



Annual Report and Accounts
2020



Red-footed booby with nesting material. Redonda, Credit: Jeremy Holden/FBI

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Message from the Chair

As I prepare to fill the formidably large shoes of the outgoing chair Andrew Sykes, who acquitted himself so admirably in this role for over a decade, I would like to join everyone associated with Fauna & Flora International (FFI) in thanking him for all his hard work and sage advice.

It is hard to imagine a more extraordinary and pivotal moment to take over the reins. This is undoubtedly a time of great global uncertainty, but it is also a time of great opportunity, not least for FFI. The Covid-19 pandemic has exposed the need for a radical reappraisal of humankind's priorities and, in particular, of our relationship with nature.

This determination to seize the day was at the forefront of our minds as FFI navigated the often-turbulent waters of 2020. As well as ensuring that our projects and partners – and the species and ecosystems we strive to safeguard – were sufficiently resilient to weather the storm in the short term, FFI also kept one eye firmly on the longer-term future.

It is no secret that building the capacity of our partners is core to FFI's success, but in 2020 this took on an extra dimension. We provided US\$1.25 million in emergency support via the newly launched FFI Partner Crisis Support Fund, ensuring that our key in-country partners, particularly in Africa, could continue to operate despite ecotourism and other crucial sources of revenue drying up virtually overnight.

We had clear evidence that our conservation efforts are having a real impact on the survival prospects of some of the world's most critically endangered species: the Siamese crocodile, once believed to be extinct in the wild, is successfully breeding at our project site in Cambodia; the only known habitat of the Myanmar snub-nosed monkey – which an FFI-led team discovered in 2010 – was designated as a national park by the Myanmar government; and FFI's rediscovery of the vanishingly rare ship sturgeon in Georgia's Rioni River offers renewed hope for a fish that was feared irretrievably lost.

There were also notable milestones for our work at landscape or, in this case, seascape level. Thanks to the long-term efforts of FFI and our local partner,

Fundação Maio Biodiversidade, on the island of Maio, this neglected marine biodiversity hotspot in the remote archipelago of Cape Verde was officially designated as a UNESCO Biosphere Reserve, and the long-awaited Protected Areas Management Plan for Maio – the first for the country – was finally approved.

Closer to home, FFI's long-standing partner in Turkey, Akdeniz Koruma Derneği, was instrumental in the government's decision to grant official protection to 350 square kilometres of the country's Mediterranean coastline benefiting carbon-storing seagrass meadows, endangered sea turtles and other threatened species including the Mediterranean monk seal.

This impact on the ground was complemented by our efforts to influence government policy and corporate strategy. FFI published a report on the potential environmental impacts of deep-sea mining, shining a spotlight on the serious risks to ocean and planetary health posed by this embryonic industry and calling for a global moratorium.

FFI's *Our One Home* campaign, which called on world leaders attending the UN Summit on Biodiversity to invest US\$500 billion in nature annually, was supported by almost 150 conservation groups from more than 50 countries worldwide and reached a worldwide audience of over 930 million.

Despite the constraints imposed by Covid-19, we have maintained our forward momentum, diversified our supporter base and achieved growth in our annual revenue.

As we look to the future, it seems entirely appropriate that we do so under the patronage of HRH The Duke of Cambridge. The latest in a long line of royal patrons from whose support FFI has benefited, Prince William took over this role from his grandmother, Her Majesty The Queen, who had held the position for almost seven decades. We look forward to working closely with Prince William to focus global attention on the urgent need for action at this critical time for our planet.

The fact that FFI came through 2020 in relatively good health is largely due to the multitude of generous donors who made this possible even in the teeth of a worldwide pandemic. That support will be equally vital in the coming months and years as we seek to scale up our programmes and conservation impact across the globe.

Hugo van Vredenburg

Strategic Report

Established well over a century ago, Fauna & Flora International (FFI) was the world's first international wildlife conservation organisation.

Our mission is to conserve threatened species and ecosystems worldwide.



Our objectives and aims

FFI is committed to achieving the following charitable objectives:

- To conserve the environment by protecting biodiversity for the benefit of the public through globally applicable solutions that are effective locally.
- To advance the awareness and education of all sectors of society around the world in the conservation and protection of biodiversity.

In order to achieve our vision and mission, FFI focuses on a core set of ambitions as set out in our latest five-year strategy, which covers the 2019-2023 business period:

Conserving threatened habitats and species:

1 AMBITION ONE: THRIVING SPECIES

2 AMBITION TWO: RESILIENT ECOSYSTEMS

Empowering organisations and individuals to lead innovative conservation action:

3 AMBITION THREE: LOCALLY LED CONSERVATION

Shaping decisions within society to benefit biodiversity:

4 AMBITION FOUR: INFLUENCING OTHERS

Investing in FFI's effectiveness:

5 AMBITION FIVE: INCREASING VISIBILITY

6 AMBITION SIX: INVESTING IN OUR PEOPLE

7 AMBITION SEVEN: SECURING THE RESOURCES WE NEED

How we work

Wilson's bird of paradise on Waigeo Island, West Papua. Credit: FFI



In working to realise FFI's vision of a sustainable future for the planet where biodiversity is conserved effectively by the people who live closest to it, supported by the global community, we ensure that all our projects adhere to a set of core principles.

We work with partners ranging from local community organisations and NGOs to small-scale enterprises, larger businesses and government agencies to develop locally owned and sustainable conservation programmes. We believe this approach is more likely to result in appropriate solutions, elicit local support and ensure long-term effectiveness.

Our conservation solutions seek to enhance human well-being. We respect and promote human rights and cultural values, as well as supporting governance systems that benefit both people and biodiversity. We see conservation as a social process, with

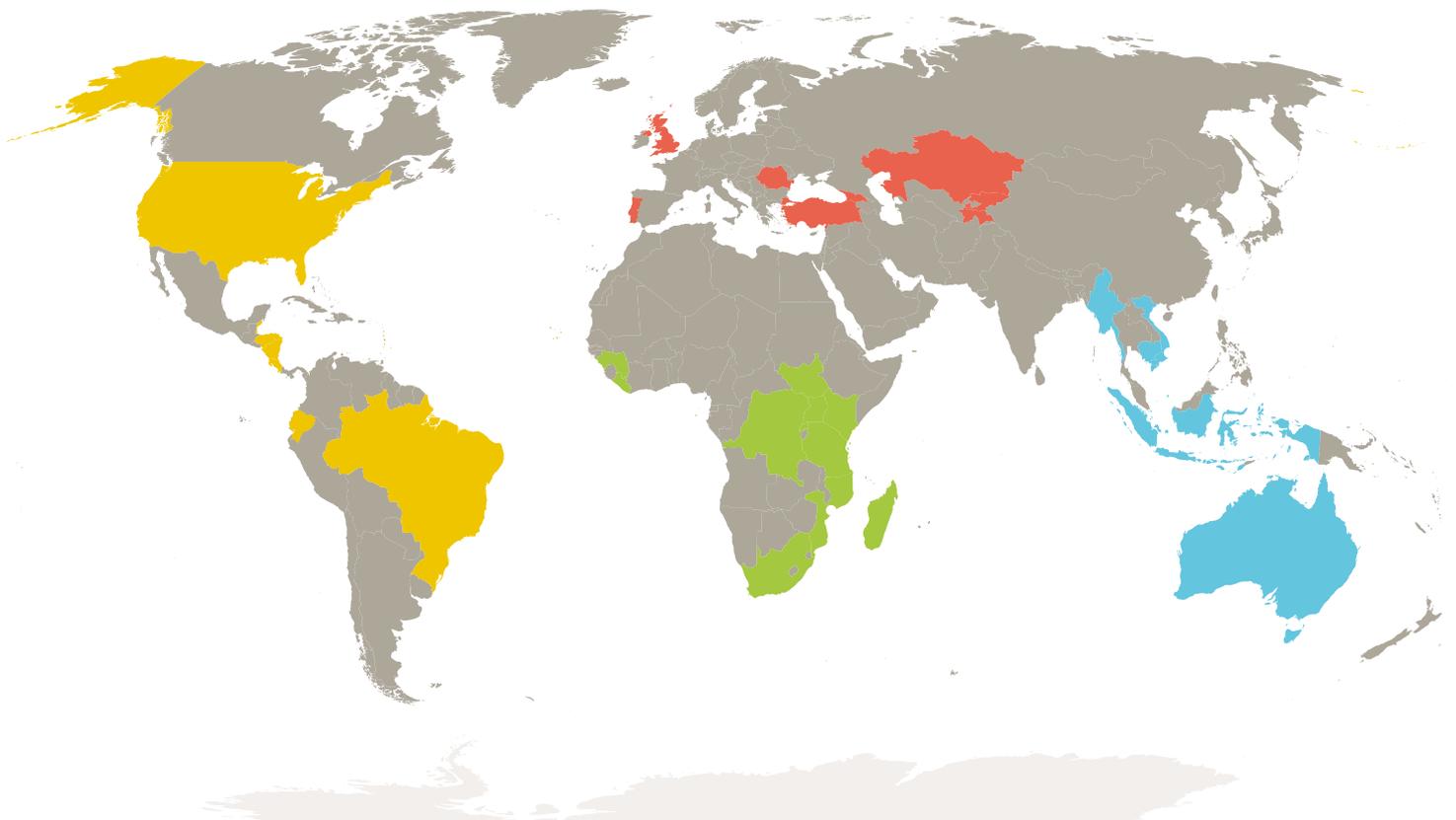
people at its heart, and we actively engage with the communities (including Indigenous Peoples) who live closest to threatened species and habitats.

By working with communities to develop sustainable livelihoods and appropriate governance mechanisms alongside practical solutions to conservation problems, we help to ensure local support for – and ownership of – conservation activities, thereby increasing the probability of long-term success.

Our conservation practices are rooted in robust science. We aim to ensure that all project decisions are underpinned by the best available information, including up-to-date research – whether generated by ourselves or others – and to monitor our impact rigorously, sharing what FFI and our partners have learned, in order to improve practice and help guide future research.

Where we work

Fauna & Flora International has nearly 130 projects in over 40 countries around the world.



AMERICAS & CARIBBEAN

Anguilla
 Antigua and Barbuda
 Barbados
 Belize
 Brazil
 Costa Rica
 Dominica
 Ecuador
 Honduras
 Nicaragua
 Saint Lucia
 St Vincent & The Grenadines
 United States of America †

AFRICA

Cape Verde
 Democratic Republic of Congo
 Guinea
 Kenya
 Liberia
 Madagascar
 Mozambique
 Rwanda
 São Tomé & Príncipe
 South Africa
 South Sudan
 Tanzania
 Uganda

EURASIA

Georgia
 Kazakhstan
 Kyrgyzstan
 Portugal
 Romania
 Tajikistan
 Turkey
 United Kingdom*

ASIA-PACIFIC

Australia †
 Cambodia
 Indonesia
 Myanmar
 Vietnam

* Headquarters † Administrative hub

2020 Highlights

What follows is a representative cross-section of FFI's achievements during the latest reporting year, which serves to illustrate how specific activities have contributed to our conservation ambitions and organisational objectives.

A more comprehensive account of our activities and their impact over the preceding 12 months can be found in our 2020 Conservation Report, which is available on our website.

AMBITION 1: THRIVING SPECIES

Securing populations of threatened species

FFI has a long and distinguished track record in bringing endangered species back from the brink, either by protecting their habitat or through direct interventions such as combating illegal wildlife trade.

Species benefiting from our work in 2020 included charismatic megafauna such as black rhinos, Sumatran tigers and Asian elephants, as well as less familiar species including Caribbean reptiles, critically endangered baobabs from Madagascar and sturgeons in Georgia.

2020 at a glance

- **Fifty-one of our projects had a specific focus on priority species conservation.**
- **Over 1.2 million tree seedlings were grown or planted, over 34,000 of which were from threatened species.**
- **Almost 19,000 turtle hatchlings were protected and released.**
- **Action plans were produced for 27 species.**
- **Forty-one of our projects undertook activities to address illegal wildlife trade.**



Perrier's baobab, Madagascar. Credit: Daudet Andriafidison

Over 2,000 seedlings of the critically endangered Perrier's baobab – down to just 162 mature trees – were planted across two carefully chosen new sites in northern Madagascar to supplement the saplings already established in Loky-Manambato Protected Area as part of our ongoing Global Trees Campaign work.

CASE STUDIES



Captive-bred juvenile Siamese crocodile. Credit: Bianca Roberts/FFI

SIAMESE CROCODILE SUCCESS

Despite the impact of Covid-19 restrictions on monitoring activities, a patrol team in Cambodia discovered a wild Siamese crocodile nest in one of the last known strongholds of this critically endangered species – just three months after ten baby Siamese crocodiles were spotted in the very same wetland – a sure sign that conservation efforts are having a real impact on a species once believed to be extinct in the wild. The captive-breeding programme that complements our fieldwork – and which has seen over one hundred Siamese crocodiles released to date – also continued to yield positive results. A total of 47 healthy hatchlings were born in captivity in 2020. A female Siamese crocodile that was released into the wild in 2018 was also recorded nesting. The finding provides evidence that released Siamese crocodiles are not only surviving in the wild, but are also attempting to breed.

STURGEON DOUBLE DISCOVERY

Two juvenile specimens of the critically endangered ship sturgeon were recorded by FFI in Georgia's Rioni River. This species had not been seen alive in the wild for many years and was feared extinct. The discovery of two juvenile fish in quick succession raises the exciting prospect that this elusive and gravely imperilled species might still be reproducing in the Rioni, one of the last three refuges of Europe's surviving sturgeons. Both fish were accidentally captured by anglers, who immediately contacted FFI's citizen inspectors – drawn from communities along the river – vindicating our efforts to engage with local people and engender support for sturgeon conservation.



Juvenile sturgeon (*Acipenser* sp.) captured in Rioni River, Georgia. Credit: Tamar Edisherashvili/FFI

AMBITION 2: RESILIENT ECOSYSTEMS

Conserving threatened habitats

Our project locations around the world encompass temperate and tropical forest, grasslands and deserts, limestone caves, agricultural landscapes, wildflower meadows, wetlands and marine habitats.

Area-based conservation, both terrestrial and marine, has always been a cornerstone of FFI's work, helping to secure safe havens for species, maintain ecosystem health and mitigate the effects of climate change. In 2020 we safeguarded key areas of natural habitat both by ensuring more effective management of existing protected areas and by bringing new areas under protection or sustainable management.

Following the reintroduction of cattle to reinstate sympathetic grassland management – via the purchase of a 60-strong, profit-making herd of Aberdeen Angus – previously degraded pastures in southern Transylvania are regenerating, with the renewed floristic diversity set to benefit a host of insects and other wildlife.

2020 at a glance

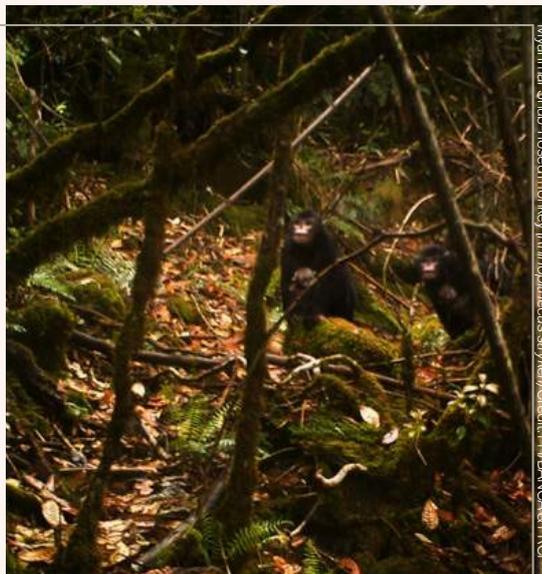
- **We influenced conservation across almost 50 million hectares of important habitat, including over 10.7 million hectares where we worked directly on the ground.**
- **This included over 550,000 hectares that we helped to bring under conservation management for the first time (by supporting the creation of new reserves or community management areas).**
- **Across our portfolio of projects, we supported active management and/or protection of threatened habitats by:**
 - Supporting on-the-ground enforcement or protection in at least 120 sites.
 - Supporting over 800 rangers, including community rangers, across our projects.
 - Helping to produce 53 site-management plans.
 - Helping to restore habitat at 28 sites.
 - Helping to carry out invasive species control at 14 sites.



CASE STUDIES

NEW PROTECTED AREA FOR MYANMAR

The only known habitat of the critically endangered Myanmar snub-nosed monkey – which an FFI-led team discovered in 2010 – has been declared a protected area by the Myanmar government. Mount Imawbum National Park, as it is now known, harbours the entire population – fewer than 330 individuals – of this distinctive-looking primate, as well as other spectacular species that favour these high-altitude forests, including the red panda, rare orchids and resplendent pheasants. FFI spent over four years consulting with local communities on the protection and management of this important area, and its designation as a 150,000-hectare national park is a milestone for conservation in Myanmar. It will also help strengthen controls on illegal wildlife trade between Myanmar and China, with protection and conservation efforts within the area aided by increased cooperation between law enforcement officials on the border.



Myanmar snub-nosed monkey (Rhinopithecus strykeri) Credit: FFI/ANCA & PROF

PUTTING CAPE VERDE ON THE MAP

The island of Maio in the remote archipelago of Cape Verde, one of the world's neglected marine biodiversity hotspots, achieved two significant conservation milestones in 2020 thanks to the combined efforts of FFI and local partner Fundação Maio Biodiversidade. Maio has been officially designated as a UNESCO Biosphere Reserve, ensuring that the country is now firmly on the conservation map, and the long-awaited Protected Areas Management Plan for Maio – the first for the country – was finally approved. Maio harbours key populations of threatened lemon and nurse sharks, globally important loggerhead turtle nesting sites and myriad migratory birds. The additional protection afforded to Maio's biodiversity once these plans are implemented should help safeguard the island's natural heritage against further habitat destruction, unsustainable development and illegal fishing activities, which pose a threat both to marine life and, ultimately, to local livelihoods.



Beach at Ribeira Dorn João on Maio, Cape Verde. Credit: Jeff Wilson/FFI

AMBITION 3: LOCALLY LED CONSERVATION

Working in partnership

Putting communities at the heart of conservation

Developing conservation leaders

We believe that local people and organisations, equipped with the requisite skills, tools and resources, are best placed to conserve the biodiversity on their doorsteps.

In 2020 we supported a range of partners in locally led conservation activities, worked hand in hand with communities to ensure local ownership and nurtured emerging conservation leaders across the globe.

2020 at a glance

- **We disbursed over £5.4 million in conservation grant funding and influenced the distribution of over £8 million in additional funding.**
- **Over 250 partner organisations received some form of direct capacity development support.**
- **Almost 5,000 individuals received conservation training, including partner staff, students and members of local communities.**
- **We supported the establishment of four new organisations, and supported or established at least 139 community-based organisations.**
- **We helped at least 32 organisations to source their own funds independently of direct support from FFI.**



Grey-breasted parakeet chick. Credit: Fábio Nunes

A decade after it appeared doomed to extinction, one of Brazil's most threatened parrots, the grey-breasted parakeet, is officially off the critical list thanks to the single-minded dedication of a team of local conservationists supported by the Conservation Leadership Programme.

CASE STUDIES

MARINE PROTECTION IN TURKEY

Three hundred and fifty square kilometres of Turkey's coastline were brought under environmental protection by the Turkish government in 2020. This new area represents a significant expansion of the marine protected area network along the country's Mediterranean coast – home to seagrass meadows, turtles and other threatened species including the Mediterranean monk seal, sandbar shark and dusky grouper. Since 2012, FFI's long-term partner Akdeniz Koruma Derneği has led conservation



Turkey coastline and islands. Credit: Akdeniz Koruma Derneği

efforts in Gökova Bay, the site of Turkey's first and – until now – only actively managed marine protected area. Thanks to its collaborative, community-led approach, fish stocks within Gökova Bay's six No-Fishing Zones have grown, thereby improving small-scale fisher income and increasing availability of prey for monk seals and other predatory marine species. These conservation activities are now being rolled out across the wider seascape, in order to strengthen the entire coastal ecosystem's resilience to current and future threats.

COVID-19 CRISIS FUND FOR PARTNERS

The Covid-19 pandemic severely affected the income streams of many of our key in-country partners, creating the very real prospect that some of them might not survive without additional – and urgent – support. Our Kenyan conservancy partners, in particular, were hard hit by the abrupt fall in tourism revenue. With this in mind, we launched the FFI Partner

Crisis Support Fund, in order to safeguard the future of these essential organisations and their staff, thereby ensuring that decades of conservation achievements were not undermined and undone. The fund helped our key partners to weather the initial storm and will increase their resilience going forward. We channelled US\$1.25 million in emergency support to our partners across the globe, benefiting species and habitats as disparate as large carnivores in the Carpathian Mountains, endemic trees in Cape Verde and critically endangered Vietnamese primates.



Transporting waterfilters to Po Eung, Cambodia. Credit: Tim Beagman/FFI

AMBITION 4: INFLUENCING OTHERS

Supporting governments to protect biodiversity

Embedding biodiversity in private-sector decision making

Awareness, education and outreach activities

Encouraging behaviour and decision-making that benefit biodiversity is a crucial facet of our efforts to engender support for conservation initiatives across a range of audiences.

In 2020 we worked with governments to strengthen policy, regulatory frameworks and enforcement, engaged with key business sectors to help reduce their environmental impacts, and disseminated the conservation message to communities at our project sites worldwide.

2020 at a glance

- **We engaged with policy-makers in over 50 of our projects.**
- **We contributed to the development of at least 24 conservation laws, regulations or government-level strategic plans.**
- **We engaged with the corporate sector in almost 60 projects.**
- **We partnered directly with three multinational businesses and almost 20 national subsidiaries on biodiversity issues.**
- **Our awareness or outreach activities reached at least 180 communities and almost 13,000 community members.**
- **Our sustainable livelihood activities directly benefited over 7,000 people.**
- **We engaged with or supported over 550 communities through our work.**



African forest elephants during their walkabout through Liberia. Credit: FFI

The vital importance of a groundbreaking transboundary agreement brokered by FFI and our local partners was brought into sharp focus when critically endangered African forest elephants were chaperoned safely through Liberia and Côte d'Ivoire after leaving the sanctuary of the Ziama Massif in Guinea.

CASE STUDIES

OUR ONE HOME CAMPAIGN

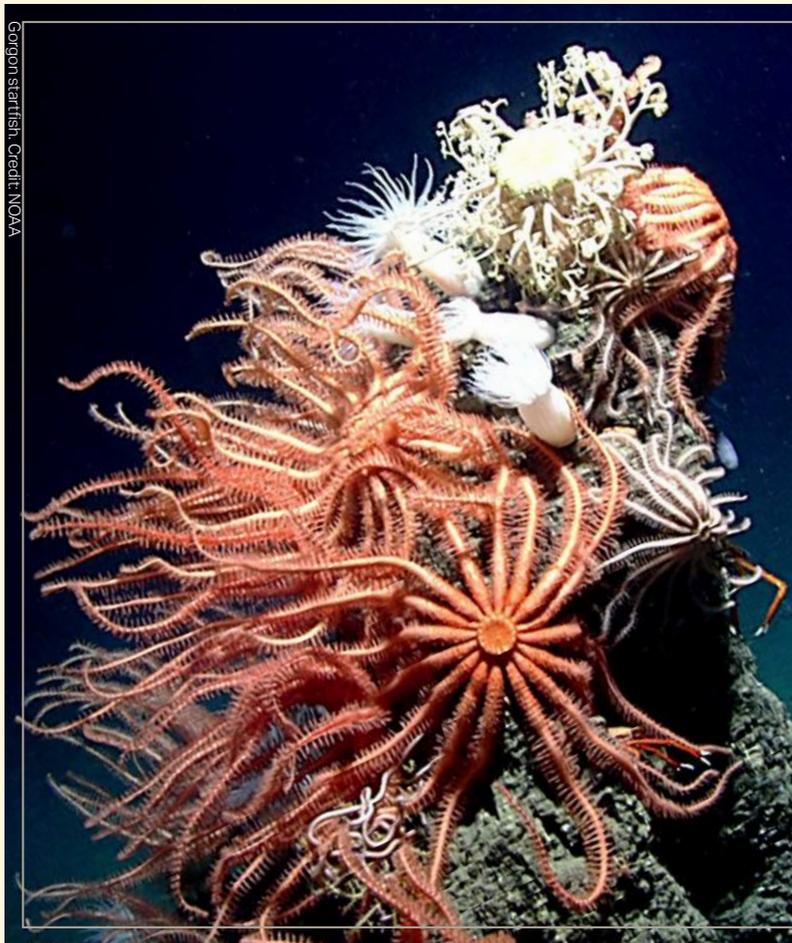
FFI launched its *Our One Home* campaign, timed to coincide with the pivotal United Nations Summit on Biodiversity, urging global leaders to put nature at the heart of decision-making and invest massively in the work being done at the conservation coalface. In an open letter addressed to UN Secretary-General António Guterres – signed by almost 150 conservation groups from more than 50 countries worldwide – FFI called on member states to collectively commit an initial \$500 billion in funding, rising year on year, to protect the natural world. Endorsed by long-standing FFI vice-president Sir David Attenborough and a plethora of other high-profile supporters, the campaign aimed to give a voice to the communities and organisations working on the conservation front line, who know what it takes to safeguard biodiversity, but who all too often are denied a seat at the table when decisions are made. The accompanying public petition secured almost 80,000 signatures in 2020, a figure that continues to rise.



FFI vice-president, Sir David Attenborough. Credit: FFI

DEEP-SEA MINING ALERT

FFI published a report on the risks to marine ecosystems posed by deep-sea mining, warning that this activity could cause significant loss of biodiversity, disrupt the ocean's life-support systems and undermine its crucial carbon storage function. The report is the first to assess comprehensively the potential impacts of mining the deep seabed for minerals, which are in increasingly high demand for use in technological appliances and equipment such as mobile phones and car batteries. In light of the report's findings, FFI called for a global moratorium – backed by scientists and prominent figures including Sir David Attenborough – and urged the world's governments to halt plans to mine the deep sea until the environmental risks have been comprehensively investigated and understood.



Gorgon starfish. Credit: NOAA

AMBITION 5:

Increasing visibility

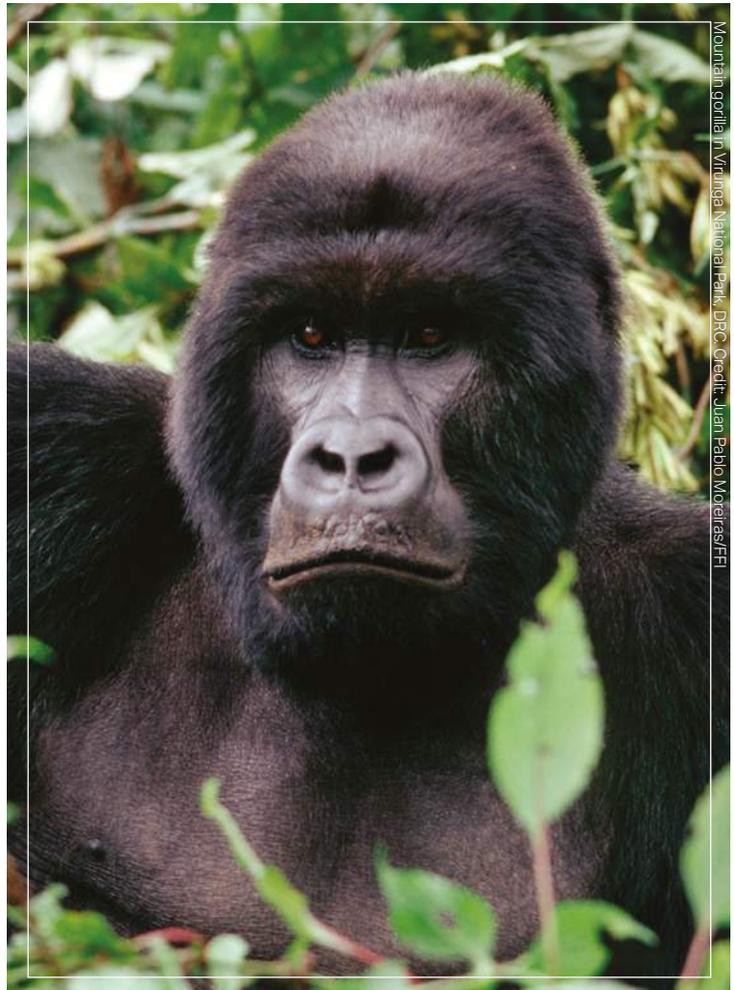
Our latest five-year strategy places an increased emphasis on raising FFI's public profile in order to grow our influence, impact and income.

In 2020 we strengthened our communications team, engaged the services of a PR agency and, in the teeth of the Covid-19 pandemic, devised and launched the most ambitious campaign in FFI's recent history.

2020 at a glance

- **We reached over seven million people on FFI's social media channels, more than double the previous year. Among the highlights, our reach on Facebook tripled, Twitter impressions increased by over one million and our Instagram following rose by 250%, the result of a more strategic and tailored approach to content across these three platforms.**
- **We recruited a digital communications specialist to drive growth and engagement, invested in the FFI website to improve its underlying structure and enhance user experience, and used website data to better understand our audiences and tailor content accordingly. Visitor numbers rose to more than 1.1 million, an increase of 63%.**
- **We achieved significant media coverage around key FFI campaigns, programme activities and news stories, including national and international newspaper articles, online publications, radio broadcasts and TV interviews.**

The launch of the *Our One Home* campaign, urging world leaders to invest an initial US\$500 bn in nature and channel that funding to local conservation initiatives, secured over 230 pieces of coverage across 32 countries and reached an audience of over 930 million via broadcast, print and online media.



Mountain gorilla in Virunga National Park, DRC. Credit: Juan Pablo Moreiras/FFI

AMBITION 6:

Investing in our people

FFI's employees are the lifeblood of the organisation, and our 2019-2023 strategy has the clear ambition of investing in our people to ensure a motivated, talented, committed and secure workforce who are collectively achieving even greater conservation impact.

In 2020, our primary concern was the health, safety and well-being of FFI employees throughout the globe, and we made it an absolute priority to support them in overcoming the personal and professional challenges presented by the Covid-19 pandemic.



Female citizen inspectors by Rioni River, Georgia. Credit: FFI

2020 at a glance

- **We actively engaged with our people to understand their needs, priorities and perspectives in the context of Covid-19 and shaped our work and policies accordingly. We provided flexibility in working patterns, including the opportunity to furlough for UK staff with caring responsibilities.**
- **The current situation has significantly challenged people's perceptions of flexible and remote working and we will continue to review our practices and embed the benefits of new ways of working, including hybrid arrangements.**
- **One beneficial aspect of FFI's professional development programme moving online due to the pandemic was that it enabled a higher proportion of regionally based people to engage in training. Over 200 FFI employees received targeted training in areas identified as priorities for their continued development.**
- **Following a successful pilot that introduced the mindfulness concept to leaders within FFI, we secured an 18-month grant to continue this work across FFI globally. The programme will be introduced within the context of our global values to support our people in cultivating habits and behaviours that improve focus, resilience, compassion and creativity.**
- **We established an Equality, Diversity & Inclusion Working Group to help identify, develop and implement initiatives to improve diversity and inclusion at FFI. The aim is to give voice to, and learn from, those with insight and experience on diversity and inclusion within FFI. Almost 20% of UK employees are directly engaged in this work, and are actively taking forward identified priorities.**

AMBITION 7:

Securing the resources we need

Ensuring diverse and resilient income streams to support our ambitious growth plans is central to FFI's success, and the sudden advent of a global pandemic in 2020 highlighted the utmost importance of this aspect of our work.

Our initial response to Covid-19 was to ensure prudent financial management and excellent donor relationship management. Worst-case financial scenarios involving six months of income loss due to programme lockdown were planned for and all restricted donors within the 2020 budget were contacted with requests for flexibility and understanding.



Cape pangolin. Credit: Adobe Stock

2020 at a glance

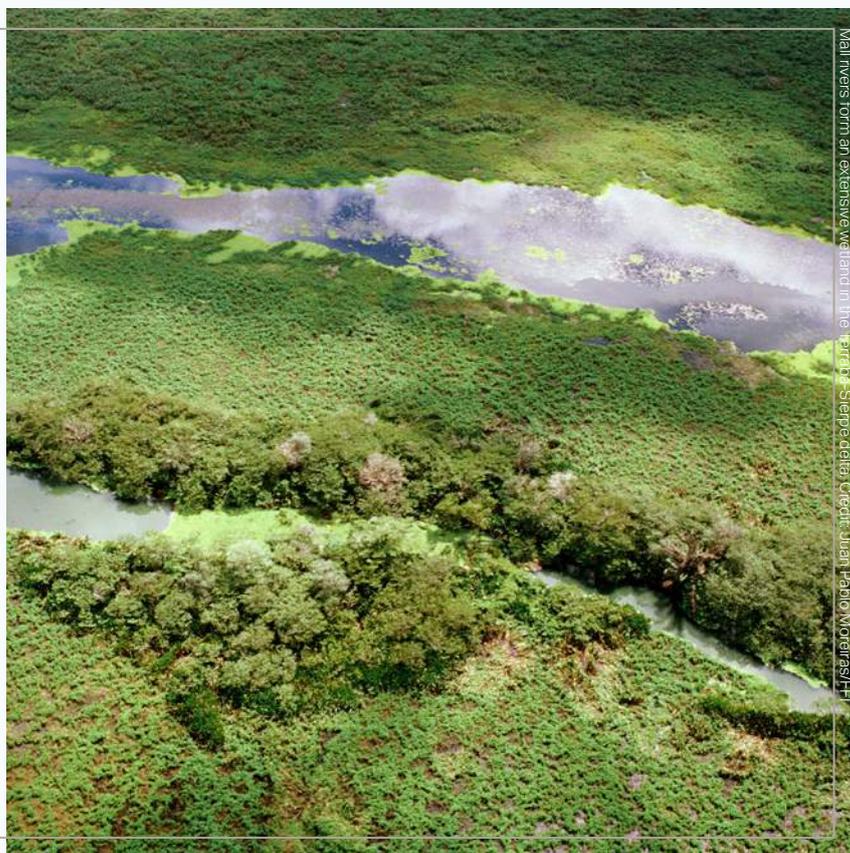
- **Total income was £26.5m (a 14% increase on 2019) and the proportion of unrestricted funds rose to 24% (£6.4m), ahead of our 20% target.**
- **The new channels launched to develop a more diverse set of income streams exceeded their targets and gave us flexibility to invest further in fundraising and emerging restricted opportunities.**
- **We received cash donations from over 31,000 donors (up from 10,500 in 2019). Regular donors (including members) totalled just under 9,000 (compared with under 3,000 in 2019) and we have well over 189,000 email subscribers, many of whom we are successfully converting into donors.**
- **Direct response television and digital marketing (mainly social media advertising) enabled us to reach a growing number of people spending more time at home. Our digital marketing programme reached the significant milestone of £1m income – one year ahead of target. We recruited over 2,000 new regular donors via direct response television, trialled as a means to diversify our supporter recruitment programme.**
- **We channelled US\$1.25m in emergency support to our key partners across the globe through the rapidly established Partner Crisis Support Fund, helping them to survive Covid-induced financial setbacks.**
- **Despite lockdown constraints hampering our plans to develop new networks and pipelines of high-value donors, we secured significant donations from new donors and grew funding from existing ones.**
- **Funding from government and multilateral sources exceeded £9m, and the pipeline for 2021 is already strong, a significant success given the impact of Covid-19.**

CASE STUDIES

NEW CHANNELS

The decision to explore new avenues for developing a more diverse set of income streams reaped rich rewards. The combined income from email appeals, social media advertising and the promotion of website donations resulted in the digital marketing programme hitting the £1 million milestone one year ahead of target.

Meanwhile, our piloting of direct response television as a potential means of widening our supporter recruitment net brought in more than 2,000 new regular donors.



Mall rivers form an extensive wetland in the Iberian-Sterpe delta. Credit: Juan Pablo Morales/FFI

SUPPORT NETWORK

Minimising the impact of Covid-19 on the health, safety and well-being of everyone at FFI was an absolute priority for the organisation in 2020.

We quickly and carefully assessed the needs, priorities and perspectives of our people across all our countries of operation via a number of organisation-wide consultations and surveys, which helped to inform how we adapted our working practices and policies. In the face of severe challenges, we have succeeded in supporting our people through a turbulent 2020, reinforcing the sense of belonging that is central to the 'One FFI' message.



Man observing spider on a web. Credit: Juan Pablo Morales/FFI

Plans for the future

Fisherman on Indaweyi Lake, Myanmar. Credit: Jeremy Holden/FFI



With 2020 behind us we anticipate moving from a year of intense crisis globally, including for many of our partner organisations, into an uncertain and risky future, which will present both opportunities and challenges.

In terms of opportunities, 2020 saw a rapid growth in awareness of the extent of the nature-climate crisis and of the risks to humanity of failing to tackle it. Policy frameworks are now shifting at global and national levels, with the prospects in 2021 for Paris-aligned climate mechanisms with teeth alongside legislative shifts such as the ambitions in the UK Environment Bill. Philanthropic and private sector investment in nature is increasing, though still falling well short of what is necessary, a point emphasised in FFI's *Our One Home* campaign. And, crucially, this funding is not yet reaching local level initiatives – which work best for people and nature – at the scale needed, a situation we will be pushing hard to rectify in 2021. Having launched a rapid and effective FFI Partner Crisis Support Fund to provide emergency support for our partner organisations in 2020, we are now shifting to focus on a Resilience Fund in 2021 and beyond, to support partners in achieving the financial and operational resilience they need to succeed in a changing global landscape.

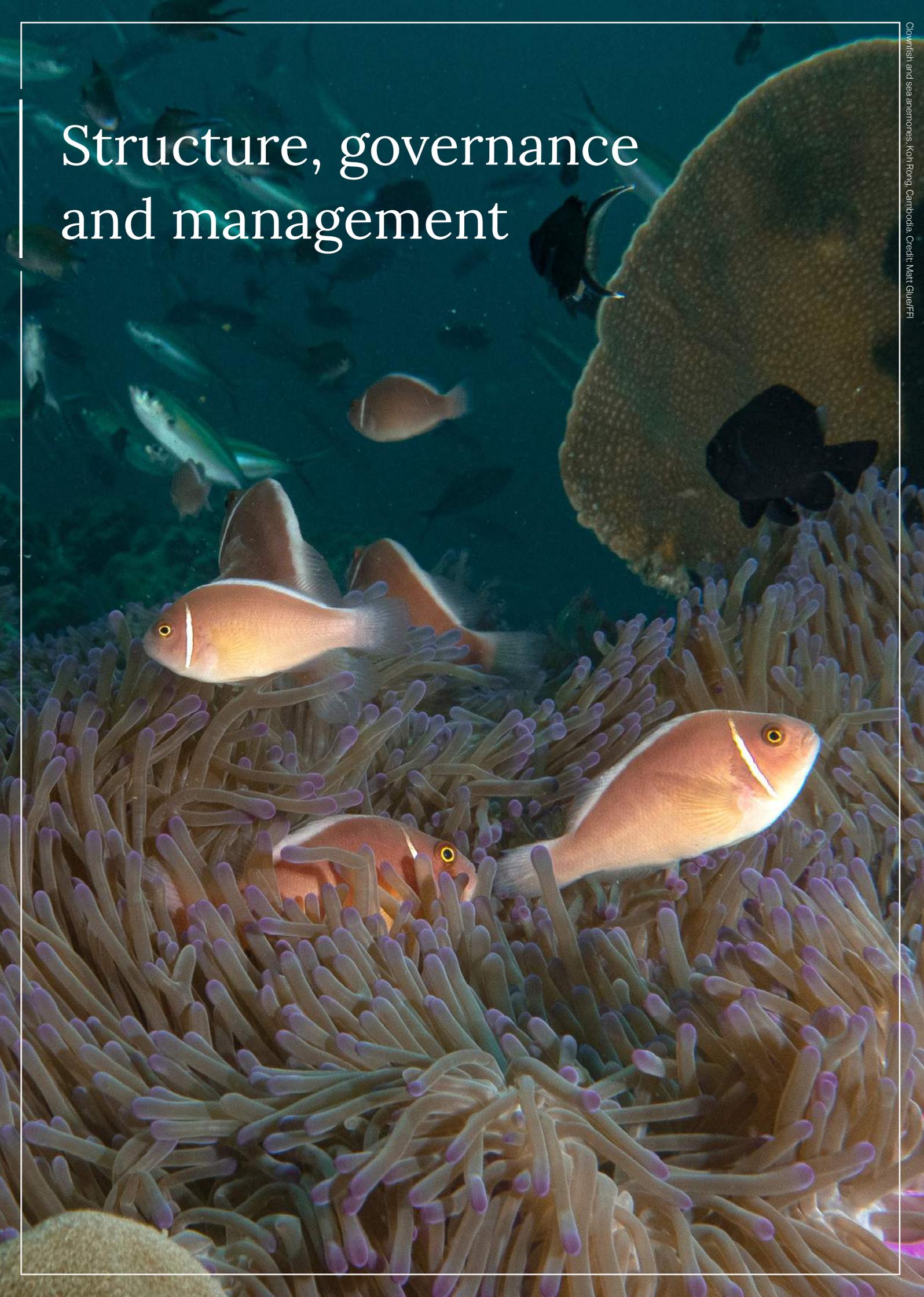
The challenges are significant; the pandemic still rages in parts of the world and, until the vaccine programme is global and variant-proof, risks to people and health systems will remain.

The economic consequences of the pandemic have largely yet to bite, with the unprecedented scale of public sector debt a potential drag on the scale of investment needed in nature-positive and climate-positive action.

Despite our awareness of risks and challenges, FFI remains strong, ambitious and optimistic as we face the future.

In 2021 we will continue to scale up our conservation impact across a large portfolio of habitat- and species-focused projects in some of the most important, challenging – and neglected – landscapes and seascapes in the world. We will focus on building resilience – in nature and in our partner institutions – to risks that range from climate change to financial stress. We will embrace and encourage innovation across our global conservation programme, which will include integrating new technologies, developing sustainable financing mechanisms, promoting nature-based solutions to climate change and adopting new ways of learning. And we are focused on building out our 'One FFI' approach – to ensure that our people feel valued and connected and are better able to work together and share learning.

Structure, governance and management





Union Island gecko. Credit: Jeremy Holden/FFI

Our structure

FFI is headquartered in the United Kingdom and is also registered, and has a network of branch offices, in the following locations where its four regional conservation programmes operate: Asia-Pacific (Cambodia, Indonesia, Myanmar and Vietnam), Africa (DR Congo, Guinea, Kenya, Liberia, Mozambique, South Sudan and Uganda), Americas & Caribbean (Antigua and Barbuda, Belize, Ecuador and Nicaragua), and Eurasia (Georgia, Kyrgyzstan, Romania and Tajikistan).

In addition to these branches, which form part of the Charity, FFI has related organisations in Australia, Mozambique, Romania, South Africa and the United States of America.

Further information on these related parties can be found in Note 15 to the Financial Statements.

How we are governed

FFI was established under a Memorandum of Association, which sets out its objects and powers, and is governed under its Articles of Association. The Board of Trustees, or 'Council', is the governing body of the organisation and has legal, financial and managerial responsibility for the Charity. The Members of Council are directors for the purpose of company law and trustees for the purpose of charity law. The company is limited by guarantee; therefore no member of the Board of Trustees has any beneficial interest in the company.

Trustee recruitment, induction and training

Members of Council are elected by the membership of the organisation at the Annual General Meeting and ordinarily serve a four-year term but can be re-elected for a further term. The Articles of Association provide for any five members in writing or for the existing trustees by resolution, to nominate any member of FFI for election or re-election as a trustee.

Council has adopted formal procedures for the recruitment, selection and induction of new trustees and has constituted a Nominations Committee to support Council in the implementation of these procedures. The Nominations Committee reviews the structure, size, effectiveness and composition (including the skills, knowledge, experience and diversity) of Council and makes recommendations to the trustees with regard to any changes to these.

The Committee reviews all nominations and applications for officers and ordinary members of Council (as well as for other honorary appointments) and puts forward recommendations to Council on suitable nominees. Newly appointed trustees undergo an induction programme, which includes guidance on their role and responsibilities and the opportunity to visit FFI's headquarters to spend time with staff, ensuring that Council members have the information and tools they need to fulfil their legal obligations and to play an effective role within the governing body.

How we are managed

Council is responsible for establishing the strategy, policy and control framework of the organisation, which is achieved via twice-yearly full-day meetings and via formal delegations to its subcommittees, the officers of Council and to the Senior Management Team (SMT) of the organisation. To this end Council has established three further subcommittees, all the acts and proceedings of which are fully and promptly reported to the full Council, which sets the terms of reference and membership of each committee.

An Executive Committee, comprising the officers of the Charity, has regular supervision of FFI's management and operations. The Committee holds monthly meetings with the SMT in attendance, whilst the day-to-day operations of the Charity are the responsibility of the Chief Executive Officer (CEO), the SMT and other staff.

The Audit Committee meets three times a year and is responsible for engaging with the external audit provision, participating in the planning of the nature and scope of the audit and receiving and reviewing the Annual Report and Accounts, along with the associated Audit Findings Report. The Audit Committee's remit also includes the review of internal control and risk management systems and receiving reports on such from the management of the organisation.

The Remuneration Committee meets annually to review and agree the remuneration and benefits of the CEO and SMT members, as well as to review and agree the overall remuneration policy for FFI employees. In addition, the Committee is responsible for agreeing any significant changes in employee benefits or benefit providers.

The Charity Governance Code

Council believes FFI is best placed to achieve its mission and aims if it has high standards of governance which reflect the Code's seven principles, and that by adopting these in full it can provide effective, strategic leadership and a culture which supports fulfilment of the Charity's vision. Furthermore, FFI is undertaking initiatives which closely align with Principle 3 on Integrity and Principle 6 on Equality, Diversity and Inclusion (EDI), both of which were enhanced in the 'refreshed' Code published in 2020.

Principle 3 calls on trustees to establish the right organisational values and create a supportive culture and behaviours aligned with those values. FFI's new set of five values define us as an organisation and underpin who we are and how we conduct ourselves. The first is 'We Act with Integrity;' following strong principles and being honest and genuine in our interactions. Principle 3 also relates to trustees' responsibilities for safeguarding and promotion of a culture where everyone feels safe and respected. In line with the Code's recommendations, an in-depth review of FFI's safeguarding policies and procedures is under way to ensure they are appropriate and fully reflect our values and best practice.

Principle 6 advocates a clear, agreed and effective approach to supporting EDI throughout the organisation, as well as in the Board's own practices. An EDI Working Group was established in 2020 to give voice to, and learn from, those with greater insight and experience on diversity and inclusion within FFI. Our Nominations Committee is also actively working on improving diversity in our governance structures by attracting trustees with diverse backgrounds, experience and thinking to Council, so broadening and strengthening the leadership of our global organisation.



Trustee duties in relation to Section 172 of the Companies Act

The Board of Trustees is aware of its duty under section 172 to act in the way it considers, in good faith, to be most likely to promote the successful achievement of FFI's charitable purposes.

Below is a summary of the ways in which the trustees, as the company directors, consider that they have fulfilled their obligations under section 172, having had regard to the following (amongst other matters) in doing so:

- the likely consequences of any decision in the long term
- the interests of the company's employees¹
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a high reputation for high standards of business conduct, and
- the need to act fairly as between members of the company

DECISION MAKING

Newly appointed trustees are briefed on their responsibilities, including their duty to act in the Charity's best interests and to use reasonable skill and care to make balanced and informed decisions they believe will best enable FFI to fulfil its mission and ambitions. When doing so they take account not only of current factors but also of any likely consequences and potential impacts their decisions may have on FFI's success, both now and in the future. This comes to the fore during FFI's five-yearly strategic planning process when careful analysis of the changing external operating environment, including any trends and likely future shocks that might affect our work, helps to shape the trustees' decision-making on where our efforts should be focused and what resources will be needed to deliver the strategy, so that FFI can achieve greater, demonstrable and lasting impact.

In 2020, a key area of trustees' decision-making was managing the range of risks presented to our people, partners, programmes and finances by the pandemic, so that the impacts of these on FFI's delivery and sustainability, both in the short and longer term, could be limited wherever possible. For further information please see the key risks section later in this report.



Rufous-tailed hummingbird, Belize. Credit: Yaxché Conservation Trust

STAKEHOLDER ENGAGEMENT

Partners

FFI has a long and successful history of building effective partnerships with others, from individuals and local community groups to national government and multilateral agencies, international NGOs and large corporates. The more organisations and individuals that can be empowered to achieve their own conservation goals, the greater the chance of FFI's vision of locally driven conservation being realised. We prioritise activity in areas where local partners have requested FFI engagement, where we see a need that is not being addressed or where we believe we can add value. By investing in and building the capacity of these local partners we aim for them to become independent of FFI in the future, forming a growing network of local organisations and conservation leaders who can effectively restore and conserve species and ecosystems.

We also recognise the value of expanding our influence more widely, engaging in local policy processes so that our projects can achieve positive, equitable outcomes for conservation and engaging in wider policy and decision-making processes where there is an opportunity to influence where others cannot, or where we can add value by aligning with others. We do this in the belief that the fate of species and ecosystems is influenced not only by those living closest to them, but also by the decisions of businesses, people and policy-makers further afield. For more information on FFI's work with partners and on influencing others please see our reporting on Ambitions Three and Four earlier in this report.

In 2020, recognising the serious financial risk faced by some of FFI's key local partners, especially those in countries more dependent on ecotourism for revenue, the trustees enabled the launch of the FFI Partner Crisis Support Fund, with organisations selected to receive funding on the basis of immediate, priority needs and where FFI support was deemed essential to safeguard their future, thereby ensuring that decades of conservation achievements are not undermined and undone.

Donors, members and supporters

FFI is fortunate to have supportive and long-standing relationships with our major donors, with whom we have been able to engage to discuss the impacts of the pandemic on our project delivery, agreeing flexibility and new timeframes if necessary when work has been disrupted. Throughout this period our members and supporters have also provided valued and steadfast support, responding positively to our campaigns and appeals and engaging with us through our increased digital communications and online events, including a very well-attended AGM. As attendance was higher for this event than previous in-person versions, the trustees have decided to continue with a virtual format, so increasing engagement with our membership going forward.

Suppliers and other stakeholders

In keeping with FFI's values we act with integrity in all our internal and external relationships, including our business ones with our suppliers, which we foster through long-term arrangements where appropriate. This period has seen increased engagement with some key professional advisers such as our insurers, where our long-standing relationships have been an advantage during the pandemic.

Our collaboration with other members of the Cambridge Conservation Initiative (CCI) continues to flourish with this year seeing collective decision-making around the operation of CCI's base at the David Attenborough Building to promote and protect the health and safety and well-being of employees of all the organisations involved.

COMMUNITY AND THE ENVIRONMENT

As a conservation organisation our core business is addressing threats to the world's habitats and species, protecting the environment and biodiversity and benefiting the communities in which we work. As we undertake our day-to-day activities we aim to minimise as far as possible the negative impact that FFI has on the environment, aiming to do this by reducing the resources we use, the waste we produce and the emissions we generate, without compromising our ability to address our mission and aims. For further details please see the section on our Environmental Policy.

Reference and administrative details

Status

Fauna & Flora International (FFI) is a company limited by guarantee, incorporated in January 1992, Registered Company Number 2677068. It was originally established in 1903 and was registered with the Charity Commission in May 1992, Registered Charity Number 1011102.

Registered office

FFI's registered and principal office is at The David Attenborough Building, Pembroke Street, Cambridge, CB2 3QZ.



Patron

HRH The Duke of
Cambridge



President

HRH Princess Laurentien
of the Netherlands

Vice-Presidents

Lisel Alamilla

Baroness Valerie Amos CH

Professor Sir Roy Anderson FRS
FMedSci

Sir David Attenborough OM FRS

The Lord Browne of Madingley
FR Eng

Lindsay Bury

Dee Caffari

Charlene de Carvalho-Heineken

Field Marshal Sir John Chapple
GCB CBE DL

Giles Clark

Viscount Philippe de Spoelberch

Dame Judi Dench

Dr Lee Durrell

Hugh Fearnley-Whittingstall

Dorette Fleischmann
(passed away 6th June 2021)

Stephen Fry

Rupert Goodman

Edward Hoare

Tim Jarvis AM

Anders Johansson

The Lady Emma Kitchener LVO

Rove McManus

Justin Mundy LVO

Blaine T. Phillips

Lord Randall of Uxbridge

Dr Lisbet Rausing

Dr Claudio Segré

Rt Hon Mark Simmonds

Hugh Sloane

Victoria Stack

Jon L Stryker

Andrew Sykes

Antonio Versace

Charles Whitbread DL

Dr Adrian Wilson

James Wong

Baroness Young of Old Scone

Jochen Zeitz

Board of Trustees

The trustees who served during the year and at the date of this report were as follows:

EXECUTIVE COMMITTEE

Hugo van Vredenburg	Chair <i>(appointed Chair 15th September 2020)</i>
Andrew Sykes	Chair <i>(retired as Chair 15th September 2020)</i>
Annette Lanjouw	Vice Chair <i>(appointed Vice-Chair 15th September 2020)</i>
Michael Maunder	Vice Chair <i>(stood down 30th April 2020)</i>
Paul Baldwin	Treasurer

ORDINARY MEMBERS OF COUNCIL

Jeffrey Blumberg <i>(appointed 15th September 2020)</i>	Kimberly Stewart <i>(appointed 15th September 2020)</i>
Anna Gavazzi	Sir Gareth Rhys Williams <i>(retired 15th September 2020)</i>
David Gibson	Edward van Cutsem <i>(retired 15th September 2020)</i>
Andrew Joy	Diana van de Kamp
Benjamin Khalili <i>(appointed 15th September 2020)</i>	Professor Bhaskar Vira <i>(retired 15th September 2020)</i>
Dr Sandra Knapp	Richard Walker
Richard Plackett	

SENIOR MANAGEMENT TEAM

Mark Rose	Chief Executive Officer
Svetlana Ignatieva	Chief Operating Officer and Company Secretary
Joanna Elliott	Senior Conservation Director, Cross-cutting Programmes
Matthew Walpole	Senior Conservation Director, Regional Programmes <i>(until 9th April 2021)</i>
Jonny Wright	Senior Director, Communications & Fundraising

PRINCIPAL PROFESSIONAL ADVISERS

Auditors	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Solicitors	Mills & Reeve, Botanic House, 100 Hills Road, Cambridge, CB2 1PH
Investment Managers	BlackRock, 12 Throgmorton Avenue, Drapers Gardens, London, EC2N 2DL
Bankers	Barclays Bank, Mortlock House, Vision Park, Histon, Cambridge, CB24 9DE
Insurance Brokers	Sutton Winson, First Floor, Greenacre Court, Station Road, Burgess Hill, RH15 9DS

Key Policies & Statements



Transporting seedlings to Koh Hong, Cambodia for mangrove reforestation project. Credit: Jeremy Holden

Public benefit

The Strategic Report demonstrates the scope of the activities undertaken by FFI in 2020 in furtherance of its charitable purposes for the public benefit.

- FFI promotes the conservation of the environment and the education of all sectors of society in the protection of biodiversity. We strive for a sustainable future for the planet for the benefit of the public and act to conserve threatened species and ecosystems whilst taking account of human needs. We promote or conduct training programmes and research and publish knowledge acquired as a result of such research, as well as undertaking and engaging in other informative activities including exhibitions, lectures, conferences and seminars.
- In exercising its powers and duties in furtherance of the Charity's Objectives, the Board of Trustees has complied with its duty, under Section 17 of the Charities Act 2011, to show due regard for the Charity Commission's general guidance on public benefit. In addition, whilst setting the organisation's annual objectives and planning its activities, both in the short and the longer term, the Trustees have also demonstrated due regard for the Commission's specific guidance relating to the conservation of the environment for the public benefit.

Reserves Policy

FFI is committed to maintaining a level of reserves appropriate to the identified operating needs, taking into account financial impact of risk, working capital requirements, future income sources and organisational plans and commitments. FFI's policy is to hold 6-18 months of budgeted, recurring, unrestricted expenditure, with the target unrestricted reserve level of 12 months, whilst also taking into account the total expenditure (restricted and unrestricted) of the organisation as a whole.

The ongoing Covid-19 pandemic has brought into focus the need to maintain an adequate level of reserves in order to protect the organisation from financial shocks. In setting a policy of 6-18 months with a target of 12 months, FFI's Trustees have considered the cost base and risk profile of the organisation and the impact of a sudden drop in income, and believe that the policy is appropriate to allow FFI to continue its operations while simultaneously working to rebuild its reserves. FFI's current reserves position is outlined in the Financial Review on page 43.

Our reserves fall into three types.

RESTRICTED RESERVES

Restricted reserves reflect the balance of unspent restricted funding (e.g. grants, donations) that have been received by FFI (often in advance) for a specific charitable purpose or project. They are not available for general purposes and can only be spent according to funder terms and conditions.

ENDOWMENT RESERVES

Endowment funds must be spent in accordance with funder stipulations, and are held separately within FFI's reserves because the capital amounts must be maintained. Further details on FFI's endowments are given in note 12 of the financial statements.

UNRESTRICTED RESERVES

Unrestricted reserves are net assets around which no donor conditionality exists, which may be spent to further FFI's charitable objectives in accordance with internal decisions made by FFI's management and Council. Designated reserves are created from time to time when the Trustees identify organisational priorities. These reserves form part of total unrestricted reserves as they represent internally earmarked funds. Currently these funds have been designated for investment in initiatives to help minimise the environmental impact of FFI's activities.



Investment Policy

FFI's Investment Policy outlines how FFI will manage its reserves, with reference to the purposes for which the funds have been raised.

FFI is responsible for the safekeeping and investment of restricted reserves prior to their being required for project expenditure. As such, the main investment priority is capital preservation, with the funds held either on deposit with major banks or in suitable money market funds. Unrestricted reserves are held for general expenditure and to meet unforeseen requirements. As these funds may need to be available at short notice, they are regarded as short-term funds for investment purposes, with capital preservation and liquidity as the main focus. FFI keeps a sufficient amount of funds to enable efficient cash flow on deposit with major banks or money market funds. Any excess funds may be held in short-dated bond funds and equities.

The endowment funds are long-term funds designed to produce an income in line with donor stipulations. As such, these funds are invested in a portfolio of equities, bonds and other securities with the aim of preserving the value of the funds' capital in real terms and providing a growing income stream. The portfolios are invested over the long term approximately 70% in equities and 30% in bonds and other securities. Wherever practical, FFI will choose investment opportunities that align with FFI's mission.

FFI has appointed investment managers who will manage the applicable funds in accordance with the Investment Policy approved for those funds.



Walnut harvest in Kyrgyzstan. Credit: Jason Smith

Grant-making Policy

FFI makes grants to strategic and implementing partners and in 2020 we disbursed over £5.4 million in grant funding (2019: £4.3m). All our grant funds are disbursed with clear criteria and application processes, including conducting due diligence based on materiality criteria, and use formal review and clearly defined decision-making. All grants are made based on written grant agreements, and incorporating requirements on reporting and financial oversight. Donor conditions are passed on to the recipient in the sub-grant agreement, as necessary.

FFI staff also reviewed over 600 grant applications for external grants funds using criteria developed and agreed with the donors and, through this, influenced the allocation of an additional £8 million of conservation grant funds.

Environmental Policy

All FFI's activities are designed to address threats to the world's habitats and species and to have a positive impact on biodiversity. FFI is committed to minimising the negative impacts its own operations have on the environment.

Our Green Group continues to work on internal initiatives to embed the organisation's Environmental Policy and to encourage best practice, resulting in achievement of a Silver award for the 2019-20 Green Impact year from the NUS Green Impact Scheme. Particularly commended was the significant reduction in energy consumption, the commitment to encouraging a green mentality within FFI with newsletters, new green ideas, and the establishment of a dedicated Sustainability Working Group in our global headquarters, The David Attenborough Building (DAB), which we occupy alongside our partners in the Cambridge Conservation Initiative.

During 2020 we established procedures to quantify the carbon footprint of FFI – including flight emissions – as well as started data collection and processing, following the most commonly used accounting and reporting standard, the Greenhouse Gas Protocol. The use of new technologies as well as encouraging train travel for shorter trips are just two of the ways in which we aim to reduce emissions from flying.

We will also look to shorten supply chains and buy local when ordering products, especially food and drink for events, and transition to providing alternative proteins.

The coronavirus crisis has created opportunities for high-level change, to which FFI is well-placed to contribute, and at an organisational level FFI is committed to being the change we seek by embedding lower-impact activities into our operations. A trend for increased home working is likely to continue as we navigate through the crisis. FFI has embraced this change and will continue to utilise increasingly user-friendly technology (especially video calls/online meetings) in order to reduce our carbon footprint.

ENERGY AND EMISSIONS REPORT (SECR)

As detailed above, in the years 2019 and 2020 we achieved significant reduction in energy consumption, and took various actions to promote energy efficiency and low-carbon choices. Energy consumption in 2020 was also affected by the lockdown. Our actions are in line with the DAB's "Carbon reduction and energy efficiency" targets set out in its Sustainability Action Plan.

	2019 (Jan-Dec)	2020 (Jan-Dec)
Gas (kWh)	107,078.4	94,175.3
Electricity (kWh)	55,056.5	35,865.4
Total UK energy use (kWh) ¹	162,134.9	130,040.7
Gas (tonnes CO ₂ e)	108.6	95.5
Electricity (tonnes CO ₂ e)	14.1	8.4
Total associated GHG emissions (tonnes CO ₂ e) ²	122.6	103.8
Intensity ratio Emissions per office floor space (tonnes CO ₂ e per m ²)	0.16	0.13

1. The total UK energy use covers gas and electricity consumption of the FFI office in our global headquarters, The David Attenborough Building. Global data is not yet available, therefore we have agreed a step-by-step process for our carbon footprint assessment that prioritises the UK operation, before a gradual roll out to country offices.

2. Associated greenhouse gas (GHG) emissions have been calculated using DEFRA conversion factors, following the widely recognised independent standard, the GHG Reporting Protocol - Corporate Standard.



Remuneration Policy

FFI recognises its responsibility to expend funds wisely and intelligently in line with its status as a charity and the expectations of the public and those that support its work. In parallel, it recognises its responsibility to ensure that it attracts and retains excellent people with the appropriate level of skills and experience to achieve its mission. To this end, at all levels of the organisation, it aims to ensure that pay is fair and appropriate to the skills required and responsibilities involved. It carries out external benchmarking, with the aim of ensuring that pay is competitive within the charitable sector, within the context of affordability.

Volunteers and Staff

FFI does not have many opportunities for volunteers, but has developed some opportunities for short-term internships, where young conservationists can gain experience of the sector whilst undertaking research or administrative tasks over a defined period. There are clear management procedures for selection and management of volunteers. We are grateful to those volunteers who gave freely of their time to assist in our work in 2020. Our thanks are also extended to all staff and trustees for the time and effort they have contributed during the year.

Going concern

Going concern has become an increased risk area for all organisations given the current unprecedented environment surrounding Covid-19. Although the full extent of the length and depth of economic downturn in the aftermath of the pandemic is still unknown, FFI's 2020 actuals and 2021 budget figures have exceeded the original projections included in the 2019-2023 Business Plan, which was developed in 2018. In order for Trustees to make a determination of FFI's ability to continue as a going concern, we reviewed and updated the projection figures and assumptions that were included in the Business Plan, taking a conservative approach. The results of this exercise indicate that FFI has sufficient reserves to continue to deliver its strategic objectives throughout the remainder of the Business Plan period, and will still maintain an adequate level of unrestricted reserves by the end of it.

The Trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

Fundraising

The Trustees have reviewed FFI's fundraising activities in light of the Charities (Protection and Social Investment) Act 2016 and the related guidance published by the Charity Commission. The following summary outlines FFI's approach towards developing and monitoring its fundraising activities.

FFI is a membership organisation and uses the membership offer as well as a broader regular giving proposition to cement long-term relationships with donors. FFI's direct marketing activities are carried out in partnership with creative agencies, who provide design and copywriting services for our printed appeals that are sent to our existing supporter base, and for our supporter recruitment activity, which includes direct response television (DRTV) adverts, inserts and advertisements placed in targeted newspapers and magazines. We also work with media-buying agencies, which are tasked with proposing and purchasing the media space for us to reach new audiences and recruit new supporters, and this includes booking space with TV channels and in the publications in which we wish to advertise.

We now have a significant portfolio of digital fundraising activities, including our weekly e-newsletter and social media ads, which focus on the recruitment of new supporters and generate a healthy return on our investment. FFI has a well-established major-giving programme, with approaches typically made in person by senior staff or trustees. FFI also hosts events throughout the year, typically targeted at stewarding and soliciting funding from mid-to-major donors and prospects.

FFI has paid the applicable levy to register with the Fundraising Regulator and displays the Regulator's badge on all appropriate fundraising materials. FFI complies with the terms and conditions of its registration, the recommendations made by the Regulator and standards contained in the Code of Fundraising Practice to ensure that our fundraising activities are fair, transparent and

honest. The fundraising team constantly monitors its performance against objectives, particularly for unrestricted income.

FFI does not routinely outsource its fundraising activities. However, we occasionally work with commercial participators. All new opportunities are assessed against FFI's fundraising strategy and the Fundraising Regulator guidance and with consideration for FFI's reputation. We have developed a commercial participator agreement template and all such arrangements are monitored to ensure continued compliance with the legal requirements.

FFI received 20 complaints relating to our telephone fundraising. This is where our telephone handling agency responds to calls from people who have seen our direct response television adverts. Complaints usually relate to people being 'upsold' (meaning that the call handler asks whether the potential donor would like to give an increased monthly gift). In each case we listen back to the call, and will feed back if a fundraiser acted in a way FFI would like them not to. In 90% of cases the calls were fine, and no further action was needed. In 2020, we recruited over 1,000 regular donors via this channel and so the proportion of complaints was very low.

FFI regularly monitors our telephone agency, which includes weekly call-monitoring reports that highlight instances when supporters raise questions or complaints, or where we can improve the script. These reports, along with regular training of call centre staff, enable us to continually assess their performance and ensure a high level

of supporter care is achieved. Our agency also follows a set of guidelines to determine supporter vulnerability, and if a supporter is deemed to be vulnerable, a case is raised with FFI, who will investigate the matter. This may result in a donation being declined and further action being taken.

FFI also receives a range of supporter failure calls, comments and correspondence – around 200 in total in 2020. These include complaints about website functionality, postal communications and a range of other issues. There has also been an increase in malicious comments, which have caused distress among the fundraising team. As we scale up our activities, it is inevitable that we will receive more critical feedback. We are therefore undertaking a review of our safeguarding procedures, in order to ensure that staff exposed to these adverse communications are protected.

FFI regularly reviews its Privacy Statement and updates it when necessary. Our Fundraising Promise makes it clear what personal data is collected, how it is processed and how an individual can get in touch with FFI to change their preferences. All of FFI's communications include easy mechanisms for unsubscribing or updating contact preferences and we ensure that our database is updated accordingly.

The Covid-19 pandemic had less effect on our fundraising results in 2020 than we might have feared. Where some sources of new income growth were hampered, such as developing new networks of major donors and foundations, other sources were apparently enhanced as we saw above target income from public fundraising activities focused on people spending more time at home and online.

Principal Risks

The Trustees have established a framework for the identification and control of the major risks to which the Charity is exposed.

The Trustees have a risk-management strategy which comprises:

- A rolling review of the risks the Charity might face, tracked in the Risk Register, complemented by regular discussion of risk by the Executive Committee and the Audit Committee.
- The establishment of systems and procedures to mitigate against those risks and their potential impacts should they materialise, identified from an operational review and as part of the Business Plan.
- The implementation of processes designed to underpin our ability to identify and manage specific risks. For example, in 2020 we reviewed our policy and procedures in relation to FFI employees serving as representatives on external boards in order to protect the organisation and our employees from the risk of incurring unexpected responsibilities or legal liability.
- A portfolio risk-tracking tool enabling regular and comprehensive assessment of three types of risk: financial, delivery and conservation impact, across portfolios of projects.
- Regular review of our insurance cover to assess whether it adequately addresses the risks and potential liabilities we face, extending cover if new risks are identified.



Macroalgae survey, Kas, Antalya, Turkey. Credit: Akdeniz Koruma Derneği

The key risks faced by the Charity, along with the steps taken to mitigate these risks, have been identified as follows:

COVID-19 – The range of risks to which the pandemic has given rise have been managed through: careful monitoring of our finances to take account of various possible outcomes so we could plan for, and mitigate against, the potential impact on our income streams and reserves; maintaining activities and delivery of our projects wherever possible and ensuring we are poised to restart on-the-ground work whenever safe and feasible to do so; agreeing funding flexibility within grant terms with donors and negotiating new delivery timelines if necessary; protecting the health and safety of our staff around the globe by enabling home working, facilitating the repatriation of international staff where appropriate and communicating at all levels to ensure health protection, social distancing and movement restrictions are followed. To support the mental health and well-being of our staff we promoted virtual contact and connectivity across the organisation, advocated flexible working practices to fit with caring responsibilities and introduced a global mindfulness and resilience programme.

FINANCIAL MANAGEMENT, COMPLIANCE AND VIABILITY OF IN-COUNTRY PARTNERS

– An inherent risk, particularly where funding is sub-granted from government/multilateral donors, or where funding from FFI represents a significant element of funding portfolios, and where organisations have little access or exposure to international fundraising markets. Normally managed through partner due diligence to identify financial weaknesses and by investment in capacity building to support local partner resilience. The global pandemic has, however, severely affected the income streams of many of our in-country partners, prompting the launch of the FFI Partner Crisis Support Fund to address this heightened risk to their viability, and in turn mitigate the risk to continued, sustainable delivery of our conservation programmes worldwide.

REGULATORY COMPLIANCE – We ensure the legality of our global operations by complying with statutory requirements in all of the countries where we operate, maintaining current registrations with appropriate authorities and seeking guidance on local legislation from trusted local advisers where necessary. We also adhere to all regulatory alerts and guidance issued by the Charity Commission, including in relation to Safeguarding and as contained in its Protecting Charities From Harm Compliance Toolkit.

COMPLIANCE WITH DONOR TERMS AND CONDITIONS

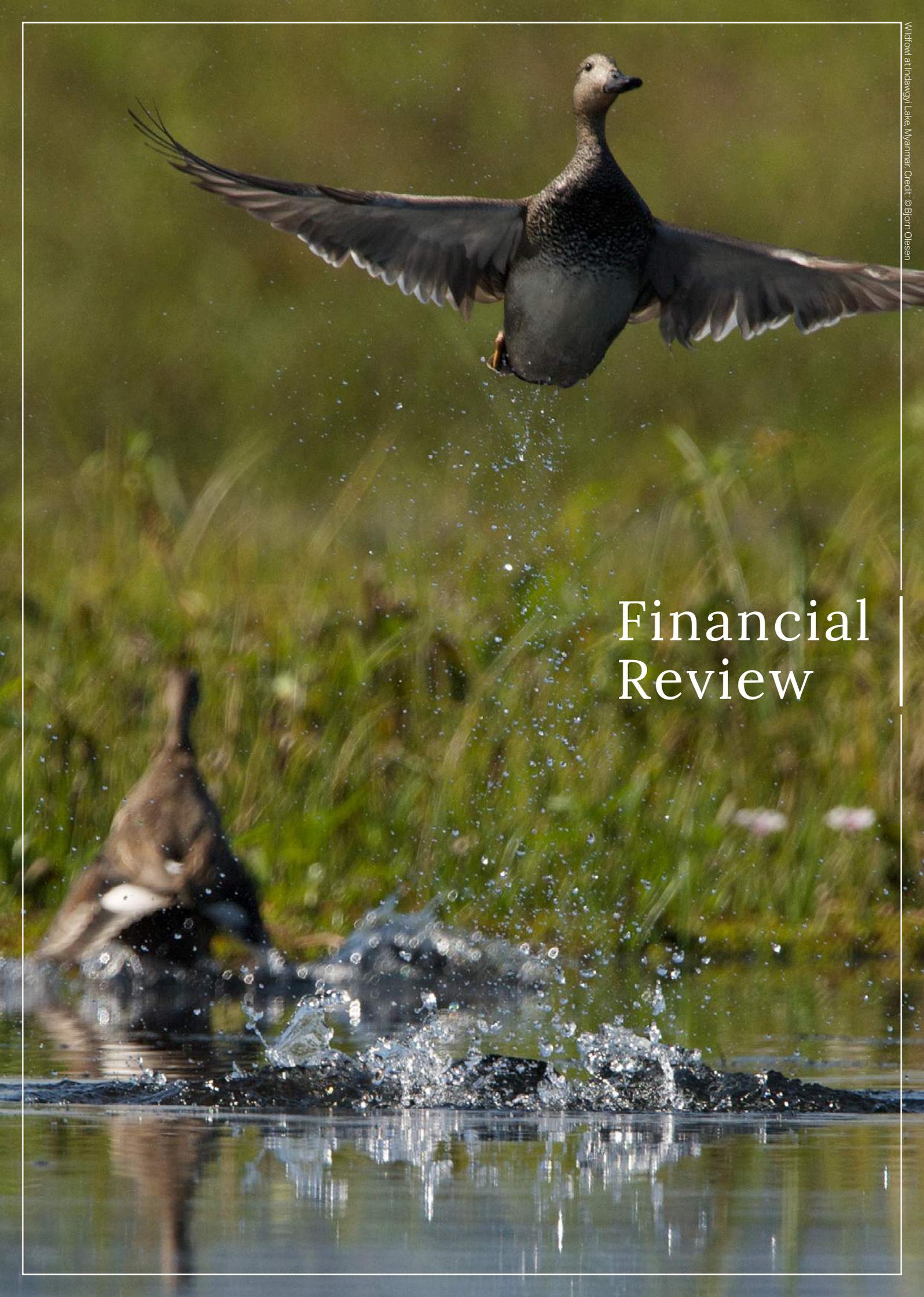
– We mitigate the risk of non-compliance by evaluating the terms and conditions of all donor funding before entering into legal and grant agreements to ensure we can meet the requirements. Our established Good Grant Management training programme supports our project staff to meet their responsibilities whilst our project management system allows us to evaluate new projects and track technical and financial reporting milestones. We aim to only take on grant funding that provides a sufficient contribution to administrative overhead which is necessary to effectively support the donor reporting and compliance obligations.

INTERNAL CONTROLS

– We have a comprehensive set of organisational policies and procedures, to which we add as required, and a schedule of delegated authorities to define accountability in decision-making. These are easily accessible to all staff and we monitor their application across the organisation, supporting this with appropriate training. Our accounting and project management system is designed to automate and align our business processes and financial controls, with approvals being obtained online through pre-defined workflows in accordance with the Delegations of Authority, thereby supporting efficient compliance and monitoring.

REPUTATIONAL RISKS

– FFI's excellent reputation is dependent on continuing to demonstrate significant conservation added value, which requires all internal decision-making systems from programme design to monitoring and evaluation to be functioning well. We continue to invest in sound governance and control processes and to conduct robust due diligence on our institutional relationships, with a particular emphasis on careful selection of partners. To mitigate the reputational risk associated with a greater external profile and potential media interest our Communications Plan includes enhanced training for staff and investment in crisis and reputation management protocols and systems to help us prevent, prepare for, and respond to crises including (but not limited to) negative press coverage.

A photograph of a wildfowl in flight over a lake. The bird is in the upper half of the frame, wings spread wide, flying towards the right. Below it, another duck is splashing in the water, creating a large splash of water droplets. The background is a lush green field of tall grasses. The text "Financial Review" is overlaid on the right side of the image.

Financial Review

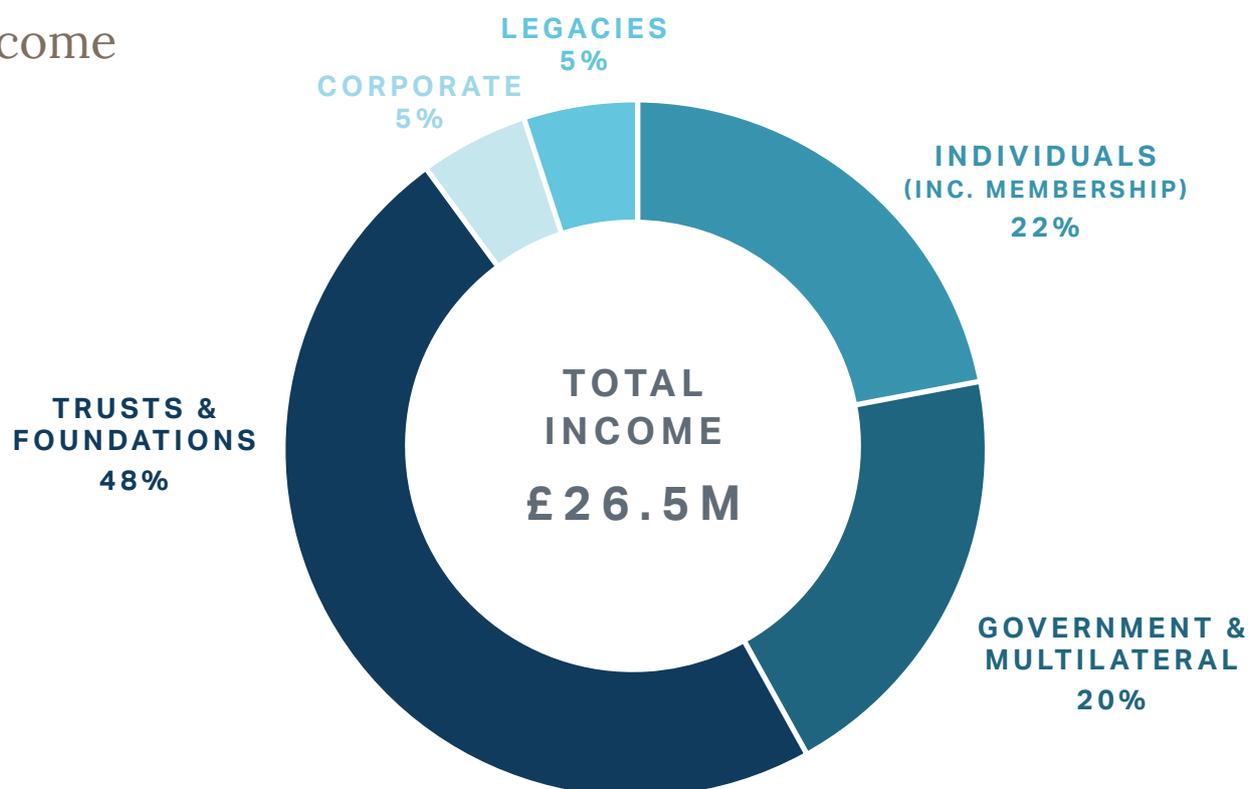
Overall Position

This report and the consolidated Financial Statements incorporate the results of FFI’s UK operations, its overseas branches and controlled subsidiaries and its associated permanent endowment funds.

2020 represented the second year of the latest Business Plan which covers the five years from 2019 to 2023. The Business Plan outlines how we intend to deliver our Strategy over the same period, with particular emphasis on the three organisational ambitions, relating to how FFI will seek to increase its income, grow its profile and invest in its people.

The net movement in total funds for the period is an increase of £2.5m (2019: £510k increase), comprising an increase in restricted funds of £706k (2019: £872k decrease), an increase of endowment funds of £45k (2019: £29k increase) and an increase in unrestricted funds of £1.8m (2019: £1.4m increase). All restricted funds held relate to current, active projects and are anticipated to be utilised over the course of the next one to four years.

Income



Income generation overall of £26.5m shows an increase of 14% compared with 2019. This is largely due to the receipt of just over £2m from the proceeds received by FFI as a Promoting Society of People’s Postcode Lottery (for more information see note 21 to the accounts).

UNRESTRICTED INCOME BY TYPE

	2016	2017	2018	2019	2020	2019/2020 Change
Trusts & Foundations	144,834	1,063,758	521,424	756,517	859,475	14%
Individuals	1,309,006	1,241,392	1,276,626	1,362,427	4,139,416	204%
Legacies	256,176	790,779	73,885	2,325,653	1,189,313	-49%
Corporate	20,689	55,939	167,038	52,914	196,920	272%
Other	17,253	7,999	38,704	25,514	34,453	35%
Capital Campaign	10,417	2,487,505	500,000	125,000	-	-100%
	1,758,375	5,647,372	2,577,677	4,648,025	6,419,577	38%

Unrestricted income from Trusts & Foundations has increased in 2020 by 14%, primarily due to an increase in funding from the People's Postcode lottery. Individuals has grown in 2020 by 204%, largely due to the proceeds received by FFI as a Promoting Society of People's Postcode Lottery as well as investment in digital fundraising activities. Corporate income has increased in 2020 by 272%, relating to support received in the USA. Legacy income has decreased from 2019; however, 2019 included a significant legacy of \$2.75m, the residual balance of which is included in our 2020 income.

RESTRICTED INCOME BY TYPE

	2016	2017	2018	2019	2020	2019/2020 Change
Trusts & Foundations	9,259,111	11,152,475	10,266,072	10,206,257	11,738,061	15%
Government & Multilateral	2,877,498	4,274,240	4,457,350	6,947,640	5,315,100	-23%
Corporate	1,403,693	1,881,587	1,068,003	816,097	1,254,924	54%
Individuals	460,966	173,979	294,112	414,924	1,560,470	276%
Other	23,047	30,595	117,772	178,269	180,828	1%
Legacies	-	25,000	318,444	44,613	-	-100%
	14,024,315	17,537,876	16,521,752	18,607,800	20,049,383	8%

Restricted income from Trusts & Foundations has increased in 2020, due to increased support from a long-standing donor. Government & Multilateral funding in 2020 decreased by 23%; however, this is due to some large, multiannual projects finishing. Government & Multilateral funding represented 20% of our overall funding portfolio (30% in 2019), in line with our revised internal target under our new business plan. Government grants allow us to move to scale in activity and impacts but can be costly in terms of compliance and overhead costs as they are set up and closed out. They may also require matched funding.

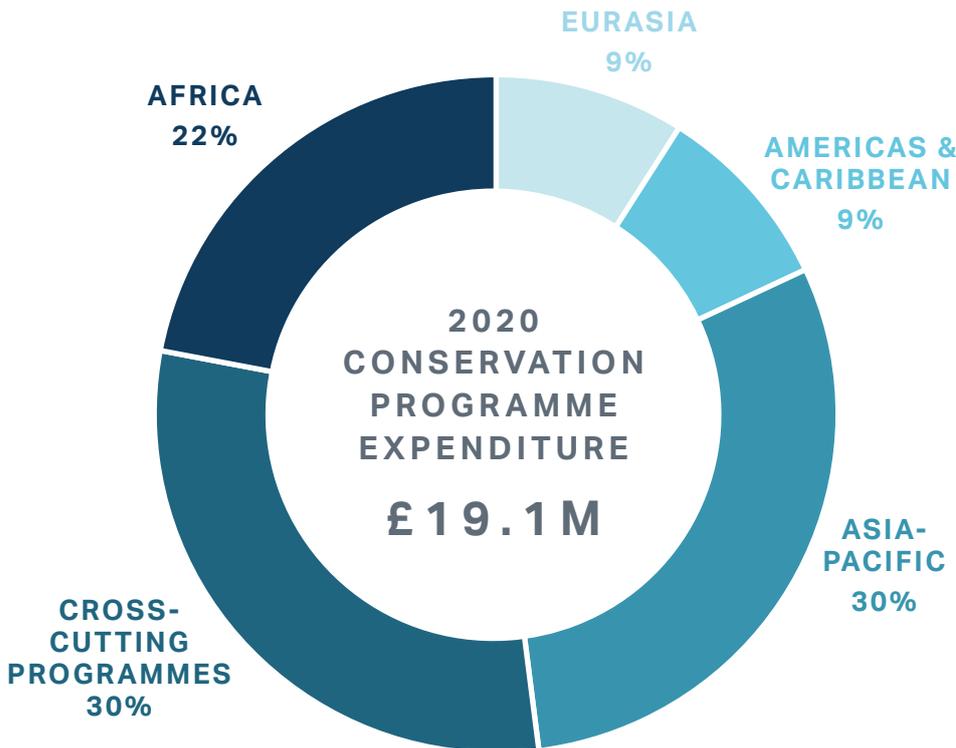
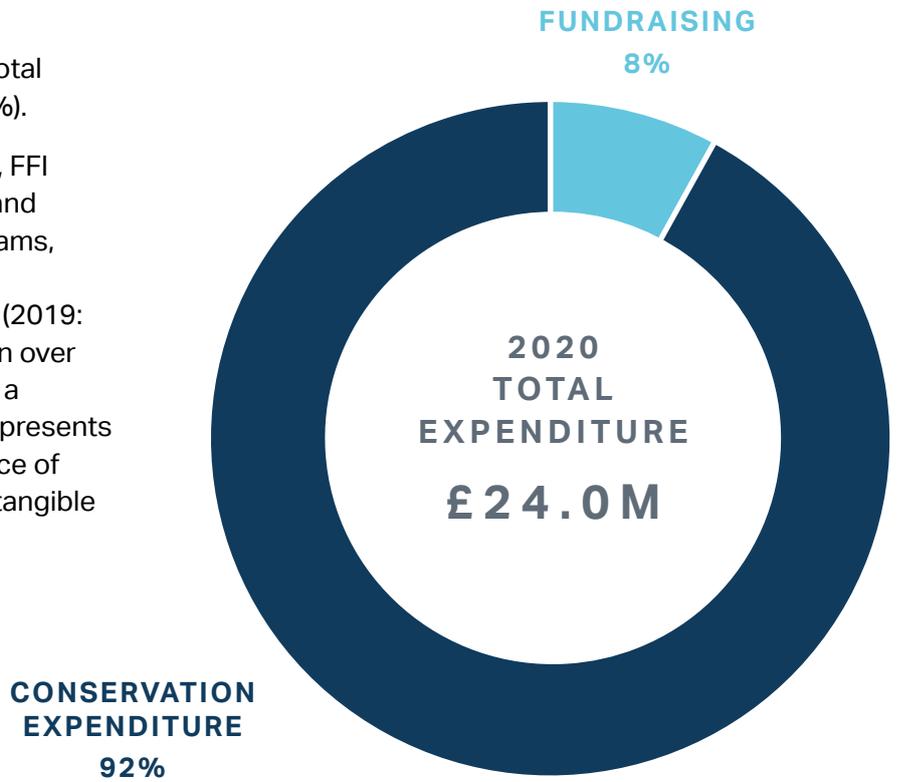
Restricted Individual income has increased by 276% in 2020, due to support received for FFI's Partner Crisis Support Fund, which was launched in response to the Covid-19 pandemic, and support for other projects such as the purchase of Boden Creek in Belize and Chuilexi Conservancy in Mozambique. Restricted Corporate income relating to the technical services that FFI provides to businesses has also increased in 2020.

Endowment income (not shown in the tables above), generated through an invested portfolio designed to produce an income stream to support gorilla conservation work and shown as restricted investment income was £17k in 2020 (2019: £22k), with the investments designed to secure the capital base whilst also producing a steady income yield. This portfolio is reviewed from time to time by our investment managers, in conjunction with the Trustees. As always, we are grateful for this continued support from our donors.

Expenditure

Charitable expenditure across our conservation portfolio has remained consistently high as a proportion of total expenditure (92%) in 2020 (2019: 94%).

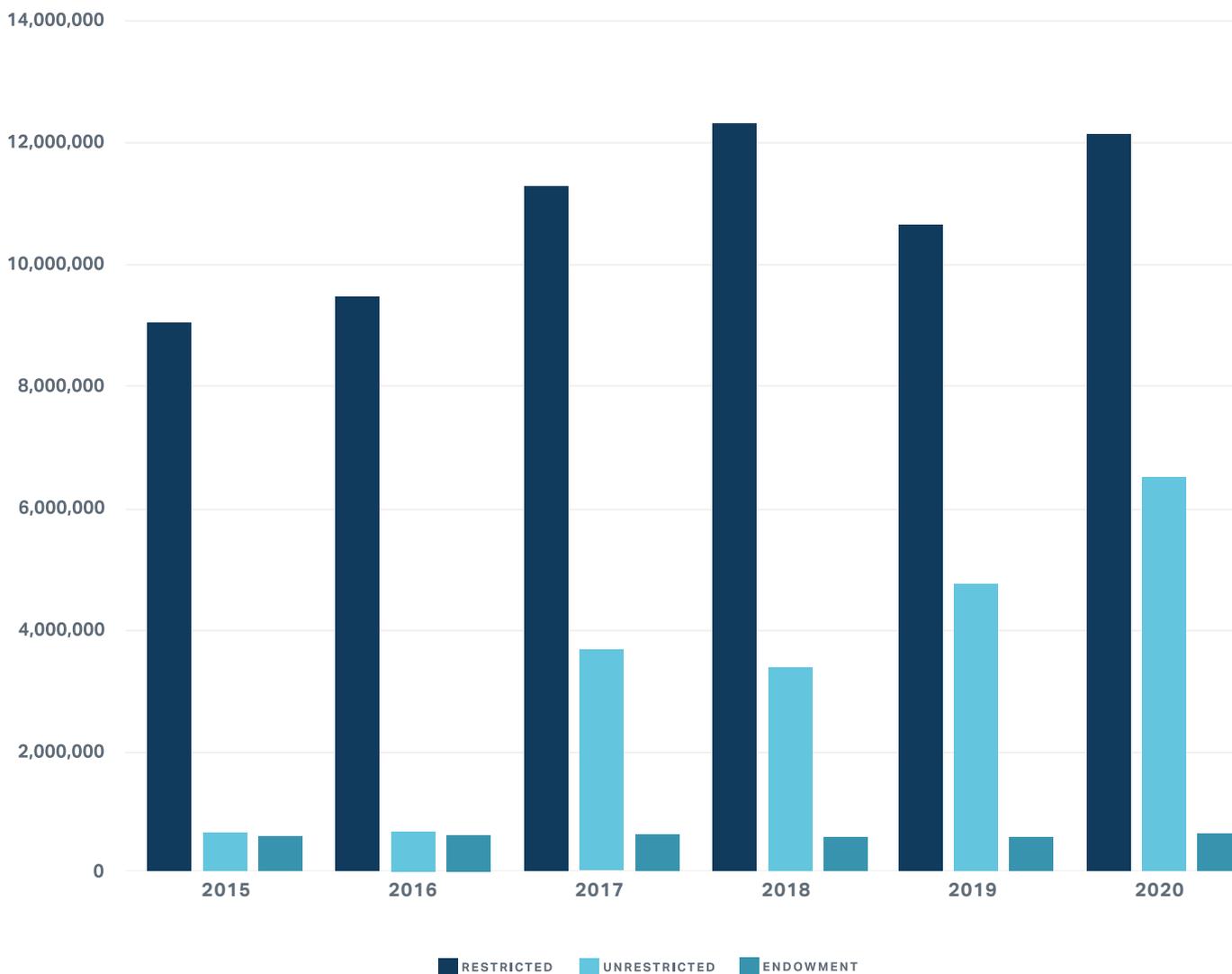
In accordance with our strategic plan, FFI has invested in fundraising capacity and the diversification of our income streams, resulting in fundraising expenditure increasing to 8% of total expenditure (2019: 6%). With nearly 130 active projects in over 40 countries, we continue to manage a diverse programme of activity, which presents its own challenges, but is also evidence of our far-reaching impact in delivering tangible biodiversity conservation.



FFI operates through four regional Conservation Programmes (Asia-Pacific; Africa; Eurasia; and the Americas & Caribbean) supported by an array of cross-cutting initiatives (Conservation Science & Design; Conservation Capacity & Leadership; Extractives & Development Infrastructure; Conservation Finance & Enterprise; and Agricultural Landscapes), which form our Cross-cutting Programmes division.

Reserves

The total reserves of the organisation at the end of 2020 are £19.3m (2019: £16.8m)². After taking into account restricted reserves of £12.1m (2019: £11.4m) and endowment funds of £667k (2019: £623k), the unrestricted reserves are £6.5m (2019: £4.7m). Free reserves (unrestricted reserves less unrestricted fixed assets of £181k (2019: £241k)) are £6.3m (2019: £4.5m). This represents 9.0 months (2019: 10.2 months) of budgeted, recurring core expenditure. As outlined in our reserves policy on page 31, we aim to hold unrestricted reserves of 6-18 months.



² Unrestricted reserves represents 15.3 months (2019: 13.7 months) of committed, recurring expenditure when measured using 2020 core expenditure levels as outlined in Note 6a.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Fauna & Flora International for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the company's auditors are unaware; and
- The Trustees have taken the necessary steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that you are aware of that information.

The Trustees' Annual Report and the Strategic Report contained therein were approved and authorised for issue by the Board of Trustees on 1st July 2020 and signed on its behalf by



Hugo van Vredenburg, Chair

Independent Auditor's Report to the Members of Fauna & Flora International

Opinion

We have audited the consolidated financial statements of Fauna & Flora International ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2020 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the Members of Fauna & Flora International

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Members of Fauna & Flora International

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 44, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

Independent Auditor's Report to the Members of Fauna & Flora International

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were anti-fraud, bribery and corruption legislation and General Data Protection Regulation (GDPR). We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates and judgements for biases, reviewing regulatory correspondence with the Charity Commission, sample testing of grant and contract income, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London U.K.

Date 10th August 2021

Financial Statements



Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account)

For the year ended 31 December 2020

	Notes	2020			2019	
		Unrestricted £	Restricted £	Endowment Funds £	Total £	Total £
Income and endowments from:						
Donations and legacies	3a, 3b	2,874,366	1,559,883	-	4,434,249	3,725,021
Charitable Activities		1,487,238	18,308,086	-	19,795,324	19,321,570
Investments		14,277	59,280	159	73,716	204,047
Other Trading Activities	21	2,032,601	586	-	2,033,187	5,451
Other		11,095	121,548	-	132,643	-
Total		6,419,577	20,049,383	159	26,469,119	23,256,089
Expenditure on:						
Raising funds		1,902,804	-	-	1,902,804	1,320,807
Charitable activities		2,384,124	19,755,990	-	22,140,114	21,412,337
Total	4a, 6a, 6b	4,286,928	19,755,990	-	24,042,918	22,733,144
Net gains/(losses) on investments		1,951	-	44,353	46,304	33,375
Net income/(expenditure)		2,134,600	293,393	44,512	2,472,505	556,319
Transfers between funds		(25,000)	25,000	-	-	-
Other gains/(losses)	4b	(330,533)	387,346	-	56,813	(46,554)
Net movement in funds		1,779,067	705,739	44,512	2,529,318	509,765
Reconciliation of funds:						
Total funds brought forward		4,721,754	11,411,547	622,927	16,756,228	16,246,463
Total funds carried forward	12	6,500,821	12,117,286	667,439	19,285,546	16,756,228

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

In 2019, unrestricted voluntary income was £3,387,168 (the remainder was restricted). In 2019, unrestricted charitable activities income was £1,229,927 (the remainder was restricted). In 2019, unrestricted investment income was £25,514 and endowment investment income was £264 (the remainder was restricted). In 2019, unrestricted income from other trading activities was £5,416 (the remainder was restricted).

In 2019, unrestricted charitable activities expenditure was £1,667,377 and endowment charitable activities expenditure was £126 (the remainder was restricted). In 2019, all expenditure on raising funds was unrestricted. In 2019, unrestricted other losses were £296,693 (the remainder was restricted). In 2019, unrestricted transfers were £14,789, with the remainder restricted.

Consolidated Balance Sheet

For the year ended 31 December 2020

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed Assets					
Tangible assets	7a	1,495,328	1,448,633	318,597	271,900
Intangible assets	7b	145,632	239,004	145,632	239,004
Investments	8	12,547,574	10,787,045	12,547,574	10,787,045
Total fixed assets		14,188,534	12,474,682	13,011,803	11,297,949
Current Assets					
Debtors	9	1,837,964	4,608,815	1,839,604	4,793,915
Cash at bank and in hand		4,650,654	3,377,759	3,831,794	2,747,709
Total current assets		6,488,618	7,986,574	5,671,398	7,541,624
Liabilities					
Creditors falling due within one year	10	(1,373,920)	(3,687,342)	(1,362,634)	(3,659,009)
Net Current Assets		5,114,698	4,299,232	4,308,764	3,882,615
Provisions for liabilities	11	(17,686)	(17,686)	(17,686)	(17,686)
Total net assets		19,285,546	16,756,228	17,302,881	15,162,877
The funds of the charity					
Unrestricted Funds					
Unrestricted funds	12	6,444,319	4,665,252	4,630,668	3,246,956
Designated funds		56,502	56,502	56,502	56,502
		6,500,821	4,721,754	4,687,170	3,303,458
Restricted funds	12	12,117,286	11,411,547	11,948,272	11,236,492
		18,618,107	16,133,301	16,635,442	14,539,950
Capital Funds					
Permanent endowment funds	12	667,439	622,927	667,439	622,927
Total Charity Funds		19,285,546	16,756,228	17,302,881	15,162,877

The surplus/(deficit) in respect of the parent charity only was £2,140,004 (2019: £409,437)

The attached notes form part of these financial statements.

Approved by the Board of Trustees and authorised for issue on 1 July 2021 and signed on its behalf by



Chair: Hugo van Vredenburg



Treasurer: Paul Baldwin

Consolidated Cash Flow Statement

For the year ended 31 December 2020

Statement of cash flows	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash flows from operating activities	16	3,384,387	1,260,506	3,196,401	1,116,211
Cash flows from investing activities	16	87,094	189,938	83,663	184,383
Cash flows from financing activities	16	(159,548)	(184,192)	(159,548)	(184,192)
		3,311,933	1,266,252	3,120,516	1,116,402
Reconciliation of Net Cash Flow to Movements in Net Funds					
Increase/(decrease) in cash in the year		3,311,933	1,266,252	3,120,516	1,116,402
Cash and cash equivalents at the beginning of the reporting period		12,777,873	11,871,861	12,147,823	11,376,394
Change in cash and cash equivalents due to exchange rate movements		(296,412)	(360,240)	(293,805)	(344,973)
Cash and cash equivalents at the end of the reporting period		15,793,394	12,777,873	14,974,534	12,147,823
Analysis of cash and cash equivalents					
		Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash at bank and in hand		4,650,654	3,377,759	3,831,794	2,747,709
Deposit accounts		11,142,740	9,400,114	11,142,740	9,400,114
		15,793,394	12,777,873	14,974,534	12,147,823

The attached notes form part of these financial statements.

Notes

1 Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements. FFI meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

a) Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments, and are in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective 1 January 2019 (The FRS 102 Charities SORP) and the Companies Act 2006.

b) Basis of consolidation

The consolidated financial statements comprise a consolidation of the financial statements of Fauna & Flora International and its fully owned subsidiaries, Fauna & Flora International Australia (Ltd), Fauna & Flora International USA Inc., Fauna & Flora International (South Africa) and Fauna & Flora International S.R.L.

c) Significant estimates or judgements

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of FFI's designated funds is set out in the Reserves Policy within the Trustees' Report. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes.

The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Permanent endowments are funds which are permanently restricted, details of which are set out in note 12 of the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

e) Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is entitled to the income, that receipt is probable and the amount can be quantified with reasonable accuracy. Income from donations is accounted for when received and legacy income is included in the accounts when the amount due can be quantified with reasonable probability and the timing of the receipt is known.

Grant income is recognised when all three recognition criteria are met (entitlement, probability and measurability). Income from performance related grants and contracts is included in the accounts to the extent that entitlement has been earned through performance of the contract.

f) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Project activity costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management and oversight delivered from UK contracted staff. Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are indirect costs related to the overall management and facilities of the organisation, Trustee administration of the charity and compliance with constitutional and statutory requirements.

g) Pension Contributions

The charitable company contributes to individual personal pensions for staff; contributions are charged to the profit and loss account as they become payable.

h) Finance and operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

i) Foreign Exchange

Assets and liabilities denominated in foreign currencies are translated into sterling on the balance sheet at the rates of exchange ruling at the year-end. Unrealised gains and losses on re-translation of monetary assets are shown as income or expenditure in line with FRS 102. Unrealised gains and losses of non-monetary assets are dealt with as part of the deficit or surplus on ordinary activities for the financial year. Gains and losses related to restricted projects cannot be allocated to specific projects. Therefore, these are accumulated in a foreign exchange revaluation fund and grouped with restricted reserves, as shown in note 12. These are then allocated to the relevant projects as they are completed.

j) Tangible Assets

Tangible assets are shown at cost less depreciation. Assets in use in the organisation are capitalised where the value of an individual item is greater than £3,000 and the asset has a long-term useful life. When items of portable equipment are acquired, such items that fall below this threshold may be capitalised. Where items are acquired from funding from restricted grants, these items will be treated in accordance with the grant requirements and therefore may well be fully expensed in the year of acquisition, rather than capitalised.

Depreciation is provided so as to write off the cost of tangible assets over their estimated useful lives at the following annual rates:

Fixtures and fittings	20 - 25% straight line
IT equipment	33% straight line
Software	20% straight line
Land & buildings <i>(buildings only, land not depreciated)</i>	5% straight line
Vehicles	20% straight line

k) Investments

Listed investments are included at the mid-market price as shown in the Stock Exchange Daily Official List as at close of business at the year end. The SOFA includes the net unrealised gains and losses arising on revaluations and realised gains and losses on disposals throughout the year.

l) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Deferred income

Deferred income relates to performance related grant and contract income where the conditions of the grant have not yet been met and therefore the Charity is not entitled to the income until a future period.

p) Financial instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and comprise cash and bank and in hand, short term cash deposits together with trade and other debtors excluding prepayments. Financial liabilities held at transaction value comprise the short and long term trade and other creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

q) Going concern

The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

2 Company Status

The company is limited by guarantee, not having share capital, and is also a registered charity; it is not liable to corporation tax. In the event of the charity being wound up, the liability in respect of guarantee is limited to £1 per member of the limited liability company.

3a Donations and legacies

	2020 £	2019 £
Individuals	3,244,936	1,354,755
Legacies	1,189,313	2,370,266
	<u>4,434,249</u>	<u>3,725,021</u>

3b Income

	Restricted £	Unrestricted £	Endowment £	2020 Total £	2019 Total £
Income Source					
Trusts & Foundations	11,738,061	859,475	-	12,597,536	10,962,774
Individuals	1,560,470	4,906,966	-	6,467,436	3,876,430
Government & Multilateral	5,315,100	9,081	-	5,324,181	6,947,640
Corporate	1,254,924	196,920	-	1,451,844	869,011
Membership	-	421,763	-	421,763	396,187
Other	121,548	11,095	-	132,643	-
Investment	59,280	14,277	159	73,716	204,047
Total	<u>20,049,383</u>	<u>6,419,577</u>	<u>159</u>	<u>26,469,119</u>	<u>23,256,089</u>

4a Expenditure

	2020 £	2019 £
Expenditure includes:		
Auditors' remuneration - audit	54,295	56,074
Auditors' remuneration - other	46,029	65,447
Depreciation	206,225	182,886
Operating leases: land and buildings	306,629	305,578

4b Other gains/(losses)

	2020 £	2019 £
Other gains/losses includes:		
Realised foreign exchange gains/(losses)	11,256	54,765
Unrealised foreign exchange gains/(losses)	45,557	(101,319)
	<u>56,813</u>	<u>(46,554)</u>

5 EMPLOYEE INFORMATION

5a Staff costs

	2020	2019
	£	£
Wages and salaries	8,766,901	7,837,796
Social security costs	890,696	837,169
Pension costs	474,276	394,641
	<u>10,131,873</u>	<u>9,069,606</u>

No redundancy payments were made in 2020 in the UK.

5b

	2020	2019
The average number of persons, analysed by function, employed during the year was:		
Project management	434	330
Fundraising	19	17
Administration	22	19
	<u>475</u>	<u>366</u>

5c

	2020	2019
Employees whose emoluments for the year were £60,000 or more are shown in the following bands:		
£60,001 - £70,000	6	5
£70,001 - £80,000	3	2
£80,001 - £90,000	2	1
£100,001 - £110,000	1	2
£110,001 - £120,000	1	1
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1
£150,001 - £160,001	1	-

The pension contributions to pension schemes for the higher paid staff were £96,369 (2019: £73,716).

The total value of salary and benefits received by key management personnel in 2020 was £709,061 (2019: £647,918).

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties unless formal approval has been received from the Charity Commission. In 2020, £292 (2019: £5,110) was reimbursed to, or paid on behalf of Trustees in respect of travel and subsistence during the year.

6a Analysis of Total Expenditure

	Staff costs £	Other costs £	Support costs £	Total 2020 £	Total 2019 £
Conservation Programme Area					
Africa	1,441,878	2,267,520	429,154	4,138,552	4,999,154
Asia Pacific	2,812,497	2,778,883	36,668	5,628,048	5,730,064
Americas & Caribbean	561,687	1,003,934	172,756	1,738,377	1,486,516
Eurasia	764,383	792,626	120,535	1,677,544	2,079,420
Conservation Partnerships	3,020,961	2,522,502	97,072	5,640,535	3,946,242
Foreign exchange (gain)/loss	-	293,803	-	293,803	344,973
Programmatic Activities	8,601,406	9,659,268	856,185	19,116,859	18,586,369
Core costs					
Fundraising costs	822,833	-	1,079,971	1,902,804	1,320,807
Support & administration costs	1,652,930	-	1,370,325	3,023,255	2,825,968
Total costs	11,077,169	9,659,268	3,306,481	24,042,918	22,733,144

The foreign exchange (gain)/loss is the revaluation of monetary assets arising from the organisation operating internationally.

6b Analysis of Support Costs

	Programme Activities £	Fundraising costs £	Operations & Governance costs £	Total 2020 £	Total 2019 £
Office rent & services	35,946	57	464,839	500,842	518,435
Equipment acquisition & maintenance	37,790	452	3,146	41,388	17,362
Grants	448,420	-	150,000	598,420	427,651
Conference attendance	6,633	3,179	34,474	44,286	115,348
Printing & publications	2,512	573,897	27,048	603,457	397,315
Bank charges and interest	2,244	36,211	15,826	54,281	28,655
Depreciation	415	28,073	80,297	108,785	105,073
IT, telephony & office supplies	41,161	75,208	207,209	323,578	229,407
Travel & Subsistence	37,996	23,669	55,568	117,233	374,474
Audit, Legal & Professional fees	156,027	308,986	299,622	764,635	470,750
Other costs	87,041	30,239	32,296	149,576	53,913
Total support costs	856,185	1,079,971	1,370,325	3,306,481	2,738,383

7a Tangible Fixed Assets (all group fixed assets are attributable to the charity, excluding the land & buildings)

	Fixtures & Fittings	IT Equipment	Land & Buildings	Vehicles	Total
	£	£	£	£	£
Cost:					
At 1 January 2020	4,239	59,126	1,176,733	495,441	1,735,539
Additions	8,228	26,824	-	114,896	149,948
Disposals	-	(9,537)	-	-	(9,537)
At 31 December 2020	12,467	76,413	1,176,733	610,337	1,875,950
Depreciation					
At 1 January 2020	2,119	59,126	-	225,661	286,906
Charge for year	1,060	894	-	101,299	103,253
On disposals	-	(9,537)	-	-	(9,537)
At 31 December 2020	3,179	50,483	-	326,960	380,622
Net book value:					
At 31 December 2020	9,288	25,930	1,176,733	283,377	1,495,328
At 31 December 2019	2,120	-	1,176,733	269,780	1,448,633

7b Intangible Fixed Assets (all group intangible fixed assets are attributable to the charity)

	Software	Total
	£	£
Cost:		
At 1 January 2020	519,733	519,733
Additions	9,600	9,600
Disposals	-	-
At 31 December 2020	529,333	529,333
Depreciation		
At 1 January 2020	280,729	280,729
Charge for year	102,972	102,972
On disposals	-	-
At 31 December 2020	383,701	383,701
Net book value:		
At 31 December 2020	145,632	145,632
At 31 December 2019	239,004	239,004

8 Fixed Asset Investments (all group fixed assets are attributable to the charity)

	2020	2019
	£	£
Movement during the year		
Market value as at 1 January	10,787,045	7,608,461
Net gains/(losses) during the year	46,304	33,375
Foreign exchange gains/(losses) during the year	43,841	85,305
Capital invested/(withdrawn) during the year	1,670,384	3,059,904
Total Investments at year end	12,547,574	10,787,045

Investments are represented by:

	2020	2019
	£	£
Fixed interest securities & equity shares	691,286	644,983
Cash deposit funds	11,142,740	9,400,114
Programme related investments	713,548	741,948
Total Investments held in the UK	12,547,574	10,787,045

The historic cost of investments as at 31 December 2020 was £12,456,288 (£2019: £10,742,062).

Programme related investments consists of land held in Ecuador with the intention of transferring it to a local organisation capable of preserving its conservation value.

9 Debtors

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	1,481,687	4,259,727	1,349,671	4,171,506
Amounts due from subsidiaries	-	-	137,968	277,550
Prepayments and accrued income	356,277	349,088	351,965	344,860
	1,837,964	4,608,815	1,839,604	4,793,916

All the above amounts fall due within one year.

10 Creditors

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Trade creditors	432,779	357,086	433,059	358,348
Tax and social security	541,543	327,883	535,886	324,239
Accruals and deferred income	399,598	3,002,373	393,689	2,976,422
	<u>1,373,920</u>	<u>3,687,342</u>	<u>1,362,634</u>	<u>3,659,009</u>

Accruals and deferred income includes the following:

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Deferred income at 1st January	2,707,365	2,174,429	2,707,365	2,174,429
Income deferred in year	65,823	2,707,365	65,823	2,707,365
Amounts released from previous years	(2,707,365)	(2,174,429)	(2,707,365)	(2,174,429)
Deferred Income at 31st December	<u>65,823</u>	<u>2,707,365</u>	<u>65,823</u>	<u>2,707,365</u>

11 Provisions

	At 01/01/2020	Provisions created / (released)	Provisions utilised	At 31/12/2020
	£	£	£	£
Land taxes payable	17,686	-	-	17,686
	<u>17,686</u>	<u>-</u>	<u>-</u>	<u>17,686</u>

Provision has been made in prior year for land tax in Ecuador that may be payable by FFI.

12 Reconciliation of funds

	Balance b/ fwd	Income	Expenditure	Other gains/ (losses)	Movements between funds	Balance c/fwd
	£	£	£	£	£	£
Unrestricted						
General unrestricted funds	4,665,252	6,419,577	(4,286,928)	(328,582)	(25,000)	6,444,319
Designated funds	56,502	-	-	-	-	56,502
Total unrestricted funds	4,721,754	6,419,577	(4,286,928)	(328,582)	(25,000)	6,500,821
Endowment funds						
Rothiemurchus Bequest Fund	32,148	159	-	2,441	-	34,748
Whitley Animal Protection Trust	590,779	-	-	41,912	-	632,691
Total endowment funds	622,927	159	-	44,353	-	667,439
Restricted funds						
Africa	883,516	3,709,156	(3,832,848)	(35,842)	1,758,145	2,482,127
Agricultural Landscapes	1,558	6,457	-	-	-	8,015
Americas & Caribbean	1,582,414	1,585,733	(1,558,807)	5,817	823,611	2,438,768
Asia-Pacific	2,668,103	3,914,636	(6,219,375)	60,333	1,526,868	1,950,565
Conservation Capacity and Leadership	238,391	1,600,099	(1,432,087)	(618)	(34,125)	371,660
Conservation Finance and Enterprise	379,633	716,895	(919,422)	63,602	-	240,708
Conservation Partnerships Development	426,615	66,912	(89,831)	-	-	403,696
Conservation Science and Design	3,213,687	6,671,189	(3,168,253)	274,935	(4,585,992)	2,405,566
Eurasia	1,969,762	1,023,467	(1,509,032)	(25,727)	483,829	1,942,299
Extractives & Development Infrastructure	20,998	754,839	(732,532)	7,762	52,664	103,731
Other (incl Foreign Exchange) Revaluation	26,870	-	(293,803)	37,084	-	(229,849)
Total restricted funds	11,411,547	20,049,383	(19,755,990)	387,346	25,000	12,117,286
Total Funds	16,756,228	26,469,119	(24,042,918)	103,117	-	19,285,546

The Rothiemurchus bequest stipulates that the Charity should:

- i. Hold the bequest and pay or apply part of the income thereof each year in assisting not more than one conservation project consistent with the aims of the Charity
- ii. Accumulate for as long as possible at least one quarter of the income, which should be added to the capital of the bequest.

The Whitley Animal Protection Trust M.G.P Fund represents a capital donation from the Whitley Animal Protection Trust, which stipulated that the capital should be invested and the income used for the protection of the mountain gorilla. Provision is made to maintain the relative value of the capital and to provide regular guaranteed income for the IGCP.

The restricted funds of the charity comprise unexpended balances on income given to specific purposes. In accordance with FFI's income recognition policy as outlined in Note 1 to the accounts, restricted funds in deficit have arisen where FFI is not sufficiently entitled to recognise income against ongoing work that is funded in arrears.

Transfers & Other gains and losses includes internal grants transferred from our Halcyon Land & Sea, Species and other internal portfolio funds to field based projects.

Included in the above are amounts for grants received from Fondation Segré (£241,879) and the Endangered Landscapes Programme (£104,009)

13 Analysis of Net Assets between Funds

	General Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£	£
Tangible Fixed Assets	35,218	-	1,460,110	-	1,495,328
Intangible Fixed Assets	145,632	-	-	-	145,632
Investments	2,726,322	-	9,228,687	592,565	12,547,574
Net current assets	3,554,833	56,502	1,428,489	74,874	5,114,698
Provisions	(17,686)	-	-	-	(17,686)
	<u>6,444,319</u>	<u>56,502</u>	<u>12,117,286</u>	<u>667,439</u>	<u>19,285,546</u>

14a Operating Lease Commitments

Annual commitments are as follows:	2020 £	2019 £
Land and buildings:		
Not later than one year	160,720	164,861
Later than one year and not later than five years	477,613	480,983
Later than five years	-	118,350
	<u>638,333</u>	<u>764,194</u>
Other operating leases:		
Not later than one year	69,980	75,265
Later than one year and not later than five years	243,439	251,749
Later than five years	-	60,432
	<u>313,419</u>	<u>387,446</u>

15 Related Party Transactions and Ultimate Controlling Party

The company is under the control of the Board of Trustees. There is no ultimate controlling party.

FFI holds a 51% controlling interest in Luambeze Investimentos Limitada (Luambeze), a limited liability company registered in Mozambique, registration number 100014343. Luambeze operates a conservancy concession within Niassa National Reserve, which it operates in conjunction with Chuilexi (see below) and is 100% funded by FFI. The minority interest in this company is immaterial to the Group, so it has not been adjusted for in the consolidated accounts.

FFI holds a 55% controlling interest in Chuilexi Conservação e Investimentos Limitada (Chuilexi), a limited liability company registered in Mozambique, registration number 100321041. Chuilexi operates a conservancy concession within Niassa National Reserve, which it operates in conjunction with Luambeze and is 100% funded by FFI. The minority interest in this company is immaterial to the Group, so it has not been adjusted for in the consolidated accounts.

FFI provides grant funding to the Northern Rangelands Trust (Kenya), OI Pejeta Conservancy (Kenya), Ya'axché Conservation Trust (Belize) and the International Gorilla Conservation Programme (Rwanda). Members of FFI's Senior Management Team are also directors of each of these organisations and a Trustee of FFI is a director of OI Pejeta. A member of FFI's Senior Management Team resigned as a director of the Sustainable Inshore Fisheries Trust in September 2019, at which point it ceased to be a related party. FFI incurred expenditure on behalf of, and was reimbursed by the East African Wildlife Society (Kenya), two members of FFI's Senior Management Team are also directors of this organisation. A Trustee of Cambridge Past, Present and Future was also a member of FFI's Senior Management Team until December 2019, at which point it ceased to be a related party.

CCI Services Ltd was established to manage the facilities and services provided to the Cambridge Conservation Initiative (CCI) partner organisations who occupy the David Attenborough Building. CCI Services Ltd recharges costs to each organisation on a pro rata basis. A member of FFI's Senior Management Team and a Trustee of FFI who resigned in September 2020 are also directors of CCI Services Ltd. A member of FFI's Senior Management Team is on The Cambridge Conservation Initiative Council, which provided grant funding to FFI. FFI also received funding from the Arcus Foundation, a Trustee of FFI is a senior employee of the Foundation. FFI received funding from The Mohamed bin Zayed Species Conservation Fund, a Trustee of FFI, who stood down in April 2020 is also a Trustee of the Fund, at which point it ceased to be a related party. FFI received funding from Fondation Segré, a Trustee of FFI, who was appointed in September 2020 is a Director of the Fondation, at which point it became a related party.

FFI pays licence fees to OMC Investments Ltd in relation to FFI's London office. An immediate member of family of one of FFI's Senior Management Team members is a director of OMC Investments Ltd. The licence agreement terms are equivalent to those that prevail in arm's length transactions and the licence fees paid are at open market rates.

	2020	2019
	£	£
Grants received from related parties - Arcus Foundation		
Arcus Foundation	243,028	583,171
Cambridge Conservation Initiative Council	38,685	4,395
Fondation Segré	241,879	-
The Mohamed bin Zayed Species Conservation Fund	9,358	-
Grants made to related parties		
Oi Pejeta Conservancy	353,948	80,881
Chuillexi Conservação e Investimentos Limitada	519,340	639,909
Luambeze Investimentos Limitada	252,526	309,301
Northern Rangelands Trust	246,301	14,345
International Gorilla Conservation Programme (IGCP)	178,844	252,217
Ya'axché Conservation Trust	248,666	31,465
Sustainable Inshore Fisheries Trust	-	6,500
Donations received from		
- Trustees & Related parties	350,997	53,775
Amounts owing from subsidiary undertakings		
- Fauna & Flora International Australia	110,291	8,184
- Fauna & Flora International South Africa	78,187	77,500
- Fauna & Flora International USA Inc	165,105	191,866
Expenditure paid on behalf of related parties		
- East African Wildlife Society	3,571	2,682
- Cambridge Past, Present and Future	-	130
Reimbursement of expenditure from related parties		
- International Gorilla Conservation Programme (IGCP)	4,175	3,105
- East African Wildlife Society	590	1,843
- Oi Pejeta Conservancy	53	1,112
- Botanic Gardens Conservation International Ltd	-	808
Lease & service fees		
- CCI Services Ltd	106,866	129,653
- OMC Investments Ltd	48,226	16,874

16 Cash Flow Information

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
a) Reconciliations of changes in resources to net inflow from operating activities				
Net incoming resources	2,529,318	509,765	2,140,004	409,438
Depreciation charge	206,225	182,886	206,225	182,886
Investment income (shown separately in (b) below)	(87,094)	(189,938)	(83,663)	(184,383)
(Increase)/decrease in debtors	2,770,851	44,283	2,954,311	35,227
Increase/(decrease) in creditors	(2,313,422)	367,881	(2,296,375)	338,388
Change in fixed asset investments valuation	(46,304)	(33,375)	(46,304)	(33,375)
Unrealised currency revaluation (gain)/loss on non-monetary assets	31,010	23,056	28,400	23,056
Unrealised currency revaluation (gain)/loss on monetary assets	293,803	355,948	293,803	344,974
Net cash inflow/(outflow) from operating activities	<u>3,384,387</u>	<u>1,260,506</u>	<u>3,196,401</u>	<u>1,116,211</u>
a) Gross cash flows				
<i>Returns on investment and servicing of finance:</i>				
Investment income received	<u>87,094</u>	<u>189,938</u>	<u>83,663</u>	<u>184,383</u>
<i>Capital expenditure and financial investment:</i>				
Payment to acquire tangible and intangible fixed assets	(159,548)	(193,840)	(159,548)	(193,840)
Payments to acquire fixed asset investments	-	(600,000)	-	(600,000)
Receipts from sales of fixed asset investments	-	609,648	-	609,648
	<u>(159,548)</u>	<u>(184,192)</u>	<u>(159,548)</u>	<u>(184,192)</u>

17 Summary income and expenditure account for the year ending 31 December 2020

	All income funds 2020 £	All income funds 2019 £
Income	26,395,403	23,052,041
Gains/(losses) on investments	-	-
Interest and investment income	73,557	203,783
Gross income in the reporting period	<u>26,468,960</u>	<u>23,255,824</u>
Expenditure	23,777,929	22,592,129
Interest payable	-	-
Depreciation and charges for impairment of fixed assets	206,225	182,886
Total expenditure in the reporting period	<u>23,984,154</u>	<u>22,775,015</u>
Net income (expenditure) before tax for the reporting period	2,484,806	480,809
Tax payable	-	-
Net income (expenditure) for the financial year	<u>2,484,806</u>	<u>480,809</u>

The summary income and expenditure account is a Companies Act and FRS102 requirement and is derived from the corresponding figures in the SOFA with the exclusion of endowment funds.

18 Charity Statement of Financial Activities

				2020	2019
	Unrestricted	Restricted	Endowment	Total	Total
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	2,812,067	1,570,993	-	4,383,060	3,769,855
Charitable Activities	904,459	18,150,673	-	19,055,132	18,791,015
Investments	10,846	59,280	159	70,285	198,492
Other Trading Activities	2,032,601	586	-	2,033,187	5,451
Other	-	121,548	-	121,548	-
Total	5,759,973	19,903,080	159	25,663,212	22,764,813
Expenditure on:					
Raising funds	1,802,510	-	-	1,802,510	1,320,191
Charitable Activities	2,210,532	19,605,989	-	21,816,521	20,998,365
Total	4,013,042	19,605,989	-	23,619,031	22,318,556
Net gains/(losses) on investments	1,951	-	44,353	46,304	33,374
Net income/(expenditure)	1,748,882	297,091	44,512	2,090,485	479,631
Transfers between funds	(25,000)	25,000	-	-	-
Other Recognised Gains and Losses					
Other gains/(losses)	(340,170)	389,689	-	49,519	(70,194)
Net movement in Funds	1,383,712	711,780	44,512	2,140,004	409,437
Total funds brought forward	3,303,458	11,236,492	622,927	15,162,877	14,753,440
Total funds carried forward	4,687,170	11,948,272	667,439	17,302,881	15,162,877

19 Prior year Reconciliation of Funds Statement

	Balance b/fwd £	Income £	Expenditure £	Other gains/ (losses) £	Movements between funds £	Balance c/fwd £
Unrestricted						
General unrestricted funds	3,267,795	4,648,025	(2,988,184)	(292,137)	29,753	4,665,252
Designated funds	101,044	-	-	-	(44,542)	56,502
Total unrestricted funds	3,368,839	4,648,025	(2,988,184)	(292,137)	(14,789)	4,721,754
Endowment funds						
Rothiemurchus Bequest Fund	29,804	264	(126)	2,206	-	32,148
Whitley Animal Protection Trust	564,167	-	-	26,612	-	590,779
Total endowment funds	593,971	264	(126)	28,818	-	622,927
Restricted funds						
Africa	705,001	4,125,372	(4,953,345)	(13,891)	1,020,379	883,516
Agricultural Landscapes	19,644	8,091	(26,177)	-	-	1,558
Americas & Caribbean	1,691,284	842,286	(1,545,973)	4,852	589,965	1,582,414
Asia-Pacific	2,990,160	5,278,852	(6,477,583)	31,323	845,351	2,668,103
Conservation Capacity and Leadership	316,844	773,440	(834,766)	2,011	(19,138)	238,391
Conservation Finance and Enterprise	448,223	873,884	(955,919)	13,445	-	379,633
Conservation Partnerships Development	406,164	121,504	(101,053)	-	-	426,615
Conservation Science and Design	3,128,557	4,342,932	(1,711,743)	319,870	(2,865,929)	3,213,687
Eurasia	1,917,965	1,627,858	(2,018,304)	(1,918)	444,161	1,969,762
Extractives & Development Infrastructure	183,650	613,581	(774,998)	(1,235)	-	20,998
Other (incl Foreign Exchange) Revaluation	476,161	-	(344,973)	(104,318)	-	26,870
Total restricted funds	12,283,653	18,607,800	(19,744,834)	250,139	14,789	11,411,547
Total Funds	16,246,463	23,256,089	(22,733,144)	(13,180)	-	16,756,228

20 Prior Year Funds Analysis Statement

	General Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total £
Tangible Fixed Assets	2,119	-	1,446,514	-	1,448,633
Intangible Assets	239,004	-	-	-	239,004
Investments	2,726,322	-	7,468,158	592,565	10,787,045
Net current assets	1,715,493	56,502	2,496,875	30,362	4,299,232
Provisions	(17,686)	-	-	-	(17,686)
	4,665,252	56,502	11,411,547	622,927	16,756,228

21 People's Postcode Lottery (PPL) Income

	2020	2019
	£	£
Ticket Value	6,344,424	-
Prize fund	2,537,769	-
Management fee	1,776,439	-
Net proceed received	<u>2,030,216</u>	<u>-</u>

During the year FFI UK received the proceeds of lotteries held by PPL. FFI has no ability to alter the price of tickets, determine the prizes or reduce the management fee. As such, PPL is treated as acting as the principal, and so only net proceeds due to FFI UK are recognised under lottery promotions in the statements of financial activities. The net proceeds received are analysed as shown above.



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