

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 2013**



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

**Contents**

---

	<b>Pages</b>
Reference and administrative details of the charity, its trustees and advisers	1
Directors' and Trustees' annual report	2-7
Independent auditors' report	8-9
Consolidated statement of financial activities	10
Balance sheets	11
Notes to the financial statements	12-23

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

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

---

<b>Trustees</b>	Alan Brown James Cameron Christopher Page Jeremy Smith Dr Christoph Schroder Takejiro Sueyoshi Tessa Tennant Martin Wise Benjamin Goldsmith	Chair        (appointed 12/12/2012)
<b>Company Secretary</b>	Roy Wilson	
<b>Company Number</b>	05013650	
<b>Charity Number</b>	1122330	
<b>Principal Office</b>	40 Bowling Green Lane London EC1R 0NE	
<b>Management</b>	Paul Dickinson Paul Simpson Sue Howells Marcus Norton Nigel Topping Frances Way Roy Wilson	Executive Chairman Chief Executive Officer Chief Operating Officer - Global Operations Chief Partnerships Officer Executive Director Chief Operating Officer - Programs Chief Financial Officer
<b>Auditors</b>	Menzies LLP Chartered Accountants and Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT	
<b>Bankers</b>	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 2013**

---

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 2013, 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 the sustainable use of scarce resources 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.

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

### **Trustees' report for the year ended 31 March 2013**

---

Internal financial controls are in place which minimise opportunities for fraud

#### ***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, India, 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 wholly owned subsidiaries in Germany, China and India. Control is exercised over companies in Australia and Brazil through majority Board representation.

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

The mission of CDP is to transform the global economic system to prevent dangerous climate change and value our natural resources by putting relevant information at the heart of business, investment and policy decisions.

We strongly believe that market forces can, if provided all the necessary information, be a major cause of change. We have demonstrated that by working with the world's largest investors we can create a powerful collection of data and business practices from the largest corporations. This information can then be used by investors, business leaders and also governments to make informed business, investment and policy decisions. The CDP system motivates thousands of companies, investors and governments to take action to protect our natural resources and prevent dangerous climate change.

The strategic aims of the charity through to year end 2013 continued to focus on

- 1 Mitigation – encouraging companies globally to reduce their greenhouse gas emissions, improve water management and reduce their forest footprint generated by the use of key commodities
- 2 Data quality to ensure completeness, accuracy and comparability of all data collected, to advance its use in investment, business and policy decisions

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

### **Trustees' report for the year ended 31 March 2013**

---

#### **Significant activities**

In its twelfth year of operations the charity continues to operate the only global system for the disclosure of environmental information, motivating thousands of companies and cities around the world to measure, disclose and manage climate change, water and forest risks and opportunities. CDP consolidated activities this year with a focus on growing existing programs and offices.

CDP's noteworthy activities this year included a strategic merger with the Forest Footprint Disclosure Project (FFD) through an alliance with the Global Canopy Program. This merger has allowed us to provide a forests program for companies to disclose their exposure to forest risk commodities. CDP has also undergone a transformative rebrand to better reflect our current and future activities, as well as to enable us to raise greater awareness of what we do in order to accelerate change.

The CDP questionnaires propel organisations to think about energy, carbon management, water and forest related issues, often for the first time. The charity worked to encourage a growing number of companies and cities to measure and manage the impact of environmental risks. Over 4,100 companies around the world disclosed information to CDP in the year ended 31 March 2013.

The charity also continued to galvanise the investor community to consider environmental risk issues, both through growth in numbers of institutional investor signatories to CDP but also in the use of data in investment indices.

#### **Achievements**

Despite the continuing challenging economic conditions, CDP has expanded its influence significantly in 2012-2013. The charity has continued to grow institutional investor recognition of climate change and natural capital as investment issues. It now has 722 institutional investors with \$87 trillion in assets, up from 655 investors in the previous year, signing our annual company request for disclosure on energy management and climate change issues. The number of investors requesting information through CDP's water program has almost quadrupled since the program began, 530 institutional investors, representing US\$ 57 trillion now request businesses to disclose critical water-related information. Furthermore the forest program sent out company disclosure requests on behalf of 184 investors, representing US\$ 13 trillion of assets.

A key part of CDP's strategy is to ensure the effective use of data collected. It is used by investors in many different ways such as through engagement, within indexes such as FTSE CDP Carbon Strategy Index, and by data providers such as Bloomberg. CDP data is downloaded on average more than 1 million times a month via Bloomberg terminals.

CDP has managed to expand its focus and build upon its reputation as a catalyst for action through a strategic merger with the Forest Footprint Disclosure Project (FFD). The FFD was founded in 2009 by the Global Canopy Programme (GCP) to assist companies and their investors worldwide in understanding and addressing their exposure to forest-risk commodities. In June 2012 CDP and GCP announced an alliance to merge FFD with CDP. This strategic merger brings corporate disclosure on the climate, water and forests under one roof, resulting in the world's largest and most comprehensive natural capital disclosure system, providing companies and investors with a single, integrated source of information for these interrelated issues. As part of the transition process, CDP began managing FFD's operations in February 2013 and full integration will take place by February 2014. GCP will be working closely with CDP throughout the transition year of 2013 and will continue to act as the prime funder of CDP's forests program until 2014, when it will take on a new role as advisor on forests and forest risk commodities to CDP.

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

### **Trustees' report for the year ended 31 March 2013**

---

CDP has also undergone a distinctive rebrand this year. The decision behind this was due to the significant evolution that CDP has experienced. Climate change remains at the heart of what we do, however it is no longer our sole focus, we now use our successful disclosure system for the reporting of water management. We have also moved into forests through our acquisition of FFD. Today, we are about the protection of natural capital - the earth's atmosphere, water and forests. Our new, cohesive brand reflects our expanded focus, it also "future-proofs" CDP to grow in new directions. The boldness of our new brand is also reflective of our passion, support for innovation and our impact, helping us to build our reputation as a catalyst for action.

CDP has been able to expand its collaborative partnerships this year, by forging alliances and signing various Memoranda of Understanding (MOU's) with different organisations, CDP will be able to offer greater benefits to companies and investors. CDP's commitment to knowledge sharing will allow us to drive change.

CDP accelerates action on climate change through disclosure and also through an initiative called Carbon Action which launched in early 2011. 190 Carbon Action signatory investors with \$18 trillion in assets engaged in 2012-2013 with over 260 of the world's largest companies from the most carbon-intensive sectors or with large supply chains, asking them, through CDP, to reduce their greenhouse gas emissions by investing in emission reduction activities with a satisfactory positive return on investment. Large new investors joined the initiative including Banco de Brasil Previdência, Co-operative Financial Services (CFS) and British Airways Pensions.

CDP continues to raise the importance of environmental risk issues within global companies. A growing number of the world's largest companies now measure and disclose to CDP on energy management and climate change issues including 81% of the Global 500, 69% of the S&P 500 and 78% of the South Africa 100 companies. 191 companies on the Global 500 index showed transparency on water management. In fact, companies that disclose to CDP are increasingly aware of the importance of these issues and despite the economic downturn, climate change has not been dropped from the board's agenda. 78% of companies in the Global 500 who disclose to CDP continue to integrate climate change into their business strategies, up by 10% from the previous year.

As the management of environmental risk continues to move into companies' core business strategies, CDP is also working with global corporations such as Dell, Vodafone, PepsiCo and Walmart to embed sustainable business practices across supply chains. In 2012-2013, the number of suppliers reporting to their customers through CDP increased to 2,415, a 30% increase over the response for 2011-2012.

Cities are on the frontlines in addressing global climate change. CDP's cities program released its second report this year and 110 global cities disclosed to the program in 2013 to help better manage energy and climate risk, up from 48 the previous year.

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

### **Trustees' report for the year ended 31 March 2013**

---

#### **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 64 to 87 and the charity expanded its premises at its London serviced offices

#### **Fundraising activities**

The downturn in the global economy has continued to result in difficulties in fundraising. However, corporate sponsorship continues at a significant level. Philanthropic funding remained steady as the charity has continued to invest in capacity in this area and expect this funding to increase in 2013-2014.

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 £22,081 for the year and unrestricted reserves totalled £1,327,988.

The Trustees consider that reserves are sufficient to support the ongoing operations of the charity.

During the year, contracts for the supply of services administered by the US operations of the charity were reassigned to Rockefeller Philanthropy Advisors (RPA). The US operations of CDP are a defined special project of the RPA, and, although using the CDP corporate brand for these services, there is no legal relationship. For comparative purposes, the value of these services billed in the year to 31 March 2012 was £624,031.

#### **Plans for future periods**

The charity's focus is guided by recognition of the urgent need for action. Our overarching goal for the next three years is to cause companies and cities to reduce their greenhouse gas emissions, safeguard water resources and prevent the destruction of forests. The charity's strategy to meet this goal includes increasing the coverage of our system, increasing the use of our data in decision-making and accelerating the implementation of effective regulation.

#### **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, Menzies LLP, 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 2013**

---

**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 18 December 2013 and signed on its behalf by



Name: J CAMERON



Name J SMITH

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

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

---

We have audited the financial statements of Carbon Disclosure Project for the year ended 31 March 2013 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**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 2013 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**

---

**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 proper and adequate 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,

*Menzies LLP*

**Chris Evans FCA (Senior Statutory Auditor)**  
For and behalf of Menzies LLP  
**Chartered Accountants and Statutory Auditor**  
Lynton House  
7-12 Tavistock Square  
London  
WC1H 9LT

Date 20/12/2013

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

**Consolidated statement of financial activities (including income and expenditure account)**  
**for the year ended 31 March 2013**

	Notes	Unrestricted funds £	Restricted Funds £	31 March 2013 £	31 March 2012 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	3	221,046	-	221,046	1,063,126
Activities for generating funds	4	3,565,640	-	3,565,640	3,997,224
Investment income – bank interest		13,833	-	13,833	2,173
Incoming resources from charitable activities					
Global partnerships		530,782	-	530,782	277,992
Annual memberships		173,822	-	173,822	299,158
Workshops and speaking		19,400	-	19,400	11,238
Grants receivable		448,379	762,743	1,211,122	232,811
Other income		6,167	-	6,167	-
<b>Total incoming resources</b>		<b>4,979,069</b>	<b>762,743</b>	<b>5,741,812</b>	<b>5,883,722</b>
<b>Resources expended</b>					
Costs of generating funds					
Commercial trading operations	5	2,555,973	-	2,555,973	2,334,966
Fundraising costs	6	439,670	-	439,670	467,424
		2,995,643	-	2,995,643	2,802,390
Charitable activities					
Core policy work	7	1,876,333	777,743	2,654,076	2,134,613
Governance costs	8	70,012	-	70,012	93,288
<b>Total resources expended</b>		<b>4,941,988</b>	<b>777,743</b>	<b>5,719,731</b>	<b>5,030,291</b>
<b>Net movement in funds</b>		<b>37,081</b>	<b>(15,000)</b>	<b>22,081</b>	<b>853,431</b>
<b>Total funds brought forward</b>		<b>1,290,907</b>	<b>15,000</b>	<b>1,305,907</b>	<b>452,476</b>
<b>Total funds carried forward</b>		<b>1,327,988</b>	<b>-</b>	<b>1,327,988</b>	<b>1,305,907</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


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

**Balance sheets**  
**for the year ended 31 March 2013**

		The Group		The Charity	
	Notes	2013 £	2012 £	2013 £	2012 £
<b>Fixed assets</b>					
Tangible assets	12	40,464	25,889	32,692	21,389
Investments	13	-	-	61,995	22,995
		<u>40,464</u>	<u>25,889</u>	<u>94,687</u>	<u>44,384</u>
<b>Current assets</b>					
Debtors	14	1,307,236	1,564,525	715,255	273,273
Cash at bank and in hand		<u>2,648,567</u>	<u>3,056,559</u>	<u>1,314,253</u>	<u>2,529,784</u>
		3,955,803	4,621,084	2,029,508	2,803,057
<b>Creditors amounts falling due within one year</b>	15	<u>(2,668,279)</u>	<u>(3,341,066)</u>	<u>(1,272,958)</u>	<u>(1,723,998)</u>
<b>Net current assets</b>		<u>1,287,524</u>	<u>1,280,018</u>	<u>756,550</u>	<u>1,079,059</u>
<b>Net assets</b>		<u>1,327,988</u>	<u>1,305,907</u>	<u>851,237</u>	<u>1,123,443</u>
<b>Funds</b>					
Restricted	18	-	15,000	-	15,000
Unrestricted	17	<u>1,327,988</u>	<u>1,290,907</u>	<u>851,237</u>	<u>1,108,443</u>
	19	<u>1,327,988</u>	<u>1,305,907</u>	<u>851,237</u>	<u>1,123,443</u>

The financial statements were approved by the Board of Trustees on 18 December 2013 and were signed on its behalf by

  
Name J. Cameron

  
Name J. Smith

Company Registration No. 05013650

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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

---

**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 2013 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 2013. 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 2013**

---

#### **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.

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.

#### **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.

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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

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

All commercial trading is undertaken through its trading subsidiaries Carbon Disclosure Project (Trading) Limited, Carbon Disclosure Project gemeinnützige GmbH, Carbon Disclosure Project (Latin America) and Carbon Disclosure Project Limited (Australia). A summary of the subsidiaries' trading results, which form part of the results from each entity, are shown below.

No charge in relation to the trading activities is made to Carbon Disclosure Project gemeinnützige GmbH, Carbon Disclosure Project (Latin America) and Carbon Disclosure Project Limited (Australia) for services provided by Carbon Disclosure Project from London, including general management and administration, maintenance and development of the group IT systems, database and web site, communications support and technical support on climate change, water usage and forest footprint.

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

	<b>Trading 2013 £</b>	<b>GmbH 2013 £</b>	<b>S America 2013 £</b>	<b>Australia 2013 £</b>
<b>Turnover</b>	2,719,521	559,226	224,762	21,338
<b>Administrative expenses</b>	<u>(2,118,970)</u>	<u>(232,610)</u>	<u>(59,482)</u>	<u>(13,727)</u>
<b>Operating profit</b>	600,551	326,616	165,280	7,611
<b>Gift aid donation to Carbon Disclosure Project</b>	<u>(600,750)</u>	-	-	-
<b>(Loss)/profit on ordinary activities before interest</b>	(199)	326,616	165,280	7,611
<b>Other interest receivable and similar income</b>	<u>199</u>	<u>658</u>	<u>14,958</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>	-	327,274	180,238	7,611
<b>Tax on profit on ordinary activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit for the year</b>	<u>-</u>	<u>327,274</u>	<u>180,238</u>	<u>7,611</u>



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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

**2 Net income from trading activities of subsidiaries (cont.)**

	<b>Total 2013 £</b>	<b>Total 2012 £</b>
<b>Turnover</b>	<b>3,524,847</b>	<b>3,972,251</b>
<b>Administrative expenses</b>	<b>(2,424,789)</b>	<b>(2,402,936)</b>
<b>Operating profit</b>	<b>1,100,058</b>	<b>1,569,315</b>
 Gift aid donation to Carbon Disclosure Project	 <b>(600,750)</b>	 <b>(1,486,894)</b>
<b>Profit on ordinary activities before interest</b>	<b>499,308</b>	<b>82,421</b>
 Other interest receivable and similar income	 <b>15,815</b>	 <b>10,313</b>
<b>Profit on ordinary activities before taxation</b>	<b>515,123</b>	<b>92,734</b>
 Tax on profit on ordinary activities	 <b>-</b>	 <b>-</b>
<b>Profit for the year</b>	<b>515,123</b>	<b>92,734</b>

<b>3 Voluntary income</b>	<b>Unrestricted Funds 2013 £</b>	<b>Restricted Funds 2013 £</b>	<b>Total Funds 2013 £</b>	<b>Total Funds 2012 £</b>
Grants – core funding	7,845	-	7,845	42,013
Donations	213,201	-	213,201	1,021,113
	<b>221,046</b>	<b>-</b>	<b>221,046</b>	<b>1,063,126</b>

<b>4 Activities for generating funds</b>	<b>Unrestricted Funds 2013 £</b>	<b>Restricted Funds 2013 £</b>	<b>Total Funds 2013 £</b>	<b>Total Funds 2012 £</b>
Commercial trading operations (note 5)	3,540,662	-	3,540,662	3,982,564
Sponsorships - charity	24,978	-	24,978	14,660
	<b>3,565,640</b>	<b>-</b>	<b>3,565,640</b>	<b>3,997,224</b>

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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

**5. Activities for generating funds – commercial operations**

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
<b>Incoming resources</b>				
Sponsorship fees	2,364,190	-	<b>2,364,190</b>	2,393,740
Service fees	1,160,657	-	<b>1,160,657</b>	1,578,511
Interest received	15,815	-	<b>15,815</b>	10,313
Total incoming resources	<u>3,540,662</u>	<u>-</u>	<u><b>3,540,662</b></u>	<u>3,982,564</u>
<b>Cost of generating funds</b>				
Direct costs of goods and services	637,544	-	<b>637,544</b>	892,470
Staff costs allocated to activities (note 11)	1,705,349	-	<b>1,705,349</b>	1,216,345
Other direct costs allocated to activities	32,662	-	<b>32,662</b>	68,254
Support costs allocated to activities (note 9)	180,418	-	<b>180,418</b>	157,897
Total cost of activities	<u>2,555,973</u>	<u>-</u>	<u><b>2,555,973</b></u>	<u>2,334,966</u>
<b>Net income from activities for generating funds</b>	<u>984,689</u>	<u>-</u>	<u><b>984,689</b></u>	<u><b>1,647,598</b></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, Carbon Disclosure Project gemeinnützige GmbH, Carbon Disclosure Project (Latin America) and Carbon Disclosure Project Limited (Australia) 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.

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

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Staff costs (note 11)	373,936	-	<b>373,936</b>	388,063
Support costs (note 9)	54,119	-	<b>54,119</b>	43,132
Other direct costs	11,615	-	<b>11,615</b>	36,229
	<u>439,670</u>	<u>-</u>	<u><b>439,670</b></u>	<u>467,424</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.

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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

**7 Analysis of core policy costs**

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Staff costs (note 11)	1,337,604	546,976	1,884,580	1,363,161
Support costs (note 9)	160,821	-	160,821	157,494
Other direct costs	274,394	230,767	505,161	450,524
Grants payable	103,514	-	103,514	163,434
	<u>1,876,333</u>	<u>777,743</u>	<u>2,654,076</u>	<u>2,134,613</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

**8 Governance costs**

	Total Funds 2013 £	Total Funds 2012 £
Audit and accountancy fees	18,580	28,960
Professional fees	11,501	26,482
Staff costs (note 11)	38,004	35,666
Support cost (note 9)	1,927	2,180
	<u>70,012</u>	<u>93,288</u>

**9 Analysis of support costs**

	Commercial Trading £	Cost of Fundraising £	Charitable Activities £	Governance Costs £	Total 2013 £	Total 2012 £
Premises	48,911	15,015	42,765	456	107,147	96,736
Depreciation	3,498	1,074	3,057	33	7,662	11,083
Other office costs	23,868	7,225	26,055	250	57,398	55,817
Staff related costs	73,855	21,509	64,070	906	160,340	131,253
IT Software and website	30,286	9,296	26,480	282	66,344	50,538
(Profit) / Loss on foreign exchange	-	-	(1,606)	-	(1,606)	15,276
<b>Total support costs</b>	<b>180,418</b>	<b>54,119</b>	<b>160,821</b>	<b>1,927</b>	<b>397,285</b>	<b>360,703</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 subsistence, entertaining, training, life assurance and recruitment

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

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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

10	Analysis of resources expended	2013 £	2012 £		
The following have been charged to the Statement of Financial Activities -					
	Depreciation	9,964	11,083		
	Auditors' remuneration	20,850	20,050		
	Remuneration of auditors for non-audit work	1,650	1,600		
During the year no trustees received any remuneration or benefits-in-kind (2012 £Nil)					
During the year no trustees received any reimbursement of expenses (2012 £70)					
11	Staff costs				
Average monthly number of full time employees		Total 2013	Total 2012		
	Commercial trading	32	22		
	Fundraising and publicity	14	8		
	Core policy work	41	34		
	Governance	-	-		
Total average monthly number of full time employees		87	64		
Total employment costs were -		Total 2013 £	Total 2012 £		
	Wages and salaries	2,996,709	2,176,984		
	Social security costs	316,277	252,587		
	Other pension costs	168,321	154,751		
Total staff costs		3,481,307	2,584,322		
	External consultants	520,562	418,913		
		4,001,869	3,003,235		
Employment costs by department		Unrestricted funds £	Restricted Funds £	Total 2013 £	Total 2012 £
	Commercial trading	1,705,349	-	1,705,349	1,216,345
	Fundraising and publicity	373,936	-	373,936	388,063
	Core policy work	1,337,604	546,976	1,884,580	1,363,161
	Governance	38,004	-	38,004	35,666
		3,454,893	546,976	4,001,869	3,003,235

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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

**11 Staff costs (cont.)**

<b>Analysis of higher paid employees</b>	<b>Total 2013</b>	<b>Total 2012</b>
£60,001 - £70,000	2	3
£70,001 - £80,000	3	1
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
<b>Total</b>	<b>7</b>	<b>6</b>

Seven (2012 Six) members of higher paid staff are accruing benefits under money purchase pension schemes. Pension contributions totalling £50,712 (2012 £40,378) were expensed in the year for the higher paid employees.

**12 Tangible fixed assets**  
**The Group**

	<b>Equipment, fixtures and fittings £</b>
<b>Cost</b>	
At 1 April 2012	68,978
Additions	24,539
Disposals	-
At 31 March 2013	93,517
<b>Depreciation</b>	
At 1 April 2012	43,089
Charge for the year	9,964
Eliminated on disposals	-
At 31 March 2013	53,053
<b>Net book value</b>	
At 31 March 2013	40,464
At 31 March 2012	25,889
<b>The Charity</b>	
<b>Cost</b>	
At 1 April 2012	64,321
Additions	18,965
Disposals	-
At 31 March 2013	83,286
<b>Depreciation</b>	
At 1 April 2012	42,932
Charge for the year	7,662
Eliminated on disposals	-
At 31 March 2013	50,594
<b>Net book value</b>	
At 31 March 2013	32,692
At 31 March 2012	21,389

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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

**13 Fixed asset investments**

	Shares in group undertakings £
<b>The Charity</b>	
<b>Cost</b>	
At 1 April 2012	22,995
Additions	39,000
Disposals	-
At 31 March 2013	<u>61,995</u>
<b>Net book value</b>	
At 31 March 2013	<u>61,995</u>
At 31 March 2012	<u>22,995</u>

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

Name of Company	Country of Incorporation	Description of shares held	Proportion of nominal value of issued shares held %
Carbon Disclosure Project (Trading) Limited	England and Wales	Ordinary	100
Carbon Disclosure Project gemeinnutzige GmbH	Germany	Ordinary	100
Qidiping Climate and Environment Consulting Co Limited	China	Ordinary	100

The principal activities of the subsidiaries is to promote the implications of climate change, water usage and forest footprint

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

	<b>The Group</b>		<b>The Charity</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>14 Debtors due within one year</b>				
Trade debtors	1,244,825	1,540,105	409,469	227,713
Amounts due from group undertaking	-	-	253,420	23,709
Other debtors	38,154	8,561	29,807	7,690
Prepayments and accrued income	24,257	15,859	22,559	14,161
	<u>1,307,236</u>	<u>1,564,525</u>	<u>715,255</u>	<u>273,273</u>

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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

15. Creditors, amounts falling due within one year	The Group		The Charity	
	2013 £	2012 £	2013 £	2012 £
Trade creditors	149,437	176,876	108,873	85,921
Amounts due to group undertaking	-	-	14,157	458,771
Other taxes and social security costs	445,070	313,926	401,368	293,023
Other creditors	38,069	50,000	38,069	50,000
Accruals	729,773	638,629	511,625	515,183
Deferred income (note 16)	1,305,930	2,161,635	198,866	321,100
	<b>2,668,279</b>	<b>3,341,066</b>	<b>1,272,958</b>	<b>1,723,998</b>

Included within accruals is £18,510 (2012 £26,900) of accrued pension contributions

16. Deferred income	The Group		The Charity	
	2013 £	2012 £	2013 £	2012 £
Balance brought forward	2,161,635	1,778,707	321,100	259,441
Amounts released from prior years	(2,161,635)	(1,778,707)	(321,100)	(259,441)
Deferred in current year	1,305,930	2,161,635	198,866	321,100
	<b>1,305,930</b>	<b>2,161,635</b>	<b>198,866</b>	<b>321,100</b>

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

17 Reserves	The Group				Balance at 31 March 2013 £
	Balance at 1 April 2012 £	Incoming resources £	Resources expended £	Transfers £	
Unrestricted reserves	1,290,907	4,979,069	(4,941,988)	-	1,327,988
Restricted reserves (note 18)	15,000	762,743	(777,743)	-	-
<b>Total funds</b>	<b>1,305,907</b>	<b>5,741,812</b>	<b>(5,719,731)</b>	<b>-</b>	<b>1,327,988</b>
The Charity					Balance at 31 March 2013 £
	Balance at 1 April 2012 £	Incoming resources £	Resources expended £	Transfers £	
Unrestricted reserves	1,108,443	2,039,157	(2,296,363)	-	851,237
Restricted reserves (note 18)	15,000	442,941	(457,941)	-	-
<b>Total funds</b>	<b>1,123,443</b>	<b>2,482,098</b>	<b>(2,754,304)</b>	<b>-</b>	<b>851,237</b>

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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

<b>18. Restricted reserves</b>					
<b>The Group and 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>2012</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2013</b>
	<b>£</b>				<b>£</b>
<b>The Charity</b>					
Global Canopy Foundation	15,000	60,714	(75,714)	-	-
Foreign & Commonwealth Office	-	146,777	(146,777)	-	-
Alcoa	-	30,750	(30,750)	-	-
ECF	-	118,700	(118,700)	-	-
Waterloo Foundation	-	50,000	(50,000)	-	-
CIFF	-	36,000	(36,000)	-	-
<b>Total Charity</b>	<b>15,000</b>	<b>442,941</b>	<b>(457,941)</b>	<b>-</b>	<b>-</b>
<b>The Subsidiaries</b>					
National Water Commission	-	36,456	(36,456)	-	-
EU Life	-	283,346	(283,346)	-	-
<b>Total Group</b>	<b>15,000</b>	<b>762,743</b>	<b>(777,743)</b>	<b>-</b>	<b>-</b>

**Global Canopy Foundation**

For investor engagement for the Forest Footprint Disclosure project

**Foreign & Commonwealth Office**

For increasing Corporate Climate Change reporting in various countries

**Alcoa**

To help the development of the CDP Water Scoring Methodology

**ECF**

To bring transparency to the ways in which corporations are affecting the climate change design process

**Waterloo Foundation**

Integrating Forest Footprint Disclosure into CDP

**CIFF**

Advancing the measurement, reporting and reduction of greenhouse gas emissions in China

**National Water Commission**

For production of CDP Water Disclosure Australia report

**EU Life**

Financial support for European operations



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

**Notes to the financial statements**  
**for the year ended 31 March 2013**

**19. Analysis of net assets between funds**

	<b>Unrestricted Funds 2013 £</b>	<b>Restricted Funds 2013 £</b>	<b>Total Funds 2013 £</b>	<b>Total Funds 2012 £</b>
Fixed assets	40,464	-	<b>40,464</b>	25,889
Cash at bank and in hand	2,648,567	-	<b>2,648,567</b>	3,056,559
Other current assets	1,307,236	-	<b>1,307,236</b>	1,564,525
Current liabilities	(2,668,279)	-	<b>(2,668,279)</b>	(3,341,066)
	<b>1,327,988</b>	-	<b>1,327,988</b>	1,305,907

**20 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 £2,482,098 (2012 £3,388,052) which included donations of £600,750 (2012 £1,486,894) from its wholly owned subsidiary undertakings. The decrease in the company's funds for the year was £272,206 (2012 increase in funds £786,852).

**21 Controlling party**

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

**22 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 was owed £39,279 (2012 owed £458,771) by Carbon Disclosure Project (Trading) Limited, a wholly owned subsidiary company incorporated in England and Wales. At the year end the charitable company was owed £204,959 (2012 £11,162) by Carbon Disclosure Project gemeinnützige GmbH, a wholly owned subsidiary company incorporated in Germany. At the year end the charitable company was owed £9,182 (2012 £8,022) by Carbon Disclosure Project (Latin America), a subsidiary by virtue of control. At the year end the charitable company owed £8,506 (2012 was owed £4,525) to Carbon Disclosure Project Limited (Australia), a subsidiary by virtue of control.