



FINANCIAL

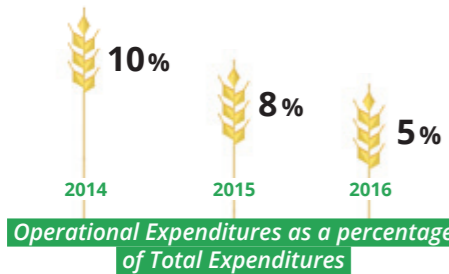
RUNNING THE NUMBERS

The Crop Trust supports the world's most important collections of crop diversity with annual funding. That includes time-bound projects and long-term programs targeted at crop diversity protection in genebanks. In 2016, USD 32.4 million or 95% of all expenditures of the Crop Trust were a result of program activities.



Grants to conserve crop diversity worldwide

Supported were collections of banana, barley, bean, cassava, chickpea, edible aroids, faba bean, forages, grasspea, lentil, maize, pearl millet, rice, sorghum, sweet potato, wheat and yam. These grants employ more than 1,000 people across the globe.

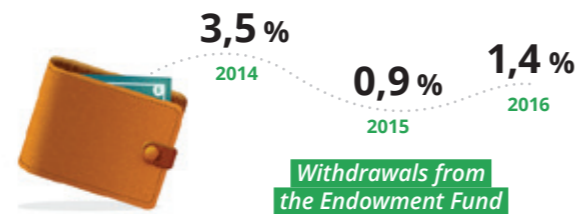


Cost effectiveness is vital in order for the Crop Trust to continue to earn the trust of its donor partners. In 2016, the Crop Trust Secretariat incurred operational expenditures for fund management and general services of USD 1.7 million or 5% of all expenditures of the Crop Trust.



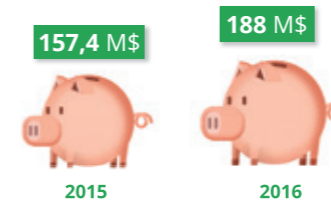
THE ENDOWMENT FUND

The Investment Objectives and Policies of the Crop Trust permit the annual withdrawal of up to 4% of the average market value of the Crop Diversity Endowment Fund over the previous twelve quarters. In 2016, 1.4% was released, funded by Endowment Fund income. A grant from the US Agency for International Development covered USD 0.6 million of operational expenditures in 2016.



Withdrawals from the Endowment Fund

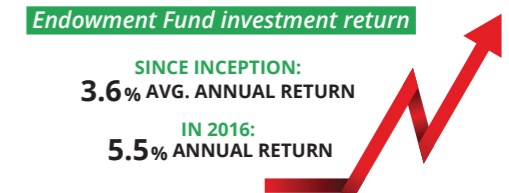
The Crop Trust is an official signatory to the United Nations Principles for Responsible Investing (UNPRI), an international framework for incorporating sustainability into investment decision-making. The Crop Trust believes that application of the UN PRI Principles improves alignment of the investment portfolio with its overall mission and with the broader objectives of society.



Size of the Endowment Fund

In 2016, the Crop Diversity Endowment Fund increased further to reach USD 188 million, an increase of USD 30.6 million from 2015. Much of this was due to new contributions received from donors, complemented by considerable investment income earned on the endowment. Further donor pledges were received in 2016, which we expect to result in additional cash contributions during 2017.

In 2016, following a detailed procurement exercise, two new investment managers were appointed for the Crop Diversity Endowment Fund, each sharing half of the portfolio. Portfolio performance is reported quarterly to the Crop Trust's Finance and Investment Committee who reports to the Executive Board.



The financial statements of the Crop Trust are prepared with reference to International Financial Reporting Standards (IFRS). The Crop Trust is working with our external auditors PricewaterhouseCoopers (PwC) to implement full IFRS reporting for the next financial year.

PwC has confirmed that the Crop Trust's accounting policies are clear, transparent and easy to understand. The Finance Office, in collaboration with PwC, will continue to ensure that accounting policies being applied in the financial statements are consistent with best practice.

FINANCIAL AUDIT

PwC, the Crop Trust's external auditors since 2013, have audited the financial statements of the Global Crop Diversity Trust for 2016 and provided again an unqualified audit opinion with no management letter points identified, as in prior years.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED - DECEMBER 2016

INDEPENDENT AUDITORS 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 2016 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 2016 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

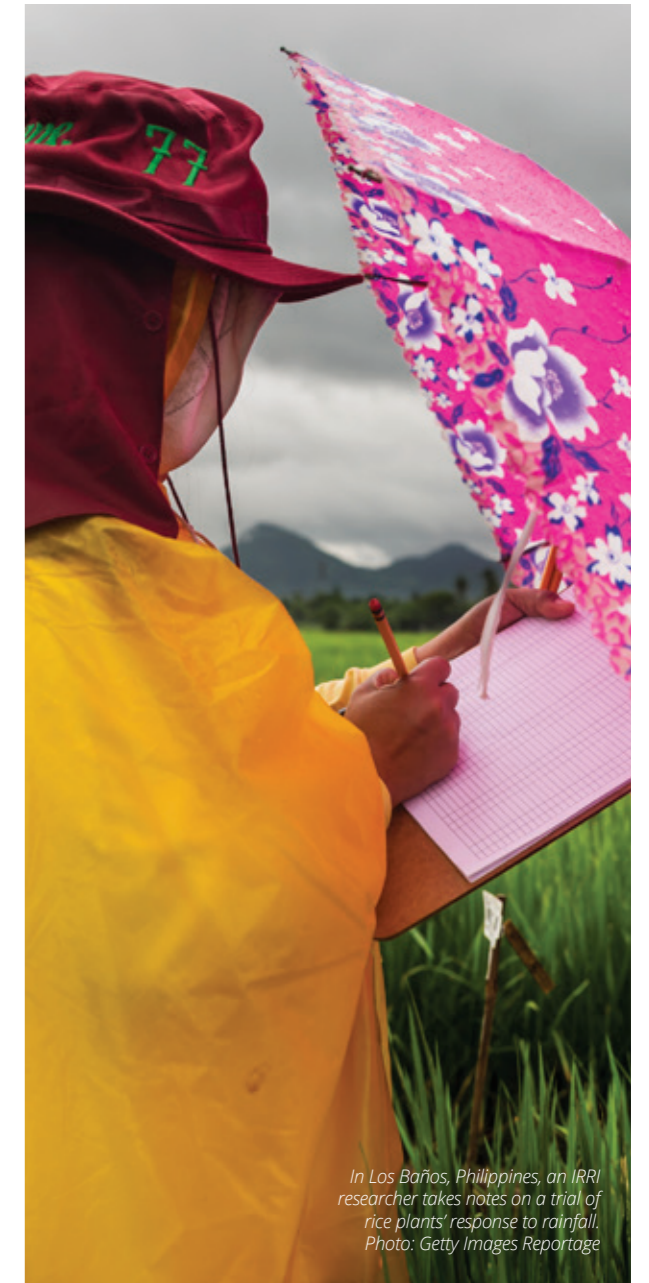
Without modifying our opinion, we draw attention to note 2 to the financial statements, which describes the accounting policies adopted by the Global Crop Diversity Trust. The accounting policies used and disclosures made are not intended to, and do not, comply with all the requirements of International 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 and should not be distributed to or used by any other party.

Cologne, March 31, 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hans-Peter Kreibich
Wirtschaftsprüfer

ppa. Thorsten Weigand
Wirtschaftsprüfer



In Los Baños, Philippines, an IRRI researcher takes notes on a trial of rice plants' response to rainfall. Photo: Getty Images Reportage

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	NOTES	31/12/2016 (USD)	31/12/2015 (USD)
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	4	10,835,029	12,186,769
Accounts receivable	5		
Donor		8,931	5,127,057
Other		56,861	19,613
Total Accounts Receivable		65,792	5,146,670
Prepaid expenses	6	777,950	191,602
Total Current Assets		11,678,771	17,525,041
NON CURRENT ASSETS			
Endowment fund	9	187,962,860	157,401,648
Intangible Assets (net)		22,757	45,515
Total Non Current Assets		187,985,617	157,447,163
TOTAL ASSETS		199,664,388	174,972,204
LIABILITIES & NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	7		
Donor		1,008,763	-
Grants		2,080,636	7,126,350
Other		493,486	359,803
Total Current Liabilities		3,582,885	7,486,1531
NON CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		3,582,885	7,486,1531
NET ASSETS			
	8		
Unrestricted		5,740,020	5,731,807
Temporarily restricted		2,378,623	4,378,708
Permanently restricted		187,962,860	157,375,536
Total nets assets		196,081,503	167,486,051
TOTAL LIABILITIES & NET ASSETS		199,664,388	174,972,204

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	2016 (USD)	2015 (USD)
CHANGES IN UNRESTRICTED NET ASSETS			
INCOME			
Contributions	2,6	671,845	2,410,723
Total Income		671,845	2,410,723
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of program restrictions	2,6	31,027,602	26,868,997
Income released from endowment fund		2,450,000	1,500,000
Total assets		33,477,602	28,368,997
EXPENDITURE			
Program EXPENDITURE	10		
Conservation grants		2,587,933	2,537,189
Global system development grants		25,842,821	22,685,424
Salaries & benefits		2,344,411	2,142,737
Professional services		768,341	489,056
Supplies & Services		157,740	92,398
Travel		743,597	530,243
Total Expenditure		32,444,843	28,477,048
MANAGEMENT & GENERAL SERVICES EXPENDITURE			
Salaries & benefits		520,818	701,130
Travel		31,872	34,639
Governance		124,412	163,822
Communications		152,531	265,096
Professional services		43,425	106,347
Facilities		306,549	244,022
Total Management		1,179,607	1,515,036
FUNDRAISING			
Salaries & benefits		110,774	201,999
Travel		159,287	224,973
Meetings		40,822	42,226
Professional services		203,280	282,714
Supplies & Services		2,621	18,400
Total Fundraising		516,784	770,312
Increase in Unrestricted Net Assets		8,213	17,323
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS			
Contributions		29,027,517	26,293,955
Net assets released from restrictions		(31,027,602)	(26,868,997)
Decrease in Temporarily Restricted Net Assets		(2,000,085)	(575,042)
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS			
Contributions		23,973,891	-
Investment income		8,057,106	127,324
Net gain/(loss) on endowment fund		1,006,327	(10,989,334)
Net assets released from restrictions		(2,450,000)	(1,500,000)
Increase/(Decrease) in Permanently Restricted Net Assets		30,587,324	(12,362,010)
Decrease in Temporarily Restricted Net Assets		28,595,452	(12,919,729)
Net Assets as at 01/01		167,486,051	180,405,780
Net Assets as at 31/12		196,081,503	167,486,051

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 (USD)	2015 (USD)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from temporarily restricted contributions	32,810,722	26,965,831
Cash received from unrestricted contributions	671,845	2,410,723
Cash released from endowment fund	2,450,000	1,500,000
Cash paid for program and operations	(3,946,799)	(4,422,260)
Grants paid	(33,337,508)	(25,980,402)
Net Cash from Operating Activities	(1,351,740)	473,892
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received for the endowment fund	23,973,891	3,780,122
Cash invested	(23,973,891)	(3,780,122)
Interest earned	-	-
Net Cash from Financing Activities	-	-
Decrease/(Increase) in Cash & Cash Equivalents	(1,351,740)	473,892
Cash & Cash Equivalents as at 01/01	12,186,769	11,712,877
Cash & Cash Equivalents as at 31/12	10,835,029	12,186,769
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES		
Change in net assets	28,595,452	(12,919,729)
ADJUSTMENTS		
Decrease/(Increase) in endowment fund	(30,561,212)	12,273,754
Decrease/(Increase) in non current assets - cash	-	2,100
Decrease/(Increase) in fixed assets	22,758	22,758
Increase/(Decrease) in accounts payable	(3,903,268)	(1,035,702)
Decrease/(Increase) in accounts receivable	5,080,878	2,034,099
Decrease/(Increase) in prepaid expenses	(586,348)	96,611
Net Cash from Operating Activities	(1,351,740)	473,892

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016
(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 2016 the Crop Trust employed 28 full time equivalent staff members (2015: 26.5).

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 and grants in advance received together with related interest earned. As contributions for the endowment fund are permanently restricted, cash and cash equivalents at year-end does not include contributions to the endowment fund.

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.

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 receivable 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, observable market data and unobservable valuation inputs. Regular way purchases and sales of financial assets are recognized and derecognized using trade date accounting. 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.

Expenditure with respect to the development of a new website is 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 with acquisition cost greater than USD 2,000 during the year. The Organization included the cost of website development in intangible assets in 2014. This asset is amortized 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 in advance for the year and liabilities with respect to staff vacation leave earned but not yet taken. Accounts payable also includes the net position against the Consortium Group of International Agriculture Research (CGIAR), which includes amounts held by the Crop Trust which relate to the CRP Genebank Program.

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.

Temporarily restricted contributions are recorded upon receipt of funds, or upon expenditure of project costs for which contri-

butions have been pledged, as temporarily restricted net assets and are subsequently recognized as income 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 program expenditure, management and general services expenditure and fundraising 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 advisor are 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 28 February 2017 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 10,835,029 as at 31 December 2016 (2015: USD 12,186,769), recorded under current assets, include grants received in advance.

5. ACCOUNTS RECEIVABLE

Credit Risk Management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Organization. Total accounts receivable represent 0.03% of total assets (2015: 3%). The Organization does not have any significant credit risk exposure as amounts receivable consist primarily of tax receivables and a formation capital loan to the Crop Trust Foundation.

	31/12/2016	31/12/2015
ACCOUNTS RECEIVABLE - DONOR		
Bioversity	8,931	9,852,453
CGIAR	-	(4,732,516)
ACIAR	-	7,120
Accounts Receivable - Donor	8,931	5,127,057
FOOD AND AGRICULTURE ORGANIZATION OF THE UN (FAO)		
Balance as at 1/1	-	141,836
Funds received		
Disbursements	-	(141,836)
Accounts Receivable - FAO	-	-
OTHER		
VAT receivable	23,976	11,127
Other	32,885	8,487
Accounts Receivable - Other	56,861	19,613
TOTAL	65,792	5,146,670

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 as at 31 December 2016 amounts to USD 8,931 (2015: USD 5,127,057). This balance relates to the CRP project, which the Crop Trust entered into in 2012 and which concluded on 31 December 2016. As Bioversity International was the lead center for the CRP Genebank Program, with the Crop Trust being Program Manager, the funds were transferred to Bioversity for disbursement to the program participants on request by, and on behalf of, the Crop Trust. The balance of USD 8,931 was received by the Crop Trust on 19 January 2017. The following table provides the details of accounts receivable.

6. PREPAID EXPENSES

Total prepaid expenses as at 31 December 2016 amount to USD 777,950 (2015: USD 191,602). Included in this balance is an amount of USD 702,321 (2015: 146,457) for Genebank Equipment to AfricaRice which was committed in 2016 and will be delivered to the new AfricaRice genebank in early 2017.

7. ACCOUNTS PAYABLE

This balance consists mainly of amounts payable at the year-end in respect of global system development grants and represents grants and contributions received in advance not yet disbursed. Donor payable of USD 1,008,763 includes amounts committed for genebank equipment that will be released from temporary restrictions in 2017 and unspent funds to be returned to donor following the completion of the CRP project. These unspent funds of USD 109,537 represent 0.1% of the total project budget for the period 2012-2016 of USD 94,437,899. Accounts payable also includes payables for services and supplies received during the year. The following table provides the detail of accounts payable.

	31/12/2016	31/12/2015
DONOR PAYABLE		
CGIAR	1,008,763	-
Total	1,008,763	-
GRANTS IN ADVANCE		
Global system development grants	2,077,003	7,011,100
Conservation grants	-	111,513
Other program grants	3,633	3,737
Total	2,080,636	7,126,350
OTHER		
Supplies & services	493,486	359,803
Total	493,486	359,803
TOTAL	3,582,885	7,486,153

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.

	31/12/2016	31/12/2015
UNRESTRICTED NET ASSETS		
Balance as at 1/1	5,731,807	5,714,484
Contributions	671,845	2,410,723
Net assets released from restrictions	33,477,602	28,368,997
Expenditure	(34,141,234)	(30,762,397)
Balance as at 31/12	5,740,020	5,731,807
OTHER		
Supplies & services	4,378,708	4,953,750
Contributions	29,027,517	26,293,955
Expenditure	(31,027,602)	(26,868,997)
Balance as at 31/12	2,378,623	4,378,708

PERMANENTLY RESTRICTED NET ASSETS

DONORS	BALANCE JAN 1, 2016	CONTRIBUTIONS	OTHER MOVEMENTS	BALANCE DEC 31, 2016
Australia	16,316,296	737,097		25,735
Bundesverband Deutscher Pflanzenzüchter	25,735			43,726
CropLife International	43,726			1,250,000
Dupont/ Pioneer Hi-bred	1,000,000	250,000		25,000
Egypt	25,000			25,000
Ethiopia	25,000			8,003,118
Gates Foundation/UN Foundation	8,003,118			30,892,704
Germany	10,200,000	20,692,704		152,000
India	50,000	102,000		80,785
International Seed Federation	30,000	50,785		4,144,250
Ireland	4,144,250			35,588
KWS SAAT AG	35,588			31,491,161
Norway	31,491,161			766,400
New Zealand	50,000	716,400		20,000
Slovak Republic	20,000			2,629,650
Spain	2,629,650			11,886,620
Sweden	11,886,620			10,992,704
Switzerland	10,262,704	730,000		1,000,000
Syngenta AG	1,000,000			19,468,582
United Kingdom	19,468,582			43,519,978
United States	42,825,073	694,905		750
Private	750			1,628,436
Interest Earned	1,628,436			17,469,332
Unrealized gain/(loss) on investment fund (change in market value) less management fees	16,463,005		1,006,327	(11,631,208)
Income withdrawn	(9,181,208)		(2,450,000)	(3,010,844)
Realized gain/(loss)	(11,067,950)		8,057,106	
TOTAL	157,375,536	23,973,891	6,613,433	187,962,860

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. Up to April 2016 the Crop Trust retained 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. Following a tender process for investment management services in early 2016, the Crop Trust has now appointed two investment managers to manage the endowment funds on a 50:50 basis - Mercer Global Investments Europe Limited, based in London, and Deutsche Asset Management International GmbH, based in Frankfurt.

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 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.

Endowment Fund

The permanently restricted net assets at year-end of USD 187,962,860 (31 December 2015: USD 157,375,536) 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:

	31/12/2016	31/12/2015
Equities	85,387,973	67,316,813
Bonds	56,299,982	58,931,654
Hedge Fund	26,587,704	
Commodities	3,063,255	3,991,882
Private Market	2,421,309	
Cash	14,202,637	27,135,187
TOTAL	187,962,860	157,375,536

The following table provides an analysis of changes to permanently restricted net assets during the year.

	NOTE	2016	2015
Balance as at 1/1		157,375,536	169,737,546
Contributions		23,973,891	-
Endowment Fund Gain/(Loss)	a	1,006,327	(10,989,334)
Income Released	b	(2,450,000)	(1,500,000)
Investment Income	c	8,057,106	127,324
Balance as at 31/12		187,962,860	157,375,536

Notes:

- a. 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. This represents an unrealized gain as at 31 December 2016.
- b. 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%, only 1.4% or USD 2,450,000 was withdrawn with the balance being retained in the fund. The amount released is reported in the statement of activities under net assets released from restrictions.
- c. In 2016, the realized gain on redemption of investments amounts to USD 8,057,106 and primarily relates to redemption from prior asset managers as part of the transition to the new investment managers Mercer and Deutsche Asset Management.

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

10. TOTAL EXPENDITURE

The Crop Trust continued its program of providing long-term sustainable funding to the world's most important collections of crop diversity with the help of its donors; 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 2016.

Program expenditure increased from USD 28,477,048 in 2015 to USD 32,444,843 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 94.4 million.

The Crop Trust has an agreement with the Norwegian Agency for Development Co-operation for a three phase project on Crop Wild Relatives. The Crop Trust will enter into phase 3 of this agreement in 2017 for a period of four years from 2017 to 2020.

The Federal Office for Agriculture and Food (BLE) in Germany established a two year agreement with the Crop Trust starting in June 2016 to produce the "Genesys catalog of phenotypic datasets".

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

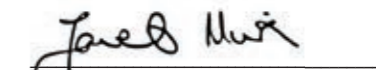
Preparatory work were completed in 2016 to establish a new charitable corporation of the Crop Trust under German law. This will offer donors subject to German taxation the option to deduct donations to the Crop Trust from their taxable income.

The Crop Trust retains the services of a government affairs company in Washington, DC, as well as services of a communications company to assist with various national fundraising efforts and to support global media outreach.

The Crop Trust continued to strengthen its public presence in 2016 with upgrades to its corporate website, the roll-out of the public awareness campaign and the addition of an online scientific blog on the importance of the Crop Trust's work for food security and nutrition.

**On behalf of the Executive Board
28/03/2017:**


Marie Haga
Executive Secretary


Janet Muir
Director of Finance

APPENDIX 1 (UNAUDITED INFORMATION)

Investment Risk & Risk Management

The investment objective of the Fund is to earn returns sufficient to outpace spending, maintaining the Fund's real purchasing power over time and, if possible, growing it. With this goal in mind, and given the 4% cap on spending adopted by the Crop Trust, the Fund aims to attain an annualized real total return of at least 4%, net of fees, over rolling five-year periods.

The Fund should attempt to achieve its investment objective above within risk levels deemed appropriate by the Finance and Investment Committee (FIC) and consistent with the Executive Board approved Investment Policy Statement as follows:

(a) Conditional Value at Risk – the forward looking one-year conditional value at risk, at a 95% probability level, should be less than 30% of the value of the Fund. This risk measures the average loss (negative change in market value) over a given time horizon and conditional on the event that the loss exceeds 95% probability level. For Mercer, the forward looking year 95% cVaR amounted to 30.5% and for Deutsche Asset Wealth Management this amounted to 11% as at 31 December 2016. Mercer made an initial allocation to private markets investments at the end of 2016 which led to an increase in the cVaR and VAR. We consider the cVaR and VAR of the total portfolio to be acceptable.

(b) On a forward looking basis, the aim should be to maintain the annualized 10 year volatility of the portfolio at no more than 15% per annum. For Mercer the level of volatility was 15% and for Deutsche Asset Wealth Management it amounted to 14.6% as at 31 December 2016.

The investment performance of the Fund

will be monitored against the investment return objective, risk tolerances and liquidity requirements set out in sections II-IV of the Investment Policy Statement. Performance reports generated by the Investment Managers will be consolidated quarterly and reviewed by the FIC. The evaluation of overall investment performance results will be assessed over significantly longer periods of time meant to capture a full economic cycle, such as rolling five-year periods.

In addition to the above, risk reporting will assess the additional financial risks incurred by the Crop Trust in pursuing its investment objective, as well as analysis of whether the expected returns justify the risks taken. These financial risks include, but are not limited to:

- **Liquidity** - The FIC recognizes that there is liquidity risk in holding assets that are not readily marketable and realizable. Given the Crop Trust's very long-term investment horizon, the FIC also recognizes that a degree of liquidity risk is acceptable in order to capture an illiquidity premium on investments. Thus up to 20% of the Fund may be invested in illiquid assets. New commitments to such investments may be restricted if necessary to ensure future compliance. Liquidity risk will be monitored regularly to ensure that illiquidity does not present a significant risk to the meeting of future planned spending requirements of the Portfolio.

- **Concentration Risk** – The FIC recognizes the risks that may arise from the lack of diversification of investments. The Investment Managers therefore aim to ensure their asset allocation results in an adequately diversified portfolio. Some investment exposure is obtained via pooled vehicles.

- **Inflation and Interest Rate Risk** – The risk that investments do not keep pace with inflation. Investing in bonds introduces interest rate risk and inflation risk.

- **Equity Risk** – The uncertainty of the return from equities is captured in the form of equity risk.

- **Exchange Rate and Currency Risks**

- The risk from unhedged investments in currencies that deviate from the currencies of expenditures of the Fund. To the extent that assets are denominated in a different currency (or in currencies in different proportions) compared to expected spending, there is a risk that adverse currency moves could impact the Fund's ability to support the Crop Trust's spending. The Crop Trust values its assets and considers its risk in USD terms. Whilst the Crop Trust has a global remit and spending can be made in a variety of currencies, for the foreseeable future, spending from the Fund will be predominantly in USD. Therefore, the Crop Trust aims to maintain a portfolio which is well diversified by currency and does not consider it cost effective to hedge currency exposure (for example, into USD).

- **Derivative risk** - The risk associated with investments in derivative contracts which are associated with; market risk, control and monitoring risk, legal risk, liquidity risk, leverage and collateral management.

- **Counterparty risk** - The possibility that a counterparty will not fulfill its contractual obligations.

- **Manager Risk** – The risk that the chosen underlying investment manager underperforms the benchmark against which the manager is assessed. In particular, the Crop Trust has considered the risk that active managers may underperform, whereas passive managers are likely to achieve a return close to any chosen benchmark. The Crop Trust believes active management skills exist and can be identified but not with complete certainty.

¹ Real total return is the sum of realized and unrealized capital appreciation (or loss) and income in the form of dividends and interest, adjusted for inflation as measured by the U.S. Consumer Price Index.



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2016 was one of the most iconic years in the organization's history to date. I am extremely proud of the strides we made in growing our ever-important network of partners.

”

Marie Haga
Crop Trust Executive Director



The Crop Trust is fortunate to have support from across the world,
all dedicated to realizing one common vision: a food secure world.

The Crop Trust would like to thank the following people for their support for
this year's annual report: Ambassador Walter Fust, Mary Ann Sayoc,
the Crop Trust Staff, Scriptoria, Epic Agency, InFine Co/Creative Agency
and Getty Images Reportage.