
Report

Global Crop Diversity Trust
Bonn

Audit of the Annual Financial Statements for the Period Ending
December 31, 2014

Engagement: 0.0738965.001



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Appendix

General Engagement Terms for Wirtschaftsprüfer and

Wirtschaftsprüfungsgesellschaften as of January 1, 2002



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The Global Crop Diversity Trust

Marie Haga
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INDEPENDENT AUDITOR'S REPORT

To the Global Crop Diversity Trust, Bonn

We have audited the accompanying financial statements of the Global Crop Diversity Trust, Bonn, which comprise the statement of financial position as at 31 December 2014 and the statements of activities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. Our audit did not include the information provided in appendix 1 to the financial statements. The financial statements have been prepared by management of the Global Crop Diversity Trust in accordance with the accounting policies outlined in note 2 to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements in accordance with the accounting policies outlined in note 2 to the financial statements, which includes determining that these accounting policies are an acceptable basis for the preparation of the financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 of the financial statements in

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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 of the Global Crop Diversity Trust for the year ended 31 December 2014 are prepared, in all material respects, in accordance with the accounting policies outlined in note 2 to the financial statements.

Other Matter

Within the scope of our engagement we did not perform any audit procedures related to appendix 1 to the financial statements (page 14f).

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to note 2 to the financial statements, which describes the accounting policies adopted by the Global Crop Diversity Trust. The accounting policies used and disclosures made are not intended to, and do not, comply with all the requirements of International Financial Reporting Standards. The financial statements are prepared to comply with the accounting policies defined by the Global Crop Diversity Trust. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the Global Crop Diversity Trust; we do not assume responsibility towards any third party.

Cologne, April 24, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft



Hans-Peter Kreibich
Wirtschaftsprüfer



ppa. Thorsten Weigand
Wirtschaftsprüfer





GLOBAL CROP DIVERSITY TRUST

Financial Statements for the year ended
31 December 2014



**GLOBAL CROP DIVERSITY TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	31/12/2014 USD	31/12/2013 USD
ASSETS			
Current Assets			
Cash & cash equivalents	4	11,712,877	11,968,853
Accounts receivable	5		
Donor		6,983,612	4,986,748
FAO		141,836	141,187
Other		55,321	331,034
Total Accounts Receivable		7,180,769	5,458,969
Prepaid expenses	6	288,214	76,842
Total Current Assets		19,181,860	17,504,664
Non Current Assets			
Cash & cash equivalents	9	2,100	2,100
Endowment fund		169,675,402	169,312,143
Held in trust by host organization in the form of:			
Cash & cash equivalents		-	-
Endowment fund		-	-
Intangible Assets		68,273	
Total Non Current Assets		169,745,775	169,314,243
TOTAL ASSETS		188,927,635	186,818,907
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	7		
Grants		8,204,430	7,689,614
Other		317,426	310,411
Total Current Liabilities		8,521,856	8,000,025
Non Current Liabilities			
Total Liabilities		8,521,856	8,000,025
Net Assets			
Unrestricted	8	5,714,484	4,266,745
Temporarily restricted	8	4,953,750	4,998,678
Permanently restricted	8	169,737,546	169,553,458
Total Net Assets		180,405,780	178,818,881
TOTAL LIABILITIES & NET ASSETS		188,927,635	186,818,907

The accompanying notes are an integral part of this statement.



**GLOBAL CROP DIVERSITY TRUST
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 USD	2013 USD
CHANGES IN UNRESTRICTED NET ASSETS			
<i>Income</i>			
Contributions	2.6	11,053	4,032
		<u>11,053</u>	<u>4,032</u>
<i>Net Assets Released from Restrictions</i>			
Satisfaction of program restrictions	2.6	23,434,119	22,579,376
Income released from endowment fund	9	5,681,208	2,000,000
		<u>29,115,327</u>	<u>24,579,376</u>
<i>Expenditure</i>			
GRANT EXPENDITURE			
Conservation grants		2,487,440	2,482,196
Global system development grants		19,724,931	18,225,826
Salaries & benefits		2,214,697	2,109,361
Professional services		309,147	381,348
Supplies & Services		46,000	
Travel		367,530	150,254
		<u>25,149,745</u>	<u>23,348,985</u>
OPERATIONAL EXPENDITURE			
Salaries & benefits		1,199,278	880,616
Travel		231,768	89,315
Governance		165,617	137,316
Fundraising & communications		521,018	250,006
Professional services		146,267	225,379
Facilities		264,947	450,929
		<u>2,528,896</u>	<u>2,033,561</u>
Increase/(Decrease) in Unrestricted Net Assets		<u>1,447,739</u>	<u>(799,138)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS			
Contributions		23,389,191	21,355,311
Net assets released from restrictions		(23,434,119)	(22,579,376)
Increase/(Decrease) in Temporarily Restricted Net Assets		<u>(44,928)</u>	<u>(1,224,065)</u>
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS			
Contributions		3,780,122	24,167,176
Investment income			-
Net gain/(loss) on endowment fund		2,085,174	7,759,790
Net assets released from restrictions		(5,681,208)	(2,000,000)
Increase in Permanently Restricted Net Assets		<u>184,088</u>	<u>29,926,966</u>
INCREASE IN NET ASSETS		1,586,899	27,903,762
Net Assets as at 01/01		<u>178,818,881</u>	<u>150,915,119</u>
Net Assets as at 31/12		<u>180,405,780</u>	<u>178,818,881</u>

The accompanying notes are an integral part of this statement.



**GLOBAL CROP DIVERSITY TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 USD	2013 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from temporarily restricted contributions		21,392,328	29,769,377
Cash received from unrestricted contributions		11,053	4,032
Cash released from endowment fund		5,681,208	2,000,000
Cash paid for program and operations		(5,045,615)	(4,546,955)
Grants paid		(22,294,951)	(26,049,185)
Net Cash from Operating Activities		(255,976)	1,177,269
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received for the endowment fund		3,780,122	24,167,176
Cash invested		(3,780,122)	(25,823,339)
Interest earned		-	-
Net Cash from Financing Activities		-	(1,656,163)
(Increase)/Decrease in Accounts (Hosted)	5	-	12,447,747
Net Increase in Cash & Cash Equivalents		(255,976)	12,447,747
Cash & Cash Equivalents as at 01/01		11,968,853	-
Cash & Cash Equivalents as at 31/12		11,712,877	11,968,853
Reconciliation of Change in Net Assets to Net Cash from Operating Activities			
Change in net assets		1,586,899	27,903,762
Adjustments			
(Increase)/Decrease in endowment fund		(363,260)	(30,018,784)
(Increase)/Decrease in fixed assets		(68,274)	
Increase/(Decrease) in accounts payable		521,831	(5,224,692)
(Increase)/Decrease in accounts receivable		(1,721,799)	8,414,066
(Increase)/Decrease in prepaid expenses		(211,372)	102,917
Net Cash from Operating Activities		(255,976)	1,177,269

The accompanying notes are an integral part of this statement.



**GLOBAL CROP DIVERSITY TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014**

(Expressed in United States dollars unless otherwise stated)

1. STATEMENT OF PURPOSE

The Global Crop Diversity Trust (hereinafter referred to as the "Crop Trust" or the "Organization") was established in October 2004 as an independent organization under international law. This status was conferred on it through the signing of an Establishment Agreement by seven states from five of the regions referred to in the basic texts of the United Nations Food and Agriculture Organization. The international status of the Crop Trust is conferred under an Establishment Agreement, which has been signed by 28 countries.

Mission

The mission of the Crop Trust is to ensure the conservation and availability of crop diversity for food security worldwide.

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

These financial statements have been reviewed by the Finance & Investment Committee and approved by the Executive Board of the Crop Trust.

As at 31 December 2014 the Crop Trust employed 22.5 full time equivalent staff members (2013: 23).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Crop Trust are prepared with reference to International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). However, since existing IFRS do not cover issues unique to not-for-profit organizations, the Crop Trust has drawn from other widely used standards (such as the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)) 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 Cash and 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 are reported as non current assets. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

2.2 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. Accounts receivable includes the net position against Bioversity which consists of amounts held in trust by Bioversity on behalf of the Crop Trust which relate to the CRP Genebank Program.

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

2.3 Non Current Assets

This relates primarily to a permanently restricted endowment fund established by the Crop Trust 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. The fair value of financial assets and liabilities is determined with reference to quoted market prices. Changes in the market value of the fund are net of investment management fees and are reported as an increase or decrease in permanently restricted net assets.

In 2014 expenditure with respect to the development of a new website has been included under non current assets and is accounted for in line with our tangible and intangible asset policy outlined below.

2.4 Tangible and Intangible Assets

Office equipment and furniture are recorded at cost and depreciated over the estimated useful lives 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.

There were no tangible fixed assets greater than USD 2,000 during the year. The Organization has included the cost of website development in intangible assets during the year and this asset will be depreciated over a three year estimated economic useful life commencing in January 2015.

2.5 Accounts Payable

These are short-term liabilities reflecting amounts owed in respect of services received during the year, grants payable for the year and liabilities with respect to staff vacation leave earned but not yet taken.

2.6 Revenue Recognition

Contributions received by the Crop Trust fall into three categories:

- 1) Unrestricted – contributions not subject to donor-imposed restrictions.
- 2) Temporarily restricted – contributions subject to donor-imposed time or use restrictions.
- 3) Permanently restricted – contributions subject to donor-imposed restrictions that the funds be invested in perpetuity.

Unrestricted contributions are recorded in full upon receipt of funds as contribution income in the period received. The Investment Objectives and Policies of the Crop Trust permit the annual withdrawal of up to 4% of the average market value of the fund over the previous twelve quarters. During the year the Crop Trust did not require the entire 4%, approximately 3.5%, or USD 4,581,208, was withdrawn with the balance being retained in the fund. In addition, an amount of interest earned but not withdrawn in 2013 of USD 1,100,000 was withdrawn in February 2014. The amount released is reported in the statement of activities under net assets released from restrictions.

Temporarily restricted contributions are recorded upon receipt of funds, or upon expenditure of project costs for which contributions have been pledged, as temporarily restricted net assets and are subsequently recognized as revenue to the extent grant conditions have been met. The amount recognized as income for the year is reported in the statement of activities as net assets released from restrictions. Contributions pledged for project expenditure but not yet received are accrued among donor receivables to the extent expenditures have been made.

Permanently restricted contributions are recorded in full upon receipt of funds as permanently restricted net assets. In accordance with the Investment Objectives and Policies approved by the Executive Board of the Crop Trust, up to 4% of the average market value of the endowment fund over the previous twelve quarters may be withdrawn to cover program and operational expenses of the Crop Trust. Funds withdrawn are reported in the statement of activities under net assets released from restrictions.

Total annual income and support less expenditure is reported as an increase or decrease in unrestricted net assets.

2.7 Expenditure

The activities of the Crop Trust have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated between grant expenditure and operational expenditure. Expenses are recorded on an accrual basis in the statement of activities in the period in which the cost is incurred with the exception of direct investment management expenses which are released from the endowment fund. The costs of the investment advisors had historically been included in the Statement of Activities and these have been reclassified in 2014 as investment advisor fees and netted against the endowment fund in line with all other investment management fees.

2.8 Foreign Currency Transactions

The Crop Trust conducts its operations in several currencies and maintains its accounting records in United States dollars.

Assets and liabilities held in currencies other than United States dollars have been translated at the year-end exchange rate. Revenue and expense items in currencies other than United States dollars have been recorded at the UN monthly exchange rate.

3. SUBSEQUENT EVENTS

The Organization has evaluated events and transactions up to 9 March 2015 for potential recognition or disclosure in the financial statements. No subsequent events have been recognized or disclosed.

4. CASH AND CASH EQUIVALENTS

Cash balances amounting to USD 11,712,877 at 31 December 2014 (2013: USD 11,968,853), included under current assets, primarily consist of grants received in advance.

Included under cash and cash equivalents (current assets) is an amount of USD 35,589 which represents an endowment fund donation that was received on 23 December 2014 and was subsequently transferred to the endowment fund post year end.

5. ACCOUNTS RECEIVABLE

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. Total accounts receivable represent 4% of total assets (2013: 3%). The Organization does not have any significant credit risk exposure as amounts receivable consist of amounts held with FAO and Bioversity which are highly reputable international organizations.

Hosting Organizations

Following the signing of the headquarters agreement and the establishment of the Crop Trust as an independent international organization in its own right, there are no longer any hosting arrangements with other organizations. This is reflected in a nil balance in accounts receivable for host organizations and with no increase or decrease in accounts (hosted) in the cashflow statement.

(A) Accounts Receivable - Donor

Accounts receivable from donors consist of claims for expenses paid on behalf of restricted projects in excess of the amount received. Accounts receivable at 31 December 2014 amounts to USD 6,983,612 (2013: USD 4,986,748). This balance primarily relates to the CRP project, which the Crop Trust entered into in 2012. As Bioversity is the lead center for the CRP Genebank Program, with the Crop Trust being Program Manager, the funds are transferred to and subsequently disbursed by Bioversity to the program participants on request by, and on behalf of, the Crop Trust. 39% of the Bioversity accounts receivable balance has been requested to be disbursed post year end as at 9 March 2015. In 2013 there was an amount receivable from CGIAR of USD 4,986,748 as the Crop Trust distributed funds to program participants in advance of receiving funds from CGIAR.

	31/12/2014	31/12/2013
Accounts Receivable - Donor		
Bioversity	14,207,574	
CGIAR	(7,224,972)	4,986,748
ACIAR	1,010	
Accounts Receivable - Donor	6,983,612	4,986,748
Food And Agriculture Organization of the UN (FAO)		
Balance as at 1/1	141,187	121,387
Funds received	649	23,441
Disbursements		(3,641)
Accounts Receivable - FAO	141,836	141,187
Other		
Verdis	-	331,034
VAT receivable	51,955	-
Other	3,366	
Accounts Receivable - Other	55,321	331,034
TOTAL	7,180,769	5,458,969

(B) Accounts Receivable – FAO

This balance relates to amounts received by FAO on behalf of the Crop Trust that have not yet been expended. Details of the accounts receivable are presented in the table above.

(C) Accounts Receivable – Other

The balance as at 31 December 2013 in the table above relates to an amount of USD 331,034 that was being held by investment manager Verdis. This amount was held back by Verdis on the redemption of the Crop Trust's financial position with them pending their final net asset value review in June 2014. Following this review these funds were released and transferred to investment manager PIMCO in July 2014 and are now included as part of the Endowment Fund and non current assets in permanently restricted net assets.

6. PREPAID EXPENSES

Total prepaid expenses as at 31 December 2014 amount to USD 288,214 (2013: USD 76,842). Included in this balance are grants prepaid, amounting to USD 143,586 (2013: nil), which specifically relates to the 2015 grant to Nordgen to fund operational costs associated with Svalbard Seed Vault.

7. ACCOUNTS PAYABLE

This balance consists mainly of amounts payable at the year-end in respect of CRP genebank, conservation and global system development grants and represents grants in advance not yet disbursed. It also includes amounts payable for supplies and services received during the year. All balances are payable within twelve months.

	31/12/2014	31/12/2013
Grants Payable		
CRP Genebank grants	979,123	
Conservation grants	55,206	-
Global system development grants	7,170,101	7,689,614
Total	8,204,430	7,689,614
Other		
Investment management fee		-
Supplies & services	317,426	310,411
Total	317,426	310,411
TOTAL	8,521,856	8,000,025

8. NET ASSET BALANCES

Resources are classified for accounting and reporting purposes into net asset classes according to the restriction imposed. The following tables show the changes in net assets during the year.

Unrestricted Net Assets

	2014	2013
Balance as at 1/1	4,266,745	5,065,884
Contributions	11,053	4,031
Net assets released from restrictions	29,115,327	24,579,376
Expenditure	(27,678,641)	(25,382,546)
Balance as at 31/12	5,714,484	4,266,745

Temporarily Restricted Net Assets

	2014	2013
Balance as at 1/1	4,998,678	6,222,743
Contributions	23,389,191	21,355,311
Expenditure	(23,434,119)	(22,579,376)
Balance as at 31/12	4,953,750	4,998,678



Permanently Restricted Net Assets

Donors	Balance Jan 1, 2014	Contributions	Other movements	Balance Dec 31, 2014
Australia	16,316,296			16,316,296
Bundesverband Deutscher Planzenzuechter		25,735		25,735
CropLife International		43,726		43,726
Dupont/ Pioneer Hi-bred	1,000,000			1,000,000
Egypt	25,000			25,000
Ethiopia	25,000			25,000
Gates Foundation/UN Foundation	8,003,118			8,003,118
Germany	10,200,000			10,200,000
India	50,000			50,000
International Seed Federation	30,000			30,000
Ireland	4,144,250			4,144,250
KWS SAAT AG		35,588		35,588
Norway	31,491,161			31,491,161
New Zealand	50,000			50,000
Slovak Republic	20,000			20,000
Spain	2,629,650			2,629,650
Sweden	11,886,620			11,886,620
Switzerland	10,262,704			10,262,704
Syngenta AG	1,000,000			1,000,000
United Kingdom	19,468,582			19,468,582
United States	39,150,000	3,675,073		42,825,073
Private	750			750
Interest Earned	1,628,436			1,628,436
Unrealized gain on investment fund (change in market value) less management fees	25,367,164		2,085,175	27,452,339
Income withdrawn	(2,000,000)		(5,681,208)	(7,681,208)
Realized Gains	(11,195,273)			(11,195,273)
Total	169,553,458	3,780,122	(3,596,033)	169,737,546

Further detail can be found in Note 9.

9. ENDOWMENT FUND

The Crop Trust manages an endowment fund, which is used to fund the effective conservation and ready availability of the biological basis of agriculture. An endowment fund provides 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 implements the investment strategy adopted by the Executive Board. The Crop Trust also retains the services of an independent financial advisor, Cambridge Associates, to assist in all areas of investment management including the provision of advice on the ethical policies adopted by the Crop 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 Crop Trust is actively working with its investment advisors and managers to find areas in which the UNPRI principles can be integrated into the decision making, manager selection and due diligence processes of the Crop Trust. In addition, the Executive Board of the Crop Trust has approved the incorporation of UNPRI factors into its investment policy statement to ensure that it addresses risks and opportunities of Environmental, Social and Governance (ESG) factors in the management of the Crop Trust's assets.

Cash & 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 2,100 (31 December 2013: USD 2,100) are reported as non current assets. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Endowment Fund

The permanently restricted net assets at year-end of USD 169,737,546 (31 December 2013: USD 169,553,458) represent the endowment funds - principal together with changes in market value less management fees and income released - and cash and cash equivalents. The endowment fund total is represented by changes in the market value of the funds and interest earned is reported as an increase or decrease in permanently restricted net assets.

The following schedule represents the composition of the market value of the invested portion of the endowment fund including amounts held in trust in the form of cash and cash equivalents:

	31/12/2014	31/12/2013
Equities	81,514,776	77,686,932
Bonds	68,628,628	59,983,273
Commodities	5,235,489	4,694,726
Cash	14,358,653	27,188,527
Total	169,737,546	169,553,458

The following table provides an analysis of changes to permanently restricted net assets during the year. The difference in 2013 in permanently restricted net assets of USD 169,553,458 and non current assets of USD 169,314,243 relates to an amount for Verdis Hedged Strategies Fund being included under current assets and an accrual for investment manager fees (please refer to notes d. and e. below).

	Note	2014	2013
Balance as at 1/1		169,314,243	139,626,493
Contributions	a	3,780,122	24,167,176
Endowment Fund Gain/(Loss)	b	2,085,175	7,759,790
Income Released	c	(5,681,208)	(2,000,000)
Movement between current assets and non current assets	d	331,034	(331,034)
GMO accrual 2013	e	(91,818)	91,818
Balance as at 31/12		169,737,546	169,314,243

Notes:

- Contributions during the year were received from USAID and private donors.
- Endowment fund gain/(loss) represents the change in the market value of the fund and is reported as an increase/(decrease) to permanently restricted net assets, net of investment management fees.
- The Investment Objectives and Policies of the Crop Trust permit the annual withdrawal of up to 4% of the average market value of the fund over the previous twelve quarters. During the year the Crop Trust did not require the entire 4%, approximately 3.5%, or USD 4,581,208, was withdrawn with the balance being retained in the fund. In addition, an amount of interest earned but not withdrawn in 2013 of USD 1,100,000 was withdrawn in February 2014. The amount released is reported in the statement of activities under net assets released from restrictions.
- Transfer of Verdis investment from current assets to non current assets following redemption of the balance remaining in Verdis during the year. These funds were released by Verdis in July 2014 and transferred to PIMCO bond fund and are now included under non current assets.
- Investment Managers fees accrued for 2013 reversed in 2014.

Further unaudited information with respect to investment risk and risk management provided by Cambridge Associates can be found in Appendix 1.

10. GRANT AND OPERATING EXPENDITURE

The Crop Trust continued its program of providing long-term sustainable funding to the world's most important collections of crop diversity; collections of banana, barley, bean, cassava, chickpea, edible aroids, faba bean, forages, grasspea, lentil, maize, pearl millet, rice, sorghum, sweet potato, wheat and yam were supported in 2014. Grant expenditure increased from USD 23,348,985 in 2013 to USD 25,149,745 as the Crop Trust continued to work with international Genebanks under the agreement with the Consortium of International Agricultural Research Centers and Bioversity International for the program 'CRP In Trust for the International Community: Plan and partnership for managing and sustaining CGIAR-held Collections (Genebanks). This is a five-year agreement for the period 2012-2016 with an approximate budget of USD 92.7 million.

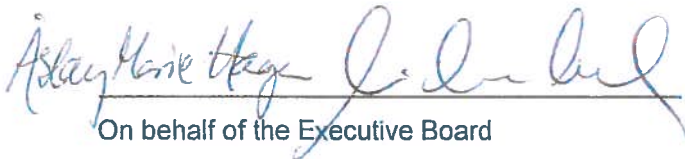


The Crop Trust also concluded Phase 1 of a three phase project, Crop Wild Relatives, an agreement with the Norwegian Agency for Development Co-operation, and Phase II commenced in January 2014.

All of the technical activities of the Crop Trust, which are currently packaged in the above two projects, are designed to develop and support an effective and efficient global system for the ex situ conservation of crop diversity.

Preparatory work during 2014 lead to the formal launch of the Diversity Seek partnership in early 2015, including the recruitment of a dedicated staff member.

In 2014, implementation of the Fundraising Strategy continued by discussing the issues of crop diversity, food security, nutrition and climate change adaptation of agriculture with current and potential donor governments. This was complemented by outreach to private donors including foundations, corporations, industry associations as well as Family Offices representing high-net-worth individuals. The Crop Trust retains the services of a government affairs company in Washington DC to assist with the process of securing funding from United States government sources. Additionally, the services of a communications company in Brussels are being employed in order to assist with outreach to the European Commission to secure funding. In late 2014, a further contract was entered into with a global media company to strengthen relationships with donors, strategic partners and policy makers. The new corporate website of the Crop Trust had been prepared during 2014 for launch in January 2015.


On behalf of the Executive Board

13 APRIL 2015
Date

APPENDIX 1 (Unaudited Information)

Investment Risk & Risk Management

The Organization invests in a professionally managed portfolio that contains equities, bonds, hedge funds, commodities and cash. Since investment outcomes are inherently uncertain, a critical part of the advice received from Cambridge Associates is an assessment of the risks incurred by the Crop Trust in pursuing its investment goals, as well as analysis of whether the expected returns justify the risks taken. Cambridge Associates' long term equilibrium assumptions have been used to calculate long terms risk and return expectations for the Trust's portfolio. Some of the risks faced by the Crop Trust include, but are not limited to:

- **Volatility of investment returns**, including the probability of losing money during any given time period. Cambridge Associates has identified that the policy asset allocation adopted by the Crop Trust has a 6%* (2013: 5%) risk of losing more than 10% over a single year (in inflation-adjusted terms). At the end of a five-year period, there is an 11%* (2013: 5%) risk the portfolio will have lost 2% or more. In manager recommendations and portfolio monitoring, Cambridge Associates gives consideration to how suggestions would impact the expected characteristics of the policy portfolio. **Equity (Price) risk**, is the primary component of the volatility in the Crop Trust's asset allocation.
- The risk that **purchasing power is depleted** over time, or the **risk that the portfolio fails to achieve a specified investment return**. In their investment planning work Cambridge Associates found that the policy asset allocation adopted by the Crop Trust has a 58%* (2013: 58%) probability of achieving at least a 4% real compound return over a given 5-year period. In other words, it is more likely than not that the Crop Trust's portfolio will return more than its maximum allowable spending amount over a 5-year period.
- The Crop Trust faces **currency risk** along at least two dimensions. The first is that, as of year-end 2014, approximately 26%* of the portfolio (2013: 31%) was held in non-US Dollar-denominated instruments (or, if held in other currencies, not hedged back to the dollar). To the extent that the Crop Trust measures its investment results in dollars, and requires dollars for its spending, a depreciation of these currencies against the dollar would have an adverse impact on investment returns. The second risk is the portfolio's 74%* (2013: 69%) concentration in dollar exposure. Should the dollar experience a sharp depreciation relative to other currencies, this would have an adverse impact on the Crop Trust's purchasing power in other currencies. Cambridge Associates believe the current currency mix provides ample diversification against these outcomes; it also reflects the prevalence of dollar-denominated instruments in global investment markets.
- **Liquidity risk**, such as being unable to sell assets to meet spending requirements or being forced to sell assets at unfavorable prices. 60%* (2013: 63%) of the portfolio was available within one week as of 31 December 2014. Cambridge Associates monitors the Crop Trust's liquidity on a regular basis and believes that the current position is consistent with the Crop Trust's stated preferences and liquidity needs.
- **Macroeconomic risks**, including unexpected inflation and deflation. Cambridge Associates found that, in inflation adjusted terms, the Crop Trust's policy portfolio would be expected to lose approximately 17%* (2013: 14%) in value during a severe economic contraction, and approximately 21%* (2013: 13%) in the event of a surprise spike in inflation.

* Figures provided by Cambridge Associates in their "Investment Risk Statement" on 10 February 2015.



- **Concentration risk** due to excessive holdings in one or more securities or investment types, or **manager risk** due to individual manager underperformance or volatility. This is mitigated in part by the requirement in the investment policy statement that no single manager account for more than 20% of the portfolio. Since the Crop Trust holds a diversified portfolio of different managers and asset classes, Cambridge Associates believes that the risk of a single manager causing undue harm to the portfolio is well controlled.

General Engagement Terms

for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2002

DokID:

This is an English translation of the German text, which is the sole authoritative version

1. Scope

(1) These engagement terms are applicable to contracts between Wirtschaftsprüfer [German Public Auditors] or Wirtschaftsprüfungsgesellschaften [German Public Audit Firms] (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

(2) If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

2. Scope and performance of the engagement

(1) Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services - not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäßiger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

(2) The application of foreign law requires - except for financial attestation engagements - an express written agreement.

(3) The engagement does not extend - to the extent it is not directed thereto - to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determination as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

(4) If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

3. The client's duty to inform

(1) The client must ensure that the Wirtschaftsprüfer - even without his special request - is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work.

(2) Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations - especially quantity and cost computations - prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

7. Transmission of the Wirtschaftsprüfer's professional statement

(1) The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

(2) The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

8. Correction of deficiencies

(1) Where there are deficiencies, the client is entitled to subsequent fulfillment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfill [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned legal person under public law or a special government-owned fund under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfill [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

(2) The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

(3) Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected - and also be applicable versus third parties - by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw - also versus third parties - such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

9. Liability

(1) *The liability limitation of § ["Article"] 323 (2) ["paragraph 2"] HGB ["Handelsgesetzbuch": German Commercial Code] applies to statutory audits required by law.*

(2) *Liability for negligence; An individual case of damages*

If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) no. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of any kind - except for damages resulting from injury to life, body or health - for an individual case of damages resulting from negligence is limited to € 4 million; this also applies if liability to a person other than the client should be established. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(3) *Preclusive deadlines*

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim - at the very latest, however, within 5 years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence.

The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

10. Supplementary provisions for audit engagements

(1) A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.

(2) If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.

(3) The client has a right to 5 copies of the long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

(1) When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client - especially numerical disclosures - are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.

(2) The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer, on a timely basis, all supporting documents and records - especially tax assessments - material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.

(3) In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client
- b) examination of tax assessments in relation to the taxes mentioned in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)
- e) participation in Einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the afore-mentioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

(4) If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements the work mentioned under paragraph 3 (d) and (e) will be charged separately.

(5) Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:

- a) the treatment of nonrecurring tax matters, e. g. in the field of estate tax, capital transactions tax, real estate acquisition tax
- b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and
- c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

(6) To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisites nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

12. Confidentiality towards third parties and data security

(1) Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.

(2) The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.

(3) The Wirtschaftsprüfer is entitled - within the purposes stipulated by the client - to process personal data entrusted to him or allow them to be processed by third parties.

13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

14. Remuneration

(1) In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays; sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.

(2) Any set off against the Wirtschaftsprüfer's claims for remuneration reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

(1) The Wirtschaftsprüfer retains, for ten years, the supporting documents records in connection with the completion of the engagement - that had been provided to him and that he has prepared himself - as well as the correspondence with respect to the engagement.

(2) After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.



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Marie Haga
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INDEPENDENT AUDITOR'S REPORT

To the Global Crop Diversity Trust, Bonn

We have audited the accompanying financial statements of the Global Crop Diversity Trust, Bonn, which comprise the statement of financial position as at 31 December 2014 and the statements of activities and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. Our audit did not include the information provided in appendix 1 to the financial statements. The financial statements have been prepared by management of the Global Crop Diversity Trust in accordance with the accounting policies outlined in note 2 to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements in accordance with the accounting policies outlined in note 2 to the financial statements, which includes determining that these accounting policies are an acceptable basis for the preparation of the financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 of the Global Crop Diversity Trust for the year ended 31 December 2014 are prepared, in all material respects, in accordance with the accounting policies outlined in note 2 to the financial statements.

Other Matter

Within the scope of our engagement we did not perform any audit procedures related to appendix 1 to the financial statements (page 14f).

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to note 2 to the financial statements, which describes the accounting policies adopted by the Global Crop Diversity Trust. The accounting policies used and disclosures made are not intended to, and do not, comply with all the requirements of International Financial Reporting Standards. The financial statements are prepared to comply with the accounting policies defined by the Global Crop Diversity Trust. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the Global Crop Diversity Trust; we do not assume responsibility towards any third party.

Cologne, April 24, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft



Hans-Peter Kreibich
Wirtschaftsprüfer



ppa. Thorsten Weigand
Wirtschaftsprüfer

