

Company Registration No. 05013650
Charity Registration No. 1122330

CDP Worldwide
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 March 2018



CDP Worldwide
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Administrative details of the charity, its Trustees and Advisers

Board of Trustees	Alan Brown Annise Parker Christine Loh Jane Ambachtsheer Jeremy Burke Katherine Garrett-Cox Martin Wise Rachel Kyte Ramakrishnan Mukundan Sonia Medina Stephen Chow Takejiro Sueyoshi	Chair
Company Secretary	Simon Barker	
Company Number	05013650	
Charity Number	1122330	
Principal Office	Level 3 71 Queen Victoria Street London EC4Y 4AY	
Executive Management	Frances Way Marcus Norton Paul Dickinson Paul Simpson Simon Barker Sue Howells	Chief Strategy Officer Chief Partnerships Officer and General Counsel Executive Chairman Chief Executive Officer Chief Financial Officer Chief Operating Officer
Auditor	Menzies LLP Chartered Accountants and Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT	
Bankers	HSBC Bank plc 25 Islington High Street London N1 9LJ	

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Trustees' report (incorporating strategic report)
for the year ended 31 March 2018

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 2018. 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 planet in the long term. We request environmental information from companies, cities, states and regions, on the impacts and dependencies that they have on the world's natural resources – specifically climate change, forests and water security – and their strategies for managing these. The process of disclosing information to CDP incentivises companies and cities to measure, manage and reduce their impact on the environment and build resilience. By providing this high-quality information to the market we are changing the way businesses, investors, governments and cities behave and accelerating the transition to a sustainable economy.

We are headquartered in London, and have a key hub in Berlin (serving Europe). We have further operations in Australia, 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.

Our expenditure on charitable activities in the year was £12.3m (2016/17: £9.8m) which was funded by a combination of philanthropic and government grants, corporate-sourced income and a licence royalty and service fee received from our North American affiliate.

Strategic aims (2017-2020)

In June 2017 we issued our 2017-2020 strategy, The Tipping Point, setting out how, over the next three years CDP will continue working with investors, companies, cities, states, regions and national governments to transform the pace and scale of the transition to a well below 2-degree, water-secure world.

Key areas include:

- Building a new disclosure platform ('NDP') to provide the flexibility, depth and reach required for the next generation of disclosure, including TCFD aligned, sector-based disclosure and scoring;
- Supporting and advocating for Science Based Targets and transition plans that reduce emissions, avoid deforestation, deliver water security and build resilience to climate change, through our disclosure platform, data and tools;
- Redesigning our operating model to maximise our ability to innovate and provide an outstanding service to the investors, companies, cities, states, regions and governments we work with.

Significant activities, achievements and performance

One of CDP's flagship analyses this year was entitled Picking up the Pace, and that is an apt description of the organisation's year as a whole. In all areas from climate to cities, sector reports to water security and forests there was a clear upturn in interest and engagement from investors, companies and wider stakeholders in CDP and its core issues.

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An activity prominent throughout the year at CDP has been the preparation and launch of the new disclosure platform which takes a sector-focused approach to reporting and scoring for all climate change, forests and water security requests. It is an approach that integrates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) – an initiative which is closely aligned with CDP and helping achieve a tipping point on corporate environmental disclosure. Indeed, today over 6,300 companies representing over 55% of global market capitalisation now disclose through CDP's platform. CDP has worked to establish itself throughout the year as a key source of expertise on TCFD, including coverage in titles like the Financial Times and Finance Director Magazine on the issue – and a major report entitled 'Ready or not: Are companies prepared for the TCFD recommendations?' was launched with the Carbon Disclosure Standards Board (CDSB) in March 2018.

CDP was also delighted that our investor research team won Best Climate Change Research in the Extel-IRRI survey for the third year in the row, as well as the Investment Week award for Best SRI Research for the second consecutive year.

The team's quarterly sector research reports continued to attract the interest of investors with reports on the utilities, mining, chemicals and automotive sectors all released this year. The reports were featured in global media including the Financial Times, Bloomberg, Reuters and The Independent as well as in a wide range of other finance and sector-specific press. We also saw further evidence that CDP is establishing itself as a leading media commentator on climate issues in June 2017 when the organisation's response to President Trump's withdrawal from the Paris Agreement was covered by the BBC and Wall St Journal among other titles.

In July, CDP launched Climetrics - the world's first climate ranking for equity funds - covering European funds worth more than \$2.5 trillion and enabling investors to more easily integrate climate impact into investment decisions. July also saw the launch of the remarkable Carbon Majors report, the most comprehensive dataset of historic company GHG emissions ever compiled. It found that just 100 companies are the source of over 70% of the of industrial GHG emissions since 1988 – a fact that attracted enormous media attention in the likes of the Daily Mail, Wired, CNBC, Fortune and IFL Science (which has over 24m followers on social media). In Autumn, there was also significant interest in CDP's Carbon Pricing report which found that over 1,400 companies are now factoring an internal carbon price into their business plans, an eight-fold leap over four years.

The biggest moment of the year for CDP's climate work was perhaps the release of the Climate A List and Picking up the Pace analysis in October 2017. The report is the second edition in the annual 'Tracking Corporate Action on Climate Change' series and has established CDP as the world's predominant source for measuring corporate progress towards achieving the Paris goals. In 2017, it found that corporates had raised the bar with 150+ companies on the A List and 89% of the world's biggest, most environmentally-impactful companies now having carbon emissions targets. Over 70 media outlets covered the findings including The New York Times, Bloomberg, The Guardian and Huffington Post.

CDP's water security and forest workstreams also gathered momentum in 2017, with both launching major reports in November 2017. The global water report, A Turning Tide, found a 193% increase in water leadership (73 companies made the A List, up from 25), while six companies made the forests A list. The global forests report revealed that 87% of companies identify at least one risk related to the production or consumption of forest-risk commodities.

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Alongside the growing interest in the corporate space, the CDP cities team has also had a ground-breaking year. By March 2018 a total of 570 cities reported to CDP, and the data shows that over 100 cities now have at least 70% of their electricity from renewables. The release of the cities data was widely picked up in titles from the Washington Post to The Guardian and New Zealand Herald. The cities team also released data on urban water investment opportunities with AECOM during World Water Week, and has produced a popular video on its work attracting almost 25,000 views.

CDP's Global Supply Chain programme which explores how procurement can better take advantage of low-carbon opportunities released its latest report in January 2018. It now has over 100 members with combined annual procurement spend of over \$3 trillion including Apple, Honda and Microsoft, and this year named 58 companies as 'Supplier Engagement' leaders – double the number of leaders from the previous year.

CDP is one of seven partners in the We Mean Business Coalition where we work together to advance business action on climate change and inform policy makers what measures will enable corporations to take further action. We are one of the core partners of the Science Based Targets initiative (SBTi) where over 400 companies have now committed to setting science-based targets on emissions reductions in line with the Paris Agreement. Additionally, over 130 companies have made a commitment to go '100% renewable' through RE100, a collaboration between CDP and The Climate Group.

Sustaining this external success also requires change at CDP itself. Thus, we restructured our organisation last year, moving to a stakeholder-led model to simplify our interaction with corporates, investors, cities and policymakers across all regions, and to bring greater efficiency to our operations. Our four global stakeholder teams now work side-by-side with our experts in climate change, forests and water security, data, research, reporting and scoring, and well as our disclosure operations and IT teams who manage the systems upon which disclosure rests. These teams are all supported by our development, communications & marketing, HR, finance and legal functions.

Climate change, deforestation and water security disclosure statistics

The results of the 2017 annual reporting cycle were announced in November 2017. CDP increased the number of institutional investors endorsing, and the number of companies responding to, our annual climate change, forests and water security questionnaires. In total, 6,316 companies disclosed data across the three themes of climate change, deforestation and water security. More details are:

Climate change

- 803 institutional investors representing US\$100 trillion in assets.
- 6,251 responding companies, an 8% increase over the previous year, including 2,481 companies responding to the questionnaire at the request of investors, representing 56% of global market capitalisation.

Forests

- 380 institutional investors with \$29 trillion in assets, a 32% increase over the previous year
- 264 responding companies, a 33% increase on the previous year

Water security

- In 2017, the water program secured the support of 643 institutional investors with US\$69 trillion in assets
- 2017 results showed great progress as well, with 1,998 companies responding, a 40% increase on the last year, including 764 companies responding to the questionnaire at the request of investors.

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Cities, states and regions

In total 573 cities across 90 countries, representing 650 million people, disclosed their climate change mitigation and risk management strategies to CDP in the 2017 disclosure cycle, representing an 82% increase in the number of cities that disclose to us since 2015. Our analysis reveals that many of these cities are helping to lead the low carbon transition by increasingly using renewable energy. For example, over 100 cities disclosing to CDP are obtaining at least 70% of their energy from renewable sources.

In 2017, 101 states and regions from around the world reported to CDP. CDP works in partnership with The Climate Group to provide the world's first global platform for states and regions to measure, manage and disclose their greenhouse gas emissions. They represent over 650 million people, US \$13 trillion in GDP and over 3.8 GtCO₂e. We are nearing a tipping point on climate action with a 57% increase in the number of states and regions disclosing region-wide emissions reduction targets since 2015.

Institutional investor engagement

Research

CDP's sector research for investors series aim to provide the best and most tailored environmental data and analysis in the market, in order to help institutional investors evaluate environmental risks and opportunities within their portfolios and investee companies.

The investor research series focuses on how well-positioned high carbon emitting sectors and companies within the sector are positioned for a transition to a low carbon economy using the IEA scenarios as a base for transition analysis. The reports are based on the TCFD framework looking at four areas: Transition Risks, Physical Risks, Transition Opportunities and Climate Governance and Strategy. Adopting the TCFD framework has been well received by investors. This year the team produced reports on Utilities, Mining, Chemicals and Autos.

CDP's investor research team maintained its position in the Extel/SRI-Connect Independent Research in Responsible Investment survey as number one global research house for climate change for the third year running. In addition, the research team picked up Investment Week's inaugural investment research award for Best SRI Research.

The Investor Research Team continues to build awareness of the research through Roundtable Events and conferences with a successful conference in Tokyo in conjunction with the Supply Chain Team where 350 companies and investors attended and also the Minister of Environment. Research reports have been presented to institutional investors in the UK, US and Europe with one on one meetings with large institutional investors.

Initiatives

In addition to the disclosure request CDP continues to provide tools and services to help investors in implementing responsible investment practices.

The Non-Discloser Campaign which mobilises signatories to engage directly with repeat non-disclosers saw this year a considerable increase in the number of participating investors to 75 from 57 in 2016, and in the number of companies we reached to 696 from 428 in 2016.

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The investor team has co-ordinated ongoing collective investor initiatives including:

- Carbon Action 100+: a five-year initiative led by investor initiatives to engage with the 100+ global larger greenhouse gas emitters which to-date brings together 279 investors with over US\$30tn AUM;
- Investor Action Request, formally known as Carbon Action, the CDP industrial scale initiative targeting 1,300 high emitting company has to-date reached a total of 318 investors representing more than \$30tn in Assets.

The team has also been actively involved in the launch of the Investor Agenda, a collaborative investor engagement supported by UNEP Finance Initiatives and other institutions to provide investors with a mechanism to report progress on the areas of investment, corporate engagement, investor disclosure and policy advocacy. The founding organisations will showcase these investor actions at the formal launch of the Investor Agenda at the Global Climate Action Summit in California in September 2018. The Investor Agenda is to-date signed by 288 global investors managing more than US \$26 trillion in assets

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, amended 18 December 2013.

The Trustees delegate day to day management of the charity to the Executive 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 Management 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. 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 Management Board representatives 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, forests, water security 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 CDP's General Counsel who is supported by specialist external charities lawyers and a number of major international law firms who offer their services on a pro bono basis.

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Trustees' report
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Trustees

On 28 June 2017 Sonia Medina was appointed as a Trustee. On that same date, after 3 years of service, Katherine Hampton resigned as a Trustee. We thank her for her contribution to CDP's success over that period. On 12 September 2017 Rachel Kyte and Ramakrishnan Mukundan were appointed as Trustees, on 5 October 2017 Annise Parker was appointed as a Trustee and on 12 December 2017 Katherine Garrett-Cox and Christine Loh were appointed as Trustees.

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 Australia, Brazil, India and Japan through majority Board representation.

CDP North America, Inc is an independently incorporated entity and hence is not consolidated in to 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 2017/18 year came from four main sources:

- Philanthropic and government grants - £8.4m (2016/17: £9.6m)
- Service-based activities principally supply chain, reporter services, corporate partnerships and sponsorships – £3.1m (2016/17: £2.5m)
- Other corporate-sourced income, including investor memberships, data sales and company responder and investor administrative fee - £2.6m (2016/17: £2.0m)
- An annual licence, royalty and reporting platform service fee ('LSF') received from our affiliate CDP North America, Inc - £0.9m (2016/17: £0.8m)

Our total income rose from £14.9m to £15.0m, resulting from the continued growth of the administrative fee and service-based activities, which was offset by the fall in grant income because of the one-off NDP grant received in 2016/17.

Where the money is spent

Charitable expenditure

Our charitable expenditure is analysed as follows:

	2018 £m	2017 £m
Climate change, forests and water security	5.8	4.9
Institutional investor engagement	2.7	3.0
Disclosure and action by Cities, states and regions	1.7	1.5
New Disclosure Platform implementation and integration	2.1	0.4
Total	12.3	9.8

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Analysis by nature of expense

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

	2018 £m	2017 £m
Staff costs	11.6	8.6
Other direct costs	2.3	2.2
Support costs	1.8	1.9
Total	15.7	12.7

Staff costs have increased reflecting the increase in the average number of full-time employees from 153 to 223 in the year as we added new staff to fulfil programmatic work and support the CDP disclosure platform. The average total cost per employee (including employer and pension costs) decreased from £56,000 to £52,000, reflecting staff mix as we added more junior staff to support major projects.

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 increased in line with the increase in programmatic activity.

Support costs, which include premises, telecoms and IT costs, decreased from £1.9m to £1.8m representing 22.1% and 15.7% of staff costs respectively. The decrease was primarily attributable to lower year on year cost of IT server hosting and equipment costs.

Unrestricted, restricted and total funds

The movement in unrestricted funds is a key indicator of the sustainable financial performance of CDP. The net increase in unrestricted funds in the 17/18 year was £0.7m bringing total unrestricted funds at 31 March 2018 to £0.8m. Of this amount, £0.5m has been earmarked from an unrestricted grant from CIFF to fund the completion of the NDP project during the 18/19 year.

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 17/18 the net decrease in restricted funds is £1.2m reflecting the pattern of contributions and activity on the Bloomberg NDP grant where a further £1.1m of the total grant received for the purposes of the NDP project was expended. At 31 March 2018 total restricted funds were £2.5m, of which £1.1m was the Bloomberg Cities grant, £0.6m was the Bloomberg NDP grant with the remaining £0.8m covering grants including CIFF, New Venture Fund and the Norwegian Agency for Development Cooperation.

At 31 March 2018 total funds were £3.3m (2017: £3.8m).

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Reserves policy

The Trustees have 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 2018 total reserves represented 3.2 months of direct charitable expenditure (31 March 2017: 4.7 months). Excluding the £0.9m of reserves relating to the NDP Implementation and the £2.1m of expenditure in 2017/18, the figure is 2.8 months.

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. Accordingly, the Board of Trustees continues to adopt the 'going concern' basis in preparing the accounts

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 Committee 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 Committee which is chaired by the Executive Chairman. 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 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 Executive Management Board, with Trustee updates delivered every three months.

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Trustees' report
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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 Executive Management and progress monitored at Trustee Meetings including 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

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

IT, data security and infrastructure risk

- Prolonged outage or poor performance of the Online Reporting System
- Data security or protection breaches or leak of confidential information
- NDP Project does not deliver a successful 2018 disclosure process
- 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 the NDP software vendor and external legal advice on vendor contract
- Full project management processes for NDP including a separately established Project Board
- Plans in place for off-site working and renting temporary space if needed

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
 - 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
-

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Management of this risk

- Mixed-funding model with diversified income streams
- 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, 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

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.

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Trustees' report
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Trustees' responsibilities

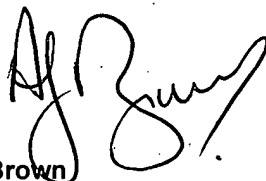
The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and the incoming resources and application of resources, including the net income and expenditure, of the group for that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

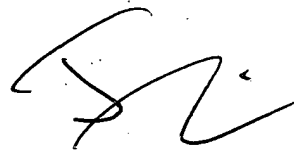
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are responsible and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the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

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 4 September 2018 and signed on its behalf by


A J Brown


Jeremy Smith

CDP Worldwide
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Independent auditor's report to the Members of CDP Worldwide

OPINION

We have audited the financial statements of CDP Worldwide (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 set out on pages 13 to 42. 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 2018 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.

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Independent auditor's report to the Members of CDP Worldwide

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

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.



Malcolm Lucas 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: 5 September 2018

CDP Worldwide
(A company limited by guarantee)

Consolidated statement of financial activities (including consolidated income and expenditure account)
for the year ended 31 March 2018

	Notes	Unrestricted funds £m.	Restricted Funds £m.	31 March 2018 £m	31 March 2017 £m
Income					
Income from charitable activities	2	4.1	6.9	11.0	11.5
Income from service-based activities	2	3.1	-	3.1	2.5
Donations and other income	2	0.9	-	0.9	0.9
Total income		8.1	6.9	15.0	14.9
Expenditure					
Expenditure on raising funds					
Expenditure on service-based activities	3	2.7	-	2.7	2.4
Dedicated fundraising expenditure	4	0.7	-	0.7	0.5
		3.4	-	3.4	2.9
Expenditure on charitable activities					
Expenditure on programmes	5	4.2	8.1	12.3	9.8
Total expenditure		7.6	8.1	15.7	12.7
Net incoming/(outgoing) resources before other recognised gains and losses		0.5	(1.2)	(0.7)	2.2
Translation Exchange Differences		0.1	-	0.1	0.1
Net movement in unrestricted funds		0.6		0.6	0.0
Net movement in restricted funds			(1.2)	(1.2)	2.3
Total funds brought forward		0.1	3.7	3.8	1.5
Total funds carried forward		0.7	2.5	3.2	3.8

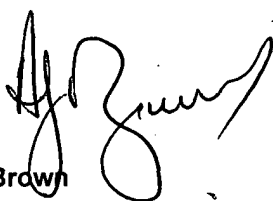
There are no recognised gains and losses other than those passing through the Consolidated Statement of Financial Activities. All of the group's activities are continuing.

CDP Worldwide
(A company limited by guarantee)

Consolidated and Charity Balance sheets
for the year ended 31 March 2018

	Notes	The Group 2018 £m	2017 £m	The Charity 2018 £m	2017 £m
Fixed assets					
Intangible assets	9	0.8	0.5	0.8	0.5
Tangible assets	10	0.4	0.4	0.4	0.4
Investments	11	-	-	-	-
		<u>1.2</u>	<u>0.9</u>	<u>1.2</u>	<u>0.9</u>
Current assets					
Debtors	12	4.7	3.0	2.7	1.5
Cash at bank and in hand		<u>3.7</u>	<u>4.5</u>	<u>2.2</u>	<u>3.5</u>
		8.4	7.5	4.9	5.0
Creditors: amounts falling due within one year	13a	(6.3)	(4.4)	(3.6)	(2.3)
Creditors: amounts falling due after more than one year	13b	(0.1)	(0.2)	(0.1)	(0.2)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net current assets		<u>2.0</u>	<u>2.9</u>	<u>1.2</u>	<u>2.5</u>
Net assets		<u>3.2</u>	<u>3.8</u>	<u>2.4</u>	<u>3.4</u>
Funds					
Restricted	15/16	2.5	3.7	2.4	3.4
Unrestricted	15	<u>0.7</u>	<u>0.1</u>	<u>-</u>	<u>-</u>
		<u>3.2</u>	<u>3.8</u>	<u>2.4</u>	<u>3.4</u>

The financial statements were approved by the Board of Trustees on 4 September 2018 and were signed on its behalf by:


A J Brown


Jeremy Smith

Company Registration No. 05013650

CDP Worldwide
(A company limited by guarantee)

Consolidated cash flow statement
for the year ended 31 March 2018

	Notes	2018 £m	2017 £m
Cash flows from operating activities	22	(0.1)	2.6
Cash flows from investing activities		(0.6)	(0.4)
Purchase of tangible fixed assets		(0.1)	(0.3)
Purchase of intangible fixed assets		(0.5)	(0.1)
Cash flows from financing activities		(0.1)	0.3
Repayments of borrowing		(0.1)	(0.1)
Cash inflows from financing activities		-	0.4
(Decrease)/ Increase in cash in the year		(0.8)	2.5
Reconciliation of net cash flow to movement in net funds			
Net cash balances at 1 April 2017		4.5	2.0
Net cash balances at 31 March 2018		3.7	4.5

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

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) – "SORP 2015". The Financial Statements have also been prepared in compliance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity has adjusted the formats from those prescribed by the Companies Act 2006 to include headings that are relevant to its activities, to enable it to show a true and fair view.

The principal accounting policies, which have been applied consistently in the year, are set out below.

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 2018. 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 21.

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

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

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

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 Income

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.

Revenue only includes gross inflow of economic benefits for the entity's own account relating to the grants, donations, sponsorships and income from service-based activities. In preparing these accounts no value has been attributed to the work performed by volunteers in accordance with the SORP 2015, although their work is considered vital to the activities of the charity.

1.8 Expenditure

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.

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

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.

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

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.

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 2018 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.

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

1.16 Critical accounting estimates and areas of judgement (cont.)

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 income is 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 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.

2. Income

	Unrestricted Funds 2018 £m	Restricted Funds 2018 £m	Total Funds 2018 £m	Total Funds 2017 £m
Income from charitable activities				
Grants	1.5	6.9	8.4	9.6
Annual investor memberships	0.3	-	0.3	0.3
Administrative fees	1.3	-	1.3	1.0
Global data partnerships	1.0	-	1.0	0.6
Income from service-based activities				
Corporate memberships and partnerships	0.9	-	0.9	1.0
Sponsorships and other	2.2	-	2.2	1.5
Donations and other income				
Donations and other income	-	-	-	0.1
Licence and service fees	0.9	-	0.9	0.8
	8.1	6.9	15.0	14.9

Income from restricted funds in 2017 was £9.3m.

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

3. Analysis of service-based activities	Unrestricted Funds 2018 £m	Restricted Funds 2018 £m	Total Funds 2018 £m	Total Funds 2017 £m
<i>Income</i>				
Sponsorship fees and other service based activities	0.9	-	0.9	1.0
Corporate memberships and partnerships	2.2	-	2.2	1.5
<i>Total income</i>	3.1	-	3.1	2.5
<i>Expenditure on service-based activities</i>				
Staff costs	2.0	-	2.0	1.7
Other direct costs	0.3	-	0.3	0.3
Support costs	0.4	-	0.4	0.4
<i>Total cost of activities</i>	2.7	-	2.7	2.4
<i>Net income from service-based activities</i>	0.4	-	0.4	0.1

All income and expenditure from service-based activities are related to unrestricted funds in the current and prior years.

4. Expenditure on dedicated fundraising	Unrestricted Funds 2018 £m	Restricted Funds 2018 £m	Total Funds 2018 £m	Total Funds 2017 £m
Staff costs	0.5	-	0.5	0.3
Other direct costs	0.1	-	0.1	0.1
Support costs	0.1	-	0.1	0.1
	0.7	-	0.7	0.5

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

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

5. Expenditure on programmes

	Unrestricted Funds 2018 £m	Restricted Funds 2018 £m	Total Funds 2018 £m	Total Funds 2017 £m
By programme				
Corporate disclosure and action on climate change, deforestation and water security	2.2	3.6	5.8	4.9
Institutional investor engagement	0.4	2.3	2.7	3.0
Disclosure and action by Cities, states and regions	0.5	1.2	1.7	1.5
New Disclosure Platform implementation and integration	1.1	1.0	2.1	0.4
	<u>4.2</u>	<u>8.1</u>	<u>12.3</u>	<u>9.8</u>
By nature of expenditure				
Staff costs	3.2	5.8	9.0	6.6
Other direct costs	0.4	1.6	2.0	1.8
Support costs	0.6	0.7	1.3	1.4
	<u>4.2</u>	<u>8.1</u>	<u>12.3</u>	<u>9.8</u>

Expenditure on charitable activities from restricted funds in 2017 was £7.0m.

6. Analysis of support costs

	Service-based activities £'000	Dedicated fundraising £'000	Charitable Programmes £'000	Total 2018 £'000	Total 2017 £'000
Premises	212	47	654	913	739
Other office costs	46	10	142	198	121
Telecoms	21	5	65	91	85
IT Software and website hosting	144	32	444	620	916
Total support costs	<u>423</u>	<u>94</u>	<u>1,305</u>	<u>1,822</u>	<u>1,861</u>

7. Expenditure for the period includes:

	2018 £'000	2017 £'000
The following have been charged to the Statement of Financial Activities: -		
Depreciation and amortisation	264	300
Auditor fees to Menzies LLP for group and statutory audits	33	37
Remuneration of Menzies LLP for non-audit work	6	10
Operating lease payments expensed during the year	<u>589</u>	<u>517</u>

During the year no Trustees received any remuneration or benefits-in-kind (2017: £Nil).
During the year no Trustees received any reimbursement of expenses (2017: £Nil).

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

8. Staff costs

Average monthly number of full time employees	Total 2018	Total 2017
Charitable programmes	180	114
Service-based activities	36	34
Dedicated fundraising	7	5
Total average monthly number of full time employees	223	153

Analysis of staff costs:	Total 2018 £'000	Total 2017 £'000
Wages and salaries:		
Directly employed staff members	8,241	7,114
Other contracted staff members	1,709	248
Social security costs	787	799
Other pension costs	555	318
Training & recruitment	211	114
Total staff costs	11,503	8,593

By department	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Charitable programmes	3,152	5,768	8,920	6,554
Service-based activities	2,076	-	2,076	1,690
Dedicated fundraising	507	-	507	349
	5,735	5,768	11,503	8,593

Analysis of higher paid employees	Total 2018	Total 2017
£60,001 - £70,000	7	8
£70,001 - £80,000	3	1
£80,001 - £90,000	2	3
£90,001 - £100,000	3	1
£100,001-£110,000	1	1
£110,001-£120,000	1	-
Total	17	14

Sixteen (2017: Thirteen) members of higher paid staff are accruing benefits under money purchase pension schemes. Pension contributions totalling £90,682 (2017: £65,343) were expensed in the year for the higher paid employees.

Key management personnel were paid £583,524 (2017 - £539,553) in the year.

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

9. Intangible fixed assets

	The Group Total £m	The Charity Total £m
Cost		
At 1 April 2017	1.0	0.7
Additions	0.5	0.5
Disposals	-	-
At 31 March 2018	1.5	1.2
Amortisation		
At 1 April 2017	0.5	0.2
Charge for the year	0.2	0.2
Eliminated on disposals	-	-
At 31 March 2018	0.7	0.4
Net book value		
At 31 March 2018	0.8	0.8
At 31 March 2017	0.5	0.5

The net book value of CDP Worldwide Group's intangible fixed assets comprises £384,000 of computer software and £428,000 of computer software in the course of construction.

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

10. Tangible fixed assets

	The Group Total £m	The Charity Total £m
Cost		
At 1 April 2017	0.6	0.6
Additions	0.1	0.1
Disposals	-	-
At 31 March 2018	0.7	0.7
Depreciation		
At 1 April 2017	0.2	0.2
Charge for the year	0.1	0.1
Eliminated on disposals	-	-
At 31 March 2018	0.3	0.3
Net book value		
At 31 March 2018	0.4	0.4
At 31 March 2018	0.4	0.4

The net book value of CDP Worldwide Group's tangible fixed assets comprises £204,000 of leasehold Improvements, £24,000 of fixtures, fittings and equipment and £195,000 of computer equipment.

The net book value of the charity's tangible fixed assets comprises £204,000 of leasehold Improvements, £17,000 of fixtures, fittings and equipment and £181,000 of computer equipment.

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

11. Fixed asset investments

	Shares in Group undertakings
The Charity	
	£m
Cost	
At 1 April 2017	-
Additions	-
Impairment	-
At 31 March 2018	-
Net book value	
At 31 March 2018	-
At 31 March 2017	-

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 %
CDP Operations Limited	England and Wales	Ordinary	100
CDP Worldwide (Europe) gGmbH	Germany	Ordinary	100
CDP Europe – Services GmbH	Germany	Ordinary	100
Beijing Climate and Environment Consulting Co Limited	China	Ordinary	100
CDP Worldwide (Hong Kong) Limited	Hong Kong	Membership - Limited by Guarantee	100

Name of Company	Principal Activity
CDP Operations Limited	Trading company for the charity CDP Worldwide with the primary purpose to fulfil the charity's objectives
CDP Worldwide (Europe) gGmbH	Charitable work in support of climate and environmental protection
CDP Europe - Services GmbH	Trading company for the charity CDP Worldwide (Europe) gGmbH 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 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.

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Notes to the financial statements
for the year ended 31 March 2018

12. Debtors due within one year	The Group		The Charity	
	2018 £m	2017 £m	2018 £m	2017 £m
Trade debtors	2.6	2.0	0.2	0.4
Amounts due from group undertakings	-	-	0.8	0.4
Prepayments and accrued income	1.9	0.7	1.6	0.5
Other debtors	0.2	0.3	0.1	0.2
	<u>4.7</u>	<u>3.0</u>	<u>2.7</u>	<u>1.5</u>

13.(a) Creditors: amounts falling due within one year	The Group		The Charity	
	2018 £m	2017 £m	2018 £m	2017 £m
Bank loan	0.1	0.1	0.1	0.1
Trade creditors	1.4	0.7	1.3	0.5
Amounts due to group undertakings	-	-	0.3	0.5
Other taxes and social security costs	0.4	0.2	0.4	0.1
Other creditors	0.2	0.1	0.2	0.1
Accruals	1.4	1.1	0.7	0.7
Deferred income (note 14)	2.8	2.2	0.6	0.3
	<u>6.3</u>	<u>4.4</u>	<u>3.6</u>	<u>2.3</u>

Included within other creditors is £41,307 (2017: £31,352) of owed pension contributions.

13.(b) Creditors: amounts falling due more than one year	The Group		The Charity	
	2018 £m	2017 £m	2018 £m	2017 £m
Bank loan	0.1	0.2	0.1	0.2
	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>	<u>0.2</u>

Loan security comprises fixed and floating charges over all the assets and undertakings of CDP Worldwide.

CDP Worldwide
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Notes to the financial statements
for the year ended 31 March 2018

14. Deferred income	The Group		The Charity	
	2018 £m	2017 £m	2018 £m	2017 £m
Balance brought forward	2.2	1.7	0.3	0.2
Amounts released from prior years	(2.2)	(1.7)	(0.3)	(0.2)
Deferred in current year	2.8	2.2	0.6	0.3
Balance carried forward	<u>2.8</u>	<u>2.2</u>	<u>0.6</u>	<u>0.3</u>

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

15. Reserves	The Group				
	Balance at 1 April 2017 £m	Incoming resources £m	Resources expended £m	Other Gains/ Losses £m	Balance at 31 March 2018 £m
Unrestricted reserves	0.1	8.1	(7.6)	0.1	0.7
Restricted reserves (note 15)	3.7	6.9	(8.1)	-	2.5
Total funds	<u>3.8</u>	<u>15.0</u>	<u>(15.7)</u>	<u>0.1</u>	<u>3.2</u>

The Charity	Balance at 1 April 2017 £m	Incoming resources £m	Resources expended £m	Other Gains/ Losses £m	Balance at 31 March 2018 £m
	£m	£m	£m	£m	£m
Unrestricted reserves	-	5.6	(5.8)	0.2	-
Restricted reserves (note 15)	3.4	5.8	(6.8)	-	2.4
Total funds	<u>3.4</u>	<u>11.4</u>	<u>(12.6)</u>	<u>0.2</u>	<u>2.4</u>

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16. Restricted reserves

The analysis of restricted reserves by funder is as follows:

The Group and the Charity	Balance at 1 April 2017 £m	Incoming resources £m	Resources expended £m	Transfers £m	Balance at 31 March 2018 £m
The Charity					
Bloomberg Philanthropies					
- Cities and other grants	1.1	1.4	(1.4)	-	1.1
- NDP	1.7	-	(1.1)	-	0.6
Children's Investment Fund Foundation	0.2	1.6	(1.6)	-	0.2
New Venture Fund	0.1	1.5	(1.3)	-	0.3
Norwegian Agency for Development Cooperation	0.1	0.4	(0.3)	-	0.2
UK Department for International Development	-	0.3	(0.3)	-	-
Climate KIC	-	0.5	(0.5)	-	-
Other restricted grants	0.2	0.1	(0.3)	-	-
Total Charity	3.4	5.8	(6.8)	-	2.4

The Group and the Charity	Balance at 1 April 2017 £m	Incoming resources £m	Resources expended £m	Transfers £m	Balance at 31 March 2018 £m
The Subsidiaries					
EU Life NGO (Europe)	-	0.3	(0.3)	-	-
Climate KIC (Europe)	0.1	0.2	(0.3)	-	-
Other restricted grants	0.2	0.6	(0.7)	-	0.1
Total Group	3.7	6.9	8.1	-	2.5

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.
- The NDP project: this is the replacement of CDP's online reporting system, ready for the 2018 disclosure cycle.

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. This funding also provides a major contribution to our New Disclosure Platform.

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).

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16. Restricted reserves (cont.)

Norwegian Agency for Development Cooperation

Funding for CDP's forests program with a focus on bringing forests into CDP's supply chain work.

UK DfID

Concluding in March 2018, this funding was for CDP's investor-led forests program to drive change in companies through disclosure and transparency, including through outreach and dissemination of the program's annual results across stakeholders (including policy makers).

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 decarbonization of portfolios); the 'Matchmaker' project (to connect financially viable and sustainable projects with interested investors); and providing a reporting platform for the Compact of States and Regions and driving transparency, accountability and leadership on climate action among states and regions around the world.

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.

17. Analysis of net assets between funds

	Unrestricted Funds 2018 £m	Restricted Funds 2018 £m	Total Funds 2018 £m	Total Funds 2017 £m
Fixed assets	1.2	-	1.2	0.9
Cash at bank and in hand	1.7	2.0	3.7	4.5
Other current assets	4.1	0.6	4.7	3.0
Current liabilities	(6.3)	(0.1)	(6.4)	(4.6)
	<u>0.7</u>	<u>2.5</u>	<u>3.2</u>	<u>3.8</u>

18. Operating lease commitments

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

	The Group		The Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Not later than 1 year	0.4	0.6	0.4	0.6
In the second to fifth years inclusive	1.6	0.2	1.6	0.2
	<u>1.2</u>	<u>-</u>	<u>1.2</u>	<u>-</u>
	<u>3.2</u>	<u>0.8</u>	<u>3.2</u>	<u>0.8</u>

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19. 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.

As at 31 March 2017, an amount of £70,000 was owed by CDP North America Inc. During the year, CDP Worldwide received income of £935,000 for support services.

During the year, a member of the key management personnel was seconded to New Venture Fund from which CDP Worldwide receives restricted income. The total restricted income received in the year was £1.5m. This arrangement ended on 30 September 2017.

During the year, CDP Worldwide received income of £1.2m from CDP Operations for support services.

During the year, CDP Worldwide received income of £839,000 from CDP Worldwide (Europe) gGmbH for support services.

During the year, CDP Worldwide received income of £67,000 from Carbon Disclosure Project India for expenditure paid on behalf of Carbon Disclosure Project India. CDP Worldwide incurred expenditure of £149,000 relating to sub grants paid to Carbon Disclosure Project India.

CDP Worldwide incurred expenditure of £89,000 relating to sub grants paid to Carbon Disclosure Project Latin America.

During the year, CDP Worldwide received income of £280,000 from CDP Worldwide - Japan for expenditure paid on behalf of CDP Worldwide - Japan.

As at 31 March 2018, the following amounts were due to CDP Worldwide:

	Incorporated in	2018 £	2017 £
CDP Worldwide (Europe) gGmbH	Germany	410,358	233,449
Carbon Disclosure Project Limited (Australia)	Australia	-	118,318
Carbon Disclosure Project Latin America	Latin America	39,019	-
Qidiping Climate and Environment Consulting Co Ltd	China	55,724	-
CDP Worldwide - Japan		279,523	-
		784,624	351,767

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

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19. Related party transactions notes (cont.)

As at 31 March 2018, the following amounts were due from CDP Worldwide:

	Incorporated in	2018 £	2017 £
CDP Operations Limited	England & Wales	171,292	420,349
Carbon Disclosure Project Latin America	Latin America	-	41,522
Beijing Carbon Disclosure Project Environment Consulting Co Ltd	China	-	8,277
Carbon Disclosure Project India	India	141,318	58,436
		<u>312,610</u>	<u>528,584</u>

20. 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

21. 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 £11.4m (2017: £12.4m). The decrease in the company's funds for the year was £1.0m (2017: £2.1m increase).

22. Notes to the consolidated cash flow statement

Reconciliation of operating loss to net cash outflow from operating activities

	Total 2018 £m	Total 2017 £m
(Deficit)/surplus on continuing operations	(0.6)	2.2
Depreciation and Amortisation	0.3	0.3
Interest receivable	-	-
(Increase)/decrease in debtors	(1.8)	(1.0)
Increase/(decrease) in creditors	1.9	1.1
Exchange differences	0.1	0.1
Adjustment for assets donated	-	(0.1)
Cash flows from operating activities	<u>(0.1)</u>	<u>2.6</u>

23. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £322,000 for the group and for the charity (2017 – £943,000 and £943,000 respectively).

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24. Controlling party

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