

Annex 1 Financial Statements

D. Cavagnaro

Deloitte.

Deloitte & Touche S.p.A
Via della Camilluccia, 589/A
00135 Roma
Italia

Tel: +39 06 367491
Fax: +39 06 36749282
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT

To the Executive Board 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, 2009 and 2008 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 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 about 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 the audit experience 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 at December 31, 2009 and 2008 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.

Robertolololo

Roberto Lolato
Partner

Rome, Italy
June 16, 2010

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Perugia
Roma Torino Treviso Verona

Member of
Deloitte Touche Tohmatsu

Sede Legale: Via Tortona, 25 – 20144 Milano Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 – R.E.A. Milano n. 1720239
Partita IVA IT03049560166



Statement of Financial Position for the year ended 31 December 2009

	Notes	2009 USD	2008 USD
ASSETS			
Current Assets			
Accounts Receivable	4		
Donor		5,775	-
Other		13,024,303	13,038,667
Prepaid Expenses		132,651	-
Total Current Assets		13,162,728	13,038,667
Non Current Assets			
Cash and Cash Equivalents	3	25,399,364	22,529,192
Endowment Fund	7	69,956,162	59,947,088
Total Non Current Assets		95,355,526	82,476,280
TOTAL ASSETS		108,518,254	95,514,946
LIABILITIES & FUND BALANCES			
Current Liabilities			
Accounts Payable	5		
Donor		7,659,154	7,442,583
Other		696,041	1,854,808
Total Current Liabilities		8,355,195	9,297,391
Non Current Liabilities		-	-
Total Liabilities		8,355,195	9,297,391
Fund Balances			
Unrestricted		834,515	831,703
Temporarily Restricted		3,973,018	2,909,571
Permanently Restricted		95,355,526	82,476,280
Total Fund Balances	6	100,163,059	86,217,555
TOTAL LIABILITIES & FUND BALANCES		108,518,254	95,514,946



Statement of Activities for the year ended 31 December 2009

	Notes	2009 USD	2008 USD
INCOME & SUPPORT			
Investment Income			
Endowment Fund Gain/(Loss)		12,115,535	(20,172,392)
Investment Expenses Released		(151,074)	(184,374)
Interest Income		17,959	557,305
Net Investment Income		<u>11,982,420</u>	<u>(19,799,461)</u>
Contributions to Operational Fund			
Contributions to Operational and Fundraising Activities	8	1,291,225	1,014,149
Total Contributions to Operational Fund		<u>1,291,225</u>	<u>1,014,149</u>
Net Assets released from Restrictions			
From Capacity Building Fund		6,096,662	4,889,554
From Endowment Fund		1,955,387	2,375,090
Total Net Assets released from Restrictions		<u>8,052,049</u>	<u>7,264,644</u>
TOTAL INCOME & SUPPORT		21,325,694	(11,520,669)
GRANT EXPENSE			
Long-term Conservation Grants		1,900,362	1,841,100
Capacity Building & Other Grants		3,793,568	2,689,355
Conservation Strategies		83,192	7,862
Salaries & Benefits		1,928,386	1,832,260
Professional Services		145,799	294,187
Travel		145,716	65,889
Total Grant Expense		<u>7,997,023</u>	<u>6,730,654</u>
SUPPORTING EXPENSES			
Salaries & Benefits		622,478	515,189
Travel		35,370	89,372
Governance		102,399	80,330
Public Awareness & Communications		174,414	206,232
Professional Services		375,810	345,946
Facilities		32,966	137,424
Total Supporting Expenses	9	<u>1,343,437</u>	<u>1,374,494</u>
TOTAL EXPENDITURE		9,340,460	8,105,148
Net Excess of Income & Support over Expenditure		11,985,234	(19,625,817)
Increase/(Decrease) in Restricted Funds:			
Capacity Building Fund			
Contributions	8	7,160,108	6,452,871
Released from Restrictions		(6,096,662)	(4,889,554)
Increase/(Decrease) in Capacity Building Fund		<u>1,063,446</u>	<u>1,563,317</u>
Endowment Fund			
Contributions		2,852,213	19,669,569
Released from Restrictions		(1,955,387)	(2,375,090)
Increase/(Decrease) in Endowment Fund		<u>896,824</u>	<u>17,294,479</u>
Increase/(Decrease) in Restricted Funds		1,960,270	18,857,796
Increase/(Decrease) in Fund Balances			
Fund Balances at Beginning of Period		86,217,555	86,985,575
Fund Balances at End of Period		<u>100,163,059</u>	<u>86,217,555</u>



Statement of Changes in Fund Balances for the year ended 31 December 2009

	2009 USD	2008 USD
RESTRICTED FUND BALANCES		
Endowment Fund		
Opening Balance	82,476,280	84,981,262
Donations/Contributions	2,852,212	19,669,569
Investment Income	17,959	557,305
Net Endowment Fund Gain/(Loss)	11,964,463	(20,356,766)
Amount Released	(1,955,388)	(2,375,090)
Closing Balance	<u>95,355,526</u>	<u>82,476,280</u>
Capacity Building Fund		
Opening Balance	2,909,571	1,346,254
Donations/Contributions	7,160,108	6,452,871
Amount Released	(6,096,662)	(4,889,554)
Closing Balance	<u>3,973,018</u>	<u>2,909,571</u>
UNRESTRICTED FUND BALANCES		
Operational Fund		
Opening Balance	831,703	658,059
Operating Surplus/(Deficit)	2,811	173,644
Closing Balance	<u>834,515</u>	<u>831,703</u>
TOTAL FUND BALANCES	<u>100,163,059</u>	<u>86,217,555</u>



Statement of Cash Flows for the year ended 31 December 2009

	2009 USD	2008 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in Unrestricted Fund Balance	2,811	173,644
(Increase)/Decrease in Accounts Receivable	(124,062)	(5,802,135)
Increase/(Decrease) in Accounts Payable	<u>(942,196)</u>	<u>4,065,173</u>
Net Cash Provided By Operating Activities	(1,063,447)	(1,563,318)
CASH FLOWS FROM RESTRICTED ACTIVITIES		
Increase/(Decrease) in Capacity Building Fund	1,063,446	1,563,317
Increase/(Decrease) in Endowment Fund	<u>2,870,173</u>	<u>20,226,874</u>
Net Cash Provided By Restricted Activities	3,933,619	21,790,192
Increase/(Decrease) in Cash	2,870,172	20,226,874
CASH AT BEGINNING OF YEAR	22,529,192	2,302,318
CASH AT END OF YEAR	<u>25,399,364</u>	<u>22,529,192</u>



Notes to the Financial Statements for the year ended 31 December 2009

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 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. The amount withdrawn 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.

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.

2.5 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.

2.6 Fixed Assets

Office equipment and furniture are recorded at cost and depreciated over the estimated useful life of the respective assets (three to five years) on a straight-line basis where the asset has an original cost greater than USD 2,000. Items with an original cost lower than this amount are charged directly to operating expenses in the period in which they are incurred.

Equipment and furniture acquired through the use of restricted grants are recorded as assets, and are fully expensed and charged directly to the appropriate restricted project in the year of acquisition.

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 25,399,364 (2008: USD 22,529,192) are reported as non-current assets. These funds are held with Intesa San Paolo, Italy and Banca Popolare di Sondrio, Italy.

The investment strategy of the Organization, given the current climate, is to remain highly diversified, both in terms of type of investment and style of investing. At year-end approximately 40% of the endowment fund was held in an actively managed fund across a wide variety of asset classes, 30% was passively managed across market places and the remainder was held in cash and cash equivalents, a higher-than-usual portion due to market conditions. The investment strategy is kept under constant review by the Finance & Investment Committee of the Executive Board.



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, Bioversity International and the Food and Agriculture Organization of the UN (FAO), which are highly reputable international organizations. Total accounts receivable represent 12% of total assets.

(A) Accounts Receivable - Donor

Accounts receivable from donors consists of claims for expenses paid on behalf of restricted projects in excess of the amount received. It may also pertain to claims for unrestricted grants promised or pledged provided that the conditions attached to the grants have already been met. Accounts receivable from donors at year-end amounted to USD 5,775 (Dec 31, 2008: USD 0).

(B) Accounts Receivable – Other

This balance relates mainly to amounts received by the host organizations, Bioversity International and the Food and Agriculture Organization of the UN (FAO), on behalf of the Trust that have not yet been expended.

	Dec. 31, 2009	Dec. 31, 2008
Bioversity International		
Balance as at 1/1	12,131,174	6,036,599
Investment Income	1,402,414	1,624,686
Australia	179,790	-
Canada	809,717	973,520
Gates Foundation/UN Foundation	5,912,105	7,103,265
Grains Research & Development Corporation	-	1,701,622
Lillian Goldman Charitable Trust	300,000	200,000
Switzerland	70,000	70,000
United States	1,000,235	-
Expenditure	(9,658,001)	(5,578,518)
Accounts Receivable from Bioversity International	12,147,434	12,131,174
Food And Agriculture Organization of the UN (FAO)		
Balance as at 1/1	402,192	944,780
Investment Income	441,209	-
Norway	236,730	29,131
Sweden	157,618	141,483
Other	(4,066)	27,822
Expenditure	(774,484)	(741,024)
Accounts Receivable from FAO	459,199	402,192
Other - Investment Fund Income	417,671	505,303
TOTAL	13,024,303	13,038,667



5. ACCOUNTS PAYABLE

(A) *Accounts Payable - Donor*

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

Donor	Dec. 31, 2009	Dec. 31, 2008
Australia	179,790	-
Gates Foundation/UN Foundation	7,265,582	6,643,102
Grains Research & Development Corporation	-	745,213
Lillian Goldman Charitable Trust	500,000	-
Norway	129,514	-
Swiss Agency for Development & Cooperation	34,268	29,268
Syngenta Foundation	-	25,000
TOTAL	7,659,154	7,442,583

(B) *Accounts Payable – Other*

This balance consists of amounts payable at the year-end in respect of long-term conservation and capacity building grants. It also includes amounts payable in respect of supplies and services received during the year.

Donor	Dec. 31, 2009	Dec. 31, 2008
Grants Payable		
Long-term Conservation Grants	-	1,382,100
Capacity Building Grants	623,736	386,256
Total	623,736	1,768,356
Other		
Investment Management Fee	57,305	48,320
Consultancy Services	15,000	38,132
Total	72,305	86,452
TOTAL	696,041	1,854,808



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, 2009	Dec. 31, 2008
Balance as at 1/1	831,703	658,059
Operating Surplus	2,811	173,644
Balance as at 31/12	834,514	831,703

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 projects, conservation strategies, capacity building and long-term grants and related program expenditure.

	Dec. 31, 2009	Dec. 31, 2008
Balance as at 1/1	2,909,571	1,346,254
Contributions	7,160,108	6,452,871
Expenditure	(6,096,662)	(4,889,554)
Balance as at 31/12	3,973,017	2,909,571



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 31-12-08	Contributions	Other movements	Balance 31-12-09
Australia	11,074	1,599		12,673
Dupont/ Pioneer Hi-bred	1,000	-		1,000
Egypt	25	-		25
Ethiopia	25	-		25
Gates Foundation/UN Foundation	7,500	-		7,500
Germany	6,045	-		6,045
India	50	-		50
International Seed Federation	30	-		30
Ireland	2,868	1,277		4,145
Norway	15,177	-		15,177
New Zealand	50	-		50
Slovak Republic	-	20		20
Spain	1,295	-	(43)	1,252
Sweden	11,887	-		11,887
Switzerland	10,262	-		10,262
Syngenta AG	1,000	-		1,000
United Kingdom	19,468	-		19,468
United States	5,000	-		5,000
Private	1	-		1
Interest Earned	1,520	-	17	1,537
Realized & unrealized gain on investment fund (change in market value) less management fees	(6,233)	-	11,964	5,731
Realized Gains	(5,568)	-	(1,955)	(7,523)
TOTAL	82,476	2,896	9,983	95,355

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 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.

Funds are invested in accordance with Investment Objectives and Policies approved by the Executive Board. The Finance and Investment Committee implement the investment strategy adopted by the Executive Board. The Trust also retains the services of an Independent Financial Advisor to assist in all areas of investment management including the provision of advice on the ethical policies adopted by the Trust.



The Organization is an official signatory to the United Nations Principles for Responsible Investment (UNPRI), an international framework for incorporating sustainability into investment decision-making. The Principles were launched in 2006 by UN Secretary-General Kofi Annan as a framework to help investors achieve better long-term investment returns and sustainable markets, through better analysis of environmental, social and governance issues in the investment process.

The Endowment Fund investments at year-end of USD 69,956,162 (2008: USD 59,947,088) 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 following schedule represents the composition of the market value of the investment fund as at December 31:

	Balance 31-12-09	Balance 31-12-08
Equities	36,944,559	26,560,136
Bonds	26,063,006	29,114,190
Hedge Funds	2,505,352	1,735,592
Real Estate	1,209,009	984,988
Cash	3,234,236	1,552,183
TOTAL	69,956,162	59,947,088

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

	Note	31-12-09	31-12-08
Balance as at 1/1		82,476,280	84,981,262
Contributions	1	2,852,213	19,669,569
Endowment Fund Gain/(Loss)	2	11,964,460	(20,356,765)
Income Released	3	(1,955,387)	(2,375,090)
Investment Income	4	17,959	557,305
Balance as at 31/12		95,355,526	82,476,280

Notes:

1. Contributions were received from government agencies, private foundations and corporations. Further detail can be found in Note 6.
2. The endowment fund gain/(loss) represents the change in market value of the fund and is reported in the Statement of Activities for the year.
3. 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 2.2% was withdrawn and the balance was retained in the fund.
4. 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.

Currency exposure within the fixed income portion of the portfolio is predominantly in USD as dictated by the component indices all being referenced to the US fixed income markets. As a result, the Trust portfolio has minimal currency risk and exposure arising from the underlying fixed income assets.

Movements in interest rates within a bond portfolio and the inherent risk thereof are driven by changes in investor views on macroeconomic factors and individual issuers of interest rate sensitive securities. Price sensitivities of securities to changes in interest rates are primarily measured by the duration measure - modified duration for sensitivities to changes in yield, and spread duration for price sensitivities to changes in the option adjusted spread (which is a function of perceived credit quality). Management of interest rate risk is performed through the adjustment of the duration measure by buying/selling bonds of different maturities. Where the investment team's view is for price appreciation in any one market or sector, greater duration risk may be taken through the switching of existing bonds into longer maturity securities. Conversely, if bond yields were perceived to rise in the future, a shorter maturity/duration profile would be taken. Duration adjustments may also be performed through the use of an interest rate Futures overlay, where permitted. The monitoring of interest rate risk is usually performed relative to a benchmark or investment objective through the duration measure. This marginal or active risk as mentioned previously is thus monitored on a continual basis until a change in investment view is decided.

For the global equities portion of the portfolio, the sensitivity (beta) of price change will be close to that of the market and hence similarly so will volatility levels. Observed equity volatility for the first quarter of 2010 has generally been on the decline since the end of 2009 but with a volatile period during late-January/February when concerns over levels of specific Euro zone sovereign debt (ie. Greece) had elevated uncertainty in most risky assets. For the remainder of H1 2010 we would expect average volatility levels to subside further, albeit slowly, as a credible solution for Greece should materialize lending stability to equity markets as a whole.



8. CONTRIBUTIONS TO OPERATIONAL, FUNDRAISING AND GRANT ACTIVITIES

Contributions to operational, fundraising and grant activities for the year were received from the following donors:

	Bioversity International	FAO	Balance 31-12-09
Canada	809,717	-	809,717
Gates Foundation/UN Foundation	5,289,625	-	5,289,625
Grains Research & Development Corporation	750,988	-	750,988
Lillian Goldman Charitable Trust	250,000	-	250,000
Norway	-	107,216	107,216
Sweden	-	157,618	157,618
Swiss Agency for Development & Cooperation	65,000	-	65,000
Syngenta Foundation	25,000	-	25,000
USAID	1,000,235	-	1,000,235
Other	-	(4,066)	(4,066)
TOTAL	8,190,565	260,768	8,451,333
Contributions to Operational and Fundraising Activities			1,291,225
Contributions to Capacity Building Fund			7,160,108
Total			8,451,333

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 expenditures are charged back to the Trust at cost plus overhead.

Grant expenditure continued to increase in 2009 as work progressed on the Global System Project, a five-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; collections of banana, barley, bean, cassava, fababean, forages, grasspea, lentil, pearl millet, rice, sorghum, wheat, yam and edible aroids were supported in 2009.

The Trust retains the services of a government affairs company in Washington DC to assist with the process of securing funding from US government sources. It also retains the services of a communications company to assist in raising awareness for the Organization and its mission and to educate donors and policy makers about the wide-ranging benefits of crop diversity.