sustainably.

Global Canopy Programme focuses on the market forces which lead to large-scale tropical deforestation. We do not create protected areas to keep rainforests standing, but work on the corporate supply chains and the trillions of dollars in investment behind them that keep clearing forests and destroying vital natural capital.

In 2014, the New York Declaration on Forests was signed by a diverse and powerful group of leaders, representing producer and consumer governments, major companies up and down the supply chain, global financial institutions, and civil society organisations in forested regions and beyond. It commits them to achieve deforestation-free supply chains by 2020, and help end deforestation by 2030.

Progress is too slow, but this is an opportunity that must not be missed. Our 2015-2020 strategy aims to keep building momentum amongst the most powerful players, accelerating progress towards a deforestation-free global economy.

## What we do

All our work has a common starting point: the complex global supply chains that run from farms in forest landscapes through dozens of intermediaries to consumer countries worldwide, and the trillions of dollars in investment and lending that power them.

We target decision-makers in the governments, companies and financial institutions with the greatest exposure to deforestation in their activities, supply chains and investments. We support leaders that have already committed to go 'deforestation-free' with data, tools and guidance, and we shine a light on the most influential players that are yet to recognise their role in driving deforestation.

Finally, we draw on insights from across our work to champion the case for ending deforestation with wider audiences, highlighting links

to related global agendas on climate change, water security, and the Sustainable Development Goals among others.

### **Our work is organised into three integrated programmes:**

**Supply Chain Programme** - Bringing unprecedented transparency to the commodity supply chains that run from forest landscapes to consumers worldwide; leading the way in assessing progress towards a deforestation-free economy.

**Finance Sector Programme** - Supporting leading financial institutions to understand and address their exposure to deforestation and other impacts on natural capital in their lending and investments.

**Financing Sustainable Landscapes Programme** - Working with forward-thinking governments, investors and producers in forest regions to catalyse investments in sustainable agriculture and deforestation-free supply chains.

**Our unique approach** To be effective in tackling such a large and complex challenge, we target key pressure points in the system and look for ways to be as effective as possible:

**Targeting** - we focus on the commodity supply chains driving the most deforestation, and the regions and companies most exposed to their production, trade and consumption.

We focus on beef and soy supply chains across Latin America, with a focus on the Amazon biome - but also the Brazilian Cerrado, which has seen very rapid habitat loss for soy expansion over the last decade, and now the Chaco region extending into Paraguay and Argentina, a new frontier for agricultural expansion.

We focus on oil palm cultivation primarily in SE Asia, and particularly Indonesia, where peatland drainage and fires have led to huge increases in greenhouse gas emissions. Haze cost the country an estimated 2% of GDP in 2015, and has had significant environmental and economic impacts on neighbouring countries.

On the demand side, our focal regions are the EU and China - far and away the biggest importers of the forest-risk commodities we primarily address.

Our approach to targeting is exemplified by our Forest 500 ranking. Each year our analysis identifies and ranks the performance of the businesses, financial institutions and governments with the greatest exposure to deforestation. We extend our reach by proactively sharing our data and insights with influential intermediaries, enabling them

to improve their own targeting and effectiveness. This includes both industry bodies like the Consumer Goods Forum, an alliance of 400 companies with over £2.5 trillion in annual sales, and campaigning organisations such as Greenpeace.

**Focus on Finance** – The trillions of dollars in finance that power global supply chains are a huge lever for change, and a key entry-point for our work. We engage closely with the finance sector across all our programmatic areas, developing tools and guidance to help shift capital from companies and activities driving deforestation, towards new investments in the deforestation-free economy.

**Innovation** - Much of our work is driven by the belief that even simple new ideas and approaches can unlock disproportionate impact. We have a strong entrepreneurial track record of conceiving and launching innovative approaches to tackling deforestation.

Over the last few years, harnessing big data to tackle deforestation has been one such innovation that is becoming increasingly central to our strategy.

**The road ahead** At this, the end of the second year of our 2015-2020 strategic cycle, we are making strong progress towards our goals. We report on this in more detail in the following sections on each of our three programmes.

Late in 2017, we plan a midterm strategic review which we will report on in next year's Annual Report. In addition to assessing progress, we will use it to start early planning for our next five-year strategic cycle. We - like many of the governments, companies, and financial institutions we work with - are starting to look beyond the 2020 commitments and the huge task that will inevitably still lie ahead to achieve a deforestation-free global economy.

# 4. Our Programmes

## 4.1 Supply Chain Programme

The Supply Chain Programme is bringing unprecedented transparency to forest-risk supply chains, helping governments, companies, financial institutions and others to identify and act upon the most pressing risks and capitalise on the greatest opportunities for sustainability.

The programme includes three main projects. Forest 500 identifies the companies, financial institutions, and governments with the greatest influence to end deforestation, ranking the strength of their sustainability policies across a range of commodities. Trase maps forest-risk supply chains in unprecedented detail, from region of production to country of consumption, and our Supply Chain Finance project harnesses all this information to help financial institutions eliminate deforestation risks from their portfolios.

### Programme milestones in 2016/17

- We directly engaged many of the most influential leaders and companies with exposure to deforestation. Together with the Stockholm Environment Institute, we launched the groundbreaking Trase initiative ([www.trase.earth](http://www.trase.earth)) at the United Nations climate change summit in Marrakesh. We engaged Latin American policymakers and business leaders at a subsequent Brazilian launch at the Tropical Forest Alliance 2017 General Assembly.
- We launched Forest 500 assessments for the third year running, drawing attention to the companies making the greatest progress, as well as those lagging behind. Our report, *Sleeping Giants of Deforestation*, analyses the state of company and financial institution commitments.
- The Forest 500 is currently updating and reviewing methodologies ahead of its fourth year of assessments. The team is continuing to engage partners in using the data, including working with BVRio, the Brazilian Environmental Exchange, to create a scorecard based on Forest 500 selection and assessment data that ranks companies exposed to Brazilian soy, cattle and timber products for a forthcoming Forest Code Platform; participating in the New York Declaration on Forests annual progress assessment; and updating the scorecard on beef retailers by the National Wildlife Federation, an influential US NGO.
- Our emerging Supply Chain Finance work has engaged the finance sector on deforestation risks in their investments and lending. We are currently developing tools and guidance to enable financial institutions to benchmark their sustainability policies and identify the degree to which companies within their portfolios meet those policies, both in terms of commitments

and performance. These tools have received significant interest from the finance sector and have been presented in many fora, including at the Banking Environment Initiative and the Round Table on Responsible Soy.

- We shared our expertise to help improve the work of others in our field. For instance, we convened a new community of practice, the Supply Chain Transparency Network, and brought together a wide range of experts to develop guidance for investors engaging portfolio companies on deforestation.

#### Plans for 2017/18

- In 2017/18, we plan to release a tool for financial institutions to benchmark their sustainability policies and identify the degree to which companies within their portfolios meet those policies, both in terms of commitments and performance.
- We will inform the advocacy and communication campaigns of leading NGOs through analysis of Trase data as part of the Moore Foundation's Collaboration for Agriculture.
- We will continue to extend Trase's work , including Trase for Indonesian palm oil.
- We will continue to publish data tracking the 'powerbrokers of deforestation', including the fourth edition of Forest 500 assessments and the first annual Trase Year Book examining the change in soy driven deforestation and the actors involved.
- We will hold companies to account by assessing whether they have met their own commitments under the New York Declaration on Forests.

## 4.2 Finance Sector Programme

The finance sector underpins global trade in forest-risk commodities through trillions of dollars in investment and lending. Our Finance Sector Programme supports forward-thinking financial institutions worldwide by providing the tools they need to understand and address their impacts and dependencies on natural capital, including forests. This includes helping banks and investors quantify their exposure to risks in their lending and investment portfolios from the loss of natural capital. For example, reductions in water availability can limit production output by water-dependent companies, such as those in the textile, food and beverage and chemical sectors, and therefore their ability to service loans. In 2016, companies disclosing to CDP Water reported that such water-related impacts carried a cost of some US\$ 14 billion.

The focus of this programme is the Natural Capital Finance Alliance (previously the Natural Capital Declaration) which GCP jointly established, and now manages, with the United Nations Environment Finance Initiative (UNEP-FI).

### Programme milestones in 2016/17

- We worked in close partnership with nine banks, including UBS, Citigroup and Banorte, to develop an innovative Drought Stress Testing Tool that built on risk modelling techniques from the insurance sector. The tool enables banks to see how different drought scenarios impact company loan default rates, highlighting risks in their lending portfolios. The tool was developed for 10 industry sectors across five countries and included five different drought scenarios.
- Whilst only a prototype, the initial results from stress testing a subset of the banks' corporate lending portfolios highlighted significant potential risks. It revealed that extreme droughts could increase loan defaults tenfold for institutions with specific portfolios that are most exposed to drought risk. The tool was launched with some of the biggest financial institutions around the world, at events in Sao Paulo, Beijing, Mexico City, New York and London.
- The NCFA has partnered with the Natural Capital Coalition and the Dutch Association of Investors for Sustainable Development, to develop a Finance Sector Supplement that provides a framework and guidance for FIs to measure and value impacts and dependencies on natural capital and thus better assess risks and opportunities. The draft Supplement was launched for a three-month consultation period in June to get input from the finance community through workshops, pilots with FIs, and online consultation.

- Work on our Advancing Environmental Risk Management (AERM) project with UNEP-FI to develop a global methodology and tools for integrating environmental criteria into credit risk assessments has started with workshops with banks in Peru and Colombia and research to map industry sectors to natural capital dependencies.
- We extended our reach to work with more networks, including as a founding member of the EU Community of Practice for Finance and Biodiversity (led by the European Commission).

#### Plans for 2017/18

- The NCFA is developing the Advancing Environmental Risk Management (AERM) project. This aims to provide financial risk managers, principally within banks, with enough robust and testable data (and models) to quantify natural capital assets and ecosystem service dependencies across a wide range of corporate sectors. The project is funded by the State Secretariat for Economic Affairs (SECO) in Switzerland.
- We are working with the Natural Capital Coalition (NCC) and the Dutch Association of Investors for Sustainable Development (VBDO) to develop the Finance Sector Supplement (FSS) and distribute it for consultation. The FSS will build capacity within financial institutions to understand natural capital risks and opportunities.

### 4.3 Financing Sustainable Landscapes Programme

The Financing Sustainable Landscapes Programme supports forward-thinking tropical forest regions in their transition to sustainable economies. It aims to reduce pressure on forests while meeting development needs.

It does this by working closely with forward-looking governments and investors to create the enabling conditions for investment in sustainable land use. This includes improving policy coherence across natural resource based sectors, designing public-private financial mechanisms, and developing systems that safeguard people and the environment. The programme includes the Unlocking Forest Finance (UFF) project that aims to channel finance to support the transition to sustainable land use.

#### Programme milestones in 2016/2017

- We secured funding from the German government to develop and pilot a credit line with the Peruvian National Agrarian Development Bank, Agrobanco, in San Martin. Agrobanco will offer loans to farmers growing palm oil, helping them invest in and implement more sustainable practices. The project will guide the technical assistance, following Codes of Conduct and monitor their implementation. Work to date has focused on defining the loan agreement terms to link the disbursement of credit to the implementation of more sustainable practices – a new process for Agrobanco – as well as developing the monitoring framework. If successful, the scheme could be scaled up to support many thousands of farmers and extended to other key supply chains.
- Our team has developed world-leading expertise in financing sustainable land use in tropical countries since the UFF project began in 2013. This year we have focused on communicating the project's findings, creating an online information platform to share methodologies and tools with regional policy-makers, co-convening a workshop that brought together 50 participants from Africa, Asia and Latin America, hosting several side events at the UN climate change summit in Marrakesh in November 2016, and participating in a wide range of external events.
- A new Climate Resilient Landscapes project that builds on the Amazonia Security Agenda work has started in the Cumbaza Watershed, also in San Martin Peru. The project has for the first time quantified resource flows in the watershed that will help inform discussions on managing competing resource demands from different sectors, particularly under climate change scenarios.

- We signed a Memorandum of Understanding with the new Tropical Landscape Finance Facility launched by the Coordinating Minister of Finance in Jakarta in October, building on our collaboration with ADM Capital in Hong Kong and BNP Paribas. The Facility includes both a loan and grant fund and aims to unlock private finance for both sustainable land use and renewable energy investments that support Indonesia to achieve its Sustainable Development Goals.
- We published a series of policy briefs to help policymakers understand potential natural resource conflicts and synergies between existing development and climate policies in forested regions of Amazonia and Indonesia. Recommendations were informed by a number of government workshops in each of the focal countries.

#### Plans for 2017/18

- As the UFF pilot project takes shape in Peru, we will refine the safeguarding system and explore ways to link this system to national and subnational monitoring efforts.
- Building on the UFF project, we are seeking to strategically expand into other important regions and support investors, subnational governments and project developers to design financial mechanisms that increase investment flows into sustainable land use projects.
- We will continue our work in the Cumbaza watershed in San Martin to strengthen climate resilient development planning. This work will analyse natural resource trade-offs between different users (farmers, urban water supply, industry) with a focus on forests and water supply. Working closely with the water basin management committee, the findings will inform local policies including a nascent payment for ecosystem services scheme.

## 5. Partners and Donors

### Strategic partners and the 'Forest Hub'

Our best work relies on deep links with strategic partners - whether with the state governments in forest regions that we advise on attracting investment for sustainable agriculture, multilateral organisations like UN Environment whose finance initiative we work with closely, or world-leading research institutions like the Stockholm Environment Institute.

This year, we completed our move to new offices in central Oxford, becoming part of a 'Forest Hub' of four leading organisations: ProForest, and forest teams from The Nature Conservancy and the Wildlife Conservation Society in addition to ourselves. This brings together some 70 professionals working to end tropical deforestation, and is already opening up exciting new collaborations and ideas for the future.

### Donors

This year, our work has been made possible by core cost financial support from several foundations. Their long-term support and belief in our mission and strategy has underpinned our work to find innovative solutions to tropical deforestation and the erosion of natural capital. We would like to express our immense gratitude to the B and J Lloyd Family Charitable Trust, CHK Charities Limited, the Ernest Kleinwort Charitable Trust, the Lindeth Charitable Trust, the Millichope Foundation, The Rufford Foundation, The Schroder Foundation, the Tedworth Charitable Trust, the Waterloo Foundation and the Winton Charitable Foundation.

We have received financial support for our programmatic work from a number of national governments, international organisations and NGOs. We are particularly grateful to the governments of Germany, the Netherlands, Norway, the United Kingdom, and Switzerland, as well as to Climate Focus, the Climate and Land Use Alliance, Fundacion Futuro Latinoamericano, the Gordon and Betty Moore Foundation, the MAVA Foundation, The Nature Conservancy, Sustainable Amazonas Foundation and WWF.

We are tremendously appreciative of the transformative support offered by all our donors over the years.

### Global Canopy Partners

This year has seen the birth of a cherished new initiative, Global Canopy Partners. This is a select group of forward-thinking philanthropists committed to saving the world's rainforests in a new way. The Partners support Global Canopy with their insights, networks and financial support, complementing that provided by our governmental and institutional donors, and allowing us to fund innovation and get new pilot projects off the ground.

*For more information on becoming a Partner, please contact us on +44 (0)1865 724 333 or at [partners@globalcanopy.org](mailto:partners@globalcanopy.org)*



# Finance, Administration and Governance

## 6. Financial review

**Income** The GCP's total income grew by £114k from £2,854k to £2,968k. Restricted income grew by 8%. Most of the income (circa 60%) comes from governments (UK, Norway and Germany), however the growth since last year is linked to an increase in funding from private foundations and other NGO's

Contracts and membership fees decreased from £427k to £285k, due to contracts in 2016 having come to an end.

Unrestricted donations have increased from £187k to £258k, which was a factor GCP to increasing its unrestricted reserves over the year.

<b>£000s</b>	<b>2017</b>	<b>2016</b>
Restricted Income	2,400	2,226
Contracts and Membership Fees	285	427
Unrestricted Donations	258	184
Other Income	25	17
<b>Total Income</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** The GCP's total expenditure on charitable activities increased marginally from £2,684k to £2,826k. The increase is largely due to 160% increase in the Finance Sector Programme from £279k in 2016 to £730k in 2017. This increase was due to new funding from GIZ, UNEP-FI ; MAVA foundation to support financial institutions integrate natural capital risks into their financial products and services through the Natural Capital Finance Alliance.

Other programmes have decreased their total expenditure, though the change is less significant.

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

	<b>2017</b>	<b>2016</b>
Supply Chain	33%	38%
Financing Sustainable Landscapes	40%	45%
Finance Sector	26%	10%
Strategic development	1%	1%
Knowledge & content	-	6%
	<b>100%</b>	<b>100%</b>

Support costs as a proportion of charitable expenditure increased slightly from 14% to 16%.

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

**Reserves** The GCP'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
- to allow exploration of new areas or to exploit opportunities

Having reviewed these different purposes, the trustees have set a target for free reserves in the range £350k to £380k.

As at 31 March 2017, reserves held were as follows :

<b>£000s</b>	<b>2017</b>	<b>2016</b>
Unrestricted funds	405	273
Restricted funds	218	296
<b>Total funds</b>	<b>623</b>	<b>569</b>

Restricted funds of £218k represents 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 £45k 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 £360k. This is within the target range for free reserves set by the trustees.

## 7. Reference and administrative details

Registered name: Global Canopy Foundation  
Other working name: Global Canopy Programme  
Charity number: 1089110  
Company number: 4293417  
Registered office: 3 Frewin Chambers, Frewin Court,  
Oxford, OX1 3HZ

### ***Our advisers***

Auditors: Critchleys Audit LLP, Beaver House,  
23-38 Hythe Bridge Street, 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

### ***Directors and trustees***

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.

### ***Key management personnel: Trustees and Directors***

Trustees  
W Wint  
L C N Bury  
H Murray-Philipson  
E Mott  
R Cooper (resigned September 2016)  
Fiona Mackenzie (appointed March 2017)  
Secretary  
A Mitchell

### ***Key management personnel: Senior Management Team***

Executive Director  
Niki Mardas  
Founder Director  
Andrew Mitchell  
Chief Financial Officer  
Rob Hayes (resigned March 2017)  
Tom Espley (appointed March 2017)  
Programmes Director  
Helen Bellfield  
Communications Director  
Stuart Singleton-White (appointed July 2017)  
Operations Manager  
Ellen Griffiths

## 8. Structure, governance and management

The Global Canopy Foundation is a charitable company limited by guarantee and was set up by our Founder, Andrew Mitchell, and our Scientific Steering Committee on 25th September 2001. It is governed by its Memorandum and Articles of Association.

### ***Appointment of trustees and training***

New trustees are identified through existing networks, and/or open advertising. Potential trustees provide a CV and meet senior staff and the chair, before being appointed by the board. Copies of the Charity Commission's relevant literature concerning the responsibilities of trustees is given to all new trustees, who are also offered the opportunity of participating in charity training courses.

### ***Organisation***

The Board of Trustees normally meets quarterly and administers the charity. The trustees appoint the Executive Director to manage its day-to-day operations. The Executive Director delegates responsibility to the senior management team for normal operational activity, but retains final decision-making authority.

### ***Pay policy for senior staff***

The trustees are responsible for setting the Executive Director and Founder Director's pay. The Executive Director is responsible for setting the pay of the other senior management team members. The Foundation sets salary bands following a benchmarking exercise to understand market minimums, maximums and averages. In setting pay within those bands, 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.

### ***Subsidiaries***

**Canopy World Limited** was established in May 2005, as a wholly owned subsidiary of the charity, through which the charity ran canopy training activities related to the charity's objectives. Andrew Mitchell is the company's sole Director. Canopy World Limited is currently dormant.

**VivoCarbon (Investments) Limited (VCI)** was established on 26th November 2007, as a wholly owned subsidiary of the charity.

Through VCI, the charity held a 25% stake in Canopy Capital Limited, which was in effect donated to the charity by Hylton Murray-Philipson and Andrew Mitchell, Directors of Canopy Capital Limited, for a nominal sum of £30. This stake was divested in 2010.

### ***Risk Management***

The trustees have overall responsibility for ensuring that the Foundation has an appropriate system of controls, financial or otherwise. The trustees annually review the major risks and uncertainties to which the Foundation 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 2016/17 and the plans and strategies for managing those risks:

<b>Category</b>	<b>Risk</b>	<b>Plans and strategies for managing risks</b>
<ul style="list-style-type: none"> <li>Financial Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Increase in smaller, shorter term grants versus larger multi-year funding leading to a limited programmatic funding pipeline in mid 2018</li> </ul>	<ul style="list-style-type: none"> <li>Stewardship plan for existing restricted donors</li> <li>Develop strategy and time bound plan to identify and engage key multi-year donors in our space</li> <li>Assign clear responsibilities for fundraising targets at programmatic level</li> </ul>
<ul style="list-style-type: none"> <li>Impact</li> </ul>	<ul style="list-style-type: none"> <li>Significant growth is forecast, creating pressure on delivery and support functions</li> </ul>	<ul style="list-style-type: none"> <li>Plan for increasing operational efficiency and administrative support to manage growth</li> <li>Institute resourcing planning process to ensure we are equipped to assess affordability of new hires as well as building up cross-cutting teams</li> </ul>
	<ul style="list-style-type: none"> <li>Heavy reliance on partnerships for delivery of key projects</li> </ul>	<ul style="list-style-type: none"> <li>Establish partnerships strategy at organisational level, and ensure clear terms of reference established and met for key partnerships</li> <li>Redefine structure of key relationships to make partnerships more agile</li> <li>Plan for building essential skills in house and identify other organisations/ individuals with these skills</li> </ul>

### ***Grant Making***

The GCP makes grants to partner organisations. This normally occurs when working in partnership on projects with a common donor. The donor funds come directly to GCP, and an element of those funds are sub-granted to partners.

### ***Public Benefit***

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.

GCP is a medium sized UK-headquartered think tank that ultimately aims to halt tropical deforestation. We deliver our mission in collaboration with global networks in the public and private sector, civil society and forest communities. This enables us to rapidly make connections and catalyse action.

Conserving tropical forests has been identified by the UK Government, the European Union and the wider international community as amongst the quickest and most effective methods to effectively tackle climate change, a global problem that affects everyone. More broadly, the ecosystem services provided by forests underpin climate, food, energy, water and health security at local to global scales.

The conservation of tropical forests is therefore also vital in poverty alleviation and human wellbeing. Some 1.4 billion of the world's poorest people depend directly on forests for their livelihood.

The importance of forests is acknowledged in UN assessments of progress in the Millennium Development Goals, and is taken into account in the new Sustainable Development Goals, with reversal of deforestation as a key indicator of progress on environmental sustainability.

### ***Statement of Trustees' Responsibilities***

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements 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 financial statements 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 financial statements, 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 financial statements 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 financial statements 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 he ought to have taken as a director in order to make 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

Lindsay Bury, Trustee

Date: December 1, 2017

## 9. Financial statements for the year ended 31 March 2017

### **Independent Auditors' Report to the Members of the Global Canopy Foundation**

We have audited the financial statements of the Global Canopy Foundation for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 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 anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set on page 27 the trustees (who are also the directors of the charitable company for the purposes of the 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 Practises 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

## **Independent Auditors' Report to the Members of the Global Canopy Foundation - (continued)**

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 Annual 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 on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report for the financial year for which the accounts are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with the 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 misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosure of trustees' remuneration specified by law are not made; or
- we have not received all the information and the explanations we require for audit.
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Colin Mills

Senior Statutory Auditor

Date: December 5, 2017

For and on behalf of:

Critchleys Audit LLP, Statutory Auditor Oxford

**Statement of Financial Activities  
(Including Income and Expenditure Account)  
for the Year Ended 31 March 2017**

	Unrestricted Note	Funds	Restricted Funds	Total Funds	Total Funds
		£000's	£000's	2017 £000's	2016 £000's
<b>Income and endowments</b>					
Donations and legacies	3	258	2	260	187
Income from charitable activities	4	285	2,398	2,683	2,650
Other trading activities		24	-	24	16
Other income		<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Total income and endowments</b>		<u>568</u>	<u>2,400</u>	<u>2,968</u>	<u>2,854</u>
<b>Expenditure</b>					
Expenditure on raising funds	5	70	-	70	27
Expenditure on charitable activities	6	348	2,478	2,826	2,684
Other expenditure		<u>18</u>	<u>-</u>	<u>18</u>	<u>18</u>
<b>Total expenditure</b>		<u>436</u>	<u>2,478</u>	<u>2,914</u>	<u>2,729</u>
<b>Net income/ (expenditure)</b>	10	<u>132</u>	<u>(78)</u>	<u>54</u>	<u>125</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>273</u>	<u>296</u>	<u>569</u>	<u>444</u>
Total funds carried forward		<u>405</u>	<u>218</u>	<u>623</u>	<u>569</u>

**Global Canopy Foundation**  
**(Company no: 04293417)**

**Balance Sheet at 31 March 2017**

	Note	2017 £000's	2016 £000's
<b>Fixed assets</b>			
Tangible assets	11	40	3
Investments	12	_5	_5
		45	8
<b>Current assets</b>			
Debtors	13	269	288
Cash at bank and in hand		<u>537</u>	<u>475</u>
		806	763
<b>Creditors: amounts falling due</b>			
<b>Within one year</b>	14	<u>(228)</u>	<u>(202)</u>
<b>Net current assets</b>		<u>578</u>	<u>561</u>
<b>Net assets</b>		<u>623</u>	<u>569</u>
<b>Funds:</b>			
Unrestricted funds	16	405	273
Restricted funds	17	<u>218</u>	<u>296</u>
<b>Total funds</b>		<u>623</u>	<u>569</u>

The financial statements were approved and authorised for issue by the trustees by

Lindsay Bury (TRUSTEE)

Date: December 1, 2017

The notes on pages 35 to 50 form part of the financial statements.

**Statement of Cash Flows  
for the Year Ended 31 March 2017**

	2017 £000's	2016 £000's
<b>Net movement in funds for the reporting period (as per the statement of financial activities)</b>	<b>54</b>	<b>125</b>
<b>Adjustments for:</b>		
Depreciation charges	3	16
(Increase)/decrease in debtors	19	81
Increase/(decrease) in creditors	<u>26</u>	<u>(145)</u>
<b>Net cash provided by (used in) operating activities</b>	<b>102</b>	<b>77</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	<u>(40)</u>	<u>(4)</u>
<b>Net cash provided by (used in) investing activities</b>	<b>(40)</b>	<b>(4)</b>
<b>Change in Cash and cash equivalents in the reporting period</b>	<b>62</b>	<b>73</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>475</b>	<b>402</b>
<b>Cash and cash equivalents at end of the reporting period</b>	<b><u>537</u></b>	<b><u>475</u></b>
<b>Analysis of cash and cash equivalents:</b>		
Cash in hand	<u>537</u>	<u>475</u>
<b>Total cash and cash equivalents</b>	<b><u>537</u></b>	<b><u>475</u></b>

**Notes to the Financial Statements  
for the Year Ended 31 March 2017**

**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 GCP 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.

## **ACCOUNTING POLICIES (continued):**

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 GCP's mission and are essential for GCP'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 Foundation 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 2017 the balance of unrestricted funds is £405k. After adjusting for the carry value of fixed assets, free reserves are £360k. This is within the trustees target reserves range of £350k to £380k. 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. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

	Unrestricted	Restricted	Total
	Note	Funds	Funds
		Funds	Funds
		£000's	£000's
		£000's	£000's
<b>Income and endowments</b>			
Donations and legacies	3	184	3
Income from charitable activities	4	427	2,223
Other trading activities		16	-
Other income		<u>1</u>	<u>-</u>
<b>Total income and endowments</b>		<u>628</u>	<u>2,226</u>
<b>Expenditure</b>			
Expenditure on raising funds	5	27	-
Expenditure on charitable activities	6	549	2,135
Other expenditure		<u>18</u>	<u>-</u>
<b>Total expenditure</b>		<u>594</u>	<u>2,135</u>
<b>Net income/ (expenditure) 10</b>		<u>-34</u>	<u>-91</u>
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>239</u>	<u>205</u>
Total funds carried forward		<u>273</u>	<u>296</u>

<b>3 DONATIONS AND LEGACIES</b>	2017	2016
	£000's	£000's
<b>Unrestricted Donations</b>		
Millichope Foundation	55	5
Waterloo Foundation	50	50
Ernest Kleinwort Charitable Trust	40	
The Schroder Foundation	30	30
CHK Charities Limited	25	25
The Rufford Foundation	20	40
Tedworth Charitable Trust	20	20
The Lindeth Charitable Trust	3	
Winton Charitable Foundation		10
B and J Lloyd Family Charitable Trust		1
Donated services	1	1
Individual donations	<u>14</u>	<u>2</u>
	258	184
<b>Restricted Donations</b>		
Banco Mercantil del Norte	2	
UniCredit	<u>-</u>	<u>3</u>
	2	3
	<u>260</u>	<u>187</u>
<b>4 INCOME FROM CHARITABLE ACTIVITIES</b>	2017	2016
	£000's	£000's
Supply Chain Programme	1061	1,021
Financing Sustainable Landscapes Programme	1,152	1,050
Knowledge and Content Programme	-	166
Finance Sector Programme	470	403
Strategic Development	<u>-</u>	<u>10</u>
	<u>2,683</u>	<u>2,650</u>

<b>5</b>	<b>EXPENDITURE ON RAISING FUNDS</b>	2017	2016
		£000's	£000's
	Salaries	26	8
	Direct costs	33	15
	Support costs	<u>11</u>	<u>4</u>
		<u>70</u>	<u>27</u>

**6 EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Grant funding of activities</b>	<b>Activities undertaken directly</b>	<b>Support costs (note 7)</b>	<b>Total 2017 £000's</b>
Supply Chain Programme Financing Sustainable	337	456	148	941
Landscapes Programme	290	651	176	1,117
Finance Sector Programme		615	115	730
Strategic Development	<u>10</u>	<u>22</u>	<u>6</u>	<u>38</u>
	<u>637</u>	<u>1,744</u>	<u>445</u>	<u>2,826</u>

	<b>Grant funding of activities</b>	<b>Activities undertaken directly</b>	<b>Support costs (note 7)</b>	<b>Total 2016 £000's</b>
Supply Chain Programme Financing Sustainable	413	473	138	1,024
Landscapes Programme	303	731	162	1,196
Finance Sector Programme	14	227	38	279
Strategic Development	-	22	3	25
Knowledge and Content Programme	<u>-</u>	<u>138</u>	<u>22</u>	<u>160</u>
	<u>730</u>	<u>1,591</u>	<u>363</u>	<u>2,684</u>

## EXPENDITURE ON CHARITABLE ACTIVITIES (continued):

### Grant funding of activities was via the following organisations:

	2017	2016
	£000's	£000's
Carbon Disclosure Project	325	414
International Institute for Applied Systems Analysis	119	85
Centro de Desarrollo e Investigacion de la Selva Alta (CEDISA)	70	65
Environmental Research Institute of the Amazon (IPAM)	67	91
Helmholtz Centre for Environmental Research	25	40
Stockholm Environment Institute (SEI)	12	-
Sociedad Peruana de Derecho Ambiental (SPDA)	10	-
Centro de Competencias del Agua	9	-
Climate Bonds Initiative	1	21
Centro Dos Trabalhadores da Amazonia	(1)	
Fauna and Flora International		7
Verein fur Umweltmanagement und Nachhaltigkeit in Finanzistituten (VfU)	—	—7
	<u>637</u>	<u>730</u>

7	SUPPORT COSTS	2017	2016
		£000's	£000's
	Administration and management costs	433	357
	Governance costs	<u>23</u>	<u>10</u>
		<u>456</u>	<u>367</u>

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

Support costs are allocated in proportion to direct costs (including staff costs) by programme area.

## 8 STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2017 £000's	2016 £000's
Wages and salaries	676	723
Social Security costs	67	74
Pension contributions	<u>34</u>	<u>34</u>
	<u>777</u>	<u>831</u>

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:

	No	No
Directors	2	1
Programmes and Support	<u>15</u>	<u>18</u>

The number of employees whose annual emoluments exceeded £60k in the year were as follows:

£60k - £70k	1	-
£70k - £80k	<u>1</u>	<u>1</u>

For this higher paid employees, annual pension contributions of £13k (2016: £8k) were payable during the year.

During the previous year, Rachel Cooper, GCP's Treasurer, acted as interim Chief Financial Officer on a consultancy basis, which was approved by the Board of Trustees. This arrangement is permitted by the charity's Memorandum and Articles of Association. In 2017 Rachel Cooper was paid £nil (2016: £5k).

One trustee received £46.40 for reimbursement of travel expenses during 2017 (2016:nil). No other trustee received any remuneration or reimbursement of expenses during 2017 or 2016.

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 5 posts at 31 March 2017, namely the Executive Director, Founder Director, Programmes Director, CFO and Operations Manager. The total employee benefits including employer pension costs of the key management personnel of the charity were £304k (2016: £256k).

## 9 RELATED PARTY TRANSACTIONS

During the year the charity received donations of £65k (2016:£nil) from trustees and from other related parties.

<b>10</b>	<b>NET INCOME/(EXPENDITURE): is stated after charging:</b>	2017 £000's	2016 £000's
	Depreciation	3	16
	Auditor's remuneration for the organisational audit	4	4
	Auditor's remuneration for grant audits	1	3
	Auditor's remuneration for HR and payroll services	5	5
	Rent payable	57	<u>48</u>

## 11 FIXED ASSETS - TANGIBLE ASSETS

	Furniture and Fittings	Computer and office equipment	Leasehold improvements	Total
	£000's	£000's	£000's	£000's
<b>Cost</b>				
At 1 April 2016	5	4	-	9
Additions	-	-	40	40
<b>At 31 March 2017</b>	<b>5</b>	<b>4</b>	<b>40</b>	<b>49</b>
<b>Depreciation</b>				
At 1 April 2016	2	4	-	6
Provision for the year	1	-	2	3
<b>At 31 March 2017</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>9</b>
<b>Net book value</b>				
<b>At 31 March 2017</b>	<b>2</b>	<b>-</b>	<b>38</b>	<b>40</b>
At 31 March 2016	3	-	-	3

**12 FIXED ASSET INVESTMENTS**

	2017	2016
	£000's	£000's

Investments in subsidiary companies brought forward and carried forward

	<u>5</u>	<u>5</u>
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The Foundation 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 below:

	2017	2016
	£	£
<b>Balance Sheet</b>		
Net Assets	<u>-</u>	<u>-</u>
Share capital	1	1
Profit and loss	<u>(1)</u>	<u>(1)</u>
Shareholders' funds	<u>-</u>	<u>-</u>

The Foundation also now owns 100% of the issued share capital of Vivo Carbon Investments Limited. This company is now dormant. A summary of the assets and liabilities is shown below (there is no activity in the profit and loss account).

	2017	2016
	£	£
<b>Balance Sheet</b>		
Assets	<u>50</u>	<u>50</u>
Share capital	<u>50</u>	<u>50</u>

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.

**13 DEBTORS**

	2017 £000's	2016 £000's
Trade debtors	48	94
Grants receivable	51	154
Prepayments	6	29
Accrued income	<u>164</u>	<u>11</u>
	<u>269</u>	<u>288</u>

**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £000's	2016 £000's
Trade creditors	105	91
Grants payable	-	30
Other taxes and social security costs	60	30
Accruals	63	46
Deferred income	<u>-</u>	<u>-5</u>
	<u>228</u>	<u>202</u>

	2017 £000's	2016 £000's
<b>Deferred income</b>		
At 1 April	5	112
Released to incoming resources	(5)	(112)
Deferred in the period	<u>-</u>	<u>-5</u>
At 31 March	<u>-</u>	<u>-5</u>

## 15 COMMITMENTS

The Foundation had the following commitments at 31 March 2017.

### Operating Leases

As at 31 March 2017 the Foundation had total future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£000's	£000's
<b>Land and buildings</b>		
Amounts payable within one year	72	38
Amounts payable between one and five years	<u>234</u>	<u>-</u>
	<u>306</u>	<u>38</u>

### Financial

The Foundation 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 and the Fundacion Futuro Latinoamericano will provide the income to cover these costs when they are payable.

	2017	2016
	£000's	£000's
Grants which expire within one year	417	-
Grants which expire within two and five years		892
	<u>417</u>	<u>892</u>

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 2017.

**16 UNRESTRICTED FUNDS**

	2017 £000's	2016 £000's
At 1 April	273	239
Transfers	-	-
Net income/(expenditure) for the year	<u>132</u>	<u>34</u>
At 31 March	<u>405</u>	<u>273</u>

17 **RESTRICTED FUNDS**  
**Movement in the year to 31 March 2017**

	Balance at 01/04/2016	Incoming resources	Resources expended	Balance at 31/03/2017
<b>Financing Sustainable Landscapes Programme</b>				
	£000's	£000's	£000's	£000's
1	(18)	869	851	-
2	6	-	6	-
3	-	11	6	5
4	-	63	58	5
5	13	-	15	(2)
	<u>1</u>	<u>943</u>	<u>936</u>	<u>8</u>
<b>Supply Chain Programme</b>				
6	29	705	676	58
7	-	113	50	63
8	-	45	45	-
9	-	1	1	-
10	-	17	17	-
11	-	35	40	(5)
12	-	89	14	75
	<u>29</u>	<u>1,005</u>	<u>843</u>	<u>191</u>
<b>Finance Sector Programme</b>				
13	136	238	374	-
14	-	168	168	-
15	117	44	147	14
	3	2	0	5
	<u>256</u>	<u>452</u>	<u>689</u>	<u>19</u>
<b>Other</b>				
16	10	-	10	-
	<u>296</u>	<u>2,400</u>	<u>2,478</u>	<u>218</u>

17 RESTRICTED FUNDS (continued)

Movement in the year to 31 March 2016

	Balance at 01/04/2015	Incoming resources	Resources expended	Balance at 31/03/2016
<b>Financing Sustainable Landscapes Programme</b>				
	£000's	£000's	£000's	£000's
1 German Government, ICI	(13)	786	791	(18)
2 Norwegian Government, NORAD	115	78	187	6
	<b>102</b>	<b>864</b>	<b>978</b>	<b>(12)</b>
<b>Supply Chain Programme</b>				
6 UK Government, DFID	-	825	796	29
	-	<b>825</b>	<b>796</b>	<b>29</b>
<b>Finance Sector Programme</b>				
12 German Government, GIZ	15	225	104	136
15 United Nations Environment Programme, UNEP-FI	(6)	165	42	117
17 Bloomberg Philanthropies	6	-	6	-
18 The Gordon & Betty Moore Foundation	92	-	92	-
Other	-	3	-	3
	<b>107</b>	<b>393</b>	<b>244</b>	<b>256</b>
<b>Knowledge and Content</b>				
5 ECOAG	-	31	28	3
5 ICRAF	-	10	10	-
5 IDH	-	29	26	3
5 GIZ	-	16	16	-
5 TNC	-	14	7	7
5 WWF Austria	-	7	7	-
5 WWF US	(3)	26	23	-
19 WWF NGP	(1)	1	-	-
	<b>(4)</b>	<b>134</b>	<b>117</b>	<b>13</b>
<b>Other</b>				
16 The Rufford Foundation	-	10	-	10
Total	205	2,226	2,135	296

## 17 RESTRICTED FUNDS (continued)

### Notes:

1. A grant from the German Government's International Climate Initiative to fund GCP'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 NORAD, the Norwegian Government development agency, to fund GCP's project which establishes a pioneering community ecosystem monitoring programme linked to REDD+ payments in Guyana.
3. 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.
4. 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.
5. Grants from ECOAG, ICRAF, IDH, GIZ, TNC, WWF Austria and WWF US to fund GCP's production of "The Little Sustainable Landscapes Book".
6. A grant from the UK Government Department for International Development Forest Governance, Markets and Climate programme, to support GCP's Forest 500 platform and CDP's forests disclosure project
7. 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.
8. A grant from the Climate & Land Use Alliance to support the development of the Supply Chain Transparency Network convened by GCP and SEI.
9. A grant from Climate Focus to support the New York Declaration on Forests Assessment Coalition to measure progress.
10. This is funds from the Gordon and Betty Moore foundation to support the development of the Trase platform, a joint initiative with SEI.
11. 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.
12. 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.
13. GIZ are funding 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.

## RESTRICTED FUNDS Notes (continued)

14. 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
15. 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 GCP and the UNEP Finance Initiative. The AERM project is funded by SECO
16. The Rufford Foundation have provided a grant for seed funding for the Peruvian NGO Amazon Por La Amazonia (AMPA) and FAS to develop a community plan in scoping a new El Mismi Protected Area, the source of the Amazon.
17. Bloomberg Philanthropies donated funds to support the Natural Capital Declaration (NCD) to develop a Corporate Water Risk Valuation Tool.
18. The Moore Foundation grant is to improve the capacity to deliver the Natural Capital Declaration (NCD) commitments that serve to ensure natural capital considerations are accounted for by the financial sector.
19. WWF New Generations Plantations reimbursed expenses for travel to Chile to participate in a workshop which supported the production of the "The Little Sustainable Landscapes Book".

## 18 ANALYSIS OF NET ASSETS BY FUND

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	£000s	£000s	£000s
<b>2017</b>			
Fixed assets	45	-	45
Net current assets	<u>360</u>	<u>218</u>	<u>578</u>
	<u>405</u>	<u>218</u>	<u>623</u>
<b>2016</b>			
Fixed assets	8	-	8
Net current assets	<u>265</u>	<u>296</u>	<u>561</u>
	<u>273</u>	<u>296</u>	<u>569</u>

