

Company Registration No. 05013650
Charity Registration No. 1122330

CDP Worldwide
(A company limited by guarantee)

Annual report and consolidated financial statements

For the year ended 31 March 2020



CDP Worldwide
(A company limited by guarantee)

Contents

	Pages
Administrative details of the charity, its Trustees and Advisers	1
Trustees' report (incorporating strategic report)	2-14
Independent auditor's report	15-17
Consolidated statement of financial activities	18
Consolidated and Charity balance sheets	19
Consolidated cash flow statement	20
Notes to the financial statements	21-38

CDP Worldwide
(A company limited by guarantee)

Administrative details of the charity, its Trustees and Advisers

Board of Trustees

Katherine Garrett-Cox Chair
Amy Metcalfe
Annise Parker
Christine Loh
David Wolfson
Jane Ambachtsheer
Jeremy Burke
Martin Wise
Michael Hugman
Rachel Kyte
Ramakrishnan Mukundan
Stephen Chow

Company Secretary

Marcus Norton

Company Number

05013650

Charity Number

1122330

Principal Office

CDP Worldwide
4th Floor
60 Great Tower Street
London
EC3R 5AZ

Executive Leadership Team

Frances Way	Chief Strategy Officer (on secondment)
Marcus Norton	Chief Partnerships Officer and General Counsel
Nicolette Bartlett	Executive Director
Paul Dickinson	Executive Chair
Paul Simpson	Chief Executive Officer
Rene Gravenberch	Chief Information Officer
Simon Barker	Chief Financial Officer
Sue Howells	Chief Operating Officer

Auditor

Menzies LLP
Centrum House
36 Station Road
Egham
Surrey
TW20 9LF

Bankers

HSBC Bank plc
25 Islington High Street
London
N1 9LJ

CDP Worldwide
(A company limited by guarantee)

Trustees' report (incorporating strategic report)
for the year ended 31 March 2020

The Trustees, who are also the directors of the charity, present their report and the financial statements for the charity and its subsidiaries (the group) for the year ended 31 March 2020. The Trustees' Report is also the Directors Report as required by S.417 of the Companies Act 2006, and the Trustees' Report as required by the Charities Act 2011. Within the Trustees' Report is a separate "Strategic Report" as required by S.414A of the Companies Act 2006. The financial statements comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Charitable Company's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - "SORP 2015", and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Overview of CDP

CDP's vision is for a thriving economy that works for people and the planet over the long term. We request environmental information from companies, cities, states and regions to understand the impacts and dependencies that they have on the world's natural resources. Specifically, we collect information on climate change, forests and water security, and corporate strategies for managing these issues. The process of disclosing information to CDP incentivises companies and cities to measure, manage and reduce their impact on the environment and to build resilience. By providing this high-quality information to the market, CDP is changing the way businesses, investors, governments and cities make decisions and accelerating the transition to a sustainable economy.

We are headquartered in London and have further operations in Brazil, China, Hong Kong, India and Japan and operate through local partners in Columbia, Ireland, Peru, South Africa, South Korea, Taiwan and Turkey. North America is served through a legally separate independent 501c3 entity based in New York (CDP North America, Inc) and Europe through a legally separate charity based in Brussels (CDP Europe AISBL)

Our expenditure on charitable activities in the year was £14.9m (2018/19: £12.7m) which was funded by a combination of philanthropic and government grants, fees for services income, licence royalty and service fees received from CDP North America and brand administrative and service fees received from CDP Europe

Key strategic aims include:

- Providing an environmental disclosure platform for companies, financial institutions, cities and states and regions. This is aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- Advocating for Science Based Targets and transition plans that reduce emissions, avoid deforestation, deliver water security and build resilience to climate change. These are facilitated through our disclosure platform, data and tools.
- Maximising our operating model to provide an outstanding service to the investors, companies, cities, states, regions and governments we work with.

CDP Worldwide
(A company limited by guarantee)

Trustees' report (incorporating strategic report)
for the year ended 31 March 2020

Significant activities, achievements and performance

Following on from the 2019/20 financial year CDP saw continued growth throughout 2020, even amidst the challenges posed by the COVID-19 pandemic.

A year like no other

2020 was a challenging and extraordinary year. The world had to collectively respond to the health and economic consequences of the COVID-19 pandemic. In the case of climate change, water security and deforestation, we have now entered a global emergency and the decade of action, our last chance to make rapid and deep cuts to global emissions and to protect biodiversity. For CDP the global pandemic meant taking a cautious approach to budgeting for the 2021/22 financial year, given the economic uncertainty and adapting quickly to virtual working as well as supporting staff to work from home and maintain wellbeing.

Despite the global pandemic, CDP reached the milestone of over 10,000 entities (companies, cities, states and regions) disclosing environmental data to CDP in the 2020 disclosure cycle (2019: 9,429 entities). In the run-up to COP26, the capital markets are increasingly moving towards net zero commitments and putting climate risk reporting at the top of the agenda for many corporates and cities.

The number of corporate disclosures is up 14% this year on last, and over **70%** since 2015 when the Paris Agreement was signed.

2020 was also our 20th anniversary year, and CDP was able to reflect on two decades of driving disclosure, insight and action. Our anniversary video reflects both how far we have come, and how far there is to go, in our mission of a thriving economy that works for people and the planet.

In 2020 9,617 companies, worth over 50% of global market capitalisation, disclosed their environmental data through CDP (2019: 8,443 companies). That is the highest number of environmental disclosures CDP has ever seen, with increases across all three disclosure categories: climate change, forests and water security.

The rise in corporate disclosures is a response to requests for information from 515 investors with \$106 trillion in assets, and over 150 major purchasing organizations with over \$4 trillion in buying power. This demonstrates the success of the market levers CDP utilizes in driving change.

Disclosure results

- **Climate:** Of the 9,600+ companies responding in our 2020 disclosure cycle, 313 companies made our prestigious 'A List', a 45% increase on 2019. The A List companies are those with the strongest disclosure and performance and come from around the globe, with most coming from Europe (132), Asia (100) and North America (61). Our A list announcements are widely covered in global media including Bloomberg and The Guardian. CDP's scores were also graded highly for quality and usefulness in Sustainability.com's respected 'Rate the Raters' report in February 2020.

**CDP Worldwide
(A company limited by guarantee)**

**Trustees' report (incorporating strategic report)
for the year ended 31 March 2020**

- **Water:** Our Wave of Change report released in March 2021, highlighted disclosure from 2,934 companies on water security in 2020. This represents a 20% increase in disclosure compared to 2019. It showed that despite the challenges posed by COVID-19 companies have made progress on water use, with nearly two thirds of companies reducing or maintaining water withdrawals, thanks to the implementation of measures to reuse and save water. The top water risks faced by companies are increased water scarcity, flooding, drought, severe weather events, and declining water quality. The most common responses by companies across sectors and regions are adopting water efficiency, reuse, recycling or conservation measures, and developing flood emergency plans.
- **Forests:** Over 500 companies reported to CDP on deforestation-related KPIs in 2020, a 27% growth in disclosure levels. Almost all companies (93%) are taking at least one of 15 key actions to protect forests, but only four pioneers (1%) are adopting best practice by taking nearly all 15 key actions. The disclosures showed that cattle products were the worst performing commodity while palm oil was the best, following recent improvements. Reuters and Al Jazeera were among the global outlets covering the release of our forests data.

Separately, our supply chain disclosure request backed by large purchasing organisations such as Google, L'Oréal, Walmart, Braskem and Toyota highlighted up to US\$120 billion in costs from environmental risks in their supply chains within the next 5 years. Our supply chain report, Transparency to Transformation: A Chain Reaction, analyses data from 8,000+ supplier companies disclosing to their corporate customers via CDP in 2020, a 16% increase. It found that suppliers undertook activities that cut emissions by 619 million tCO₂e last year, equivalent to emissions from 159 coal power plants running for a year and saving US\$33.7 billion in the process.

Cities, states and regions

Our work with cities has also been notable. By 2050, two-thirds of the global population will live in cities and urban areas also contribute around 70% of global emissions, putting them on the front lines of the climate crisis. Their climate action is critical if we are to keep warming to below 1.5°C and ensure citizens now and in the future remain safe.

In 2020, 825 cities disclosed through CDP, a slight reduction on 2019 – 861 cities, because some cities ability to disclose was impacted by the COVID pandemic. Hence it is encouraging that a record number of cities made CDP's 'Cities A list' in late 2020. The list includes Bristol (UK), Miami (USA), Cape Town (South Africa), Buenos Aires (Argentina), and Auckland (New Zealand) and 34% of cities are new to this year's A List. This is significant progress over the last few years as in 2015, half of the cities on the 2020 A list (44/88) did not even report greenhouse gas emissions reduction targets. Today, they all report targets and 38% aim to reach net zero emissions by 2050 or earlier.

We also saw 121 states and regions disclosing their climate and environmental data in 2020 (125 in 2019). In total 18 states and regions, with combined economies of \$7.2 trillion and total emissions equivalent to those of Brazil, have set net zero targets

CDP Worldwide
(A company limited by guarantee)

Trustees' report (incorporating strategic report)
for the year ended 31 March 2020

Other initiatives

The global challenges of climate change and environment require a collaborative approach and many of the partnerships that CDP has created, or works with, have also seen progress this year. These include:

- Unprecedented growth for the Science Based Targets initiative (SBTi), which as of March 2021 had 1,294 companies committed to science-based targets (SBTs). In its Progress Report this year SBTi highlighted that companies with SBTs since 2015 have reduced their combined emissions by 25%, reducing annual emissions at a rate that exceeds the rate needed to limit warming to 1.5°C. SBTi's publication of the Foundations for Science-Based Net-Zero Target Setting in the Corporate Sector and Net-Zero Criteria have helped to better define Net-Zero targets.
- Working with consultancy Oliver Wyman our CDP Europe report in the last two years has been covered in Bloomberg, Les Echos and Reuters. In 2021 it found that European companies' current emissions reduction plans are not going far enough and would result in 2.7°C of warming by 2100 - that's almost double the 2015 Paris Agreement's target of 1.5°C. To cap warming at 1.5°C, Europe will have to cut emissions by 50% over the next decade, the report found.
- We continue to work with ISS ESG on Climetrics, a rating of climate impact for investment funds as featured in the Financial Times. The initiative, alongside CDP Temperature Ratings, help increase demand for sustainable finance options.
- The We Mean Business Coalition, of which CDP is a founding partner continued to grow its impact by scaling corporate commitments and action towards a net-zero economy and strengthening the dialogue between business and policy makers.

It was also a strong period for our investor research team which has produced an influential set of sector reports on high emitting industries including steel, shipping and consumer goods. These reports attracted strong interest both in the investment community and in the global media with CNBC and Reuters among the media outlets who covered the research. The steel report in 2019, for example, highlighted that the world's 20 largest steel corporations are not reducing emissions at the rate required to keep global warming below 2°C.

Institutional investor engagement

On top of CDP's sector research series for investors, June 2020 saw the latest CDP Non-Disclosure Campaign, which mobilises signatory investors to engage directly with those companies that repeatedly fail to disclose through CDP. This year it brought 105 global investors, holding over US\$10 trillion in assets, together to put pressure on some of the globe's highest impact corporations. Exxon Mobil, Facebook and Domino's Pizza were among the 1,051 companies from 49 countries being urged to disclose environmental data by their investors.

The capital markets team is also actively involved in the continued work of the Investor Agenda, a collaborative initiative to provide investors with a consistent agenda for action on the four areas of investment, corporate engagement, investor disclosure and policy advocacy.

CDP Worldwide
(A company limited by guarantee)

Trustees' report (incorporating strategic report)
for the year ended 31 March 2020

Governance

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, as last amended on 18 June 2020.

The Trustees delegate day to day management of the charity to the Executive Leadership Team (ELT). 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 ELT. The ELT must account to the Trustees for progress against the business plan and report on significant events occurring during the year at Trustee meetings which are held each quarter. Trustees set remuneration of key management by reference to established benchmark levels, identified by an external organisation.

The Trustees have appointed an Audit and Risk Committee which acts with the authority of the Trustees and meets with the ELT representatives quarterly, to review financial performance in detail.

Recruitment and training of Trustees

Trustees are recruited globally from senior figures in industry, government and the non-profit sector. The charity management and the Board of Trustees look for recruits who are passionately interested in climate change, forests, water security and the sustainable use of scarce resources and who can 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 all are aware of their responsibilities. Legal advice is available from CDP's General Counsel who is supported by specialist external charity lawyers and a number of major international law firms who offer their services on a pro bono basis.

Trustees

During the year Jeremy Smith resigned as a Trustee on 28 May 2019 and Alan Brown (Chair) resigned as Trustee on 17 December 2019, both rotating in accordance with our Articles of Association. We thank them for their huge contribution to CDP over many years. Alan was succeeded as Chair by Katherine Garrett-Cox.

David Wolfson was appointed as a Trustee on 17 March 2020 and since the year end the further appointments of Amy Metcalfe (23 September 2020) and Michael Hugman (15 December 2020) have been made.

Takejiro Sueyoshi resigned as a Trustee on 18 February 2021 and Justin Johnson resigned as a Trustee on 16 March 2021. We thank them for their contribution to CDP.

CDP Worldwide
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2020

Group structure

The charity has a wholly owned UK operating subsidiary, CDP Operations Limited, whose purpose is to generate funds from service-based activities to support the charity's activities. The charity also has wholly owned subsidiaries in Germany, China and Hong Kong. Control is exercised over companies in Brazil, India and Japan through the ability to control financial and operational policies including majority Board representation.

CDP Europe AISBL, to which the European activities of CDP Worldwide were transferred on 29 January 2020, is an independently incorporated entity and hence is not consolidated into CDP Worldwide. It has charitable status and is authorised to use the intellectual property owned by CDP Worldwide including the name 'CDP', the symbol 'CDP' and the trademarks of CDP Worldwide. CDP Europe AISBL pays CDP Worldwide an annual brand administrative fee based on agreed percentages of income and a service fee for shared global programmatic costs such as the CDP questionnaire platform and database, general questionnaire support across all programmes and support of the global mission related activities in climate change, forests, water security and cities and investor initiatives ('SFA').

CDP North America, Inc is an independently incorporated entity and hence is not consolidated into CDP Worldwide. It has US 501c3 tax exempt status and is authorised to use the intellectual property owned by CDP Worldwide including the name 'CDP', the symbol 'CDP' and the trademarks of CDP Worldwide. CDP North America, Inc pays CDP Worldwide an annual licence royalty fee based on agreed percentages of income and a service fee for shared global programmatic costs such as the CDP questionnaire platform and database, general questionnaire support across all programmes and support of the global mission related activities in climate change, forests, water security and cities and investor initiatives ('LSF').

Where our income comes from

Our income in the 2019/20 year came from four main sources:

- Philanthropic and government grants - £9.7m (2018/19: £8.3m)
- Service-based activities principally supply chain, reporter services, corporate partnerships and sponsorships - £4.8m (2018/19: £3.5m)
- Other corporate-sourced income, including investor memberships, data sales and company responder and investor administrative fees - £3.0m (2018/19: £3.0m)
- An annual licence, royalty and reporting platform service fee ('LSF') received from CDP North America, Inc - £1.7m (2018/19: £1.1m)

Our total income rose from £15.9m to £19.2m, resulting from the continued growth of the administrative fee (£0.3m), the LSF (£0.6m), service-based activities (£1.3m) and philanthropic and government grants (1.4m), offset by a reduction in Global data partnerships (£0.2m) and Donations and other income (£0.1m).

CDP Worldwide
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2020

Where the money is spent

Charitable expenditure

Our charitable expenditure is analysed as follows:

	2020	2019
	£m	£m
Climate change, forests and water security.	9.2	7.2
Institutional investor engagement	3.3	2.4
Disclosure and action by Cities, states and regions	2.4	2.1
New Disclosure Platform implementation and integration	-	1.0
Total	14.9	12.7

Analysis by nature of expense

Our total costs are analysed by the nature of the expense as follows:

	2020	2019
	£m	£m
Staff costs	13.9	11.7
Other direct costs	3.2	2.3
Support costs	2.6	2.5
Total	19.7	16.5

Staff costs have increased reflecting the increase in the average number of full-time employees from 247 to 302 in the year as we added new staff to fulfil programmatic work, deliver service-based activities and support the CDP disclosure platform. The average cost per directly employed staff member (including employer and pension costs) remained at £43,000.

Direct costs are those external costs associated with both the CDP disclosure platform and delivering external grants. They include third party technical support, report costs and communications, travel and the costs of running workshops or other events required under grant agreements. They have increased year on year by £1m to £3.2m due to an increase in restricted funding for reports, travel and events costs.

Support costs, which include premises, telecoms and IT costs, increased from £2.5m to £2.6m representing 21.3% and 19.0% of staff costs respectively. The £0.1m increase was mainly due a full year of recognition of amortisation of the New Disclosure Platform as well as the associated licence and maintenance cost.

Unrestricted, restricted and total funds

The movement in unrestricted funds is a key indicator of the sustainable financial performance of CDP. The net decrease in unrestricted funds in the 19/20 year was £3.2m bringing total unrestricted funds at 31 March 2020 to be a £3.9m negative balance.

CDP Worldwide
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2020

The largest single contributor to the decrease in unrestricted funds was £1.9m resulting from the transfer of CDP Worldwide (Europe) GmbH and CDP Europe – Services GmbH to CDP Europe AISBL on 29 January 2020. The consolidated net assets of the two companies at that date were £1.9m representing the accumulation of reserves in the 11 years since CDP Worldwide (Europe) GmbH was established. However, local charity law in Germany governed that the consideration for the transfer could not exceed the nominal share capital of EUR 25,000 and hence an accounting loss of £1.9m arose to CDP Worldwide. The reserves remain available to fulfil the shared mission of the CDP System but are no longer in a controlled entity.

The remaining part of the reduction in the year reflects the costs associated with improvements to our core infrastructure, including the CDP questionnaire platform and database and because the level of LSF from CDP North America and SFA from CDP Europe has been set based on agreements established in 2015 which were no longer reflective of the complexity and cost of operating the CDP System.

New agreements covering the 20/21 year and onwards have now been established and, in addition, in December 2020 CDP North America made an unrestricted grant of £0.6m to CDP Worldwide. To provide further liquidity to CDP Worldwide, on 30 March 2021 CDP North America agreed a promissory note of \$1.7m which is in addition to existing loans of EUR 1.3m from CDP Europe.

Combined with these changes, grant funding secured covering the 19/20 year and onwards includes:

- An unrestricted operating grant from ClIFF of £1.55m per annum for each of the 19/20, 20/21, 21/22 and 22/23 years
- The renewal of our Cities grant funding from Bloomberg Philanthropies totalling \$5.5m over the three years ending 31 December 2022.
- A £5.9m restricted grant from ClIFF to fund the development and implementation of the Next Generation Disclosure programme over the 4 years ending 31 March 2024. This programme aims to transform our disclosure process to improve both the customer experience and reach new disclosers, driving increased levels of administrative fees and fee for service income.

The movement in restricted funds reflects the rate at which we are adding new restricted funds less the actual amounts spent to deliver against objectives.

In 19/20 the net increase in restricted funds is £0.6m reflecting the pattern of contributions and activity on grants. At 31 March 2019 total restricted funds were £3.9m, of which £1.2m was the Bloomberg Cities grant, £1.2m were the Norwegian Agency for Development Co-operation grants with the remaining £1.5m covering grants including ClIFF and New Venture Fund.

At 31 March 2020 total funds were £nil (31 March 2019: £2.6m).

CDP Worldwide
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2020

Reserves policy

The Trustees have previously identified a minimum of two months' direct charitable expenditure at all times during the year as an appropriate level of funds to be held in reserve to enable the organisation to ensure continuing operation in the event of contingencies and to provide working capital for day-to-day activities.

At 31 March 2020 total reserves were £nil and hence represented no months of direct charitable expenditure (31 March 2019: 2.5 months). The actions being taken to address this position are noted above.

Going concern

Based on detailed operational and cash flow projections, the Trustees consider that there is a reasonable expectation that CDP Worldwide has adequate resources to continue in operational existence for at least 12 months following approval of these financial statements. Key factors in reaching this conclusion are:

- The shared mission of the CDP Worldwide Group, CDP North America and CDP Europe which has ever-increasing relevance and funding.
- The strong financial performance of CDP North America and CDP Europe and the associated growth in the amounts contributed to CDP Worldwide Group.
- The improved financial performance of CDP Worldwide in the year ended 31 March 2021.
- Detailed operational budget and cash flow projections for CDP Worldwide Group.

Principal Risks and Uncertainties

The Board of Trustees has overall responsibility for the system of internal control for CDP Worldwide and its subsidiaries, which includes ensuring that there are reasonable procedures in place for the prevention and detection of major risks, including fraud and other irregularities.

All such frameworks are designed to mitigate (not eliminate) risks and to provide reasonable (not absolute) assurance against material errors or loss.

CDP operates a comprehensive annual planning and budgeting process. This process and the annual budget is approved by the Board of Trustees. Performance is monitored using activity and financial targets and reported to the Audit and Risk Committee and the Board of Trustees.

CDP has risk management policies and procedures through which risks arising from the existing operations and strategic developments are identified and managed. Risks are assessed by the Executive Leadership Team to identify and analyse risk-relevant activities. Risks are assessed according to the potential impact on CDP and their likelihood of occurrence. Controls are in place, or are being developed or enhanced, to manage the risks. Key strategic and operational risks are reviewed and monitored by the Executive Leadership Team which is chaired by the Executive Chair. In response to the growth of CDP we are currently in the process of reviewing our operating model with the aim of creating a more effective organisation with the consequent benefits on managing business risks. This will also include the embedding of risk assessment at project plan and departmental strategy level.

CDP Worldwide
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2020

CDP holds insurances covering physical assets, public liability, professional indemnity, Trustees and executive officers' duties and business travel.

The system of internal control also includes a three-year strategic plan for 2017 – 2020, approved by the Trustees, which came into effect in June 2017. This covers the overall aims and objectives of the organisation and is used as the basis for annual planning and quarterly progress reviews by the ELT, with Trustee updates delivered every three months. A strategy out to 2025 is currently being developed and finalised.

Major risks

Governance

- Organisational structure, direction, strategy and forward planning is not of sufficient quality.
- Inability to secure Trustees with relevant skills and commitment

Management of this risk

- Strategy structure developed between Trustees and ELT and progress monitored at quarterly Trustee Meetings and an annual full-day strategy meeting.
- Trustee recruitment continually considered and supported by an external search agency and thorough assessment and interview processes.

People

- Failure to recruit, develop and retain staff with the required skills and talent to deliver our strategy
- COVID restrictions including work from home orders and school closures leading staff being unable to work at full capacity

Management of this risk

- People strategy and planning including focus on personal development opportunities.
- Benchmarking of salaries and benefits
- Regular staff surveys and actioning of points raised
- Support for virtual working and flexible working provided and staff well bring programme of activities and support

IT, data security and infrastructure risk

- Prolonged outage or poor performance of the Online Reporting System
- Cyber security or protection breaches or leak of confidential information
- Office buildings are out of action for a prolonged period

Management of this risk

- Robust information governance processes supported by information security reviews
- Exacting specification and selection process for selecting software vendors and external legal advice on vendor contracts
- Full project management processes for major projects including separately established project boards
- Plans in place for off-site working and renting temporary space if needed

CDP Worldwide
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2020

Contractual and other commercial risk

- Contracts contain unfavourable or onerous terms
- Services delivered do not fulfil customer requirements
- Services offered compromise CDP's independence as an organisation
- Competition with other organisations offering similar services

Management of this risk

- Significant contracts reviewed by CDP's group legal counsel
- Monitoring of customer feedback, complaints, incidents and trends
- Clearly established policies on independence and separation of activities to independent third parties if appropriate
- Continual review of the competitiveness of services offered

Financial risk

- Failure to achieve philanthropic and government funding or commercial income targets
- COVID impact on economy leading to less income
- Non-compliance with the detailed financial reporting requirements and cost eligibility rules on grants leading to clawbacks
- Exposure to foreign currency fluctuations
- Failure to set aside sufficient levels of reserves
- Counterparty risk on cash balances

Management of this risk

- Mixed-funding model with diversified income streams
- Prudent, cautious budget adopted for 20/21 year given COVID uncertainty
- Regular monitoring of income, costs and cash against budgets which are set annually for programmes and functions
- Hedging of significant contracted foreign exchange transactions
- Established reserves policy regularly reviewed by Trustees
- Cash balances held with high quality counterparties

External factor risk

- Changes in the external political environment, UK membership of the EU, regulatory intervention or disintermediation of data collection
- Major economic downturn affecting the ability of corporates to buy commercial services and governments and philanthropists to provide grant funding

Management of this risk

- Monitoring of proposed legal and regulatory changes and contribution to key initiatives such as TCFD
- Focus on the competitiveness of services, securing long-term agreements and flexibility in operating structure

CDP Worldwide
(A company limited by guarantee)

Trustees' report
for the year ended 31 March 2020

Compliance and reputational risk

- Failure to comply with laws and regulations in the geographies that we operate
- Going outside of our charitable objectives in to areas such as lobbying or anything that could call in to question CDP's impartiality and brand
- Attracting adverse publicity through individual or collective action or experiencing a targeted campaign to discredit CDP

Management of risk

- Preventative policies and procedures including regular staff updates
- Regular consultation with expert external law firms on any matters requiring clarification
- Well-developed communication responses to crisis situations

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, and United States of America. Trade Mark applications are in place for other geographic areas of operation.

Public benefit statement

The 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.

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.

**CDP Worldwide
(A company limited by guarantee)**

**Trustees' report
for the year ended 31 March 2020**

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.

The Trustees' Report (incorporating the strategic report) was approved by the Board of Trustees (which is also the Board of Directors) on **30 March** 2021 and signed on its behalf by



Katherine Garrett-Cox
March 30, 2021



Jeremy Burke

CDP Worldwide
(A company limited by guarantee)

Independent auditor's report to the Members of CDP Worldwide
for the year ended 31 March 2020

OPINION

We have audited the financial statements of CDP Worldwide (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2020 set out on pages 16 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**CDP Worldwide
(A company limited by guarantee)**

Independent auditor's report to the Members of CDP Worldwide (continued)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' report including the Group strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and the Group strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the Group strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Directors' responsibilities statement, the Directors (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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

CDP Worldwide
(A company limited by guarantee)

Independent auditor's report to the Members of CDP Worldwide (continued)

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Janice Matthews

Janice Matthews FCA (Senior Statutory Auditor)
For and behalf of Menzies LLP
Chartered Accountants and Statutory Auditor
Centrum House
36 Station Road
Egham
Surrey
TW20 9LF

31-Mar-2021

CDP Worldwide
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	£m Unrestricted funds	£m Restricted funds	£m Year Ended 31 March 2020	£m Year Ended 31 March 2019
Incoming resources					
Income from charitable activities	2	3.6	9.0	12.6	11.1
Income from service-based activities	2/3	4.8	-	4.8	3.5
Donations and other income	2	1.8	-	1.8	1.3
Total incoming resources		10.2	9.0	19.2	15.9
Resources expended					
Expenditure on raising funds					
Dedicated fundraising expenditure	4	0.8	-	0.8	0.7
Expenditure on service-based activities	3	4.0	-	4.0	3.1
		4.8	-	4.8	3.8
Expenditure on charitable activities					
Expenditure on programmes	5	6.5	8.4	14.9	12.7
Total resources expended		11.3	8.4	19.7	16.5
Net (outgoing)/incoming resources before other recognised gains and losses		(1.1)	0.6	(0.5)	(0.6)
Loss on Transfer of European activities	25	(1.9)	-	(1.9)	-
Translation Exchange differences		(0.2)	-	(0.2)	-
Net movement in unrestricted funds		(3.2)		(3.2)	(1.4)
Net movement in restricted funds			0.6	0.6	0.8
Total funds brought forward		(0.7)	3.3	2.6	3.2
Total funds carried forward		(3.9)	3.9	0.0	2.6

There are no recognised gains and losses other than those passing through the consolidated Statement of Financial Activities. All of the group's activities are continuing.

CDP Worldwide
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2020

		The Group		The Charity	
	Notes	£m 2020	£m 2019	£m 2020	£m 2019
Fixed assets					
Intangible assets	9	0.5	0.8	0.5	0.8
Tangible assets	10	0.6	0.6	0.6	0.6
Investments	11	-	-	0.0	0.0
		<u>1.1</u>	<u>1.4</u>	<u>1.1</u>	<u>1.4</u>
Current assets					
Debtors	12	3.8	5.7	2.7	3.1
Cash at bank and in hand	14	2.0	2.4	1.5	1.0
		<u>5.8</u>	<u>8.1</u>	<u>4.2</u>	<u>4.1</u>
Creditors: amounts falling due within one year	13	(6.8)	(6.6)	(5.2)	(4.0)
Net current assets/(liabilities)		<u>(1.0)</u>	<u>1.5</u>	<u>(1.0)</u>	<u>0.1</u>
Creditors: amounts falling due more than one year	13	(0.1)	(0.3)	(0.1)	(0.3)
Net assets		<u><u>0.0</u></u>	<u><u>2.6</u></u>	<u><u>0.0</u></u>	<u><u>1.2</u></u>
Funds					
Restricted	16/17	3.9	3.3	3.8	3.1
Unrestricted	16	(3.9)	(0.7)	(3.8)	(1.9)
		<u><u>0.0</u></u>	<u><u>2.6</u></u>	<u><u>0.0</u></u>	<u><u>1.2</u></u>

The financial statements were approved by the Board of Trustees (which is also the Board of Directors) on *30 March* 2021 and signed on its behalf by:



March 30, 2021

Katherine Garrett-Cox



Jeremy Burke

Company Registration No. 05013650

CDP Worldwide
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	£m 2020	£m 2019
Cash flows from operating activities	23	1.2	(1.2)
Cash flows from investing activities		(0.2)	(1.0)
Cash flows from financing activities		(1.4)	0.4
(Decrease) in cash in the year		<u>(0.4)</u>	<u>(1.8)</u>
Reconciliation of net cash flow to movement in net funds		-	-
Net cash balances brought forward		2.4	3.7
Net cash balances carried forward		<u><u>2.0</u></u>	<u><u>1.9</u></u>

CDP Worldwide
(A company limited by guarantee)

**Notes to the financial statements
FOR THE YEAR ENDED 31 MARCH 2020**

1 Accounting policies

The major accounting policies adopted by CDP Worldwide are set out below.

1.1 Basis of preparation of financial statements

The Financial Statements are prepared on a going concern basis, under the historical cost convention, and on an accruals basis. The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

CDP Worldwide constitutes a public benefit entity as defined by FRS102. The Charity is a private company limited by guarantee registered in England and Wales.

The members of the company are the Directors named on page 1.

In the event of the Charity being wound up, the liability in respect of guarantee is limited to £1 per member of the Charity.

The address of the registered office and principal place of business is CDP Worldwide, 4th Floor, 60 Great Tower Street, London, EC3R 5AZ

The company's registered number is 05013650, the charity registration number is 1122330

Going concern

The Trustee Board's rationale for adopting the going concern basis of preparation is set out in the going concern section of the Trustee report

1.2 Disclosure exemption

The individual accounts of CDP Worldwide have also adopted the disclosure exemption from the requirement to present a statement of cash flows and related notes.

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the CDP Worldwide and its subsidiaries for the year ended 31 March 2020. The statement of financial activities (SOFa) and the balance sheet consolidate the financial statements on a line by line basis where appropriate. No separate Statement of Financial Activities (SOFa) is presented for the charity itself as permitted by section 408 of the Companies Act 2006. In order to comply with the Charities SORP the gross income and net incoming resources for the Charity for the year are disclosed in note 22.

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: -

Leasehold improvements	Over period of the lease
Fixtures, fittings and equipment	25% straight line
Computer equipment	25% straight line

Individual fixed assets costing £400 or more are capitalised as tangible fixed assets.

CDP Worldwide
(A company limited by guarantee)

Notes to the financial statements
FOR THE YEAR ENDED 31 MARCH 2020

1.6 Intangible fixed assets and amortisation

External expenditure on computer software and website and portal enhancements are amortised on a straight-line basis over their expected useful lives of 4 years or, in the case of software as a service (SAAS) contracts over the period of the software licence. These useful lives are reviewed each year. System implementation and integration costs are expensed as incurred.

1.7 Incoming resources

All income is 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. Income is deferred when the conditions on which they may be received are not yet satisfied.

1.8 Resources expended

Liabilities are recognised 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.

Expenditure on raising funds comprise those costs directly attributable to raising voluntary income and those incurred in trading activities that raise funds.

Expenditure on 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.

1.9 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.

1.10 Foreign currency translation

The consolidated financial statements are presented in pounds sterling (£), which is the charity's functional and presentation currency. Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Foreign currency balances held at the balance sheet date are translated at the rate of exchange prevailing at that date and the resulting foreign exchange differences are recognised within net incoming resources. The results of foreign entities consolidated within these Financial Statements are translated at the rate of exchange prevailing at average exchange rates. Exchange differences arising on the net investment in those foreign entities are recognised as a movement in unrestricted funds.

1.11 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.

1.12 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 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.

CDP Worldwide
(A company limited by guarantee)

Notes to the financial statements
FOR THE YEAR ENDED 31 MARCH 2020

1.13 Corporation tax

CDP Worldwide 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.

1.14 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 2020 the number of guarantor members was 7.

1.15 Financial Instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the Charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13a and 13b. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

CDP Worldwide makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

All incoming resources are recognised in the Statement of Financial Activities once the charity has entitlement to the resources, as discussed in note 1.7. However, the entitlement to these resources and assumptions regarding when income is recognised is down to interpretation.

Liabilities are recognised as resources expended where there is a legal and constructive obligation committing the charity to the expenditure, per note 1.8. However, the level of legal obligation to which these resources are incurred by CDP Worldwide and assumptions regarding when the obligations are recorded is recognised is down to interpretation.

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (£m)
FOR THE YEAR ENDED 31 MARCH 2020

<u>Note 2 - Incoming resources</u>	(£m) 2020 Unres- tricted funds	(£m) 2020 Restri- cted funds	(£m) 2020 Year Ended 31 March 2020	(£m) 2019 Unres- tricted funds	(£m) 2019 Restri- cted funds	(£m) 2019 Year Ended 31 March 2019
Income from charitable activities						
Mission congruent grants	0.7	9.0	9.7	0.5	7.8	8.3
Annual investor memberships	0.3	-	0.3	0.3	-	0.3
Administrative fees	1.8	-	1.8	1.5	-	1.5
Global data partnerships	0.8	-	0.8	1.0	-	1.0
Income from service-based activities						
Corporate memberships and partnerships	1.2	-	1.2	0.9	-	0.9
Sponsorships and other	3.6	-	3.6	2.6	-	2.6
Donations and other income						
Donations and other income	0.1	-	0.1	0.2	-	0.2
Licence and service fees	1.7	-	1.7	1.1	-	1.1
	<u>10.2</u>	<u>9.0</u>	<u>19.2</u>	<u>8.1</u>	<u>7.8</u>	<u>15.9</u>

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Note 3 - Analysis of service-based activities	2020 Unrest	2020 Rest	2020 Final	2019 Unrest	2019 Rest	2019 Final
Incoming resources						
Sponsorship fees and other service based activities	1.2		1.2	0.9		0.9
Corporate memberships and partnerships	3.6		3.6	2.6		2.6
Total incoming resources	4.8	-	4.8	3.5	-	3.5
Expenditure on service-based activities						
Staff costs	3.2		3.2	2.4		2.4
Other direct costs	0.6		0.6	0.3		0.3
Support costs	0.2		0.2	0.4		0.4
Total Cost of Activities	4.0	-	4.0	3.1	-	3.1
Net income from service-based activities	0.8	-	0.8	0.4	-	0.4
Note 4 - Dedicated fundraising expenditure						
Staff costs	0.6		0.6	0.5		0.5
Other direct costs	0.1		0.1	0.1		0.1
Support costs	0.1		0.1	0.1		0.1
	0.8	-	0.8	0.7	-	0.7

All expenditure on raising funds has been charged to unrestricted funds in the current and prior years.

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Note 5 - Expenditure on programmes

<u>By programme</u>	(£m) 2020 Unrest	(£m) 2020 Rest	(£m) 2020 Final	(£m) 2019 Unrest	(£m) 2019 Rest	(£m) 2019 Final
Climate Change, Forests and Water Security.	3.4	5.8	9.2	3.7	3.5	7.2
Increasing institutional investor engagement	2.3	1.0	3.3	0.5	1.9	2.4
Increasing reporting by cities, states and regions	0.8	1.6	2.4	1.0	1.1	2.1
New Disclosure Platform implementation and integration	-	-	-	0.5	0.5	1.0
	6.5	8.4	14.9	5.7	7.0	12.7

<u>Analysis of charitable expenditure</u>	(£m) 2020 Unrest	(£m) 2020 Rest	(£m) 2020 Final	(£m) 2019 Unrest	(£m) 2019 Rest	(£m) 2019 Final
Staff costs	4.2	5.9	10.1	3.8	4.9	8.7
Other direct costs	1.1	1.4	2.5	0.9	1.0	1.9
Support costs	1.2	1.1	2.3	1.0	1.1	2.1
	6.5	8.4	14.9	5.7	7.0	12.7

Note 6 - Analysis of support costs (£000's)

	<u>Service-based activities</u>	<u>Dedicated fund-raising</u>	<u>Charitable programmes</u>	<u>2020 Total</u>	<u>2019 Total</u>
Premises	125	60	1,198	1,383	993
One-off costs relating to London office move	-	-	-	-	291
Other establishment & office costs	17	8	161	186	236
IT and telecoms costs	65	31	625	721	746
NDP amortisation, licence and maintenance	31	15	301	347	293
	238	114	2,285	2,637	2,559

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Note 7 - Expenditure for the period includes:

	2020 £000's Total	2019 £000's Total
Depreciation and amortisation	469	691
Auditor's remuneration	36	42
Remuneration for Auditor's non-audit work	5	5
Operating Leases Expensed	<u>810</u>	<u>760</u>

During the year no Trustees received any remuneration or benefits-in-kind (2019: £Nil).

During the year 12 Trustees received reimbursement of expenses amounting to £5,700 (2019: £8,600).

Note 8 - Staff costs

Average monthly number of full time employees

	Total 2020	Total 2019
Charitable programmes	220	181
Service-based activities	71	56
Dedicated fundraising	11	10
Total average monthly number of employees	<u>302</u>	<u>247</u>

Analysis of staff costs (£000's)

	2020 Total	2019 Total
Wages and salaries	10,961	9,150
Social security costs	1,345	1,119
Other pension costs	<u>545</u>	<u>430</u>
Costs of directly employed staff members	12,851	10,699
External contractors	782	781
Training and recruitment	229	229
Total staff costs	<u>13,862</u>	<u>11,709</u>

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Analysis of staff costs (£000's)

By department	2020 Unrest	2020 Rest	2020 Final	2019 Unrest	2019 Rest	2019 Final
Charitable programmes	4,213	5,917	10,130	3,805	4,903	8,708
Service-based activities	3,142	-	3,142	2,473	-	2,473
Dedicated fundraising	590	-	590	528	-	528
	7,945	5,917	13,862	6,806	4,903	11,709

Analysis of higher paid employees

	Total 2020	Total 2019
£60,001 - £70,000	10	8
£70,001 - £80,000	5	6
£80,001 - £90,000	3	3
£90,001 - £100,000	3	2
£100,001 - £110,000	1	1
£110,001 - £120,000	-	1
£120,001 - £130,000	2	1
Total	24	22

Twenty-two (2019: Twenty) members of higher paid staff are accruing benefits under money purchase pension schemes. Pension contributions totalling £135,693 (2019: £117,769) were expensed in the year for the higher paid employees. Executive leadership team personnel were paid £643,065 (2019 - £615,352) in the year

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Note 9: Intangible fixed assets

	The Group £m	The Charity £m
	Computer Software	Computer Software
Cost		
Balance b/fwd at 01/04/19	1.8	1.5
Additions	0.0	0.0
Disposals		
Balance c/fwd at 31/03/20	1.8	1.5
Depreciation		
Balance b/fwd at 01/04/19	1.0	0.7
Charge	0.3	0.3
Disposals		
	1.3	1.0
Net Book Value		
At 31/03/20	0.5	0.5
At 31/03/19	0.8	0.8

Note 10: Tangible fixed assets

(a) The Group

	£m	£m	£m	£m
	Leasehold	Fixtures,	Computer	Total
	Improvements	fittings and	equipment	
		equipment		
Cost				
Balance b/fwd at 01/04/19	0.7	0.2	0.3	1.2
Additions	0.1	-	0.1	0.2
Disposals	-	-	-	-
Balance c/fwd at 31/03/20	0.8	0.2	0.4	1.4
Depreciation				
Balance b/fwd at 01/04/19	0.3	0.1	0.2	0.6
Charge	0.1	-	0.1	0.2
Disposals	-	-	-	-
Balance c/fwd at 31/03/20	0.4	0.1	0.3	0.8
Net Book Value				
At 31/03/20	0.4	0.1	0.1	0.6
At 31/03/19	0.4	0.1	0.1	0.6

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Note 10: Tangible fixed assets

(b) The Charity

	£m	£m	£m	£m
	Leasehold Improvements	Fixtures, fittings and equipment	Computer Equipment	Total
Cost				
Balance b/fwd at 01/04/19	0.7	0.2	0.3	1.2
Additions	-	-	-	-
Disposals	-	-	-	-
Balance c/fwd at 31/03/20	0.7	0.2	0.3	1.2
Depreciation				
Balance b/fwd at 01/04/19	0.3	0.1	0.2	0.6
Charge	-	-	-	-
Disposals	-	-	-	-
Balance c/fwd at 31/03/20	0.3	0.1	0.2	0.6
Net Book Value				
At 31/03/20	0.4	0.1	0.1	0.6
At 31/03/19	0.4	0.1	0.1	0.6

Note 11: Fixed asset investments

	The Group £000's Shares in group undertakings	The Charity £000's Shares in group undertakings
Cost		
Balance b/fwd at 01/04/19	-	23.0
Additions	-	21.3
Disposals	-	(23.0)
Balance c/fwd at 31/03/20	-	21.3
Depreciation		
Balance b/fwd at 01/04/19	-	-
Disposals	-	-
Balance c/fwd at 31/03/20	-	-
Net Book Value		
At 31/03/20	-	21.3
At 31/03/19	-	23.0

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Name of company	Country of incorporation	Description of shares held	% of NV of issued shares held
CDP Operations Ltd	England and Wales	Ordinary £1	100%
Beijing Climate and Environment Consulting Co Limited	China	Ordinary	100%
CDP Worldwide (Hong Kong) Limited	Hong Kong	Membership - Limited by Guarantee	100%
CDP Operations India Private Limited	India	Ordinary	100%
CDP Insights Limited	England and Wales	Ordinary £1	100%
CDP Worldwide - Services GmbH	Germany	Ordinary	100%

Name of company	Business activity
CDP Operations Limited	Trading company for the charity CDP Worldwide with the primary purpose to fulfil the charity's objectives
Beijing Climate and Environment Consulting Co Limited	Charitable work in support of climate and environmental protection
CDP Worldwide (Hong Kong) Limited	Charitable work in support of climate and environmental protection
CDP Operations India Private Limited	Trading company for the charity CDP Worldwide with the primary purpose to fulfil the charity's objectives
CDP Insights Limited	Trading company for the charity CDP Worldwide with the primary purpose to fulfil the charity's objectives
CDP Worldwide - Services GmbH	Trading company for the charity CDP Worldwide with the primary purpose to fulfil the charity's objectives

CDP Worldwide owns 100% of the voting rights and nominal share capital of the above subsidiaries. The subsidiaries' accounts have been consolidated with CDP Worldwide's accounts.

**Note 12: Debtors due within one
year**

	The Group		The Charity	
	2020	2019	2020	2019
	£m	£m	£m	£m
Trade debtors	1.2	2.5	0.1	0.2
Amounts due from group undertakings			0.2	0.5
Rent Deposits	0.6	0.5	0.5	0.5
Prepayments and accrued income	1.9	1.6	1.8	1.3
Other debtors	0.1	1.1	0.1	0.6
	3.8	5.7	2.7	3.1

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Note 13 (a): Creditors: amounts falling due within one year

	The Group		The Charity	
	2020	2019	2020	2019
	£m	£m	£m	£m
Bank loans and overdrafts	0.5	0.7	0.5	0.8
Trade creditors	0.8	0.7	0.7	0.5
Amounts due to group undertakings	-	-	0.6	0.3
Other taxes and social security costs	0.4	0.5	0.3	0.5
Other creditors	2.2	1.4	2.0	1.4
Accruals	1.2	0.8	1.0	0.4
Deferred income (Note 15)	1.7	2.5	0.1	0.1
	<u>6.8</u>	<u>6.6</u>	<u>5.2</u>	<u>4.0</u>

Included within other creditors is £56,912 (2019: £43,274) of owed pension contributions.

Note 13 (b): Creditors: amounts falling due in more than one year

	The Group		The Charity	
	2020	2019	2020	2019
	£m	£m	£m	£m
Bank loans	0.1	0.3	0.1	0.3
	<u>0.1</u>	<u>0.3</u>	<u>0.1</u>	<u>0.3</u>

At the year end CDP owed £289,000 (2019 - £529,000) in bank loans to HSBC PLC, £210,000 of which is due within 1 year, £79,000 is due within 2-5 years. Loan security comprises fixed and floating charges over all the assets and undertakings of CDP Worldwide.

Note 14: Cash

Group Cash at the year ended 31 March 2020 was £2.0m and includes £2.0m of restricted funds held.

Note 15: Deferred income

	The Group		The Charity	
	2020	2019	2020	2019
	£m	£m	£m	£m
Balance b/fwd.	2.5	2.8	0.1	0.6
Amounts released from prior years	(2.5)	(2.8)	(0.1)	(0.6)
Deferred in current year	1.7	2.5	0.1	0.1
Balance c/fwd.	<u>1.7</u>	<u>2.5</u>	<u>0.1</u>	<u>0.1</u>

Deferred income comprises income which relate specifically to activity to be undertaken in future accounting periods.

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Note 16: Reserves

The Group	Balance at 01-Apr-19 £m	Incoming resources £m	Resources expended £m	Gains / Losses £m	Balance at 31-Mar-20 £m
Unrestricted reserves	(0.7)	10.2	(11.3)	(2.1)	(3.9)
	(0.7)	10.2	(11.3)	(2.1)	(3.9)
Restricted reserves	3.3	9.0	(8.4)	-	3.9
Total unrestricted and restricted funds	2.6	19.2	(19.7)	(2.1)	-
The Charity	Balance at 01-Apr-19 £m	Incoming resources £m	Resources expended £m	Gains / Losses £m	Balance at 31-Mar-20 £m
Unrestricted reserves	(1.9)	7.0	(8.9)	-	(3.8)
	(1.9)	7.0	(8.9)	-	(3.8)
Restricted reserves	3.1	7.0	(6.3)	-	3.8
Total unrestricted and restricted funds	1.2	14.0	(15.2)	-	-

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Note 17: Restricted reserves

The analysis for restricted reserves as analysed by funder is as follows:

The group and the charity	Balance at 01-Apr-19 £m	Incoming resources £m	Resources expended £m	Balance at 31-Mar-20 £m
Bloomberg Philanthropies	1.2	1.3	(1.3)	1.2
Children's Investment Fund Foundation	0.3	1.3	(1.4)	0.2
New Venture Fund (We Mean Business Coalition)	0.4	0.9	(1.0)	0.3
Norwegian Agency for Development Cooperation	0.9	1.0	(0.7)	1.2
Climate-KIC	-	0.3	(0.3)	-
AKO	-	0.3	(0.1)	0.2
Other Restricted Grants	0.3	1.9	(1.5)	0.7
Total charity	3.1	7.0	(6.3)	3.8
EU Life NGO	-	0.6	(0.6)	-
Finaction	-	0.1	(0.1)	-
Bloomberg Philanthropies	-	0.1	(0.1)	-
Norwegian Agency for Development Cooperation	0.1	0.3	(0.4)	-
Climate-KIC	-	0.1	(0.1)	-
AKO	-	0.2	(0.1)	0.1
Other	0.1	0.6	(0.7)	-
Total group	3.3	9.0	(8.4)	3.9

Bloomberg Philanthropies

Cities and other grants: funding for CDP's cities program which provides the leading disclosure platform helping cities around the world to measure, monitor and manage their environmental impacts and risks. It is an official platform for the Compact of Mayors, the world's largest coalition of city leaders addressing climate change.

Children's Investment Fund Foundation

Funding to support advocacy work to secure mandatory reporting of the Task Force recommendations across the G20 by 2020; and CDP's investor research team.

New Venture Fund

Funding from the We Mean Business coalition for a range of projects to accelerate the transition to a low carbon economy, including securing corporate commitments to ambitious climate action, the Science Based Targets initiative (helping companies to set greenhouse gas emissions reduction targets that would prevent the worst impacts of climate change), and RE100 (encouraging businesses to commit to 100% renewable electricity).

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Norwegian Agency for Development Cooperation

Funding to support of a range of projects including our work driving companies towards deforestation-free supply chains. Our Investor Research work to develop the world's first systematic analysis of how risks from deforestation can financially impact companies within the agriculture and fast-moving consumer goods sector, and our South East Asia (SEA) Banks project to increase transparency with SEA banks to stop the financing of deforestation.

Climate KIC

Funding in support of a range of our work including the 'Climetrics' project (to make the climate impact of investment funds transparent, enabling climate-friendly investment and encouraging the decarbonisation of portfolios);

This funding also supports the 'Re-imagining Disclosure' project, which facilitates the fundamental changes to business practices and allocation of capital needed to achieve CDP's ultimate end goal, to drive the economic transformation required to peak emissions by 2020 to ensure that global warming remains below 2 degrees, alongside building resilience and protecting forests and other resources. It also provides funding for the ACT initiative, which has developed a sophisticated methodology that uses advanced metrics with the potential to benchmark companies in all sectors against the aspirational well below 2-degree pathway.

EU Life NGO

Funding for a portion of CDP Europe's operating expenditure on climate change and deforestation disclosure and in support of the implementation of the EU Non-Financial Reporting Directive.

This four-year EU-funded LIFE FinACTION project supports the transition to a low carbon and environmentally sustainable financial system by improving the corporate climate change and natural capital information available in mainstream report to investors globally.

AKO

Funding to support the acceleration of climate action in China and India, which aims to increase corporate environmental disclosure, increase the number of companies committing to climate action and build sustainable finance and corporate practice in both countries.

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Note 18: Analysis of net assets between funds

	Unrest- ricted funds £m	Restr- icted funds £m	Total 2020 £m	Unrest- ricted funds £m	Restr- icted funds £m	Total 2019 £m
Fixed assets	1.1	-	1.1	1.4	-	1.4
Cash at bank and in hand	-	2.0	2.0	0.7	1.7	2.4
Other current assets	1.8	2.0	3.8	4.0	1.7	5.7
Current liabilities	(6.7)	(0.1)	(6.8)	(6.5)	(0.1)	(6.6)
Long-term liabilities	(0.1)	-	(0.1)	(0.3)	-	(0.3)
	(3.9)	3.9	-	(0.7)	3.3	2.6

Note 19. Financial Commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	The Group		The Charity	
	2020 £m	2019 £m	2020 £m	2019 £m
Operating leases which expire:				
Within 1 year inclusive	0.3	0.4	0.3	0.4
In the second to fifth years inclusive	1.3	1.8	1.3	1.8
More than five years	2.4	2.1	2.4	2.1
	4.0	4.3	4.0	4.3

Note 20: Related party transactions notes

CDP North America, Inc is an independently incorporated entity with US 501c3 tax exempt status and is authorised to use the intellectual property owned by CDP Worldwide including the name 'CDP', the symbol 'CDP' and the trademarks of CDP Worldwide. CDP North America pays to CDP Worldwide an annual licence royalty fee based on agreed percentages of income and a service fee for shared global programmatic costs such as the CDP questionnaire platform and database, general questionnaire support across all programmes and support of the global mission related activities in Climate Change, Forests and Water and Cities and Investor Initiatives.

CDP Europe AISBL is an independently incorporated entity in Belgium with charitable status and is authorised to use the intellectual property owned by CDP Worldwide including the name 'CDP', the symbol 'CDP' and the trademarks of CDP Worldwide. CDP Europe AISBL pays to CDP Worldwide an annual licence royalty fee based on agreed percentages of income and a service fee for shared global programmatic costs such as the CDP questionnaire platform and database, general questionnaire support across all programmes and support of the global mission related activities in Climate Change, Forests and Water and Cities and Investor Initiatives.

As at 31 March 2020, an amount of £233,000 (2019: £505,000) was owed to CDP North America Inc. During the year, CDP Worldwide received income of £1,682,000 (2019: £1,160,000) for support services.

During the year, CDP Worldwide received income of £827,000 (2019: £732,000) from CDP Worldwide (Europe) gGmbH for the period ended 31 January 2020 for support services.

As at 31 March 2020, an amount of £603,000 (2019: nil) was owed to CDP Europe AISBL

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

As at 31 March 2020, the following amounts were due to CDP Worldwide:

The debtors due to CDP Worldwide are deemed recoverable based on the expected future cash flows of the entities.

	Incorporated in	2020 £	2019 £
CDP Worldwide (Europe) gmbH	Germany	-	184,872
CDP Worldwide Services GmbH	Germany	63,895	-
Carbon Disclosure Project Latin America	Latin America	40,906	42,095
Qidiping Climate and Environment Consulting Co Ltd	China	72,593	66,683
Carbon Disclosure Project India	India	14,619	-
CDP Worldwide (Japan)	Japan	18,996	45,152
CDP Worldwide (Hong Kong)	Hong Kong	-	206,890
		<u>211,009</u>	<u>545,692</u>

The amount due from the CDP Worldwide Group and its subsidiaries represents the balance of operational transactions between the two entities, comprising mainly of expenditure paid on behalf of the entity by CDP Worldwide. No interest is being accrued on these balances.

As at 31 March 2020, the following amounts were due by CDP Worldwide to the following entities:

	Incorporated in	2020 £	2019 £
CDP Operations Limited	England & Wales	569,980	214,892
Carbon Disclosure Project India	India	-	63,779
		<u>569,980</u>	<u>278,671</u>

The amount due by CDP Worldwide Group to its subsidiaries represents the balance of operational transactions between the two entities, comprising mainly of expenditure paid on behalf of CDP Worldwide by its subsidiary. No interest is being accrued on these balances.

Note 21: Controlled subsidiaries

CDP Worldwide is the Parent Company of the following by virtue of direct control:

Carbon Disclosure Project India
Carbon Disclosure Project Latin America
CDP Worldwide – Japan
CDP Worldwide (Hong Kong) Limited

CDP Worldwide
(A company limited by guarantee)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Note 22: 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 income for the year was £14.0m (2019: £11.6m).

The company's funds for the year decreased by £1.2m (2019: £1.2m decrease).

<u>Note 23: Note to the Consolidated Cash Flow</u>	Total 2020 £m	Total 2019 £m
Net movement in funds	(0.5)	(0.6)
Depreciation and amortisation	0.5	0.7
(Increase)/Decrease in debtors	1.9	(1.0)
Increase/(Decrease) in creditors	(0.5)	(0.3)
Exchange differences	(0.2)	-
Cash flows from operating activities	1.2	(1.2)

<u>Note 24: Net Debt</u>	Total 2020 £m	Total 2019 £m
Cash	2.0	2.4
Overdraft Facilities	(0.3)	(0.5)
Loans falling due within one year	(0.2)	(0.2)
Loans falling due within more than one year	(0.1)	(0.3)
Finance lease obligation	(4.0)	(4.3)
Total	(2.6)	(2.9)

Note 25: Controlling party

In the opinion of the Trustees, there is no overall controlling party of CDP Worldwide.

Note 26: Loss on Transfer of European activities

The net assets attributable to European activities were as follows:

	Total £m
Net Assets carried forward at 1 April 2018	0.9
Income for the year ended 31 March 2019	3.3
Total resources expended for the year ended 31 March 2019	(2.9)
Net Assets carried forward at 1 April 2019	1.3
Income for the 10 month period 29 January 2020	3.7
Total resources expended for the 10 month period 29 January 2020	(3.1)
Total Net assets on date of transfer	1.9

The European activities of CDP Worldwide were transferred to CDP Europe AISBL on 29 January 2020. CDP Europe AISBL is an independently incorporated entity and hence is not consolidated in to CDP Worldwide. The consolidated net assets of the two European activities at that date were £1.9m representing the accumulation of reserves in the 11 years since CDP Worldwide (Europe) gGmbH was established. However, local charity law in Germany governed that the consideration for the transfer could not exceed the nominal share capital of EUR 25,000 and hence an accounting loss of £1.9m arose to CDP Worldwide. The reserves remain available to fulfil the shared mission of the CDP System but are no longer in a controlled entity.

Note 27: Post Balance Sheet Events

The group entered into financing agreements after the year end, these are disclosed in the trustee report on page 9.