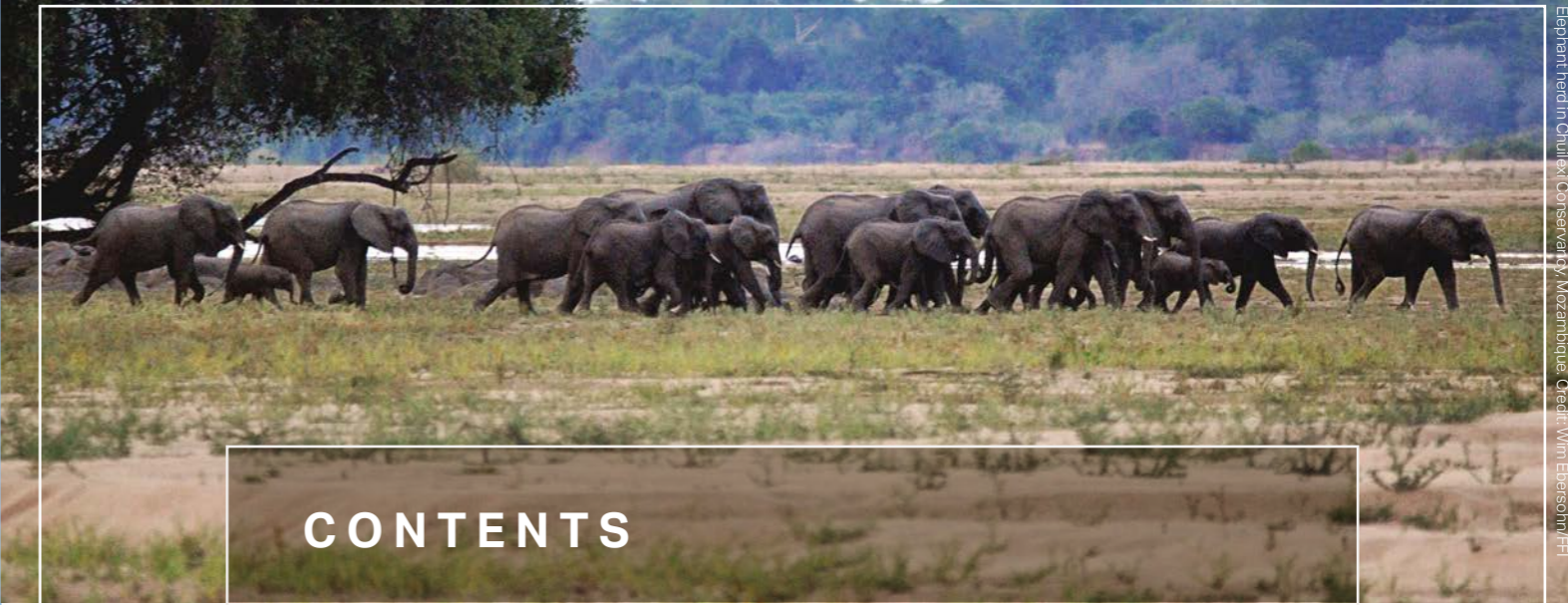




Annual Report and Accounts 2019



Ziyuan fir cone, China. Credit: Ding Tao/Guangxi Institute of Botany



Elephant herd in Chitika Conservancy, Mozambique. Credit: Wim Ebersohn/FFI

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Message from the Chairman



'May you live in interesting times.' This ambiguous phrase is said by some to be the translation of an old Chinese curse, but whatever its origins, there is no doubt we are witnessing a global crisis that is unprecedented in modern history. The Covid-19 pandemic that is currently sweeping across the entire world has put our everyday concerns into perspective and made us appreciate the value of friends and family.

Paradoxically, the enforced isolation and social distancing that we are all enduring has also brought the Fauna & Flora International (FFI) family closer together. The strengthening of the bonds between staff, partners and supporters that was evident as this crisis unfolded is testament to the mutually supportive approach that is central to FFI's ethos and pivotal to our success.

And that same spirit of collaboration and collective commitment to defying the odds were pivotal to our success in 2019. Biodiversity loss featured regularly in the news, but the positive stories from FFI's programmes across the globe provided ample evidence that we are bucking the trend.

The year began (and ended) with a flurry of good news stories about many of Vietnam's critically endangered primate species. The latest surveys indicate that numbers of Cat Ba langur, cao vit gibbon, Delacour's langur, Tonkin snub-nosed monkey and western black crested gibbon are stable or increasing. All these species remain on the critical list, but in the context of the severe and ongoing threats to Vietnam's primates, these survey results are a genuine cause for optimism.

In June, Mozambique's Niassa National Reserve, one of Africa's last great wilderness areas where FFI has been working for almost two decades, celebrated an extraordinary landmark: an entire year during which not a single elephant was recorded killed by poachers.

I am happy to report that aerial surveys conducted in 2019 recorded an encouraging increase in all three saiga antelope populations in Kazakhstan, where FFI is working to protect this critically endangered antelope from poaching and illegal trade. With support from the Species Fund, FFI has focused its conservation efforts on the smallest, remotest and most threatened population, which many had written off as a lost cause.

Gratifyingly, this population has enjoyed a particularly strong resurgence.

In August, FFI staff helped make the case for the tiny, dazzling and critically endangered Union Island gecko – threatened by habitat loss and the trade in live reptiles – to be granted official protection under CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora). FFI and partners are already doing sterling work to protect the gecko on the ground in St Vincent & the Grenadines, but the CITES listing helps by closing a trade loophole. Given the recent surge in demand for this and other Caribbean reptiles, the decision could not have been timelier.

We ended 2019 with news of a record high: the global mountain gorilla population has grown to 1,063, the culmination of four decades of concerted conservation action. Worryingly, the coronavirus poses a serious new threat to these great apes, in terms of disease transmission and the loss of vital income from gorilla tourism.

The wider repercussions of the Covid-19 crisis will be felt for some time to come, and it will pose major operational and financial challenges for all of us. FFI is no stranger to operating in difficult conditions and, with the continuing assistance of our generous supporters and the imagination and energy of our staff and partners, I have every confidence that the organisation will rise to this latest challenge.

After more than a decade as chair of the board of trustees, I will be formally stepping down in 2020. It has been an honour and a privilege to work with such a talented and passionate group of people, and I am grateful to all of FFI's staff and trustees, both past and present, for their friendship and inspiration.

Finally, I would like to record my heartfelt thanks to all those generous donors, both large and small, without whom none of FFI's work would be possible. As we confront the uncertainties of the current health and economic crisis, your support is more crucial than ever.

Andrew Sykes

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

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.

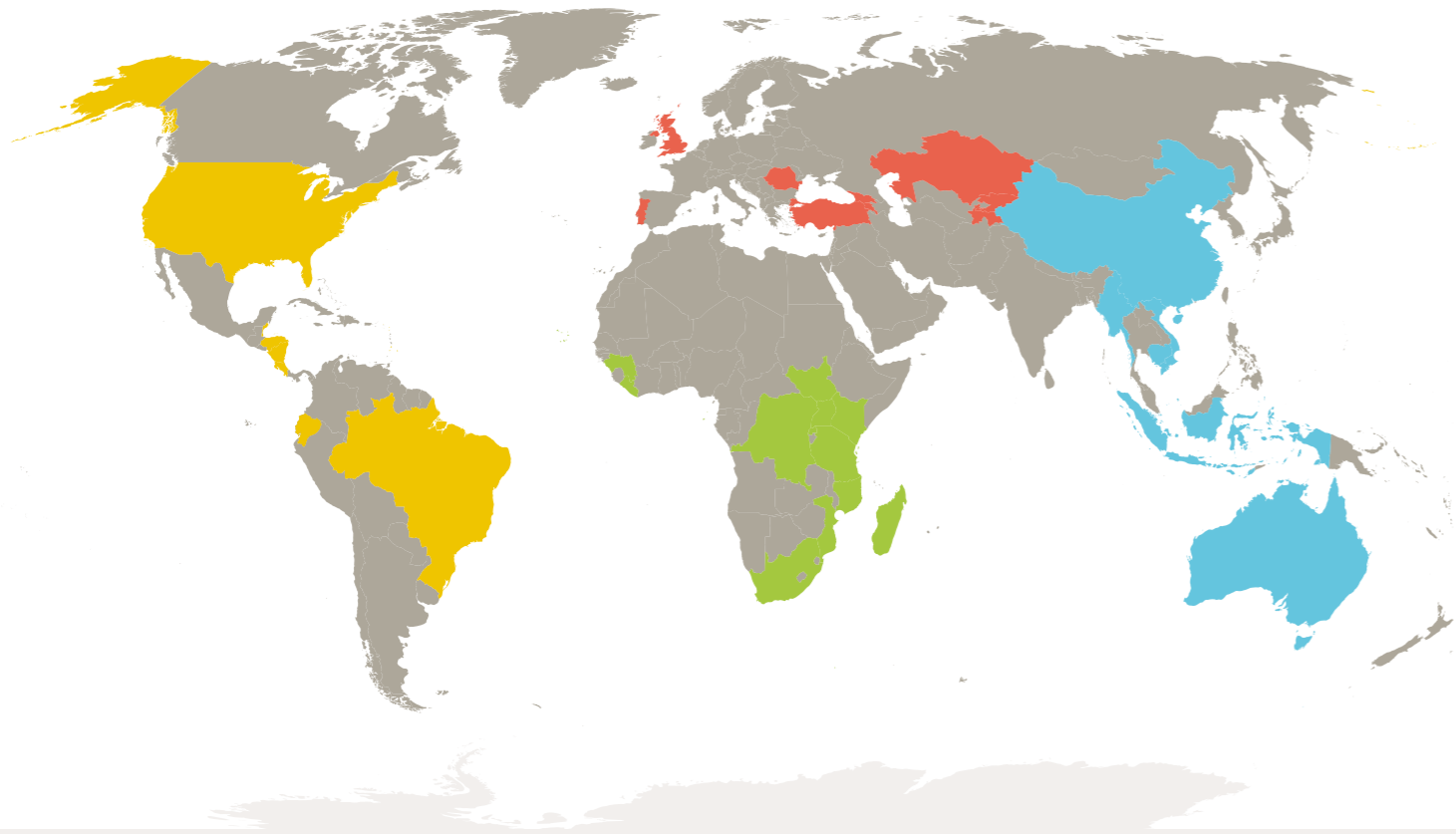
By working with communities to develop sustainable livelihoods and appropriate governance mechanisms alongside practical solutions to conservation problems, we help to ensure local support for – and ownership of – conservation activities, thereby increasing the probability of long-term success.

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
Ecuador
Honduras
Nicaragua
St Kitts & Nevis
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

Armenia
Georgia
Kazakhstan
Kyrgyzstan
Portugal
Romania
Tajikistan
Turkey
United Kingdom

ASIA-PACIFIC

Australia
Cambodia
China
Indonesia
Myanmar
Vietnam

2019 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 2019 Conservation Report, which is available on our website.

AMBITION 1: THRIVING SPECIES

Securing threatened species populations

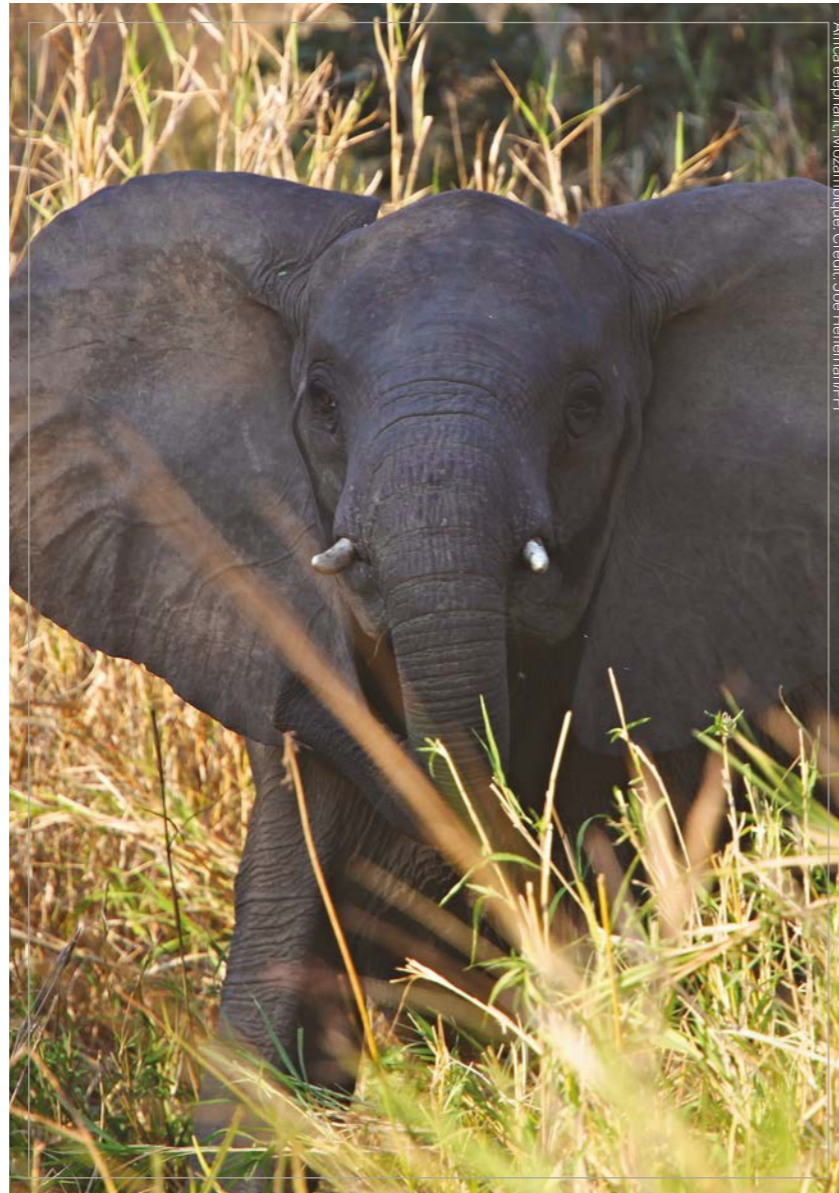
FFI has a long and distinguished track record in bringing endangered species back from the brink, either by protecting their habitat or through direct interventions such as combating illegal wildlife trade.

Species benefiting from our work in 2019 included some of the world's most iconic wildlife such as mountain gorillas, Sumatran tigers and African elephants, as well as obscure Vietnamese primates, a critically endangered Caribbean conifer and saiga antelope in Kazakhstan.

2019 at a glance

- **55 of our projects had a specific focus on species conservation.**
- **Over one million tree seedlings were grown or planted, over 11,000 of which were from threatened species. At least a further 1,100 plant species were also planted.**
- **Over 44,000 turtle hatchlings were protected and released.**
- **Action plans were produced for 23 species.**
- **43 of our projects undertook activities to address illegal wildlife trade.**

For an entire 12 months, not a single African elephant was poached across Mozambique's vast Niassa National Reserve, the result of swift intervention, coupled with high-level government support and the strengthening of anti-poaching activities.



Africa elephant, Mozambique. Credit: Jose Heffernan/FFI

CASE STUDIES

VIETNAMESE PRIMATE SUCCESS

Surveys conducted in 2019 indicate that several of Vietnam's most critically endangered primates have taken a small but significant step back from the brink. Cao vit gibbon numbers have rebounded to an estimated 135 individuals – a 20% increase over the past decade. The world's second largest Delacour's langur population has almost doubled to 73 individuals since it was discovered by FFI four years ago. The largest known population of the Tonkin snub-nosed monkey – found only in northern Vietnam – has virtually trebled in number since FFI and partners first came to its rescue. All these species remain on the critical list, but in the context of the severe and ongoing threats to Vietnam's primates, these survey results are highly significant.



Delacour's langur, Vietnam. Credit: Nguyen Van Trung



Male saiga. Credit: Victor Tyshin/Adobe Stock

SAIGA POACHING CRACKDOWN

The saiga antelope population has yo-yoed wildly over the past few decades, including a dramatic mass die-off back in 2016. In Kazakhstan, FFI is working to protect this critically endangered antelope from poaching and illegal trade, one of the main drivers of its decline. Focusing on the smallest, remotest and most threatened population – previously written off by others as unviable – we are supporting the deployment of rangers and more stringent border checks, including the use of sniffer dogs. In 2019 the authorities seized over one tonne of saiga horn and detained 18 members of a criminal gang. Aerial surveys recorded an encouraging increase in the country's three saiga populations; overall numbers have doubled in just two years. The small but crucial Ustyurt Plateau population on which FFI is concentrating its efforts witnessed a 120% increase from 2,700 to 5,900 individuals.

AMBITION 2: RESILIENT ECOSYSTEMS

Conserving threatened habitats

Our project locations around the world encompass temperate and tropical forest, grasslands and deserts, limestone caves, 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 2019 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.

2019 at a glance

- **We influenced conservation across almost 48 million hectares of important habitat, including over seven million hectares where we worked directly on the ground.**
- **This included over 330,000 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 96 sites.
 - Supporting over 1,000 rangers across our projects.
 - Helping to produce 49 site-management plans.
 - Helping to restore habitat at 30 sites.
 - Helping to carry out invasive species control at 16 sites.

FFI's efforts to safeguard forest ecosystems and combat climate change through our REDD+ projects led to the first sale of carbon credits at a village site in Indonesia, enabling that community to see the direct financial benefit of keeping its forest standing.



Ulu Masen Forest, Aceh, Indonesia. Credit: Juan Pablo Morales/FFI

CASE STUDIES

MANGROVE PROTECTION IN HONDURAS

Mangrove forests have been subject to more degradation and destruction than any forest type on Earth over the last 50 years. The protection and restoration of mangroves is critical to the fight against climate change, to the livelihoods and food security of coastal communities, and to biodiversity conservation. Mangrove ecosystems lock up vast amounts of carbon – and up to ten times more efficiently than terrestrial forests. Their root systems provide nurseries for juvenile marine life, form a vital barrier against storm surges, flooding and erosion, and prevent river sediments from reaching the ocean and smothering other habitats such as coral reefs.

In Honduras, FFI and our partners secured increased legal protection for 6,500 hectares of mangrove forest that was threatened with clearance for tourism development and agricultural expansion, as well as establishing a mangrove monitoring programme. An additional 20 hectares of mangrove have been restored with the participation of communities.



Cayos Cochinos National Marine Monument, Honduras. Credit: Vanca Russell/FFI

UNLOCKING SOUTH SUDAN'S SECRETS

FFI has been a constant presence in South Sudan for the past decade, despite the civil unrest that continues to blight the country. Focusing on Western Equatoria, we work closely with communities and government officials in order to build bridges, defuse conflict and secure commitment to a common conservation goal. Mercifully, South Sudan's protected areas, including the vast Southern National Park – one of Africa's last great wildernesses – have remained largely unscathed. An extensive camera-trapping programme has begun to unlock their secrets, confirming South Sudan as a vital haven for threatened species that are in steep decline elsewhere on the continent. Our ultimate aim is to restore effective conservation management across this extensive network of protected areas and safeguard the biodiversity they harbour, including key populations of some of Africa's most iconic species.



Pantoli, South Sudan. Credit: Ivan de Kieff

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 2019 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.

2019 at a glance

- We disbursed over £4.3 million in grants to local conservation organisations.
- 247 organisations (across the full breadth of our partner types) received some form of direct capacity development support.
- At least 4,100 individuals received conservation training, including partner staff, students and members of local communities.
- We supported the establishment of three new organisations, and supported or established at least 126 community-based organisations.
- We helped at least 16 organisations to source their own funds independently of direct support from FFI.

By enabling communities to secure a fair price for their products, FFI has encouraged re-adoption of traditional farming practices such as beekeeping in Romania's Zarand landscape, helping to safeguard a corridor of habitat that is crucial for large carnivores.



Traditional bee-keeping, Romania. Credit: Olivia Bailey/FFI

CASE STUDIES

WEAVING FOR TURTLES

Launched in 2007, *Weaving for Nature* has successfully contributed to FFI's long-term turtle conservation programme in Nicaragua. By incentivising collection and repurposing of harmful plastic waste by women's weaving groups, the initiative has provided families of marginalised communities previously reliant on egg poaching with an alternative form of livelihood and changed local attitudes to turtles. A 2019 report reflecting on the successes and challenges of the scheme found that poaching has been largely eliminated. Plastic pollution levels on and around nesting beaches have decreased, thereby reducing the risk of turtles consuming plastic. Household income has increased, with an average US\$125 extra per month (over half the average monthly income) channelled back to each weaver. Women within these communities were a disadvantaged group; the initiative has given them a common purpose, improved their social status and boosted their sense of empowerment.



Women weaving plastic into handicrafts, Nicaragua. Credit: Adam Pearson/FFI

STRENGTHENING A GLOBAL MOVEMENT

FFI took a leading role in the organisation and delivery of the three-day Capacity Building for Conservation Global Conference, held in London. This was the fourth in a series of international meetings aimed at exploring how best to support the conservation sector in scaling up its skills-development activities to tackle the serious global environmental issues we face. FFI delivered the opening keynote speech, presented numerous talks, and organised and participated in a large World Café-style workshop as well as a marketplace hosting pop-up exhibition tables, at which we showcased the Capacity for Conservation website. Created to provide conservation organisations globally with access to online support, shared resources and expertise on a single platform, the site now has over 2,000 registered users from over 190 countries.



Romania enjoys a vast floral diversity. Credit: A. Dimant/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 2019 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.

FFI conducted over 50 studies of large-scale and artisanal mining practices within forest landscapes across 26 countries, summarising the results in a series of reports alongside a call for companies to embrace smarter ways of mining within fragile forests.

2019 at a glance

- We engaged with policy-makers in 65 of our projects.
- We contributed to the development of at least 25 conservation laws, regulations or government-level strategic plan.
- We engaged with the corporate sector in 60 projects.
- We partnered directly with 14 multinational businesses and six national subsidiaries on biodiversity issues.
- Our awareness or outreach activities reached at least 250 communities and over 26,700 community members.
- Our sustainable livelihood activities directly benefited 9,000 people.
- We engaged or supported over 250 communities on conservation issues.



Evidence of mining, Guyana. Credit: Jeremy Holder/FFI

CASE STUDIES



Union Island gecko, Union Island. Credit: Jeremy Holder/FFI

EXTRA INSURANCE FOR A CARIBBEAN JEWEL

The dazzling but critically endangered Union Island gecko was afforded the highest level of protection under CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) after FFI helped make the case for its inclusion on the protected list. Fewer than 10,000 Union Island geckos remain in the wild. The tiny reptile's entire range – around 50 hectares of forest habitat in St Vincent & the Grenadines – has been heavily scoured by collectors seeking to profit by illegally supplying the gecko to overseas markets. FFI's partners are working hard to safeguard the species in situ, but the CITES decision will give this miniature gem of a reptile the extra protection it needs by empowering authorities to take action in the countries driving the demand.

PLASTIC POLLUTION CRISIS

A report co-authored by FFI quantified, for the first time, the disastrous impact of plastic pollution on human health, revealing that up to one million people in the developing world are dying every year as a result of the mismanagement of plastic and other waste. Entitled *No Time to Waste*, it lays bare the environmental destruction, sickness, mortality and damage to livelihoods caused by the proliferation of single-use plastics. The report provides a wake-up call about the interconnected threat that plastic pollution poses to marine, human and planetary health, including its contribution to the climate crisis, and outlines what actions governments, individual citizens and, in particular, multinational corporations should be taking collectively to tackle the crisis. Its publication led to FFI being invited to attend an All-Party Parliamentary Group event focusing on plastic waste alongside vice-president Sir David Attenborough.



Plastic waste on lakeshore. Credit: Stephanie Grotz/FFI

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 2019 we strengthened our communications team, carried out essential activities to build a solid launchpad for that growth, and also saw some significant successes.

2019 at a glance

- We recruited a social media specialist to drive growth and engagement, and reached over three million people on FFI's digital channels.
- We had more than 444,000 visitors to FFI's website – up 18% from the previous year – and additional investment enabled us to enhance the integration of the site with our fundraising database, create a more seamless user experience for supporters wishing to donate online, and provide them with more control and ways to stay in touch.
- We revitalised our supporter publications to bring them up to date with current best practice and inject them with a personality that reflects our organisational ambitions, resulting in a dramatic rise in the income they generated.
- We secured significant media coverage around key FFI programme activities and news stories, including national newspaper articles, online publications, radio broadcasts and TV interviews.

Our plastic pollution report, *No Time to Waste*, was profiled in major publications, including a front-page *Daily Telegraph* article featuring FFI vice-president Sir David Attenborough, and on *Sky News*. The potential reach of this coverage was estimated at over 100 million people.



Credit: Gill Shaw

AMBITION 6:

Investing in our people

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

In 2019 we completed much of the preparatory work that will provide the springboard to turn those strategic priorities into concrete action.

2019 at a glance

- We undertook an organisation-wide consultation exercise to solicit staff contributions towards the development a set of global values that characterise and promote a 'One FFI' culture. These interconnected and interdependent values will embody how we work together and interact with others, help to differentiate FFI as an organisation, and ensure that we are all working effectively towards a common purpose.
- Incorporating findings from our annual UK Employee Engagement Survey, we began work on some of the key initiatives that we have identified to meet our ambition, including implementing equality training, a review of job roles and levels across the organisation to develop a global job level structure, which will in turn ensure a transparent framework for pay setting and career progression, and upgrading of our internal HR information management system.
- We ran 31 internal training events to address common areas of need, supported 40 FFI staff to attend an additional five external training events, and designed and delivered three bespoke training programmes for regional teams, two in the UK and one in Cambodia.



Staff and community members in Romania. Credit: Gill Shaw

AMBITION 7:

Securing the resources we need

Ensuring diverse and resilient income streams to support our ambitious growth plans over the next five years will be central to FFI's success.

In 2019, our priorities included securing a higher proportion of unrestricted funds, growing income from individuals, trusts and foundations and statutory sources, expanding our international donor base, and maintaining a pipeline of resources to our major long-term projects.



2019 at a glance

- We increased the proportion of unrestricted funds to 20% of income, due to the receipt of a substantial legacy gift.
- We put in place the requisite systems and processes to accept and process international donations, widened our lead generation activity to include the USA, and added 32,000 new US subscribers to our expanding e-news subscriber base.
- We continued to develop and grow our Conservation Circle – an international group of committed major donors, who themselves help us to increase our network, influence and funding.
- We forged new partnerships with an impressive network of Trusts and Foundations throughout Europe and secured significant new grants from major US foundations.
- Funding from government and multilateral sources grew by approximately 50%, reflecting FFI's expanding portfolio of projects and the availability of new multilateral funding streams, and our statutory funding team expanded to support and capitalise on this growth.
- We met our year-end target to have at least seven months core operating costs (excluding any one-off investments) in our reserves, which enabled us to release a significantly increased level of funding (total US\$3.4m) towards our Halcyon Land & Sea and Marine Programmes.
- We made significant progress in the development of sustainable financing initiatives for long-term projects, including ecotourism at OI Pejeta Conservancy and Chuilexi Conservancy.

CASE STUDIES

WILL POWER

2019 proved to be an extremely successful year for legacies. In August we received US\$2.75m from the estate of Mr Albert Wooldrige, who chose to bequeath this sum to FFI after seeking advice from our long-standing vice-president, Sir David Attenborough regarding the most suitable destination for his intended gift to the future of conservation. We owe a tremendous debt of gratitude to Mr Wooldrige, to his family and, of course, to Sir David. It was also a year in which the number of supporters pledging to leave a gift to FFI climbed to new heights; it is extremely gratifying to record that we now have over 400 supporters who have expressed a wish to support the organisation in this incredibly personal way.



SUPPORTER PUBLICATIONS

The decision to commission a radical makeover for FFI's flagship supporter publication – complete with new name – paid handsome dividends. Our redesigned annual magazine, published in November, was not only favourably received by supporters, but also led to a dramatic increase in the level of donations generated from individual and institutional recipients. The 2019 magazine has raised over £28,000, virtually a sixfold increase on the previous year – with a further £40,000 already pledged for subsequent years. The three 2019 issues of *Update* – the redesigned newsletter that complements the magazine – generated an additional £59,000 in donations.

Plans for the future

2020 now looks set to be the year in which everything changes. The impact of the global pandemic on our civilisation, and on conservation specifically, will be profound. FFI is now fully engaged with our projects and partners worldwide in responding not only to the immediate emergency, but also to the long-term opportunity to redefine our future relationship with nature, which will be crucial in re-establishing societal and planetary health.

Amid this crisis, our strategic ambitions – to achieve significant and lasting global conservation impact and respond to the growing evidence of the links between biodiversity loss and climate change – are more valid than ever. In 2020 we anticipate consolidating our site-based work in 30 priority land- and seascapes globally, where we are committed to working closely with local stakeholders and partners to develop tailored solutions that deliver long-term, measurable conservation gains. We will continue to address local threats to species and habitats by strengthening protected areas and community engagement, building partners' capacity, improving farmer livelihoods and enabling green enterprises, while adding new layers of work centred on sustainable financing opportunities at landscape level and climate adaptation. We anticipate that these will be complemented by the initiation of a new three-year programme of work to strengthen internal monitoring, evaluation and learning capacity across our project portfolio.

The World Economic Forum in Davos in January 2020 saw FFI engage in influencing strategic policy relating to biodiversity-climate linkages with a presentation on nature-based solutions to climate change as part of a Cambridge Conservation Initiative delegation, demonstrating the value of this collaboration as a globally significant voice. We also anticipate high-level policy engagement linked to our forthcoming report on the risks of deep-sea mining, and our call for a moratorium.

The Covid-19 pandemic has blown apart the timetable for the eagerly anticipated 'mega-year' for biodiversity, with key events pushed back to 2021, but FFI will re-engage with these at the earliest opportunity.

We anticipate rapidly increasing interest in natural climate solutions among corporate partners, particularly in the oil and gas and mining sectors, as commitment to net-zero emissions grows. We will work closely with them to ensure that decarbonisation strategies are prioritised and that nature-based solutions are appropriately applied. The growing market for carbon offsets is expected to boost demand for the carbon credits generated through FFI's REDD+ projects.

Tackling illegal wildlife trade at all points of the supply chain will be a key priority; the 2020 pandemic is shining a spotlight on zoonotic disease transmission and FFI is calling for an end to high-risk wildlife trade, while emphasising the dangers of blanket bans that inadvertently undermine community-based conservation initiatives.

Structure, governance and management



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, Singapore, 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.



Watts anole, Bird Island, Antigua. Credit: Jeremy Holder/FFI

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.

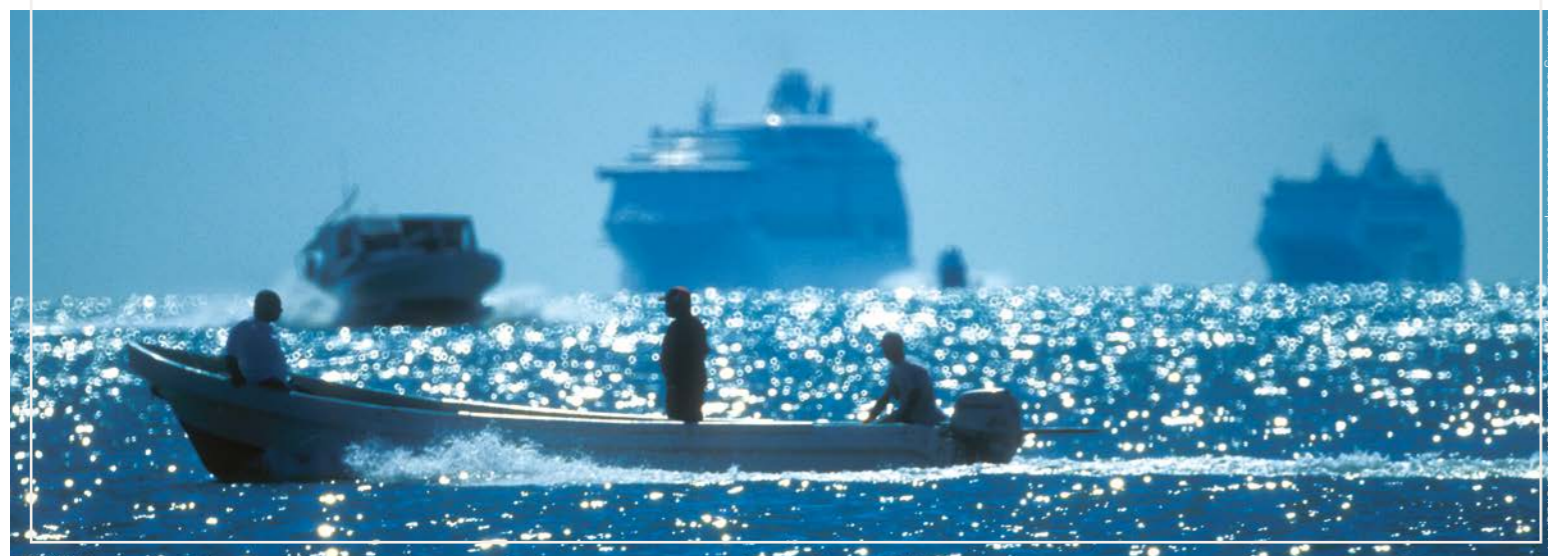
The Charity Governance Code

Council recognises that FFI is best placed to achieve its mission and objectives if the organisation has effective, accountable and transparent governance structures and processes. It believes its practices and thinking reflect the Code's seven principles and is working towards full adoption of the Code to further strengthen its ability to provide strategic leadership in line with the Charity's values and aims.

The Leadership and Board Effectiveness principles of the Code call for a Chair who can lead the trustee board, planning its work and meetings, encouraging a productive culture and ensuring it adds value by having the necessary information, time and space to explore key issues and reach well-considered decisions. With the current FFI Chair in his fourth term of office, Council has been working to identify a suitable successor able to fulfil this role.

In 2019, a five-member Search Committee oversaw a selection process which considered the attributes, skills and suitability of a strong field of interested candidates, being supported in this work by a search consultant specialising in matching suitable individuals to leadership roles in the charity sector. A careful process of long-listing, input from the trustee body, interviews with short-listed candidates and consultation with the CEO resulted in Council formally approving a preferred nominee to go forward to stand for election as Chair at the 2020 AGM.

FFI will be considering the outcome of the 2020 consultation on refreshing the Governance Code and benchmarking its governance structures and processes against any new recommendations that result.



Fishing boats and tourist ships in Belize City, Belize. Photo: Alan Phipps/Maverick/FFI

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

HM Queen Elizabeth II



President

HRH Princess Laurentien
of the Netherlands

Vice-Presidents

Lisel Alamilla	Viscount Philippe de Spoelberch	Blaine T. Phillips
Baroness Valerie Amos CH	Dame Judi Dench	Lord Randall of Uxbridge
Sir David Attenborough OM FRS	Dr Lee Durrell	Dr Lisbet Rausing
Professor David Bellamy OBE (died 11th December 2019)	Hugh Fearnley-Whittingstall	Dr Claudio Segré
The Lord Browne of Madingley FR Eng	Dorette Fleischmann	Rt Hon. Mark Simmonds
Lindsay Bury	Stephen Fry	Hugh Sloane
Dee Caffari	Rupert Goodman	Victoria Stack
Charlene de Carvalho-Heineken	Edward Hoare	Jon L Stryker
Field Marshal Sir John Chapple GCB CBE DL	Anders Johansson	Charles Whitbread DL
Giles Clark	The Lady Emma Kitchener LVO	Dr Adrian Wilson
	Rove McManus	James Wong
	Justin Mundy LVO	Baroness Young of Old Stone
		Jochen Zeitz

Board of Trustees

EXECUTIVE COMMITTEE

Andrew Sykes	Chair
Michael Maunder	Vice Chair (stood down 30th April 2020)
Paul Baldwin	Treasurer

ORDINARY MEMBERS OF COUNCIL

Jeffrey Blumberg (co-opted 31st March 2020)	Richard Plackett
Anna Gavazzi (appointed 25th September 2019)	Sir Gareth Rhys Williams
David Gibson	Edward van Cutsem
Dr Charlotte Grezo (retired 25th September 2019)	Diana van de Kamp
Andrew Joy	Professor Bhaskar Vira
Benjamin Khalili (co-opted 31st March 2020)	Hugo van Vredenburg
Dr Sandra Knapp	Richard Walker
Annette Lanjouw	John Wotton (retired 25th September 2019)
Prof. Nigel Leader-Williams (retired 25th September 2019)	

SENIOR MANAGEMENT TEAM

Mark Rose	Chief Executive Officer
Svetlana Ignatieva	Chief Operating Officer and Company Secretary
Joanna Elliott	Senior Director, Conservation Partnerships
Matthew Walpole	Senior Director, Conservation Programmes
Jonny Wright	Senior Director, Communications & Fundraising (appointed 9th April 2019)

PRINCIPAL PROFESSIONAL ADVISERS

Auditors	Crowe U.K. LLP, St Bride's House, 10 Salisbury Square, London, EC4Y 8EH
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

Public benefit

The Strategic Report demonstrates the scope of the activities undertaken by FFI in 2019 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 their powers and duties in furtherance of the Charity's Objects, the Board of Trustees have complied with their 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.



Underwater coral reef with fish shoal, Aqun, Indonesia. Credit: John McIntyre

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. Refer to page 39 for the Reserves figures.

Due to the ongoing coronavirus pandemic, FFI expects to utilise some of its unrestricted reserves to allow operations to continue in the event that there is a drop in income and delays in implementing programme activities. It is therefore possible that FFI's unrestricted funds will fall below its minimum reserves level according to policy by the end of 2020. However, the Trustees expect that this will be a temporary decrease and are committed to rebuilding FFI's unrestricted reserves over the next few years. Central to these efforts will be a continuation of the successful Capital Campaign that has helped FFI grow its unrestricted reserves to the current level.

Our reserves fall into three types:

RESTRICTED RESERVES

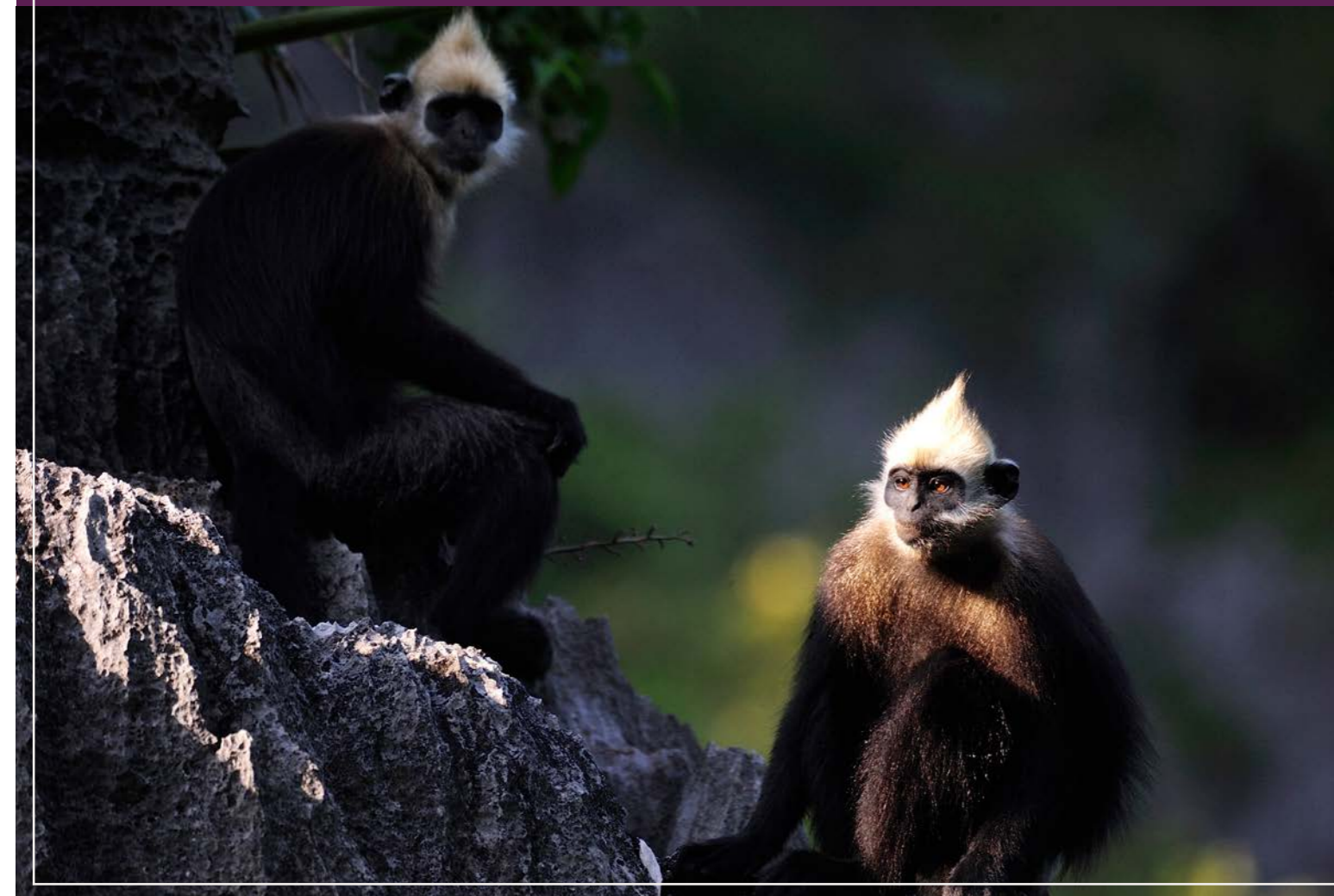
Restricted reserves reflect the balance of unspent restricted funding (e.g. grants, donations) that have been received by FFI (often in advance) for a specific charitable purpose or project. They are not available for general purposes and can only be spent according to funder terms and conditions.

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 which may be spent according to internal decisions made by FFI's management and Council, and around which no conditionality exists. 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.



Cat ba langurs, Vietnam. Credit: Nguyen Van Trung

Investment Policy

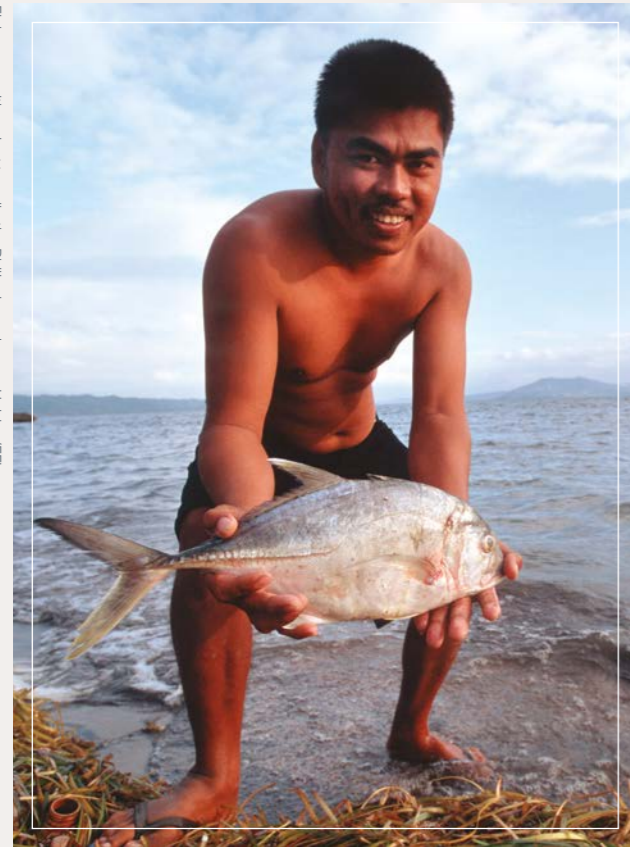
FFI's Investment Policy outlines the way FFI will manage its reserves, with reference to the purposes for which the funds have been raised.

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 percent in equities and 30 percent 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.

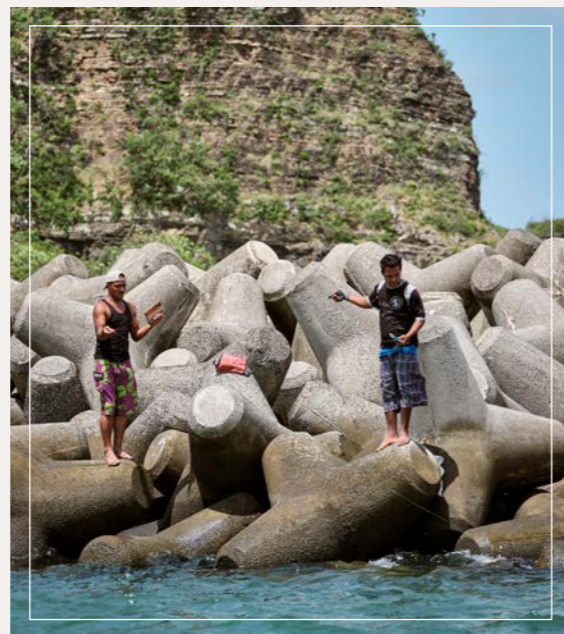


Fisherman with a giant trevally, the Philippines. Jeremy Holden/FFI

Grant-making Policy

Grant-making to third parties does not play a significant role in FFI's operations. However, we disbursed some £4.3 million to implementing partners in 2019 (2018: £2.8m). All our grant funds are disbursed with clear criteria and application processes, 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 almost 550 grant applications for external grants funds using criteria developed and agreed with the donors and, through this, influenced the allocation of an additional £2.6 million of conservation grant funds.



Shore fishers, Nicaragua. Credit: Otto Mejía

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, with efforts initiated in 2018 resulting in achievement of a Bronze award from the NUS Green Impact Scheme; in 2019 we went one better, successfully achieving a Silver award for the 2019-20 Green Impact year. 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, which we occupy alongside our partners in the Cambridge Conservation Initiative (CCI).

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 carbon outputs.

FFI is in the process of calculating its flight footprint in order to quantify and reduce its emissions from flying. The use of new technologies as well as encouraging train travel for shorter trips are just two of the ways that we intend 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.

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 while 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 2019.

Our thanks are also extended to all staff and trustees for the time and effort they have contributed during the year.

Going concern

In light of the current coronavirus pandemic, FFI has undertaken a scenario-planning exercise to forecast how various outcomes might affect FFI's operations in 2020, taking into account the risk of decreased income and the ability of FFI to implement its activities across the globe. The results of the scenario planning have been used as a basis from which to formulate a model for the remaining years of FFI's current strategic plan (2019-2023). The results of this exercise indicate that FFI has sufficient reserves to continue to deliver its strategic objectives throughout this period.

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 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 our supporter recruitment activity which includes 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 in the publications in which we wish to advertise. We also have a growing 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-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. In 2019, we raised 110% of our targeted unrestricted income of £3.8m. The reason for the variance is the receipt of a significant legacy gift.

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 fewer than 50 complaints in 2019, with the majority of these related to administration issues, such as membership subscription processing errors. All complaints were dealt with satisfactorily with no changes necessary to our procedures. There were no complaints in relation to FFI's fundraising activities.

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.

In light of the Covid-19 pandemic, we expect changes to our fundraising activities and sources. FFI does not have significant income streams that are affected by lockdown conditions, such as mass-event fundraising and community-based appeals. Impacts on FFI fundraising are likely to be both positive and negative in nature with some income streams likely to have an uplift, for example digital fundraising, while others are hit by downturns in the stock market and wider economy. FFI fundraising teams will look to maximise new opportunities and mitigate against any significant downturn.

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 that 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 2019 an enhanced Due Diligence Policy & Procedure was added to our suite of Organisational Policies, strengthening the way in which we undertake checks on our donors and the range of partners with whom we work closely.
- 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.



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

- **COVID-19** – we are managing a range of risks to which the pandemic has given rise through: careful monitoring of our finances, taking account of various possible outcomes so we can 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 as soon as lockdown measures are lifted; talking to donors to agree flexibility around funding within grant terms, and to negotiate new delivery timelines if necessary; protecting the health, safety and well-being of our staff wherever they are located by enabling home working across our operations, facilitating the repatriation of international staff where appropriate, regularly communicating at global and local level to ensure health protection, social distancing and movement restrictions are followed and promoting contact and connectivity, including through a dedicated Covid-19 hub on our intranet.
- **FINANCIAL VIABILITY OF IN-COUNTRY PARTNERS** – an inherent risk, particularly 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. 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 seek to mitigate this risk by continuing our investment in sound governance and control processes, focusing on building financial reserves, and strengthening our global monitoring, evaluation and learning systems to ensure that FFI's conservation impacts are tracked and learning fed back into effective tackling of threats.



Financial Review

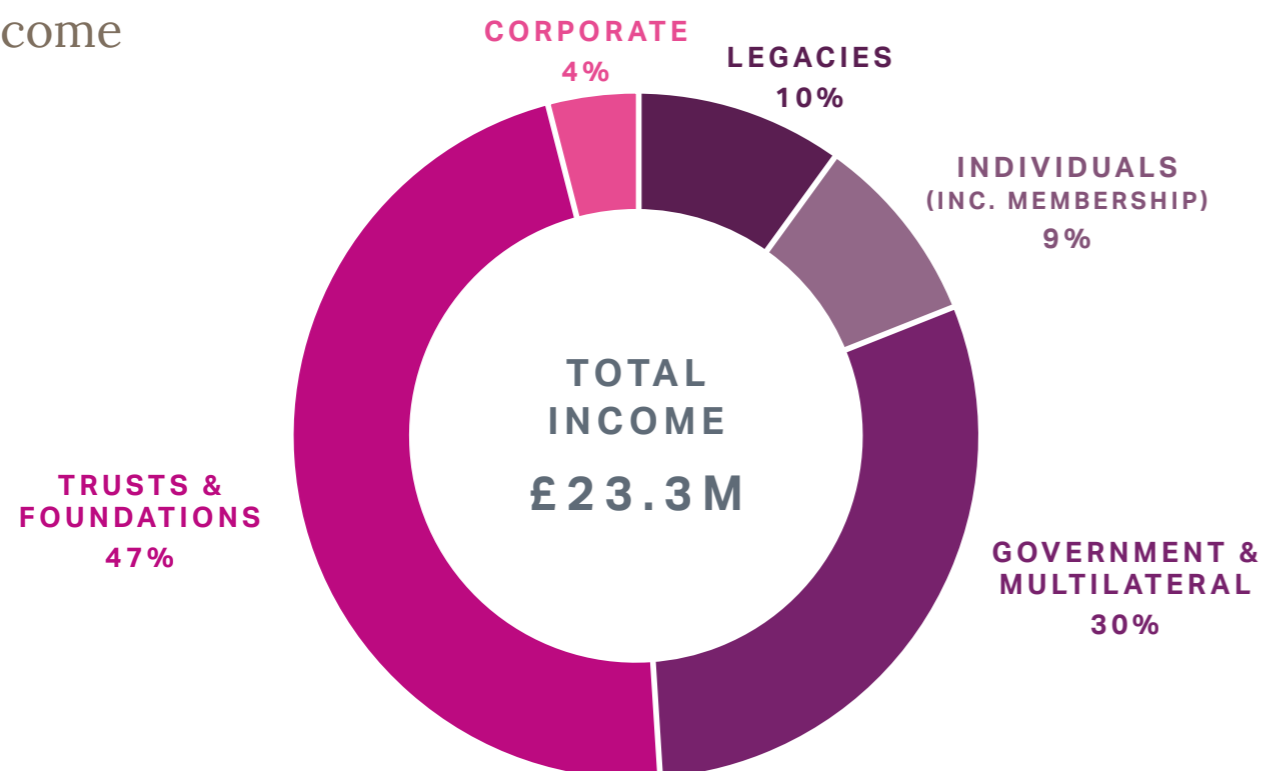
Overall Position

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

2019 represented the first year of the latest Business Plan, which covers the five years from 2019 – 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 £510k (2018: £666k), comprising a decrease in restricted funds of £872k (2018: £1.0m increase), an increase of endowment funds of £29k (2018: £59k decrease) and an increase in unrestricted funds of £1.4m (2018: £294k decrease). 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 £23.3m shows an increase of 22% compared with 2018. This is due to an increase in Government & Multilateral funding and the receipt of a substantial legacy in 2019 (for more detail on the legacy, refer to page 21). By their nature, legacies are unpredictable in terms of timing and value and therefore legacy income will vary from year to year.

UNRESTRICTED INCOME BY TYPE

	2014	2015	2016	2017	2018	2019	2018/2019 Change
Legacies	206,417	343,216	256,176	790,779	73,885	2,325,653	3048%
Individuals	1,074,137	1,722,866	1,309,006	1,241,392	1,276,626	1,362,427	7%
Trusts & Foundations	632,958	28,382	144,834	1,063,758	521,424	756,517	45%
Capital Campaign	-	-	10,417	2,487,505	500,000	125,000	-75%
Corporate	319,356	528,239	20,689	55,939	167,038	52,914	-68%
Other	95,426	15,938	17,253	7,999	38,704	25,514	-34%
Total	2,328,294	2,638,641	1,758,375	5,647,371	2,577,677	4,648,025	80%

Unrestricted income from Individuals has grown in 2019, thanks to continued investment in our Fundraising team. Unrestricted income from Trusts & Foundations has also increased in 2019, with the majority of this coming from US-based organisations.

RESTRICTED INCOME BY TYPE

	2014	2015	2016	2017	2018	2019	2018/2019 Change
Trusts & Foundations	6,307,985	8,998,384	9,259,111	11,152,475	10,266,073	10,206,257	-1%
Government & Multilateral	1,656,586	759,805	2,877,498	4,274,240	4,457,350	6,947,640	56%
Corporate	3,150,477	2,960,665	1,403,693	1,881,587	1,068,003	816,097	-24%
Individuals	1,167,009	2,838,021	460,966	173,979	294,112	414,924	41%
Other	2,114	366	23,047	30,595	117,772	178,269	51%
Legacies	21,000	-	-	25,000	318,444	44,613	-86%
Total	12,305,171	15,557,241	14,024,315	17,537,876	16,521,753	18,607,800	13%

Restricted income from Trusts & Foundations has remained constant, thanks to continuing support from existing donors. Government & Multi-lateral funding in 2019 increased by 56%, with the bulk of the increase coming from US federal funding. Government & Multi-lateral funding represented 30% of our overall funding portfolio (23% in 2018), 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 Corporate income has decreased in 2019. However, this is being offset by increased income from Individuals and investment income.

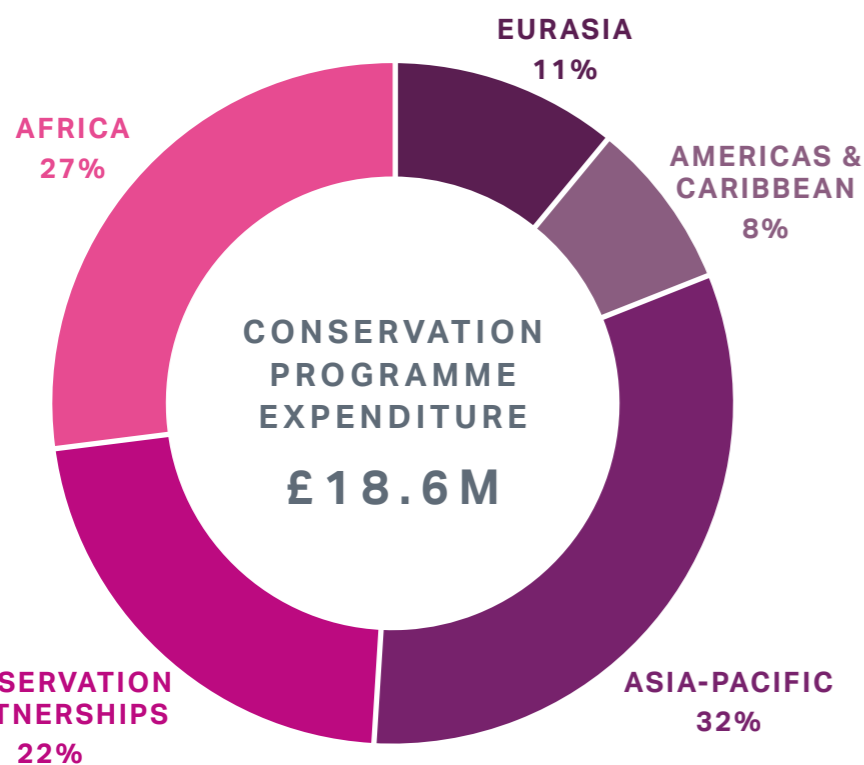
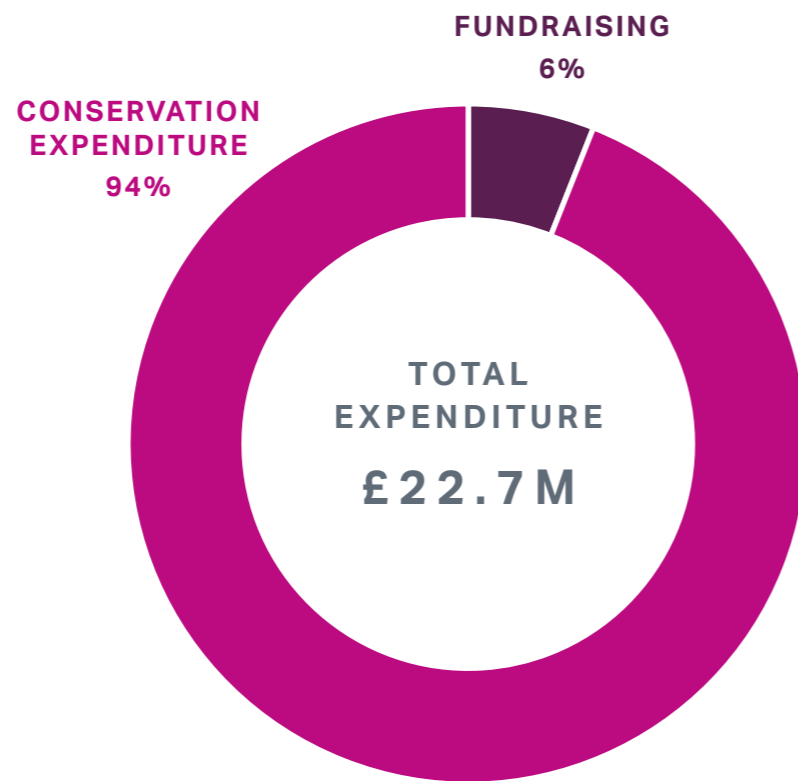
Endowment income (not shown in the tables above), generated through an invested portfolio designed to produce an income stream to support gorilla conservation work and shown as restricted investment income was £22k in 2019 (2018: £24k), with the investments designed to secure the capital base whilst 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 (94%) in 2019.

With more than 130 active projects in close to 50 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.

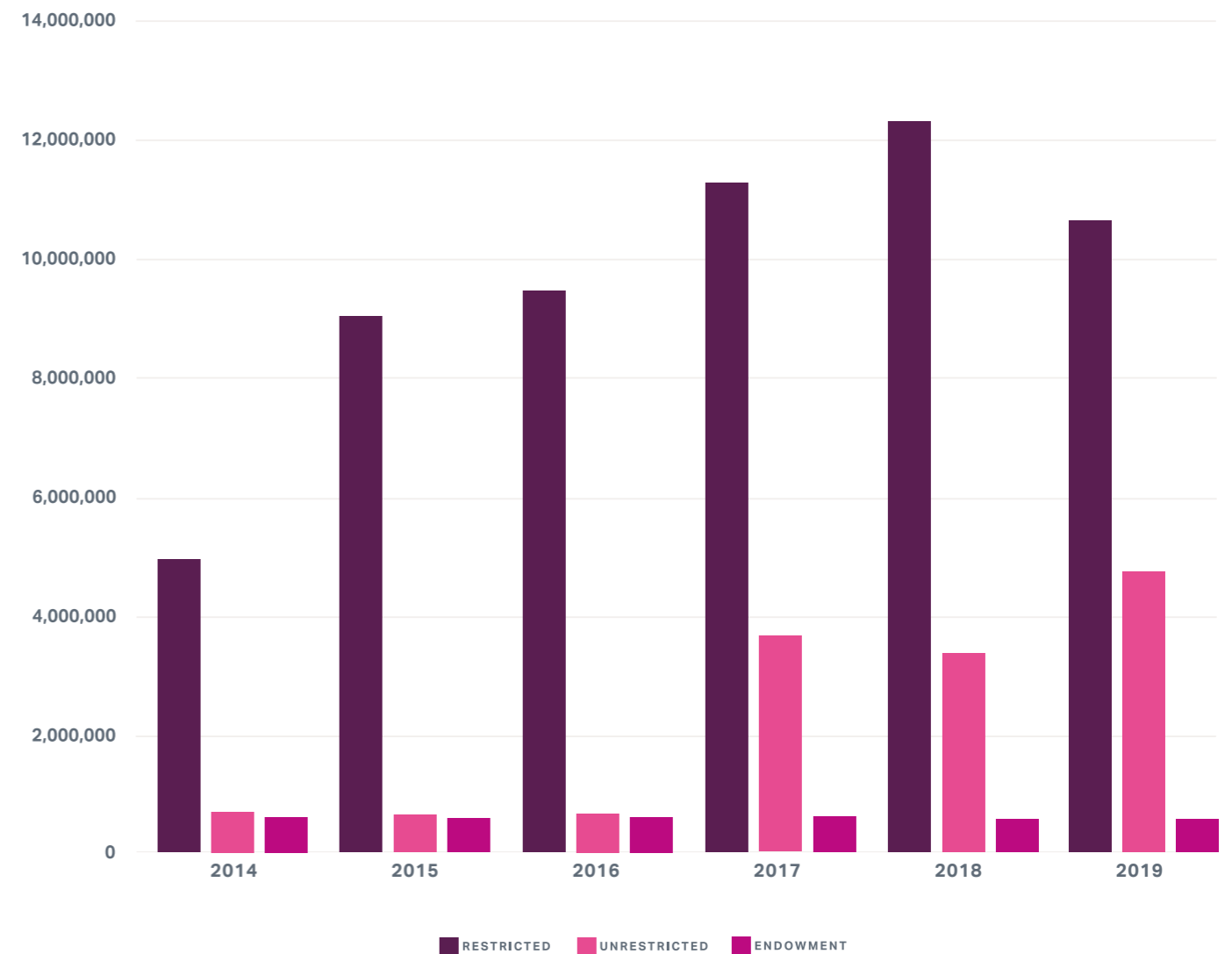


FFI operates through four regional Conservation Programmes (Asia-Pacific; Africa; Eurasia; and the Americas & Caribbean) supported by an array of cross-cutting initiatives (Conservation Science & Design; Conservation Capacity & Leadership; Extractives & Development Infrastructure; Conservation Finance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

Reserves

The total reserves of the organisation at the end of 2019 are £16.8m (2018: £16.2m). After taking into account restricted reserves of £11.4m (2018: £12.3m) and endowment funds of £623k (2018: £594k), the unrestricted reserves are £4.7m (2018: £3.4m). This represents 10.2 months (2018: 9.0 months)¹ of budgeted, recurring core expenditure. As outlined in our reserves policy on page 29, we aim to hold unrestricted reserves of 6 – 18 months.

Free reserves (unrestricted reserves less unrestricted fixed assets of £241k (2018: £305k)) are £4.5m (2018: £3.1m).



¹ Unrestricted reserves represents 13.7 months (2018: 10.1 months) of committed, recurring expenditure when measured using 2019 core expenditure levels as outlined in Note 6a.

Statement of Trustee's 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; 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



Andrew Sykes, Chairman

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

Opinion

We have audited the financial statements of Fauna & Flora International for the year ended 31 December 2019 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of 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 2019 and of the group's incoming resources and application of resources, including its 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.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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:

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 40, 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 group's or 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.

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

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.

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.

Use of our report

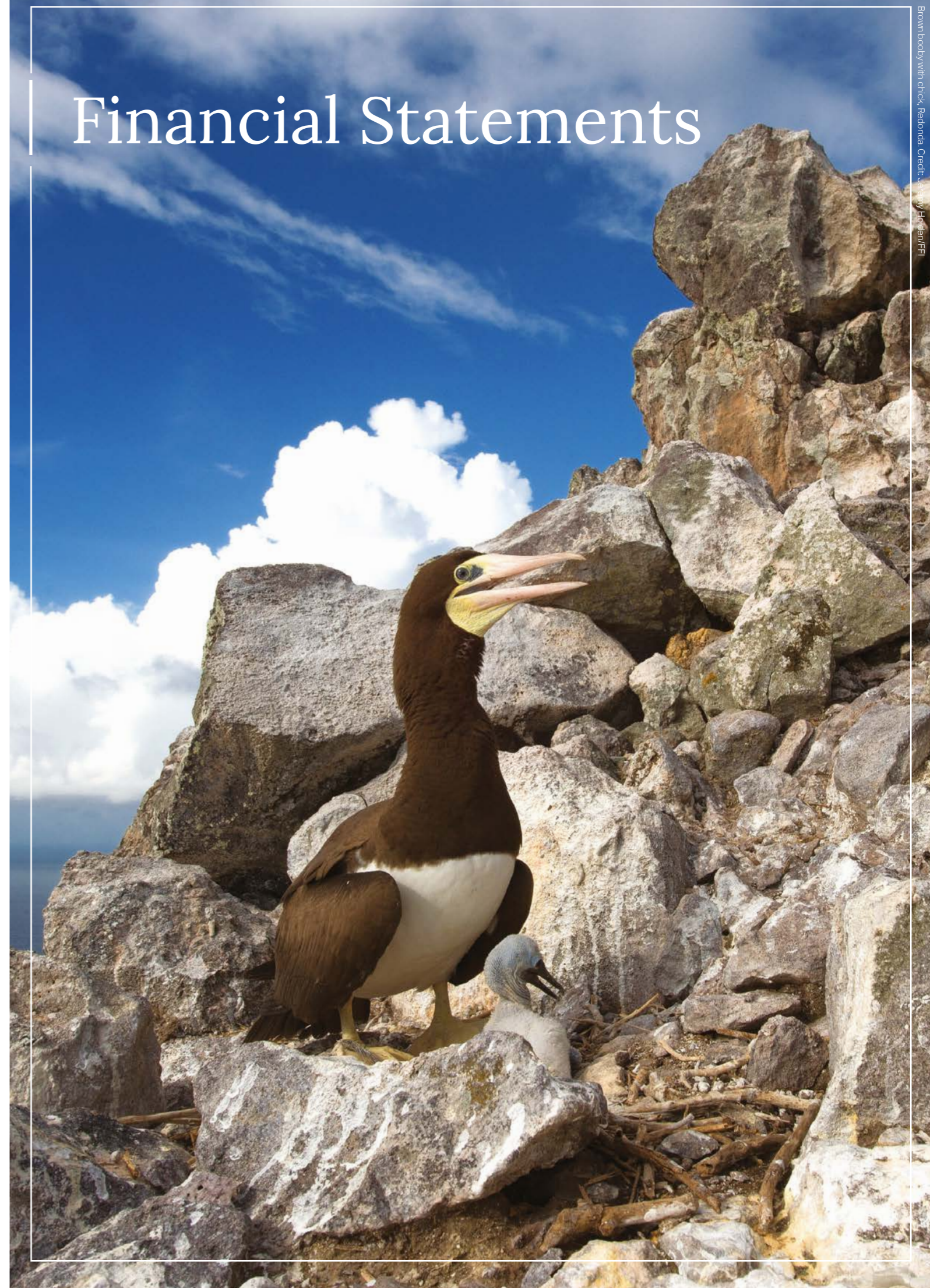
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report 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.

N. Hashemi

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

Date: 13 July 2020

Financial Statements



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

For the year ended 31 December 2019

	Notes	2019			2018	
		Unrestricted £	Restricted £	Endowment Funds £	Total £	Total £
Income and endowments from:						
Donations and legacies	3a, 3b	3,387,168	337,853	-	3,725,021	2,039,012
Charitable Activities		1,229,927	18,091,643	-	19,321,570	16,891,983
Investments		25,514	178,269	264	204,047	156,763
Other Trading Activities		5,416	35	-	5,451	11,959
Total		4,648,025	18,607,800	264	23,256,089	19,099,717
Expenditure on:						
Raising funds		1,320,807	-	-	1,320,807	1,199,977
Charitable activities		1,667,377	19,744,834	126	21,412,337	17,663,426
Total	4a, 6a, 6b	2,988,184	19,744,834	126	22,733,144	18,863,403
Net gains/(losses) on investments		4,556	-	28,818	33,374	(61,458)
Net income/(expenditure)		1,664,397	(1,137,034)	28,956	556,319	174,856
Transfers between funds		(14,789)	14,789	-	-	-
Other recognised gains /(losses)						
Other gains/(losses)	4b	(296,693)	250,139	-	(46,554)	490,893
Net movement in funds		1,352,915	(872,106)	28,956	509,765	665,749
Reconciliation of funds:						
Total funds brought forward		3,368,839	12,283,653	593,971	16,246,463	15,580,714
Total funds carried forward	12	4,721,754	11,411,547	622,927	16,756,228	16,246,463

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

In 2018, unrestricted voluntary income was £1,538,414 (the remainder was restricted). In 2018, unrestricted charitable activities income was £994,667 (the remainder was restricted). In 2018, unrestricted investment income was £38,704 and endowment investment income was £287 (the remainder was restricted). In 2018, unrestricted income from other trading activities was £5,892 (the remainder was restricted).

In 2018, unrestricted charitable activities expenditure was £1,765,157 and endowment charitable activities expenditure was £14 (the remainder was restricted). In 2018, all expenditure on raising funds was unrestricted. In 2018, unrestricted other losses were £120,544 (the remainder was restricted). In 2018, unrestricted transfers were £25,000, with the remainder restricted.

Consolidated Balance Sheet

For the year ended 31 December 2019

	Notes	Group	Group	Charity	Charity
		2019 £	2018 £	2019 £	2018 £
Fixed Assets					
Tangible assets	7a	1,448,633	1,375,179	271,901	198,446
Intangible assets	7b	239,004	301,503	239,004	301,503
Investments	8	10,787,045	7,608,461	10,787,045	7,608,461
Total fixed assets		12,474,682	9,285,143	11,297,950	8,108,410
Current Assets					
Debtors	9	4,608,815	4,659,242	4,793,916	4,829,143
Cash at bank and in hand		3,377,759	5,649,660	2,747,709	5,154,194
Total current assets		7,986,574	10,308,902	7,541,625	9,983,337
Liabilities					
Creditors falling due within one year	10	(3,687,342)	(3,289,742)	(3,659,008)	(3,280,467)
Net Current Assets		4,299,232	7,019,160	3,882,617	6,702,870
Provisions for liabilities	11	(17,686)	(57,840)	(17,686)	(57,840)
Total net assets		16,756,228	16,246,463	15,162,881	14,753,440
The funds of the charity					
Unrestricted Funds					
Unrestricted funds	12	4,665,252	3,267,795	3,246,957	1,992,977
Designated funds		56,502	101,044	56,502	101,044
		4,721,754	3,368,839	3,303,459	2,094,021
Restricted funds	12	11,411,547	12,283,653	11,236,493	12,065,448
		16,133,301	15,652,492	14,539,952	14,159,469
Capital Funds					
Permanent endowment funds	12	622,927	593,971	622,929	593,971
Total Charity Funds		16,756,228	16,246,463	15,162,881	14,753,440

The attached notes form part of these financial statements.

Approved by the Board of Trustees and authorised for issue on 1st July 2020 and signed on its behalf by



Chairman: Andrew Sykes



Treasurer: Paul Baldwin

Consolidated Cash Flow Statement

For the year ended 31 December 2019

Statement of cash flows	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Cash flows from operating activities	16	1,260,506	(427,080)	1,116,211	(167,176)
Cash flows from investing activities	16	189,938	156,763	184,383	151,124
Cash flows from financing activities	16	(184,192)	(209,981)	(184,192)	(209,981)
		1,266,252	(480,298)	1,116,402	(226,033)
Reconciliation of Net Cash Flow to Movements in Net Funds					
Increase/(decrease) in cash in the year		1,266,253	(480,298)	1,116,402	(226,033)
Cash and cash equivalents at the beginning of the reporting period		11,871,861	12,158,732	11,376,394	11,409,001
Change in cash and cash equivalents due to exchange rate movements		(360,241)	193,427	(344,973)	193,427
Cash and cash equivalents at the end of the reporting period		12,777,873	11,871,861	12,147,823	11,376,395
Analysis of cash and cash equivalents					
		Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Cash at bank and in hand		3,377,759	5,649,660	2,747,709	5,154,194
Deposit accounts		9,400,114	6,222,201	9,400,114	6,222,201
		12,777,873	11,871,861	12,147,823	11,376,395

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 2015 (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. Fundraising 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.

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.

With respect to the next reporting period, 2020, the most significant area of uncertainty is the potential impact of the coronavirus pandemic. FFI has undertaken a scenario planning exercise to forecast how various outcomes might impact FFI's operations in 2020 and has used this as a basis to model the remaining years of FFI's current strategic plan (2019-2023). The results of this exercise, together with FFI's current level of unrestricted reserves, indicates that FFI has sufficient resources to continue in operational existence for the foreseeable future.

r) Non-adjusting post-balance sheet event

In March 2020, the World Health Organisation declared coronavirus a global pandemic. FFI expects to utilise some of its unrestricted reserves to allow operations to continue in the event there is a drop in income and delays in implementing programme activities. FFI does not expect a material impact on its investment portfolio or other assets that needs to be disclosed. Trustees will continue to monitor the situation as it develops.

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

	2019 £	2018 £
Individuals	1,354,755	1,646,712
Legacies	2,370,266	392,300
	3,725,021	2,039,012

3b Income

	2019 Restricted £	2019 Unrestricted £	2019 Endowment £	2019 Total £	2018 Total £
Income Source					
Government & Multilateral	6,947,640	-	-	6,947,640	4,457,350
Trusts & Foundations	10,206,257	756,517	-	10,962,774	10,787,496
Corporate	816,097	52,914	-	869,011	1,235,041
Individuals & legacies	459,537	3,416,893	-	3,876,430	2,229,062
Membership	-	396,187	-	396,187	234,005
Investment	178,269	25,514	264	204,047	156,763
Total	18,607,800	4,648,025	264	23,256,089	19,099,717

4a Expenditure

	2019 £	2018 £
Expenditure includes:		
Auditors' remuneration - audit	56,074	53,473
Auditors' remuneration - other (grant audits)	65,447	8,404
Depreciation	182,886	166,345
Operating leases: land and buildings	305,578	319,571

4b Other gains/(losses)

	2019 £	2018 £
Other gains/losses includes:		
Realised foreign exchange gains/(losses)	54,765	372,853
Unrealised foreign exchange gains/(losses)	(101,319)	118,040
	(46,554)	490,893

5 EMPLOYEE INFORMATION

5a Staff costs

	2019 £	2018 £
Wages and salaries	7,837,796	6,911,106
Social security costs	837,169	703,805
Pension costs	394,641	344,069
	9,069,606	7,958,980

A redundancy payment of £5k was made in 2019 in the UK.

5b

	2019	2018
The average number of persons, analysed by function, employed during the year was:		
Project management	330	303
Fundraising	17	16
Operations & Governance	19	18
	366	337

5c

	2019	2018
Employees whose emoluments for the year were £60,000 or more are shown in the following bands:		
£60,001 - £70,000	5	4
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	2	1
£110,001 - £120,000	1	1
£140,001 - £150,000	1	1

The pension contributions to pension schemes for the higher paid staff were £73,716 (2018: £58,478).

The total value of salary and benefits received by key management personnel in 2019 was £647,918 (2018: £627,568).

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 2019, £5,110 (2018: £15,957) 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 2019 £	Total 2018 £
Conservation Programme Area					
Africa	1,414,226	3,142,410	442,518	4,999,154	3,864,634
Asia Pacific	2,660,724	2,996,283	73,057	5,730,064	4,545,421
Americas & Caribbean	531,657	902,913	51,946	1,486,516	1,274,998
Eurasia	692,860	1,335,815	50,745	2,079,420	1,808,845
Conservation Partnerships	2,487,532	1,319,054	139,656	3,946,242	3,526,761
Foreign exchange (gain)/loss	-	344,973	-	344,973	(193,427)
	7,786,999	10,041,448	757,922	18,586,369	14,827,232
Programmatic expenditure					
Core costs					
Fundraising costs	688,275	-	632,533	1,320,807	1,199,977
Operations & Governance costs	1,477,914	126	1,347,928	2,825,968	2,836,194
	9,953,188	10,041,574	2,738,383	22,733,144	18,863,403

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 2019 £	Total 2018 £
Office rent & services	29,359	-	489,076	518,435	528,358
Equipment acquisition & maintenance	6,602	75	10,685	17,362	6,991
Grants	416,651	6,000	5,000	427,651	215,242
Conference attendance	21,000	57,585	36,763	115,348	82,163
Printing & publications	592	352,914	43,809	397,315	479,248
Bank charges and interest	3,113	12,154	13,388	28,655	28,287
Depreciation	-	28,003	77,070	105,073	107,478
IT, telephony & office supplies	34,405	52,856	142,146	229,407	263,109
Travel & Subsistence	152,402	33,414	188,658	374,474	351,352
Audit, Legal & Professional fees	80,032	70,203	320,515	470,750	395,870
Other costs	13,766	19,329	20,818	53,913	78,342
	757,922	632,533	1,347,928	2,738,383	2,536,440

Total support costs

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 2019	4,239	59,126	1,176,733	338,230	1,578,328
Additions	-	-	-	157,211	157,211
Disposals	-	-	-	-	-
At 31 December 2019	4,239	59,126	1,176,733	495,441	1,735,539
Depreciation					
At 1 January 2019	1,060	59,126	-	142,963	203,149
Charge for year	1,059	-	-	82,698	83,757
On disposals	-	-	-	-	-
At 31 December 2019	2,119	59,126	-	225,661	286,906
Net book value:					
At 31 December 2019	2,120	-	1,176,733	269,780	1,448,633
At 31 December 2018	3,179	-	1,176,733	195,267	1,375,179

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

	Software	Total
	£	£
Cost:		
At 1 January 2019	483,103	483,103
Additions	36,630	36,630
Disposals	-	-
At 31 December 2019	519,733	519,733
Depreciation		
At 1 January 2019	181,600	181,600
Charge for year	99,129	99,129
On disposals	-	-
At 31 December 2019	280,729	280,729
Net book value:		
At 31 December 2019	239,004	239,004
At 31 December 2018	301,503	301,503

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

	2019	2018
	£	£
Movement during the year		
Market value as at 1 January 2019	7,608,461	5,425,472
Net gains/(losses) during the year	33,375	(61,458)
Foreign exchange gains/(losses) during the year	85,305	358,937
Capital invested/(withdrawn) during the year	3,059,904	1,885,510
Total investments	10,787,045	7,608,461
Investments are represented by:		
	2019	2018
	£	£
Fixed interest securities & equity shares	644,983	621,256
Cash deposit funds	9,400,114	6,222,201
Programme related investments	741,948	765,004
Total Investments held in the UK	10,787,045	7,608,461

The historic cost of investments as at 31 December 2019 was £10,742,062 (£2018: £7,373,002).

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
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	4,259,727	4,028,011	4,171,506	3,859,673
Amounts due from subsidiaries	-	-	277,550	353,583
Prepayments and accrued income	349,088	631,231	344,860	615,887
	4,608,815	4,659,242	4,793,916	4,829,143

All the above amounts fall due within one year.

10 Creditors

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade creditors	357,086	423,800	358,348	421,422
Tax and social security	327,883	241,342	324,239	236,661
Accruals and deferred income	3,002,373	2,624,600	2,976,421	2,622,384
	<u>3,687,342</u>	<u>3,289,742</u>	<u>3,659,008</u>	<u>3,280,467</u>

Accruals and deferred income includes the following:

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Deferred income at 1st January	2,174,429	2,322,333	2,174,429	2,322,333
Income deferred in year	2,707,365	2,174,429	2,707,365	2,174,429
Amounts released from previous years	(2,174,429)	(2,322,333)	(2,174,429)	(2,322,333)
Deferred Income at 31st December	<u>2,707,365</u>	<u>2,174,429</u>	<u>2,707,365</u>	<u>2,174,429</u>

11 Provisions

	At 01/01/2019 £	Provisions created / (released) £	Provisions utilised £	At 31/12/2019 £
Tax payable	40,000	(40,000)	-	-
Land taxes payable	17,840	(154)	-	17,686
	<u>57,840</u>	<u>(40,154)</u>	<u>-</u>	<u>17,686</u>

Tax payable from 2018 relates to tax due to HMRC arising from employee benefits, with the amount released in 2019 after receiving assessment from HMRC. 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	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

The Rothiemurchus bequest stipulates that the Charity should:

- 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
- 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 (£198,851) and the Endangered Landscapes Programme (£653,971).

13 Analysis of Net Assets between Funds

	General Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£	£
Tangible Fixed Assets	2,119	-	1,446,514	-	1,448,633
Intangible Fixed 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)
	<u>4,665,252</u>	<u>56,502</u>	<u>11,411,547</u>	<u>622,927</u>	<u>16,756,228</u>

14a Operating Lease Commitments

Annual commitments are as follows:	2019 £	2018 £
Land and buildings:		
Not later than one year	164,861	151,645
Later than one year and not later than five years	480,983	478,514
Later than five years	<u>118,350</u>	<u>236,700</u>
	<u>764,194</u>	<u>866,859</u>
Other operating leases:		
Not later than one year	75,265	66,313
Later than one year and not later than five years	251,749	241,728
Later than five years	<u>60,432</u>	<u>120,864</u>
	<u>387,446</u>	<u>428,905</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 Sustainable Inshore Fisheries Trust (UK). 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 Trustee of FFI who retired in 2019 is also a Trustee of Botanic Gardens Conservation International Ltd. 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 member of FFI's Senior Management team who retired in 2019 is also a Trustee of Cambridge Past, Present and Future.

FFI is a founding member of and provides grant funding to the International Gorilla Conservation Programme (Rwanda), a coalition with the World Wildlife Foundation (WWF) and Conservation International (CI). A member of FFI's Senior Management Team was a member of IGCP's governing committee and in 2019 this membership was transferred to a member of FFI's staff.

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 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 paid a deposit and licence fees of £16k to OMC Investments Ltd during 2019 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.

	2019 £	2018 £
Grants received from related parties		
Arcus Foundation	583,171	334,482
Cambridge Conservation Initiative Council	4,395	-
Grants made to related parties		
OI Pejeta Conservancy	80,881	142,309
Chuilexi Conservação e Investimentos Limitada	639,909	631,127
Luambeze Investimentos Limitada	309,301	353,166
Northern Rangelands Trust	14,345	128,215
International Gorilla Conservation Programme (IGCP)	252,217	128,190
Ya'axché Conservation Trust	31,465	95,172
Botanic Gardens Conservation International Ltd	-	195
Sustainable Inshore Fisheries Trust	6,500	-
Donations received from		
- Trustees & Related parties	53,775	43,039
Amounts owing from subsidiary undertakings		
- Fauna & Flora International Australia	8,184	110,291
- Fauna & Flora International South Africa	77,500	78,187
- Fauna & Flora International USA Inc	191,866	165,105
Expenditure paid on behalf of related parties		
- East African Wildlife Society	2,682	-
- Cambridge Past, Present and Future	130	-
Reimbursement of expenditure from related parties		
- International Gorilla Conservation Programme (IGCP)	3,105	-
- East African Wildlife Society	1,843	-
- OI Pejeta Conservancy	1,112	-
- Botanic Gardens Conservation International Ltd	808	-
Lease & service fees		
- CCI Services Ltd	129,653	133,501
- OMC Investments Ltd	16,874	-

16 Cash Flow Information

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
a) Reconciliations of changes in resources to net inflow from operating activities				
Net incoming resources	509,765	174,856	409,438	539,079
Depreciation charge	182,886	166,345	182,886	166,345
Investment income (shown separately in (b) below)	(189,938)	(156,763)	(184,383)	(151,124)
(Increase)/decrease in debtors	44,283	(296,073)	35,227	(373,527)
Increase/(decrease) in creditors	367,881	(622,913)	338,388	(629,066)
Change in fixed asset investments valuation	(33,375)	10,002	(33,375)	10,002
Unrealised currency revaluation (gain)/loss on non-monetary assets	23,056	490,893	23,056	464,542
Unrealised currency revaluation (gain)/loss on monetary assets	355,948	(193,427)	344,974	(193,427)
Net cash inflow/(outflow) from operating activities	1,260,506	(427,080)	1,116,211	(167,176)
a) Gross cash flows				
<i>Returns on investment and servicing of finance:</i>				
Investment income received	189,938	156,763	184,383	151,124
<i>Capital expenditure and financial investment:</i>				
Payment to acquire tangible and intangible fixed assets	(193,840)	(178,563)	(193,840)	(178,563)
Payments to acquire fixed asset investments	(600,000)	(31,418)	(600,000)	(31,418)
Receipts from sales of fixed asset investments	609,648	-	609,648	-
	(184,192)	(209,981)	(184,192)	(209,981)

17 Summary income and expenditure account for the year ending 31 December 2019

	All income funds 2019 £	All income funds 2018 £
Income	23,052,041	18,942,954
Gains/(losses) on investments	-	-
Interest and investment income	203,783	156,476
Gross income in the reporting period	23,255,824	19,099,430
Expenditure	22,592,129	18,208,460
Interest payable	-	-
Depreciation and charges for impairment of fixed assets	182,886	166,345
Total expenditure in the reporting period	22,775,015	18,374,805
Net income (expenditure) before tax for the reporting period	480,809	724,625
Tax payable	-	-
Net income (expenditure) for the financial year	480,809	724,625

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

	Unrestricted £	Restricted £	Endowment £	2019 Total £	2018 Total £
Income and endowments from:					
Donations and legacies	3,430,834	339,021	-	3,769,855	2,352,767
Charitable Activities	808,220	17,982,795	-	18,791,015	16,221,948
Investments	19,959	178,269	264	198,492	151,124
Other Trading Activities	5,416	35	-	5,451	11,959
Total	4,264,429	18,500,120	264	22,764,813	18,737,798
Expenditure on:					
Raising funds	1,320,191	-	-	1,320,191	1,199,977
Charitable Activities	1,407,446	19,590,793	126	20,998,365	16,937,284
Total	2,727,637	19,590,793	126	22,318,556	18,137,261
Net gains/(losses) on investments	4,556	-	28,818	33,374	(61,458)
Net income/(expenditure)	1,541,348	(1,090,673)	28,956	479,631	539,079
Transfers between funds	(14,789)	14,789	-	-	-
Other Recognised Gains and Losses					
Other gains/(losses)	(317,122)	246,928	-	(70,194)	464,542
Net movement in Funds	1,209,437	(828,956)	28,956	409,437	1,003,621
Total funds brought forward	2,094,021	12,065,448	593,971	14,753,440	13,749,819
Total funds carried forward	3,303,458	11,236,492	622,927	15,162,877	14,753,440

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	3,512,221	2,577,677	(2,965,134)	118,235	24,796	3,267,795
Designated funds	150,840	-	-	-	(49,796)	101,044
Total unrestricted funds	3,663,061	2,577,677	(2,965,134)	118,235	(25,000)	3,368,839
Endowment funds						
Rothiemurchus Bequest Fund	31,800	287	(14)	(2,269)	-	29,804
Whitley Animal Protection Trust	621,047	-	-	(56,880)	-	564,167
Total endowment funds	652,847	287	(14)	(59,149)	-	593,971
Restricted funds						
Africa	822,610	2,225,254	(3,700,748)	(6,918)	1,364,803	705,001
Agricultural Landscapes	3,552	31,585	(15,493)	-	-	19,644
Americas & Caribbean	1,253,004	1,116,928	(1,158,298)	8,810	470,840	1,691,284
Asia-Pacific	2,239,908	5,094,882	(5,176,557)	13,522	818,405	2,990,160
Conservation Capacity and Leadership	332,651	296,430	(547,558)	(3,899)	239,220	316,844
Conservation Finance and Enterprise	425,656	967,582	(973,879)	6,000	22,864	448,223
Conservation Partnerships Development	368,488	158,927	(121,730)	479	-	406,164
Conservation Science and Design	3,668,419	4,590,616	(1,869,249)	252,522	(3,513,751)	3,128,557
Eurasia	2,019,856	1,086,989	(1,815,174)	3,675	622,619	1,917,965
Extractives & Development Infrastructure	(60,382)	952,560	(712,996)	4,468	-	183,650
Other (incl Foreign Exchange) Revaluation	191,044	-	193,427	91,690	-	476,161
Total restricted funds	11,264,806	16,521,753	(15,898,255)	370,349	25,000	12,283,653
Total Funds	15,580,714	19,099,717	(18,863,403)	429,435	-	16,246,463

20 Prior Year Funds Analysis Statement

	General Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£	£
Tangible Fixed Assets	3,179	-	1,372,000	-	1,375,179
Intangible Assets	301,503	-	-	-	301,503
Investments	2,726,322	-	4,289,574	592,565	7,608,461
Net current assets	294,631	101,044	6,622,079	1,406	7,019,160
Provisions	(57,840)	-	-	-	(57,840)
	<u>3,267,795</u>	<u>101,044</u>	<u>12,283,653</u>	<u>593,971</u>	<u>16,246,463</u>



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