

Annex 1 Financial Statements



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INDEPENDENT AUDITOR'S REPORT

To the Executive Board The Global Crop Diversity Trust

We have audited the accompanying financial statements of the Global Crop Diversity Trust, which comprise the statement of financial position as at December 31, 2007 and 2006 and the statements of activities, changes in fund balances and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Global Crop Diversity Trust as of December 31, 2007 and 2006 and the results of its activities and its cash flows for the years then ended in accordance with International Financial Reporting Standards, as described in Note 2 to the financial statements.

DELOITTE & TOUCHE S.p.A.

Roberto Lolato
Partner

Rome, Italy
April 3, 2008

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Perugia
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Statement of Financial Position for the year ended 31 December 2007

	Notes	2007 USD	2006 USD
ASSETS			
Current Assets			
Accounts Receivable	4		
Donor		105,153	1,028,002
Other		6,981,378	431,423
Prepaid Expenses		150,000	-
Total Current Assets		7,236,532	1,459,426
Non Current Assets			
Cash and Cash Equivalents	3	2,302,318	506
Endowment Fund	7	82,678,944	45,533,539
Total Non Current Assets		84,981,262	45,534,045
TOTAL ASSETS		92,217,794	46,993,471
LIABILITIES & FUND BALANCES			
Current Liabilities			
Accounts Payable	5		
Donor		4,767,913	145,009
Other		464,306	70,090
Total Current Liabilities		5,232,219	215,099
Non Current Liabilities		-	-
Total Liabilities		5,232,219	215,099
Fund Balances			
Unrestricted		658,059	390,811
Temporarily Restricted		1,346,254	851,016
Permanently Restricted		84,981,262	45,536,545
Total Fund Balances	6	86,985,575	46,778,372
TOTAL LIABILITIES & FUND BALANCES		92,217,794	46,993,471



Statement of Activities for the year ended 31 December 2007

	Notes	2007 USD	2006 USD
INCOME & SUPPORT			
Investment Income			
Endowment Fund Gain		5,670,095	6,088,833
Investment Expenses Released		(173,090)	(132,887)
Interest Income		745,862	18,054
Net Investment Income		<u>6,242,867</u>	<u>5,974,001</u>
Contributions to Operational Fund			
Contributions to Operational and Fundraising Activities	8	1,569,896	981,574
Total Contributions to Operational Fund		<u>1,569,896</u>	<u>981,574</u>
Net Assets released from Restrictions			
From Capacity Building Fund		2,359,334	514,197
From Endowment Fund		1,139,400	1,180,600
Total Net Assets released from Restrictions		<u>3,498,734</u>	<u>1,694,797</u>
TOTAL INCOME & SUPPORT		11,311,497	8,650,371
GRANT EXPENSE			
Long-term Conservation Grants		1,049,100	208,000
Capacity Building & Other Grants		870,493	91,475
Conservation Strategies		88,886	514,197
Salaries & Benefits		1,251,593	204,819
External Review & Consultancies		102,713	48,053
Professional Services		101,483	-
Travel		34,465	-
Total Grant Expense		<u>3,498,734</u>	<u>1,066,544</u>
SUPPORTING EXPENSES			
Salaries & Benefits		441,859	716,229
Travel		67,707	79,822
Governance		102,937	75,042
Public Awareness & Communications		296,844	132,925
Professional Services		323,300	226,062
Facilities		70,000	70,000
Total Supporting Expenses		<u>1,302,647</u>	<u>1,300,080</u>
TOTAL EXPENDITURE	9	4,801,381	2,366,624
Net Excess of Income & Support over Expenditure		6,510,116	6,283,747
Increase/(Decrease) in Restricted Funds:			
Capacity Building Fund			
Contributions	8	2,854,572	810,756
Released from Restrictions		(2,359,334)	(514,197)
Increase/(Decrease) in Capacity Building Fund		<u>459,238</u>	<u>296,559</u>
Endowment Fund			
Contributions		34,341,250	8,952,957
Released from Restrictions		(1,139,400)	(1,180,600)
Increase/(Decrease) in Endowment Fund		<u>33,201,850</u>	<u>7,772,357</u>
Increase/(Decrease) in Restricted Funds		33,697,087	8,068,916
Increase/(Decrease) in Fund Balances		40,207,203	14,352,663
Fund Balances at Beginning of Period		46,778,372	32,425,709
Fund Balances at End of Period		<u>86,985,575</u>	<u>46,778,372</u>



Statement of Changes in Fund Balances for the year ended 31 December 2007

	2007 USD	2006 USD
RESTRICTED FUND BALANCES		
Endowment Fund		
Opening Balance	45,536,545	31,790,188
Donations/Contributions	34,341,250	8,952,957
Investment Income	745,862	18,054
Net Endowment Fund Gain	5,497,005	5,955,946
Amount Released	(1,139,400)	(1,180,600)
Closing Balance	<u>84,981,262</u>	<u>45,536,545</u>
Capacity Building Fund		
Opening Balance	851,016	554,457
Donations/Contributions	2,854,572	810,756
Amount Released	(2,359,334)	(514,197)
Closing Balance	<u>1,346,254</u>	<u>851,016</u>
UNRESTRICTED FUND BALANCES		
Operational Fund		
Opening Balance	390,811	81,065
Operating Surplus/(Deficit)	267,248	309,746
Closing Balance	<u>658,059</u>	<u>390,811</u>
TOTAL FUND BALANCES	<u>86,985,575</u>	<u>46,778,372</u>



Statement of Cash Flows for the year ended 31 December 2007

	2007 USD	2006 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in Unrestricted Fund Balance	267,248	309,746
(Increase)/Decrease in Accounts Receivable	(5,777,106)	(399,314)
Increase/(Decrease) in Accounts Payable	<u>5,017,120</u>	<u>(206,988)</u>
Net Cash Provided By Operating Activities	(492,737)	(296,556)
CASH FLOWS FROM RESTRICTED ACTIVITIES		
Increase/(Decrease) in Capacity Building Fund	495,238	296,559
Increase/(Decrease) in Endowment Fund	<u>2,299,312</u>	<u>(3,613,489)</u>
Net Cash Provided By Restricted Activities	2,794,550	(3,316,930)
Increase/(Decrease) in Cash	2,301,813	(3,613,486)
CASH AT BEGINNING OF YEAR	506	3,613,993
CASH AT END OF YEAR	<u>2,302,318</u>	<u>506</u>



Notes to the Financial Statements for the year ended 31 December 2007

1. STATEMENT OF PURPOSE

The Global Crop Diversity Trust (the Trust) is an autonomous international fund established under international law. The international status of the Trust is conferred under an Establishment Agreement, which has been signed by 26 countries. The Trust was established on October 21, 2004 and operates within the framework of the International Treaty on Plant Genetic Resources for Food and Agriculture as an essential element of its Funding Strategy.

The Trust is currently located in Rome, hosted by the Food and Agricultural Organization of the United Nations (FAO) and Bioversity International, pending the establishment of a permanent headquarters location.

Mission

The mission of the Trust is to ensure the long-term conservation and availability of plant genetic resources for food and agriculture with a view to achieving global food security and sustainable agriculture. To do this, the Trust aims to raise an endowment fund of USD 260 million to support the development of a rational and efficient system for conserving crop diversity around the world.

Donors to the Trust include governments from developing and developed countries, foundations, the private sector and individuals.

Friends of Global Crop Diversity, Ltd

A United States charitable organization, Friends of Global Crop Diversity, Ltd, was established in August 2005 to further the mission of the Trust. The Corporation was established under section 501(c)(3) of the US Internal Revenue Code and will assist the Trust in informing the American people of the objectives and purposes of the Trust and raising US funding to support the mission of the Trust.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trust are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Since existing IFRS do not cover issues unique to not-for-profit organizations, the Trust has drawn from other widely used standards (such as SFAS 117 of US GAAP) to provide guidance on issues of importance that are not yet addressed by existing IFRS. The significant accounting policies followed are described below.



2.1 Accounts Receivable

All receivable balances are valued at their net realizable value, that is, the gross amount receivable less an allowance for doubtful accounts where appropriate.

Allowances for doubtful accounts are provided in an amount equal to the total receivables shown, or reasonably estimated to be doubtful of collection. The amount in the allowance is based on past experience and on a continuous review of receivable reports and other relevant factors. When an account receivable is deemed doubtful of collection, an allowance is provided during the year the account is deemed doubtful. Any receivable, or portion of receivable judged to be un-collectible is written off. Write-offs of receivables are done via allowance for doubtful accounts after all efforts to collect have been exhausted.

The Trust did not have any doubtful accounts during the year.

2.2 Endowment Fund

The endowment fund is a permanently restricted fund established to support the effective conservation and ready availability of the biological basis of agriculture.

The endowment fund investments are recorded as non-current assets at fair market value. In accordance with IFRS 7, the fair value of financial assets and liabilities is determined with reference to quoted market prices. Changes in the market value of the funds and interest earned are reported in the Statement of Activities in the year in which the change occurs. The investment objectives and policies permit the annual withdrawal of income of up to 4.5% of the average market value of the fund over the previous six quarters. This is reported in the Statement of Activities as net assets released from restrictions.

2.3 Accounts Payable

Accounts payable are short-term liabilities reflecting amounts owed in respect of services received and grants payable during the year together with contributions received in advance from donors.

2.4 Revenue Recognition

Funding managed by the Trust falls into three categories:

1. Endowment fund
2. Funds for various projects undertaken by the Trust, conservation strategies and capacity building grants
3. Funds to cover the operational and fundraising activities of the Trust

While some donors provide funds that may be applied to any category and activity at the discretion of the Trust, most donors allocate their funds to a specific category or categories. In certain cases, the Trust may receive funds that are either unrestricted for use within the category concerned or that are restricted or "earmarked" by the donor for a specific purpose or activity.

Unrestricted grants, received and pledged, are recognized as revenues when the conditions imposed by the donor have been substantially met or explicitly waived by the donor.



Restricted grants are recognized as revenue to the extent grant conditions have been met. Grants pledged but not yet received are accrued among receivables only to the extent expended.

Grants in kind are recorded at the fair value of the assets or services received, or the fair value of the liabilities satisfied.

2.5 Foreign currency transactions

The Trust conducts its operations in several currencies and maintains its accounting records in United States dollars. The financial statements are expressed in United States dollars solely for the purpose of summarizing the financial position and the results of activities.

All items in the Statement of Financial Position, where necessary, have been translated at market rates of exchange at year-end.

Revenue and expense items in currencies other than United States dollars have been recorded at the exchange rate prevailing on the transaction date.

2.6 Expenditure

The costs of carrying out the projects undertaken by the Trust and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated between grant expenditure and supporting expenditure.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in banks denominated in US dollars. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents comprise contributions received for the endowment fund together with related interest earned. As contributions for the endowment fund are permanently restricted, cash and cash equivalents at year-end of USD 2,302,318 (2006: USD 506) are reported as non-current assets.

4. ACCOUNTS RECEIVABLE

All receivable balances are valued at their net realizable value.

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Organization. The Organization does not have any significant credit risk exposure as amounts receivable consist mainly of amounts held with the host organizations, which are highly reputable international organizations. Total accounts receivable represent 7% of total assets.



(A) Accounts receivable - Donor

Accounts receivable from donors consists of claims for unrestricted grants promised or pledged provided that the conditions attached to the grants have already been met. It also pertains to claims for expenses paid on behalf of restricted projects in excess of the amount received.

Donor	Dec. 31, 2007	Dec. 31, 2006
Canada	-	860,882
Friends of Global Crop Diversity, Ltd	-	82,472
Grains Research & Development Corporation	81,252	84,649
Norway	23,901	-
TOTAL	105,153	1,028,003

(B) Accounts receivable - Other

This balance relates mainly to amounts received by the host organizations, FAO and Bioversity International, on behalf of the Trust that have not yet been expended. There were no accounts receivable from Bioversity International at 31/12/06, details of the accounts payable to them at that date can be found under Note 5(B).

	Dec. 31, 2007	Dec. 31, 2006
Bioversity International		
Balance as at 1/1	(15,619)	
Investment Income	475,224	
Canada (CIDA)	1,844,456	
Friends of Global Crop Diversity, Ltd	164,000	
Gates Foundation/UN Foundation	5,490,217	
Grains Research & Development Corporation	400,428	
Norway	200,000	
Switzerland (SDC)	30,000	
Syngenta Foundation	25,000	
United States (USAID)	1,000,000	
Expenditure	(3,577,107)	
Accounts Receivable from Bioversity International	6,036,599	0
Food And Agriculture Organization of the UN		
Balance as at 1/1	428,924	398,284
Investment Income	436,615	-
Italy	689,096	-
Norway	-	215,576
Sweden	101,999	-
United Nations Foundation	-	275,000
Other	25,024	11,704
Expenditure	(736,878)	(471,640)
Accounts Receivable from FAO	944,780	428,924
Accounts Receivable - Other	-	2,500
TOTAL	6,981,379	431,424



5. ACCOUNTS PAYABLE

(A) Accounts Payable - Donor

Accounts payable to donors includes unrestricted grants received for which conditions have not yet been met and unexpended funds received in advance for restricted projects.

Donor	Dec. 31, 2007	Dec. 31, 2006
Gates Foundation/UN Foundation	4,619,384	-
Norway	104,261	115,009
Swiss Agency for Development & Cooperation (SDC)	19,268	30,000
Syngenta Foundation	25,000	-
Accounts Payable - Donor	4,767,913	145,009

(B) Accounts Payable - Other

This balance consists of amounts payable at the year-end in respect of supplies and services received during the year and amounts payable in respect of capacity building and long-term grants for the year. It may also include amounts expended on behalf of the Trust by the host organizations, FAO and Bioversity International, in respect of which contributions have not yet been received. There were no accounts payable to Bioversity International at 31/12/07, details of the accounts receivable from them at that date can be found under Note 4(B).

	Dec. 31, 2007	Dec. 31, 2006
Bioversity International		
Balance c/f		(330,817)
Investment Income		(1,259,359)
Switzerland (SDC)		(30,000)
Syngenta Foundation		(50,000)
Expenditure		1,685,795
Total	0	15,619
HSBC – Investment Management Fee	60,728	54,471
Grants Payable		
Long-term Conservation Grants	330,000	-
Capacity Building Grants	73,578	-
Total	403,578	-
Accounts Payable - Other	464,306	70,090



6. FUND BALANCES

Resources are classified for accounting and reporting purposes into fund categories according to the activities or objectives specified by internal designation or by external restriction.

The Organization manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows. Management information systems focus on significant issues and produce timely, accurate, complete and meaningful information to enable effective management of liquidity.

Unrestricted Fund

The operational fund contains unrestricted net assets representing unrestricted resources available to support the Organization's operations. The fund serves to provide working capital and financial stability for the Organization in the future. It comprises contributions received and expenditure incurred in respect of the operational and fundraising activities of the Trust. The operating surplus represents the excess of revenue over expenditures on operations for the year.

	Dec. 31, 2007	Dec. 31, 2006
Balance as at 1/1	390,811	81,065
Operating Surplus	267,248	309,746
Balance as at 31/12	658,059	390,811

Temporarily Restricted Fund

The capacity building fund contains net assets that are temporarily restricted by donor-imposed stipulations or by internal designation. When the restriction expires due to accomplishing the stipulated purpose or through passage of time, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. The fund comprises contributions received or allocated and expenditure incurred in respect of conservation strategies, capacity building and long-term grants and related program expenditure.

	Dec. 31, 2007	Dec. 31, 2006
Balance as at 1/1	851,016	554,457
Contributions	2,854,572	810,756
Expenditure	(2,359,334)	(514,197)
Balance as at 31/12	1,346,254	851,016

Permanently Restricted Fund

The permanently restricted endowment fund contains net assets which are subject to donor-imposed stipulations that they be maintained permanently by the Organization. The fund comprises contributions received for the endowment fund together with the related bank interest earned, changes in market value less management fees and income withdrawn during the year.



Current year contributions to the fund are as follows (amounts in USD/000):

Donors Balance	Balance 31-12-06	Contributions	Other movements	Balance 31-12-07
Australia	7,580	1,660		9,240
Dupont/ Pioneer Hi-bred	750	250		1,000
Egypt	25	-		25
Ethiopia	25	-		25
Gates Foundation/UN Foundation	-	7,500		7,500
Germany	1,962	2,197		4,159
India	50	-		50
International Seed Federation	-	30		30
Ireland	-	1,357		1,357
Norway	7,677	4,387		12,064
New Zealand	50	-		50
Sweden	7,265	4,622		11,887
Switzerland	7,362	2,616		9,978
Syngenta AG	1,000	-		1,000
United Kingdom	-	9,722		9,722
United States	5,000	-		5,000
Private	1	-		1
Interest Earned	217		746	963
Realized & unrealized gain on investment fund (change in market value) less management fees	8,627		5,497	14,124
Realized Gains	(2,054)		(1,139)	(3,193)
Total	45,537	34,341	5,104	84,981

Further detail can be found in Note 7.

7. ENDOWMENT FUND

The Trust will build and manage an endowment fund, the income from which will be used to fund the effective conservation and the ready availability of the biological basis of agriculture. An endowment fund will provide a permanent source of financial support matching the long-term nature of conservation with long-term secure and sustainable funding.

The Trust opened its first Endowment Investment Fund with HSBC Asset Management (Europe) Limited in April 2005 and contributions previously received in the amount of USD 21,150,000 were transferred to the fund. Funds are invested in accordance with Investment Objectives and Policies approved by the Executive Board. In January 2007 the Trust hired an Independent Financial Advisor to assist the Trust in all areas of investment management including providing advice on the ethical policies adopted by the Trust. The contract will be funded for a period of three years by the Swiss Agency for Development and Cooperation (SDC).

The Endowment Fund investments at year-end of USD 82,678,944 represent the principle together with changes in market value less management fees and income released. Changes in the market value of the funds and interest earned are reported in the Statement of Activities in the year in which the change occurs.



The investment strategy of the Trust provides that once the fund has reached USD 100-120 million there will be multiple asset managers each specializing in a particular asset class. In the interim period, the Executive Board has agreed that no further funds shall be invested in the original Endowment Investment Fund and that additional contributions received should be invested in a broadly diversified range of Exchange Traded Funds (ETFs). At the end of December contributions in the amount of USD 31,931,800 were transferred to the investment fund manager for investment in ETFs. These funds will be invested in early January in a selection of funds approved by the Finance & Investment Committee of the Executive Board.

The following schedule represents the composition of the market value of the investment fund as at December 31:

	Balance Dec. 31, 2007	Balance Dec. 31, 2006
Equities	27,412,276	25,895,010
Bonds	16,546,061	14,413,435
Hedge Funds	3,115,351	2,228,415
Real Estate	1,279,781	1,603,371
Cash	2,393,675	1,393,308
Total	50,747,144	45,533,539
Cash for Investment in ETFs	31,931,800	-
Total	82,678,944	45,533,539

The following table provides an analysis of changes to non-current assets during the year:

	Note	Dec. 31, 2007	Dec. 31, 2006
Balance as at 1/1		45,536,545	31,790,188
Contributions	1	34,341,250	8,952,957
Endowment Fund Gain	2	5,497,005	5,955,946
Income Released	3	(1,139,400)	(1,180,600)
Investment Income	4	745,862	18,054
Balance as at 31/12		84,981,262	45,536,545

Notes:

- Contributions were received from government agencies, private foundations and corporations. Further detail can be found in Note 6.
- The endowment fund gain represents the change in market value of the funds and is reported in the Statement of Activities for the year.
- The Investment Objectives and Policies of the Trust permit the annual withdrawal of up to 4.5% of the average market value of the fund over the previous six quarters. During the year the Trust did not require the entire 4.5%, approximately 2.25% was withdrawn and the balance was retained in the fund.
- Investment income relates to amounts earned during the year from holding funds on fixed term deposit.



Investment Risk & Risk Management

The Organization invests in a professionally managed portfolio that contains equity, US corporate bonds, US government bonds, emerging market debt, US REITs and hedge funds. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

The fund manager continuously monitors the returns and volatility of the portfolio against initial expectations. They also monitor exposures and risks within the portfolio on a forward-looking basis. The asset managers responsible for each portion of the portfolio have a variety of risk controls covering the investments. For example, the largest portion of the portfolio is invested in a global equity portfolio, this targets a maximum ex ante tracking error of 2% relative to its benchmark index, and has strict limits on stock and sector exposure. Interest rate exposure is through the bond portfolio which accounts for 37.5% of the benchmark. The asset managers continuously monitor and control interest rate and duration risk within the portfolio.

Equities account for 52.5% of the benchmark, although the actual proportion at any time will vary according to the judgement of the fund manager on the relative attractiveness of equities relative to other assets. For example, the weighting in equities as at 31st December 2007 was slightly below benchmark, at 51.6%. Assuming a weighting broadly in line with benchmark, no change in the value of non-equity assets within the portfolio, and equity performance in line with benchmark, would suggest that a 10% movement in equities would affect the value of the portfolio (in the same direction) by just over 5%. In practice it is expected that bonds would exhibit some negative correlation with equities, thus offsetting part of this effect.

Equity Price Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. If equity prices had been 5% higher/lower:

	Dec. 31, 2007	+5%	-5%
Fair Value of Investment Fund	82,678,944	84,113,546	81,244,341
Net Excess of Income & Support over Expenditure	6,510,116	7,944,719	5,075,513
Total Fund Balances	87,036,090	88,470,693	85,601,487



8. CONTRIBUTIONS TO OPERATIONAL, FUNDRAISING AND GRANT ACTIVITIES

Contributions were received during the year from the following donors:

	Bioversity International	FAO	TOTAL
Canada (CIDA)	983,574	-	983,574
Friends of Global Crop Diversity, Ltd	81,528	-	81,528
Gates Foundation/UN Foundation	870,833	-	870,833
Grains Research & Development Corporation	397,034	-	397,034
Italy	-	689,096	689,096
Norway	95,739	138,909	234,648
Sweden	-	101,999	101,999
Swiss Agency for Development & Cooperation	40,732	-	40,732
United States	1,000,000	-	1,000,000
Other	-	25,024	25,024
Total Contributions	3,469,440	955,028	4,424,468
Contributions to Operational and Fundraising Activities			1,569,896
Contributions to Capacity Building Fund			2,854,572
Total Contributions			4,424,468

9. GRANT AND SUPPORTING EXPENDITURE

With the exception of investment management expenses, which are released from the investment fund, all expenditures are incurred by the host organizations, FAO and Bioversity International, on behalf of the Trust. These costs are charged back to the Trust at cost plus overhead.

Grant expenditure significantly increased in 2007 as work commenced on the Global System Project, a four-year project funded by the Gates Foundation/UN Foundation. The Trust also increased its program of providing long-term sustainable funding to the world's most important collections of crop diversity; seven collections were supported in 2007 versus one in 2006.

During the year the Trust retained the services of a government affairs company in Washington DC to assist with the process of securing funding from US government sources. The Trust also intensified its efforts to raise the profile of the Organization and its mission. Professional services expenditure includes the investment fund management fee, which will continue to increase as the value of the fund grows. It also includes the fee for the Independent Financial Advisor who was contracted in January 2007 to provide advice to the Trust on all aspects of investment management. This contract will be funded for a period of three years by the Swiss Agency for Development and Cooperation.