

Company Registration No 05013650  
Charity Registration No 1122330

**Carbon Disclosure Project**  
(A company limited by guarantee)

**Annual report and financial statements**

**For the year ended 31 March 2011**

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**Carbon Disclosure Project**  
**(A company limited by guarantee)**

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**Carbon Disclosure Project**  
**(A company limited by guarantee)**

**Reference and administrative details of the Charity, its Trustees and Advisers**

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<b>Trustees</b>	Robert Napier James Cameron Alan Brown Jeremy Smith Dr Christoph Schroder Takejiro Sueyoshi Tessa Tennant Martin Wise Christopher Page	(resigned as Chair - May 2011)  Chair
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**Company Secretary** Roy Wilson

**Company Number** 05013650

**Charity Number** 1122330

**Principal Office** 40 Bowling Green Lane  
London  
EC1R 0NE

<b>Management</b>	Paul Dickinson Paul Simpson Nigel Topping Joanna Lee Roy Wilson Sue Howells Frances Way	Executive Chairman Chief Executive Officer Chief Innovations Officer Chief Partnerships Officer Finance Director Head of Global Operations Programme Director
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**Auditors** Target  
Chartered Accountants and Statutory Auditor  
14<sup>th</sup> Floor  
76 Shoe Lane  
London  
EC4A 3JB

**Bankers** Unity Trust  
Nine Brindleyplace  
Birmingham  
B1 2HB

HSBC Bank plc  
25 Islington High Street  
London  
N1 9LJ

## **Carbon Disclosure Project (A company limited by guarantee)**

### **Trustees' report for the year ended 31 March 2011**

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The Trustees, who are also the directors of the charity, present their report and the financial statements for the charity and its trading subsidiaries (the group) for the year ended 31 March 2011, which have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005 - second edition)

#### **Structure, Governance and Management**

The charity is a company limited by guarantee. The objects and powers of the charity are laid down in the Memorandum of Association dated 13 January 2004. Rules regarding appointment, retirement, removal and disqualification of Trustees are laid down in the Articles of Association dated 13 January 2004.

The Trustees delegate day to day management of the charity to a management board. A business plan is agreed by the Trustees at the start of each year, including operational plans and financial budgets to be delivered by the management board. The board must account to the Trustees for progress against business plan and report on significant events occurring during the year, at Trustee meetings which are held each quarter.

The Trustees have appointed a Finance Committee which acts with the authority of the Trustees and meets with the management board quarterly, at least a week in advance of the Trustee meeting, to review financial performance in detail.

#### **Recruitment and training of trustees**

Trustees are recruited globally from senior figures in industry, government and the charity sector. The charity management and the Board of Trustees look for recruits who are passionately interested in climate change and who could add to the significant skills and experience already represented on the Board.

Potential Trustees may be asked to first serve on one of the Advisory Boards, established in major areas of operation around the world, which have no statutory powers but which provide guidance to the charity's local operations.

The charity requires that all Trustees take responsibility for their own training. A number of the Trustees have served, or are serving as trustees to other charities and are well aware of their responsibilities. Legal advice is always available from a number of major international legal firms who offer their services to the charity on a pro bono basis.

#### **Risk management**

The Trustees have considered the risks to the charity from all areas and have taken steps to manage the potential impacts wherever possible.

#### **Financial**

The operations of the charity are dependent on a consistent income flow. The income base is broad, coming from philanthropic institutions, governments, sponsorship by major organisations, NGO's worldwide and surpluses from trading activities. The Trustees are satisfied that this broad spread provides some protection against financial downturn in any individual sector.

Income, overheads and cash are controlled against budgets which are set annually. Monthly management accounts are prepared showing variances from budget. These are reviewed by the charity management and actions taken on any significant variances.

Internal financial controls are in place which minimise opportunities for fraud.

## **Carbon Disclosure Project (A company limited by guarantee)**

### **Trustees' report for the year ended 31 March 2011**

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#### ***Operational***

Staff review and training procedures are in place to ensure that all staff are adequately trained to perform the duties required of them

The charity's IT systems and data files are accessible via the internet. The Trustees do not consider that a disaster affecting any of its premises would significantly affect its ability to continue operating. The charity relies on the disaster recovery plans of its third party providers of IT systems and data hosting services.

The charity holds insurance covering Professional Indemnity, Trustees and Officers duties and Business Travel risks, in addition to insurances legally required.

#### ***Legal***

The charity complies with all legislation in all jurisdictions in which it operates.

The charity name is protected by Trade Mark in the United Kingdom, countries covered under the Madrid Protocol, Australia, Canada, Japan, Russia, Singapore, South Africa, Taiwan and United States of America. Trade mark applications are in place for all other geographic areas of operation.

#### **Group structure**

The charity has a wholly owned UK operating subsidiary, Carbon Disclosure Project (Trading) Limited, a commercial entity whose purpose is to generate funds from trading activities to support the charity's activities. The charity also has a wholly owned German subsidiary charity, Carbon Disclosure Project g GmbH through which charitable activities in Germany are conducted.

#### **Aims, Objectives and Strategies**

The mission of the charity is to accelerate solutions to climate change by putting relevant information at the heart of business, policy and investment decisions. This is achieved by collecting and distributing high quality information that motivates investors, corporations and governments to take action to protect the environment from dangerous climate change.

The charity's aims and objectives for the year ended 31 March 2011 focused around three strategic aims:

- 1 Globalisation – of all programmes in the world's major economies, to ensure all of the world's major companies are encouraged to measure, manage and reduce emissions and water usage
- 2 Data Quality – ensuring completeness, accuracy and comparability of all data collected, to advance its use in investment, business and policy decisions
- 3 Mitigation – encouraging companies across the world to reduce their greenhouse emissions and improve water management

#### **Significant activities**

The charity operates an annual system, in its ninth year of operations, of greater scale in this year than any previous year. 3,000 organisations in some 60 countries around the world now measure and disclose their greenhouse gas emissions and climate change strategies through the charity's various programme information requests. In addition some 200 companies measure and report their water usage.

A new global Cities programme was launched, working with the world's largest cities to measure, report and ultimately reduce emissions. Also launched was a new initiative called CDP Carbon Action, whereby investors request companies to take action to reduce carbon emissions. New offices have been opened in India and Australia and the charity's presence in Europe has been significantly increased.

## **Carbon Disclosure Project (A company limited by guarantee)**

### **Trustees' report for the year ended 31 March 2011**

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#### **Achievements**

Despite challenging economic conditions, the charity has expanded its influence and operations significantly in 2010-11. As well as working on behalf of 551 institutional investors to gather relevant information from large corporations around the world, the charity is also working with global businesses and governments to strengthen the resilience and sustainability of their supply chains through the CDP Supply Chain program. CDP Cities has launched to help the world's major cities reduce climate change risk and bolster economic growth. CDP Water Disclosure is now in its second year of working with major global companies to improve water management.

A key part of the charity's strategy is to ensure the effective use of data collected. To assist with this, companies are able to obtain tools that help them to measure, report and manage carbon more effectively, through CDP Reporter Services.

An important part of an investor's strategy should be to engage with the companies in which they invest to encourage performance improvement. Carbon Action is a new initiative launched this year. It is driven by a leading group of investors to encourage their portfolio companies to reduce emissions by investing in emissions reducing activities with a satisfactory payback period. Carbon Action reflects a growing recognition that there is a huge range of carbon reducing activities that companies can undertake that have a very clear business case. It is therefore in the interests of all investors and not just the more active owners of investments to ensure these actions are taken.

The charity has also received endorsement from the UN. Christiana Figueres, Executive Secretary, UNFCCC said "The Carbon Disclosure Project is to the future of business what the X-ray was to the then future of medicine, without it we would never see the insight of the patients health. Unless you know the accurate carbon footprint of the investment objective you will miss the hidden risk."

As the management of carbon continues to move into companies' core business strategies and mainstream investment thinking, demand for primary corporate climate change information grows around the world. The completion of a significant upgrade in the charity's data systems, supported by major IT companies (Accenture, Microsoft, SAP), will enable CDP to support this requirement.

Work has also developed on launching global carbon reporting standards - the Climate Disclosure Standards Board, for which the charity acts as secretariat, launched the first framework for global climate change reporting through annual reports. This is now being piloted out with companies globally.

#### **The role and contribution of volunteers**

Voluntary contributions have been very significant. All 551 signatory investors participated voluntarily, and all responding corporations produced the data requested without charge.

The charity has made significant use of unpaid interns in its London, New York and Tokyo offices.

#### **Summary of the main achievements during the year**

An increase in the number of institutional investors from 534 to 551 and the number of companies reporting increased from 2,500 information request respondents in 2009 to over 3,000 in 2010. This has provided a significant increase in the data available for investors and the public worldwide.

In addition, successful launching of CDP Cities proves the model applies beyond businesses, to municipalities and the launch of CDP Carbon Action shows that investors are now ready and prepared to go beyond asking companies to disclose, to asking companies to take action to reduce their emissions. This is a crucial next step in the evolution of the Carbon Disclosure Project.

The charity is also seeing increased interest across other sustainability issues, specifically water and expects this to grow.

**Carbon Disclosure Project  
(A company limited by guarantee)**

**Trustees' report  
for the year ended 31 March 2011**

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**Explanation of the performance achieved against objectives**

The charity achieved almost all operational targets set out in its business plan including increased response numbers from corporations, increase in investor numbers, growth in supply chain, and growth in total income

Global staff grew from 42 to 60 and the charity expanded its premises at its London serviced offices

**Fundraising activities**

Significant efforts were put into fundraising which was impaired to a degree as a result of the economic downturn. However, new funding was acquired from companies including AT&T, Jones Lang LaSalle and Norges Bank Investment Management. Corporate sponsorship continued at a significant level. Philanthropic funding remained constant, although the charity has invested in capacity in this area and expects philanthropic funding to increase in 2011-2012.

The charity aims to continue to grow its income streams to ensure a diverse and robust funding base for sustainable long term growth.

**Financial Review**

The financial statements show a surplus of £143,826 for the year and unrestricted reserves totalled £452,476.

The Trustees consider that reserves should be built to a cover of six months overhead and will pursue this end. However, they recognise that to set aside sufficient income to achieve this in one or two years would severely restrict the ability of the charity to pursue its mission. A slow but regular reserve growth is therefore built into future financial plans.

**Plans for future periods**

The charity's focus is guided by its three strategic aims – globalisation, data quality and mitigation. Expansion of operations in key geographies such as China and India is planned. The charity is also strongly focused on enhancing data quality, through a range of initiatives to advance comparability and completeness. Focus on mitigation is driven largely through the Carbon Action initiative, working with investors and business to advance emissions reductions and investments. The charity plans to expand this work this year and to ensure companies are actively involved.

**Public benefit statement**

The Board of Trustees have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission.

**Auditors**

The auditors, Target, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Carbon Disclosure Project**  
**(A company limited by guarantee)**

**Trustees' report**  
**for the year ended 31 March 2011**

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**Trustees' responsibilities**

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and the incoming resources and application of resources, including the net income and expenditure, of the group for that year. In preparing those financial statements, the Trustees, are required to -

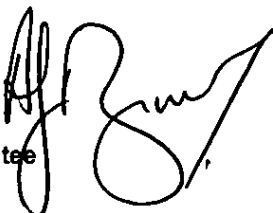
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are responsible and prudent,
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

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

**Statement of disclosure to auditors**

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware. Additionally, the Trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by the Board of Trustees on 13 September 2011 and signed on its behalf by

  
Trustee

  
Trustee



**Carbon Disclosure Project  
(A company limited by guarantee)**

**Independent auditors' report to the Members of Carbon Disclosure Project**

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We have audited the financial statements of Carbon Disclosure Project for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, the Balance Sheet, 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 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 and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 and the group's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Carbon Disclosure Project**  
**(A company limited by guarantee)**

**Independent auditors' report to the Members of Carbon Disclosure Project**

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

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

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



**Chris Evans (Senior Statutory Auditor)**  
For and behalf of Target  
**Chartered Accountants and Statutory Auditor**  
14<sup>th</sup> Floor  
76 Shoe Lane  
London  
EC4A 3JB

Date 21 September 2011

**Carbon Disclosure Project**  
**(A company limited by guarantee)**

**Consolidated statement of financial activities (including income and expenditure account)**  
**for the year ended 31 March 2011**

	Notes	Unrestricted funds £	Restricted Funds £	31 March 2011 £	31 March 2010 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	3	271,987	-	271,987	258,342
Activities for generating funds	4	2,564,343	-	2,564,343	1,061,177
Investment income – bank interest		572	-	572	826
Incoming resources from charitable activities					
Supply Chain Life Cycle		29,011	-	29,011	374,971
Public Procurement		19,000	-	19,000	106,956
Global partnerships		238,823	-	238,823	278,950
Annual memberships		334,531	-	334,531	367,130
Workshops and speaking		9,292	-	9,292	5,623
Grants receivable		257,865	100,652	358,517	299,975
Other income		5,600	-	5,600	-
<b>Total incoming resources</b>		<b>3,731,024</b>	<b>100,652</b>	<b>3,831,676</b>	<b>2,753,950</b>
<b>Resources expended</b>					
Costs of generating funds					
Commercial trading operations	4	1,653,767	-	1,653,767	923,646
Fundraising costs	5	376,729	-	376,729	415,860
		<b>2,030,496</b>	<b>-</b>	<b>2,030,496</b>	<b>1,339,506</b>
Charitable activities					
Core policy work	6	1,415,150	168,397	1,583,547	1,408,172
Governance costs	7	73,807	-	73,807	69,779
<b>Total resources expended</b>		<b>3,519,453</b>	<b>168,397</b>	<b>3,687,850</b>	<b>2,817,457</b>
<b>Net movement in funds before transfers</b>		<b>211,571</b>	<b>(67,745)</b>	<b>143,826</b>	<b>(63,507)</b>
Transfers	16	(4,794)	4,794	-	-
<b>Net movement in funds after transfers</b>		<b>206,777</b>	<b>(62,951)</b>	<b>143,826</b>	<b>(63,507)</b>
<b>Total funds brought forward</b>		<b>245,699</b>	<b>62,951</b>	<b>308,650</b>	<b>372,157</b>
<b>Total funds carried forward</b>		<b>452,476</b>	<b>-</b>	<b>452,476</b>	<b>308,650</b>

There are no recognised gains and losses other than those passing through the Consolidated Statement of Financial Activities

All of the charity's activities are continuing

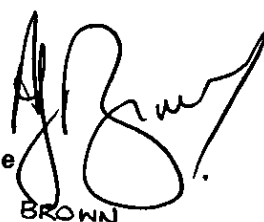
Incoming resources from charitable activities for Supply Chain and Public Procurement transferred to the trading subsidiary, Carbon Disclosure Project (Trading) Limited in the year, and the income in relation to these is therefore shown within the heading "Activities for generating funds" above


**Carbon Disclosure Project**  
**(A company limited by guarantee)**

**Balance sheets**  
**for the year ended 31 March 2011**

		<b>The Group</b>		<b>The Charity</b>	
	<b>Notes</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>11</b>	16,823	15,046	16,823	15,046
Investments	<b>12</b>	-	-	22,995	22,995
		<u>16,823</u>	<u>15,046</u>	<u>39,818</u>	<u>38,041</u>
<b>Current assets</b>					
Debtors	<b>13</b>	1,342,053	743,052	358,235	389,910
Cash at bank and in hand		<u>1,706,303</u>	<u>1,259,287</u>	<u>1,011,126</u>	<u>638,799</u>
		3,048,356	2,002,339	1,369,361	1,028,709
<b>Creditors' amounts falling due within one year</b>	<b>14</b>	<u>(2,612,703)</u>	<u>(1,708,735)</u>	<u>(1,072,588)</u>	<u>(758,100)</u>
<b>Net current assets</b>		<u>435,653</u>	<u>293,604</u>	<u>296,773</u>	<u>270,609</u>
<b>Net assets</b>		<u>452,476</u>	<u>308,650</u>	<u>336,591</u>	<u>308,650</u>
<b>Funds</b>					
Restricted	<b>16</b>	-	62,951	-	62,951
Unrestricted	<b>17</b>	<u>452,476</u>	<u>245,699</u>	<u>336,591</u>	<u>245,699</u>
	<b>18</b>	<u>452,476</u>	<u>308,650</u>	<u>336,591</u>	<u>308,650</u>

The financial statements were approved by the Board of Trustees on 13 September 2011 and were signed on its behalf by

  
Trustee  
ALAN BROWN

  
Trustee  
JEREMY SMITH

Company Registration No 05013650

**Carbon Disclosure Project**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2011**

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**1 Accounting policies**

The major accounting policies adopted by Carbon Disclosure Project are set out below

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in March 2005 (2nd edition - May 2008), applicable accounting standards and the Companies Act 2006.

**1.2 Company status**

The charity is a company limited by guarantee.

Every member of the charity is liable under the Memorandum and Articles of Association to contribute, in the event of winding up, a sum not exceeding £1.

At 31 March 2011 the number of guarantor members was 9.

**1.3 Basis of consolidation**

The group financial statements consolidate the financial statements of the Carbon Disclosure Project and its subsidiaries for the year ended 31 March 2011. The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements on a line by line basis where appropriate. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP 2005. Details concerning the subsidiary companies, results and financial position are set out in note 2.

**1.4 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on the straight line basis over the lease term.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows -

Computer equipment	25% straight line
Fixtures, fittings and equipment	25% straight line

Individual fixed assets costing £250 or more are capitalised as tangible fixed assets.

**1.6 Incoming resources**

All incoming resources are recognised in the Statement of Financial Activities once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value can be measured with sufficient reliability. Incoming resources are deferred when the conditions on which they may be received are not yet satisfied.

In preparing these accounts no value has been attributed to the work performed by volunteers in accordance with the SORP 2005, although their work is considered vital to the activities of the charity.

## **Carbon Disclosure Project (A company limited by guarantee)**

### **Notes to the financial statements for the year ended 31 March 2011**

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#### **1.7 Resources expended**

Liabilities are recognised as resources expended where there is a legal and constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and includes attributable value added tax which cannot be recovered.

All expenditure charged is analysed between direct charitable and other expenditure as detailed in the Statement of Financial Activities.

Costs of generating funds comprise those costs directly attributable to raising voluntary income and those incurred in trading activities that raise funds.

Charitable activities in respect of core policy work costs are attributable to work in responding to specific policy issues and strategic development.

Support costs comprise all services supplied centrally which are identifiable as wholly or mainly in support of the charity's direct charitable expenditure and are allocated to activity cost categories on a basis consistent with the use of resources.

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

#### **1.8 Pensions**

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

#### **1.9 Foreign currency translation**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the net incoming/(outgoing) resources.

#### **1.10 True and fair view**

The charity does not seek to make a profit, nor can its results be measured by normal commercial criteria. In order that a true and fair view of the activities of the charity is given a Statement of Financial Activities has been included in place of a profit and loss account as required by the Companies Act 2006.

#### **1.11 Fund accounting**

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

Designated funds which are unrestricted funds expendable at the discretion of the trustees in furtherance of the charity's objectives are identified for a particular project and designated as a separate fund. A designated fund has an administration purpose only and does not legally restrict the trustees' discretion to apply the fund.

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

**Carbon Disclosure Project**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2011**

**1 12 Corporation tax**

Carbon Disclosure Project is a registered charity and as such its income and gains falling within Section 505(1)(e) Income and Corporation Taxes Act 1988 or Section 256 of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives

**2 Net income from trading activities of subsidiaries**

All commercial trading is undertaken through its trading subsidiaries Carbon Disclosure Project (Trading) Limited and Carbon Disclosure Project gemeinnützige GmbH. A summary of the subsidiaries' results are shown below

The profit from the subsidiary, Carbon Disclosure Project (Trading) Limited, is passed to the charity each year

	<b>Trading 2011 £</b>	<b>GmbH 2011 £</b>	<b>Total 2011 £</b>	<b>Total 2010 £</b>
<b>Turnover</b>	2,325,527	237,979	<b>2,563,506</b>	1,060,913
<b>Administrative expenses</b>	<u>(1,443,153)</u>	<u>(122,523)</u>	<u><b>(1,565,676)</b></u>	<u>(923,646)</u>
<b>Operating profit</b>	882,374	115,456	<b>997,830</b>	137,267
 Gift aid donation to Carbon Disclosure Project	 <u>(882,782)</u>	 <u>-</u>	 <u><b>(882,782)</b></u>	 <u>(137,531)</u>
<b>(Loss)/profit on ordinary activities before interest</b>	(408)	115,456	<b>115,048</b>	(264)
 Other interest receivable and similar income	 <u>408</u>	 <u>429</u>	 <u><b>837</b></u>	 <u>264</u>
<b>Profit on ordinary activities before taxation</b>	-	115,885	<b>115,885</b>	-
 Tax on profit on ordinary activities	 <u>-</u>	 <u>-</u>	 <u><b>-</b></u>	 <u>-</u>
<b>Profit for the year</b>	<u>-</u>	<u>115,885</u>	<u><b>115,885</b></u>	<u>-</u>
 <b>3 Voluntary income</b>	 <b>Unrestricted Funds 2011 £</b>	 <b>Restricted Funds 2011 £</b>	 <b>Total Funds 2011 £</b>	 <b>Total Funds 2010 £</b>
Grants receivable	271,230	-	<b>271,230</b>	197,913
Donations	<u>757</u>	<u>-</u>	<u><b>757</b></u>	<u>60,429</u>
	<u>271,987</u>	<u>-</u>	<u><b>271,987</b></u>	<u>258,342</u>

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**4 Activities for generating funds - commercial operations**

	2011 £	2010 £
<b>Incoming resources</b>		
Sponsorship fees	1,855,090	860,682
Service fees	708,416	200,231
Other income	-	-
Interest received	837	264
Total incoming resources	<u>2,564,343</u>	<u>1,061,177</u>
<b>Cost of generating funds</b>		
Cost of goods sold	539,880	391,565
Staff costs allocated to activities (note 10)	944,750	455,316
Other direct costs allocated to activities	52,281	22,808
Support costs allocated to activities (note 8)	116,856	53,957
Total cost of activities	<u>1,653,767</u>	<u>923,646</u>
<b>Net income from activities for generating funds</b>	<u>910,576</u>	<u>137,531</u>

Activities for generating funds are those trading and other fundraising costs carried out by the charity and its subsidiary undertakings, Carbon Disclosure Project (Trading) Limited and Carbon Disclosure Project gemeinnützige GmbH, primarily to generate incoming resources which will be used to undertake the charitable activities of Carbon Disclosure Project. It includes trading activities such as sponsorship fees, partnership fees and service fees.

**5. Activities for generating funds – fundraising costs**

	Unrestricted Funds 2011 £	Restricted Funds 2011 £	Total Funds 2011 £	Total Funds 2010 £
Staff costs (note 10)	312,974	-	312,974	341,375
Support costs (note 8)	34,168	-	34,168	44,197
Other direct costs	29,587	-	29,587	30,288
	<u>376,729</u>	<u>-</u>	<u>376,729</u>	<u>415,860</u>

Other direct costs comprised of publicity and information costs to raise or manage the profile of the organisation in respect to the activities undertaken during the period.



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**6 Analysis of core policy costs**

	Unrestricted Funds 2011 £	Restricted Funds 2011 £	Total Funds 2011 £	Total Funds 2010 £
Staff costs (note 10)	964,848	157,069	1,121,917	937,751
Support costs (note 8)	168,113	-	168,113	130,461
Other direct costs	214,075	11,328	225,403	339,960
Grants payable	68,114	-	68,114	-
	<u>1,415,150</u>	<u>168,397</u>	<u>1,583,547</u>	<u>1,408,172</u>

Other direct costs comprised of website development, costs of undertaking questionnaires and travelling costs applied by the organisation in undertaking its work to deliver research and interpretation on climate change information and to meet its charitable objectives

**7 Governance costs**

	Total Funds 2011 £	Total Funds 2010 £
Audit and accountancy fees	17,674	18,284
Professional fees	19,448	16,601
Trustees expenses	-	1,083
Staff costs (note 10)	34,776	32,962
Support cost (note 8)	1,909	849
	<u>73,807</u>	<u>69,779</u>

**8. Analysis of support costs**

	Commercial Trading £	Cost of Fundraising £	Charitable Activities £	Governance Costs £	Total 2011 £	Total 2010 £
Premises	42,230	12,551	51,900	649	107,330	81,278
Depreciation	4,411	1,311	5,420	68	11,210	8,920
Other office costs	24,897	6,837	37,303	496	69,533	65,601
Staff related costs	26,295	7,816	32,317	404	66,832	56,343
IT Software and website	19,023	5,653	23,379	292	48,347	-
Loss on foreign exchange	-	-	17,794	-	17,794	17,323
<b>Total support costs</b>	<b>116,856</b>	<b>34,168</b>	<b>168,113</b>	<b>1,909</b>	<b>321,046</b>	<b>229,465</b>

Premises costs include rent, light and heat, cleaning, insurances and repairs

Other office costs include printing, postage and stationery, and employee mobile phone costs

Staff related costs include staff entertaining, training, life assurance and recruitment

IT software and website includes web and server hosting, internet, broadband and software costs. In the prior year the costs, amounting to £52,737, were included in "other direct costs" within "core policy costs". In the current year it was deemed more appropriate to include these as support costs.

Support costs have been apportioned on an estimated time usage basis in the circumstances where management cannot allocate the cost directly to the attributable activity.

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<b>9. Analysis of resources expended</b>	<b>2011 £</b>	<b>2010 £</b>
The following have been charged to the Statement of Financial Activities -		
Depreciation	11,210	8,920
Auditors' remuneration	17,600	13,000
Remuneration of auditors for non-audit work	1,350	5,284

During the year no trustees received any remuneration or benefits-in-kind (2010 £Nil)

During the current year no trustees received any reimbursement of expenses (2010 no trustee was reimbursed for expenses)

**10 Staff costs**

<b>Average monthly number of full time employees</b>	<b>Total 2011</b>	<b>Total 2010</b>
Commercial trading	16	8
Fundraising and publicity	4	6
Core policy work	22	17
Governance	-	-
<b>Total average monthly number of full time employees</b>	<b>42</b>	<b>31</b>

<b>Total employment costs were -</b>	<b>Total 2011 £</b>	<b>Total 2010 £</b>
Wages and salaries	1,661,419	1,223,219
Social security costs	189,928	140,588
Other pension costs	114,409	93,287
<b>Total staff costs</b>	<b>1,965,756</b>	<b>1,457,094</b>
External consultants	448,661	310,310
	<b>2,414,417</b>	<b>1,767,404</b>

<b>Employment costs by department</b>	<b>Unrestricted funds £</b>	<b>Restricted Funds £</b>	<b>Total 2011 £</b>	<b>Total 2010 £</b>
Commercial trading	944,750	-	944,750	455,316
Fundraising and publicity	312,974	-	312,974	341,375
Core policy work	964,848	157,069	1,121,917	937,751
Governance	34,776	-	34,776	32,962
	<b>2,257,348</b>	<b>157,069</b>	<b>2,414,417</b>	<b>1,767,404</b>

<b>Analysis of higher paid employees</b>	<b>Total 2011</b>	<b>Total 2010</b>
£60,001 - £70,000	1	-
£70,001 - £80,000	2	1
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
<b>Total</b>	<b>5</b>	<b>3</b>

Five (2010 Three) members of higher paid staff are accruing benefits under money purchase pension schemes Pension contributions totalling £33,977 (2010 £10,951) were expensed in the year for the higher paid employees

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<b>11</b>	<b>Tangible fixed assets</b>	<b>Equipment, fixtures and fittings</b>
	<b>The Group and the Charity</b>	<b>£</b>
	<b>Cost</b>	
	At 1 April 2010	35,685
	Additions	12,987
	Disposals	-
	At 31 March 2011	<u>48,672</u>
	<b>Depreciation</b>	
	At 1 April 2010	20,639
	Charge for the year	11,210
	Eliminated on disposals	-
	At 31 March 2011	<u>31,849</u>
	<b>Net book value</b>	
	At 31 March 2011	<u><b>16,823</b></u>
	At 31 March 2010	<u><b>15,046</b></u>
<b>12</b>	<b>Fixed asset investments</b>	<b>Shares in group undertakings</b>
	<b>The Charity</b>	<b>£</b>
	<b>Cost</b>	
	At 1 April 2010 and 31 March 2011	<u><b>22,995</b></u>

Fixed asset investments comprise the cost of investment in its subsidiary companies. Details of the subsidiary companies are as follows -

<b>Name of Company</b>	<b>Country of Incorporation</b>	<b>Description of shares held</b>	<b>Proportion of nominal value of issued shares held %</b>
Carbon Disclosure Project (Trading) Limited	England and Wales	Ordinary	100
Carbon Disclosure Project gemeinnützige GmbH	Germany	Ordinary	100

The principal activity of both subsidiaries is to promote the implications of climate change

Carbon Disclosure Project owns 100% of the voting rights and nominal share capital of the above subsidiaries. The subsidiary accounts have been consolidated with Carbon Disclosure Project's accounts

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13	Debtors due within one year	The Group		The Charity	
		2011	2010	2011	2010
		£	£	£	£
	Trade debtors	1,313,350	716,243	316,961	350,532
	Amounts due from group undertaking	-	-	16,286	16,287
	Other debtors	13,410	5,178	9,695	1,460
	Prepayments and accrued income	15,293	21,631	15,293	21,631
		<u>1,342,053</u>	<u>743,052</u>	<u>358,235</u>	<u>389,910</u>

14.	Creditors amounts falling due within one year	The Group		The Charity	
		2011	2010	2011	2010
		£	£	£	£
	Trade creditors	208,933	80,849	105,595	59,281
	Amounts due to group undertaking	-	-	172,996	79,236
	Other taxes and social security costs	160,428	80,495	148,773	48,852
	Other creditors	50,223	50,790	49,080	50,692
	Accruals	414,412	290,992	336,703	235,781
	Deferred income (note 15)	1,778,707	1,205,609	259,441	284,258
		<u>2,612,703</u>	<u>1,708,735</u>	<u>1,072,588</u>	<u>758,100</u>

15	Deferred income	The Group		The Charity	
		2011	2010	2011	2010
		£	£	£	£
	Balance brought forward	1,205,609	559,400	284,258	556,932
	Amounts released from prior years	(1,185,609)	(491,389)	(264,258)	(488,921)
	Deferred in current year	1,758,707	1,137,598	239,441	216,247
	Balance carried forward	<u>1,778,707</u>	<u>1,205,609</u>	<u>259,441</u>	<u>284,258</u>

Deferred income comprises grants and income which relate specifically to future accounting periods

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16 Restricted reserves The Group and the Charity	Balance at	Incoming	Resources	Transfers	Balance at
	1 April 2010	resources	expended		31 March 2011
	£	£	£	£	£
DEFRA	-	36,225	(36,225)	-	-
REEEP	-	27,427	(27,427)	-	-
International Finance Corporation	13,214	-	(13,214)	-	-
Wal-Mart	(4,794)	-	-	4,794	-
World Economic Forum	24,102	-	(24,102)	-	-
The Swire Group Charitable Trust	30,429	-	(30,429)	-	-
Bridge House Trust	-	37,000	(37,000)	-	-
	<b>62,951</b>	<b>100,652</b>	<b>(168,397)</b>	<b>4,794</b>	<b>-</b>

**DEFRA**

The conditional purpose of this grant is to finance the CDP FTSE 350 project

**REEEP**

The conditional purpose of this grant is to directly engage with listed companies in China, Brazil, India and South Africa to identify best corporate practice in promoting energy efficiency and renewable energy, including tracking energy usage and strategies for reduction

**International Finance Corporation World Bank**

The conditional purpose of this grant is to finance an initiative with S&P/ IFCI Emerging Markets Index and CDP signatories

**Walmart Stores Inc**

The conditional purpose of this grant is to accelerate the awareness, disclosure and action on climate change in the global retail supply base, and enabling CDP to focus on a larger group of suppliers

At 31 March 2010 the charity had over spent on this fund resulting in a deficit. Over expenditure was transferred to unrestricted funds at the end of the grant period

**World Economic Forum**

A donation contributed towards the climate disclosure standards board regulatory review work (CDSB)

**The Swire Group Charitable Trust**

A contribution towards the growth of the CDP China

**Bridge House Trust**

The grant is towards the cost of the London Investors and Companies Manager. This post was created from a re-organisation of the Carbon Disclosure Project's internal structure and staffing

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**Notes to the financial statements**  
**for the year ended 31 March 2011**

<b>17</b>	<b>Unrestricted reserves</b>					
	<b>The Group</b>	<b>Balance at</b>	<b>Incoming</b>	<b>Resources</b>	<b>Transfers</b>	<b>Balance at</b>
		<b>1 April</b>	<b>resources</b>	<b>expended</b>		<b>31 March</b>
		<b>2010</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2011</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Unrestricted reserves	245,699	3,731,024	(3,519,453)	(4,794)	452,476
		<b>245,699</b>	<b>3,731,024</b>	<b>(3,519,453)</b>	<b>(4,794)</b>	<b>452,476</b>
	<b>The Charity</b>	<b>Balance at</b>	<b>Incoming</b>	<b>Resources</b>	<b>Transfers</b>	<b>Balance at</b>
		<b>1 April</b>	<b>resources</b>	<b>expended</b>		<b>31 March</b>
		<b>2010</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2011</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Unrestricted reserves	245,699	2,049,463	(1,953,777)	(4,794)	336,591
		<b>245,699</b>	<b>2,049,463</b>	<b>(1,953,777)</b>	<b>(4,794)</b>	<b>336,591</b>

**18 Analysis of net assets between funds**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	16,823	-	<b>16,823</b>	15,046
Cash at bank and in hand	1,706,303	-	<b>1,706,303</b>	1,259,287
Other current assets	1,342,053	-	<b>1,342,053</b>	743,052
Current liabilities	(2,612,703)	-	<b>(2,612,703)</b>	(1,708,735)
	<b>452,476</b>	<b>-</b>	<b>452,476</b>	<b>308,650</b>

**19 Net income for the financial year**

As permitted by section 408 of the Companies Act 2006, the parent company's statement of financial activities has not been included in the financial statements. The parent company's total incoming resources for the year were £2,049,463 (2010 £2,753,950) which included donations of £882,782 (2010 £137,531) from its wholly owned subsidiary undertakings. The increase in the company's funds for the year was £27,941 (2010 decrease in funds £63,507).

**20 Controlling party**

In the opinion of the Trustees, there is no overall controlling party of the charity, Carbon Disclosure Project.

**21 Related party transactions**

As the charitable company prepares consolidated financial statements, it has taken advantage of the exemption under the Companies Act 2006 from disclosing intra-group transactions.

At the year end the charitable company owed £172,996 (2010 £79,236) to Carbon Disclosure Project (Trading) Limited, a wholly owned subsidiary company incorporated in England and Wales. At the year end the charitable company was owed £16,287 (2010 £16,287) by Carbon Disclosure Project gemeinnützige GmbH, a wholly owned subsidiary company incorporated in Germany.