

# Annual Report and Accounts 2018









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## Message from the Chairman

'Stop biodiversity loss or we could face our own extinction, warns UN'. Media headlines such as this one have become increasingly commonplace in the past 12 months. The threat posed by climate change has already been on the global agenda for some time, but the world is finally waking up to the vital role played by biodiversity – and to the potentially devastating consequences of our failure to conserve the natural world. In this context, the work of Fauna & Flora International (FFI) is more important than ever.

There was ample evidence in 2018 that our community-led, partnership approach to conservation and emphasis on long-term commitment continue to reap rewards for our dedicated teams. It seems invidious to pick out individual success stories, but it is worth highlighting some of the achievements that epitomise what FFI is all about.

Mountain gorillas were officially taken off the critical list after the latest censuses revealed that numbers now exceed 1,000. This is the direct result of four decades of dedication on the part of FFI and a list of partners and collaborators too numerous to mention. Thanks to the support of the players of People's Postcode Lottery we can continue to build on this success and provide these magnificent great apes with the intensive care they still need.

The survival prospects of the critically endangered Siamese crocodile – one of the beneficiaries of our Species Fund – received a welcome boost with the birth of 65 hatchlings at a captive-breeding facility in Phnom Penh. This is the culmination of 18 years of hard work by FFI and our partners to protect and restore Siamese crocodiles in Cambodia. It also perfectly illustrates that species recovery depends on long-term investment and vision on the part of conservationists, communities and donors alike.

Within the space of just a few months, the Caribbean island of Redonda has been transformed from a treeless moonscape into a greener haven of biodiversity following the successful removal of feral goats and invasive rats, which were threatening to drive several critically endangered native species to extinction.

Our expanding global plastics programme – and our growing credibility in this space – has seen FFI increasingly engaged in high-level policy discussions. For example, the UK government requested our involvement in the Commonwealth Clean Oceans Alliance. In 2018, FFI was operating in more than 20 Commonwealth countries around the world, working with a number of national governments and partners to help them identify priorities and develop action plans to tackle ocean plastic pollution.

I have been delighted to see FFI go from strength to strength during my 10-year tenure as chair of the board of trustees. I am acutely aware that our success ultimately hinges on the contributions made by our members, donors, partners and ambassadors, and I would like to reiterate how grateful we are to everyone who has helped to ensure that FFI continues to achieve real conservation impact across the globe.

As FFI embarks on yet another new chapter in its long and illustrious history, we have an unprecedented opportunity to play a pivotal role in halting and reversing the decline of the natural world – a world on which we all ultimately depend. I wish everyone the best of luck with those endeavours in 2019 and beyond.

A handwritten signature in blue ink that reads "Andrew Sykes". The signature is fluid and cursive, with a long horizontal line extending from the end.

**Andrew Sykes**



# Strategic Report

Established 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.

To work towards these objectives, we have set out the following aims during our 2014-2018 business period:

- 1.** **To conserve threatened habitats and species** through locally led conservation of threatened habitats, securing threatened species, and extending protection for marine and coastal ecosystems.  
Turn to page 10 to learn more.
- 2.** **To shape decisions within society to benefit biodiversity** by embedding biodiversity into private-sector decision making, enabling governments to make decisions that conserve biodiversity, and encouraging individuals and communities to make decisions that maintain biodiversity.  
Turn to page 12 to learn more.
- 3.** **To empower individuals and organisations to lead innovative conservation action** by harnessing technology for conservation, supporting the development of conservation leaders, and supporting access to funding and capacity for local-level conservation.  
Turn to page 14 to learn more.
- 4.** **To invest in FFI's own effectiveness** by strengthening our systems and processes, fostering a culture of learning and knowledge sharing, attracting and retaining high-calibre staff, and securing diverse and resilient income streams.  
Turn to page 16 to learn more.

## How we work

*Our vision* is of a sustainable future for the planet, where biodiversity is effectively conserved by the people who live closest to it, supported by the global community.

We see conservation as a social process, which is why we put people at the heart of all our activities, respecting human rights and cultural values, and engaging with communities to find practical solutions to conservation problems.

One of FFI's distinguishing features is that we work in genuine partnership with local people and organisations, respecting their knowledge and understanding of the local context while bringing our own expertise and experience to the table. We

recognise that we can only tackle the many threats our planet faces by working collaboratively. With this in mind, we develop strategic alliances and engage with a broad range of partners, from local community organisations and NGOs to small-scale enterprises, global businesses and government agencies.

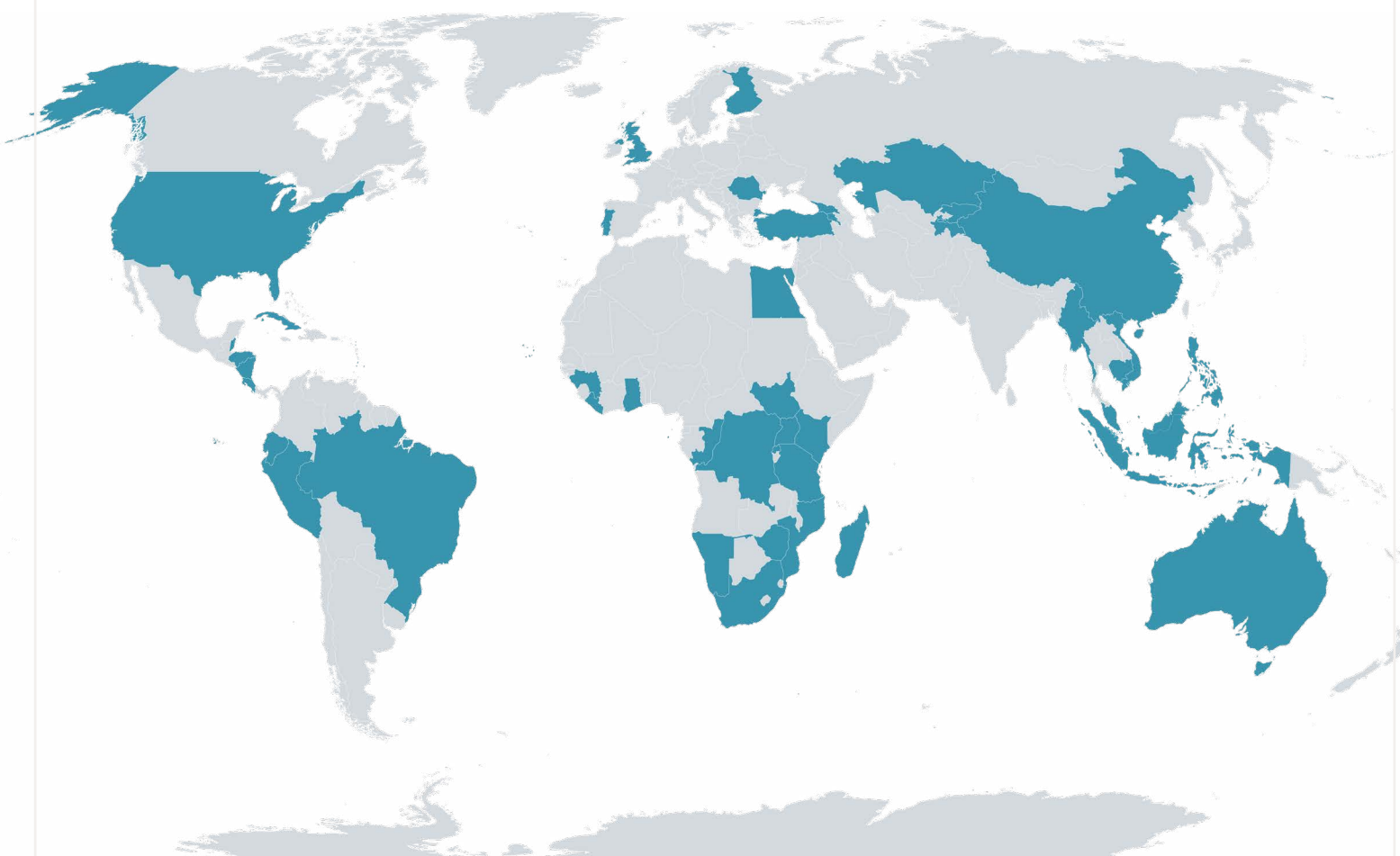
Conservation also needs to be rooted in sound science; our decisions and actions are always informed by the latest research and up-to-date information, and we monitor our impact carefully and methodically, sharing lessons and proven blueprints for success with our partners around the world.

This multifaceted, holistic approach to conservation helps to ensure long-term, sustainable success.



# Where we work

Fauna & Flora International has over 130 projects  
in close to 50 countries around the world.



|                     |                              |             |                             |
|---------------------|------------------------------|-------------|-----------------------------|
| Anguilla            | Democratic Republic of Congo | Liberia     | St Vincent & the Grenadines |
| Antigua and Barbuda | Ecuador                      | Madagascar  | São Tomé and Príncipe       |
| Armenia             | Egypt                        | Malaysia    | Singapore                   |
| Australia           | Finland                      | Mozambique  | South Africa                |
| Barbados            | Georgia                      | Myanmar     | South Sudan                 |
| Belize              | Ghana                        | Namibia     | Tajikistan                  |
| Brazil              | Guinea                       | Nicaragua   | Tanzania                    |
| Cambodia            | Honduras                     | Peru        | Turkey                      |
| Cape Verde          | Indonesia                    | Philippines | Uganda                      |
| China               | Kazakhstan                   | Portugal    | United Kingdom              |
| Congo-Brazzaville   | Kenya                        | Romania     | USA                         |
| Costa Rica          | Kyrgyzstan                   | Rwanda      | Vietnam                     |
| Cuba                |                              | Saint Lucia | Zimbabwe                    |



# 2018 Highlights

The following pages showcase a selection of FFI's achievements during the past 12 months, with particular reference to how these activities have contributed to the fulfilment of our key conservation aims and organisational objectives.

Further information can be found in our 2018 Conservation Report, which is available on request and contains a detailed account of our activities and their impact over the past 12 months.



# Aim 1: To conserve threatened habitats and species

...through locally led conservation of threatened habitats, securing threatened species, and extending protection for marine and coastal ecosystems.

**Our projects around the world encompass a huge variety of marine, freshwater and terrestrial sites that harbour many of the world's most endangered species.**

The spectrum of our work in 2018 included securing new protected areas, enhancing conservation management at existing sites, working across sectors to reduce human impacts on the environment and intervening directly to safeguard species on the brink of extinction.

## 2018 at a glance

- We directly supported conservation across almost eight million hectares of vital habitat, including over 1.25 million hectares of marine habitat.
- We influenced conservation over an additional 23.8 million hectares of crucial habitat.
- We supported over 1,000 rangers across our projects.
- We grew or planted over 122,000 seedlings from threatened tree species.
- We protected and released almost 46,000 sea turtle hatchlings.
- We tackled illegal wildlife trade in 40 of our projects.

Mountain gorilla numbers were confirmed to have increased to over 1,000 individuals, a landmark achievement for FFI and our partners, and a vindication of our tireless conservation efforts spanning four decades.

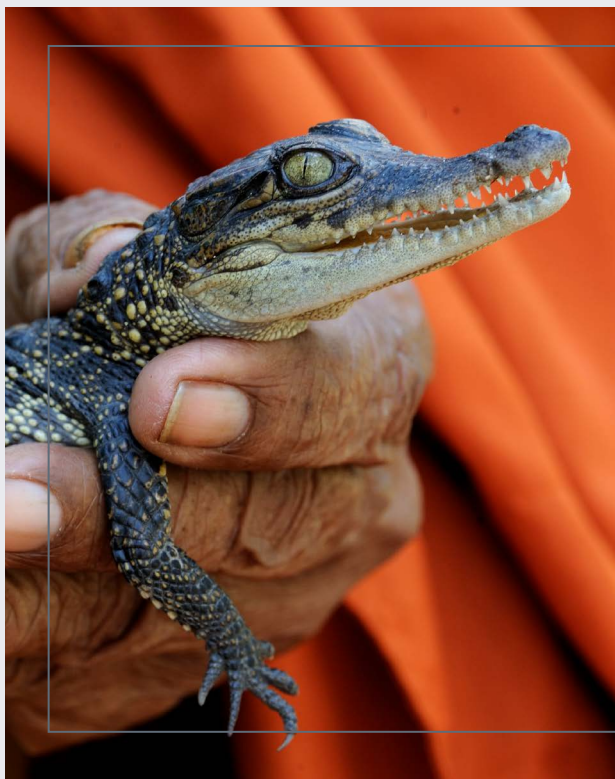


Mountain gorilla, Rwanda. Credit: Juan Pablo Moreiras/FFI



## CASE STUDIES

Juvenile Siamese crocodile. Cambodia. Credit: Jeremy Holden/FFI



### SIAMESE CROCODILE SUCCESS

The survival prospects of the Siamese crocodile – one of the beneficiaries of our Species Fund – were boosted significantly in 2018 when a total of 65 hatchlings emerged from three clutches of eggs. The birth of these crocodiles – at a captive-breeding facility in Phnom Penh managed by FFI in partnership with the Cambodian Forestry Administration – was a momentous event for one of the world's rarest reptiles. Given that the wild population is estimated at a mere 250 mature individuals, this represents a dramatic increase in numbers, and offers a vital lifeline for a species that is classified as Critically Endangered on the IUCN Red List. Encouragingly, 2018 was also the best year in recent memory for wild nests, with a total of five recorded.

### RESTORATION OF REDONDA

Following the successful removal of feral goats and invasive rats, which were threatening to drive several critically endangered native species to extinction, the Caribbean island of Redonda was transformed from a treeless lunar landscape into a verdant haven of biodiversity within the space of just 12 months. Numbers of the Redonda ground dragon, a rare black lizard found nowhere else on the planet, doubled; rare Redonda tree lizard numbers trebled; hundreds of new trees sprang up; land birds increased tenfold; and the island's globally important seabird colonies – including magnificent frigatebirds and several booby species – had their best breeding year on record.



Masked booby nesting. Redonda. Credit: Jeremy Holden/FFI



## Aim 2: To shape decisions within society to benefit biodiversity

...by embedding biodiversity into private-sector decision making, enabling governments to make decisions that conserve biodiversity, and encouraging individuals and communities to make decisions that maintain biodiversity.

### Encouraging behaviour and decision-making that benefit biodiversity is a crucial facet of our approach to conservation.

In 2018, our work included supporting sustainable livelihoods, enabling communities to be fully involved in any decisions affecting their natural resources, raising conservation awareness, ensuring that biodiversity was firmly on the corporate agenda and supporting the conservation efforts of governments.

### 2018 at a glance

- We engaged with policy makers in 60 of our projects.
- We contributed to the development of 22 conservation laws, regulations and strategic plans.
- We engaged with and consulted 4,400 people from over 450 communities on conservation issues.
- We contributed to the development of sustainable livelihoods in 33 projects, directly benefiting almost 10,500 people and indirectly benefiting over 26,000 more.
- We helped 200 communities become involved in improvements to local planning or governance.
- Our awareness and outreach activities reached over 25,000 people including schoolchildren.
- We engaged with the corporate sector in 55 projects.

A report co-authored by FFI highlighted the fact that many blue-chip companies lack information about the risks to their supply chain posed by the decline in wild pollinators, and urged businesses to make this a priority.



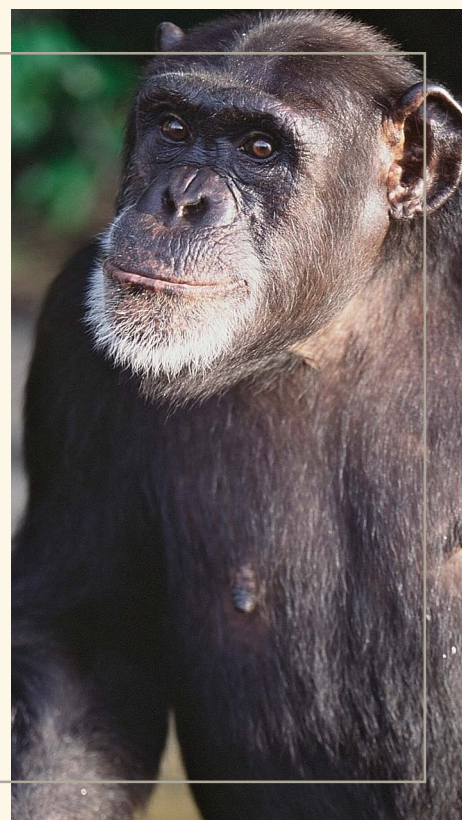
Honey bee on lavender. Credit: Koslovsky/Bigstockphoto



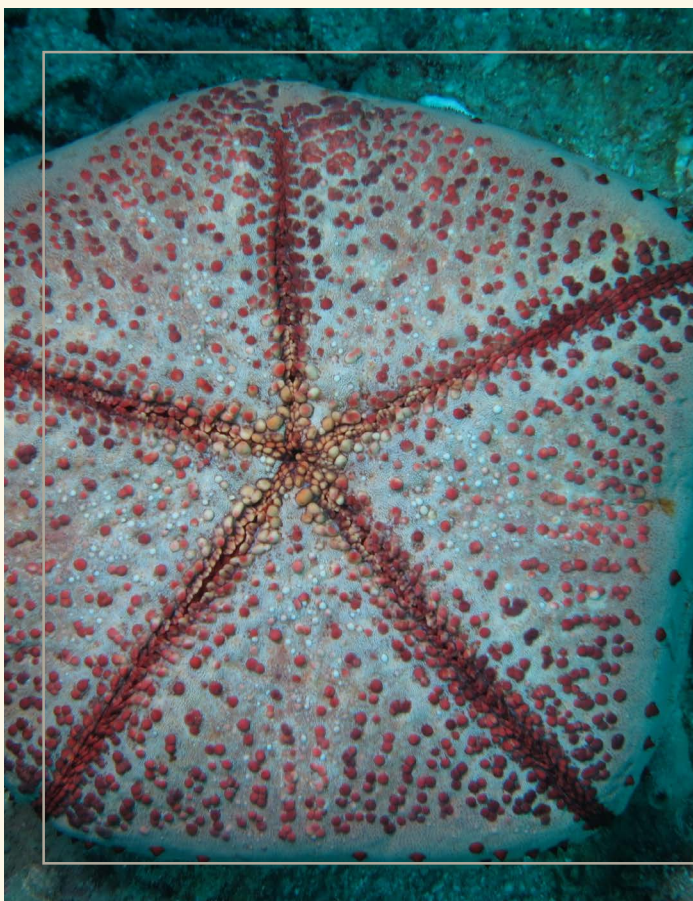
## CASE STUDIES

### LIBERATING LIBERIA'S FLAGSHIP PARK FROM ILLEGAL MINING

Liberia's Sapo National Park, one of the last refuges in West Africa for pygmy hippos, western chimpanzees, forest elephants and giant pangolins, is seriously threatened by illegal mining activities. In 2018, thanks to the collaborative efforts of communities, government staff and international NGOs, spearheaded by FFI, all the illegal camps were removed. Securing the trust and cooperation of communities around the park was vital. By engaging them fully in the consultation process – and persuading all parties that constructive dialogue was preferable to the use of force – FFI engineered a successful, and peaceful, outcome. The communities not only declared their support, but actually took the lead in evicting the miners from the last remaining illegal camp in the park. The respect that FFI has earned through its long-term commitment to Liberia during the country's turbulent recent history was a critical success factor.



Chimpanzee, Liberia. Credit: Jeremy Holden/FFI



Sea urchin, Myanmar. Credit: Karenne Tun

### MARINE PROTECTION IN MYANMAR

In Myanmar's first Locally Managed Marine Areas (LMMAs), regular patrols are now conducted by community teams in collaboration with Department of Fisheries staff. Turtle Exclusion Devices have been made compulsory on all trawlers and stow nets. Several key turtle nesting beaches are now continuously monitored, leading to high hatching success. The use of so-called Participatory Market System Development – which facilitates better links between producers, traders and marketers – has helped to relieve the pressure on the marine environment by providing a tangible and sustainable means of improving community livelihoods. After receiving financial management training, a 40-strong women's group at one LMMA site is already developing its own by-laws on how finances should be managed.



## Aim 3: To empower individuals and organisations to lead innovative conservation action

...by harnessing technology for conservation, supporting the development of conservation leaders, and supporting access to funding and capacity for local-level conservation.

**We believe that local people and organisations hold the key to effective long-term conservation, so we work to ensure that they have all the skills, tools and resources necessary to succeed.**

In 2018, this included directly supporting a diverse spectrum of partners in locally led conservation activities, developing future conservation leaders and innovators, and harnessing the potential of new technology.

### 2018 at a glance

- We helped develop the capacity of 222 partner organisations.
- We provided training to over 4,800 individuals.
- We supported the establishment of nine new organisations and supported or established 111 community-led organisations.

Concerted pressure from local communities opposed to commercial kelp dredging, supported by a public statement from FFI vice-president Sir David Attenborough, led to the Scottish parliament voting to protect this crucial habitat from destructive harvesting.



Kelp, Scotland. Credit: James FJ Rooney/Flickr



## CASE STUDIES

### SUPPORTING FOREST RESTORATION IN BRAZIL

Brazil's Araucaria forest – home to more than 350 tree species – has been reduced to just 1% of its original extent. Since 2011, FFI's Global Trees Campaign has been supporting Sociedade Chauá, a Brazilian NGO set up to safeguard the remaining forest and restore degraded land. The nursery established by Chauá currently grows almost 200 native species, including 125 tree species. In 2018, more than 24,000 tree seedlings from 55 tree species – over half of which are rare or threatened – were planted out in five forest fragments. Following a training programme for other nurseries interested in adopting the Chauá model, six nurseries committed to continuing production of threatened trees. Local farmers are now spontaneously visiting Chauá's nursery and requesting seedlings from rare trees to plant on their land. With FFI's ongoing support, Chauá has become increasingly self-sufficient, better organised and more widely respected within and outside Brazil.



Candellabra tree, Brazil. Credit: Zig Koch

### FOSTERING COASTAL COLLABORATION IN SCOTLAND

As part of its ongoing support for marine communities in Scotland, FFI hosted a coastal communities workshop in 2018 that brought together around 50 participants from groups within the Coastal Communities Network (CCN), as well as representatives from Marine Scotland and Scottish Natural Heritage. The event provided a crucial forum for information exchange and face-to-face discussion of key conservation priorities, including marine protected areas, aquaculture and fundraising. Feedback from participants was overwhelmingly positive and the event spawned several collaborations; for example, Argyll-based groups have joined forces to promote local marine protected areas, Friends of the Sound of Jura are spearheading a campaign to address concerns about salmon farming, and CCN is taking collective action on illegal scallop dredging.



West coast of Scotland. Credit: John Atchison



## Aim 4: To invest in FFI's own effectiveness

...by strengthening our systems and processes, fostering a culture of learning and knowledge sharing, attracting and retaining high-calibre staff, and securing diverse and resilient income streams.

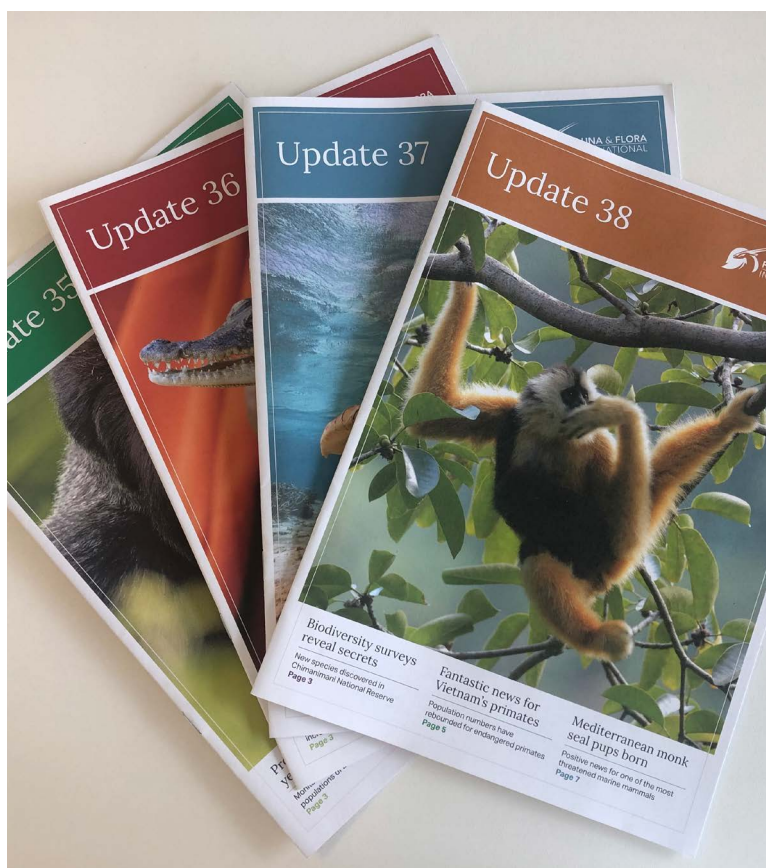
**We recognise the need to invest time and resources in FFI's own systems, staff and processes to ensure that we continue to achieve conservation success.**

The activities under this aim reinforce and enhance our efficacy in the field and the investments made in our own effectiveness have paid dividends in supporting conservation on the ground.

### 2018 at a glance

- We have reinforced our long-term commitment to safeguarding children and adults at risk, including updating our policy and extending its scope to third parties who work in partnership with us or carry out work on our behalf.
- The introduction of a new equal opportunities policy, alongside an anti-bullying and anti-harassment policy, combined with commitment from management and all-staff training, ensures FFI is a safe, welcoming and inclusive working environment, free from intimidation and discrimination.
- We supported FFI staff through the provision of 38 training events, benefiting 181 individuals.
- We continued to improve the finance and project management systems in order to provide stakeholders with accurate and accessible project and financial information.

In accordance with FFI's ambition to increase brand awareness and raise our profile among a wider audience, we strengthened our communications and fundraising teams with the recruitment of additional staff.



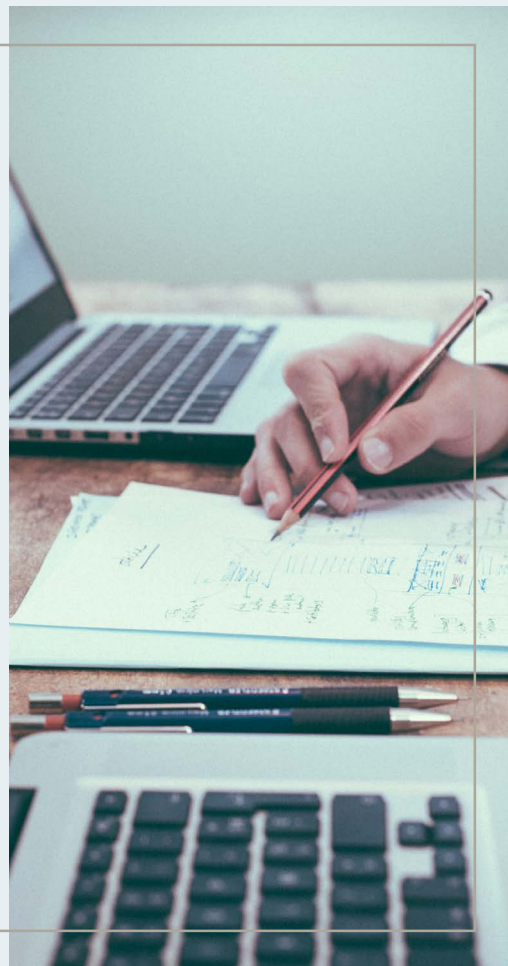
Latest issues of FFI's newsletter.



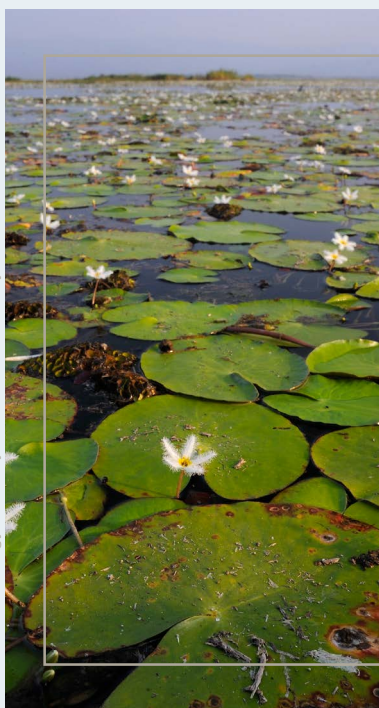
## CASE STUDIES

### IMPROVED IMPACT MONITORING

Over the past five years, FFI has made great progress in its commitment to implementing a project design and monitoring system pegged to explicit 'theories of change' (a description of how and why a desired change is expected to happen in a particular context). To date, around one third of FFI projects have developed them. We are now developing monitoring plans based on theories of change, which explicitly link collected data to progress towards project impact, and are experimenting with different models to see which will be most useful on the ground. These processes have contributed towards increased access to conservation funding, refinement of project strategies to ensure they are working towards conservation impact, alignment of project monitoring plans with our organisational impact chains, and strengthening the quality of our annual Conservation Report. In addition, FFI is actively engaging across the conservation sector to strengthen our own – and the entire sector's – engagement with impact assessment. To date we have shared lessons from our approaches with at least ten organisations, including our partners.



Helloquence/Unsplash



### LEVERAGING OUR LEGAL EXPERTISE

We have continued to invest in our legal capability throughout 2018 in response to the increasingly complex legal environment of our global operations. We have reviewed, standardised and enhanced the terms on which we engage with partners and contract with consultants, in order to streamline these processes, and embed our donors' requirements and legal obligations into our relationships. We took the introduction of the new GDPR rules as an opportunity to refresh our data management, security and retention practices. We are also seeking to use law as a positive tool for our conservation aims, with our legal team working closely with project teams where appropriate on structuring projects, using the law effectively for conservation, and advocating practical and realistic changes in law in support of those aims.

Waterlilies on Indawgyi Lake, Myanmar. Credit: Jeremy Holden/FFI



# Plans for the future

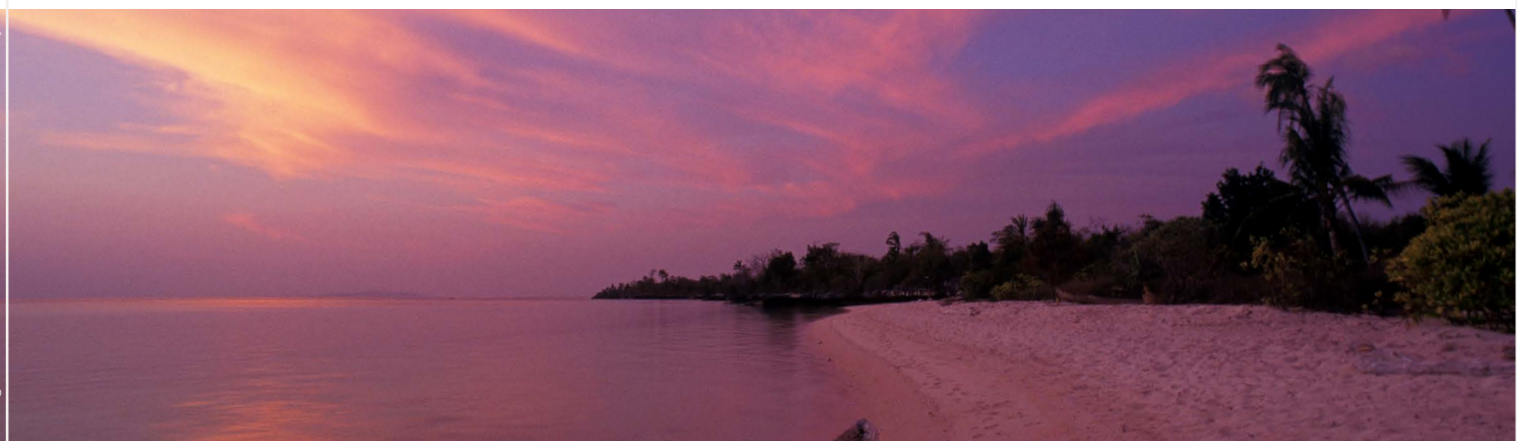
2019 will be a watershed year for FFI. We will be initiating our new five-year strategic plan, which articulates our ambition to achieve greater, demonstrable and lasting conservation impact worldwide. We will be looking to consolidate our efforts around key themes and geographies whilst remaining responsive to emerging opportunities to support, influence and innovate.

We anticipate significant expansion of our work to restore islands in the eastern Caribbean with the establishment of a new registered office in Antigua. Our work in South Sudan is also entering a new phase to help rebuild the protected area network there. In Central Europe we will be using our experience in large-landscape connectivity to explore opportunities in the Balkans, while in Indonesia we will be extending our successful community-based forest conservation eastwards from Sumatra. Across many of our projects we will be pushing forward with enterprise development that supports conservation efforts, particularly around local agricultural commodities.

Our marine portfolio will continue to develop across all four regions in which we operate. In particular we will be exploring how to support governments and local partners in tackling marine plastic pollution, building on our successful work on microbeads in the UK. We will also be enhancing our work on illegal wildlife trade, with additional emphasis on influencing public behaviour. Our team will be supporting key recommendations at the rescheduled CITES Conference of the Parties.

Plant conservation is an often-neglected topic but one in which FFI takes great pride. In 2019 we will enter a new phase of our longstanding Global Trees Campaign while developing new field projects with a particular floral emphasis. These include conserving flower-rich and culturally important grasslands in Central Asia as well as supporting Chimanimani National Reserve in Mozambique, home to a wealth of endemic plant species.

To support our ambitions for growth and influence, we have appointed a new Senior Director for Communications and Fundraising to lead on enhancing external profile, growing membership and integrating the various fundraising efforts across the organisation. We will also be focusing strongly on our key asset, our people, with a major HR review and creation of a dedicated people strategy to enable us to sustain a motivated, talented, committed and secure workforce around the globe, collectively achieving greater conservation impact.

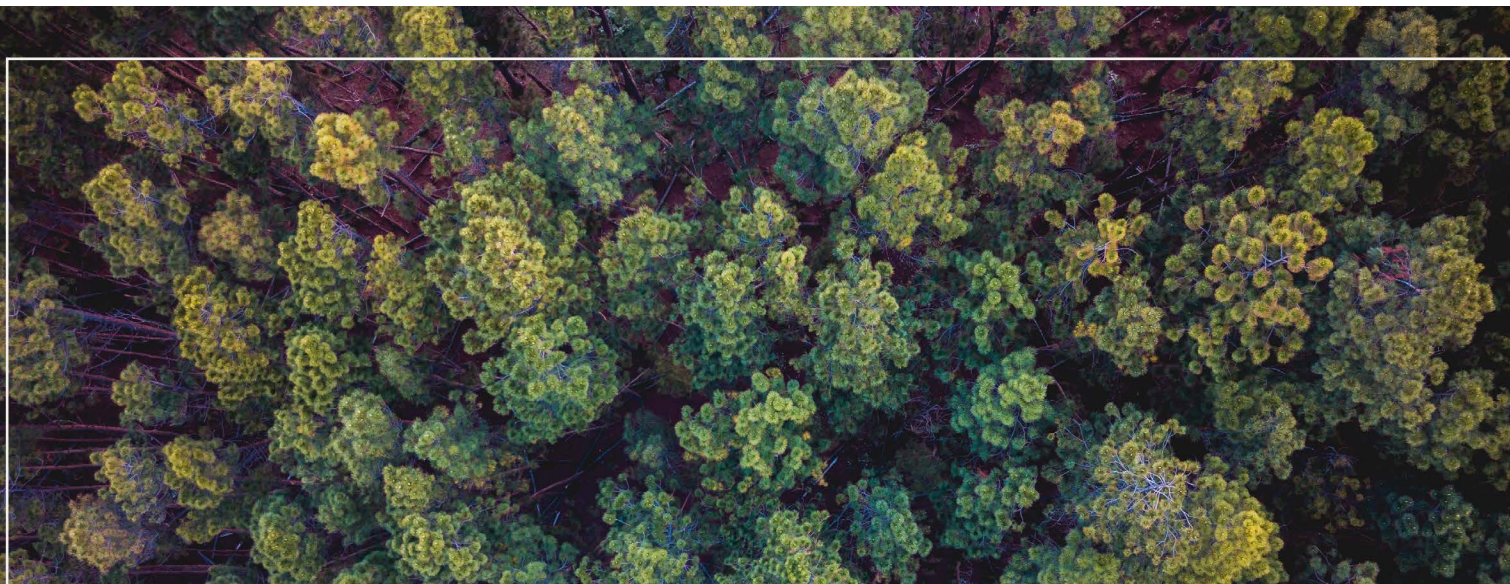




# Structure, governance and management







Forest, Brazil. Credit: Willian-Uiten-de-Vasconcellos/Unsplash

## 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, China, Indonesia, Myanmar and Vietnam), Africa (DR Congo, Guinea, Kenya, Liberia, Mozambique, South Sudan and Uganda), Americas & Caribbean (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.



## 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 sub-committees, the officers of Council and the Senior Management Team (SMT) of the organisation. To this end Council has established three further sub-committees, 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 that its current practices and thinking reflect the seven principles of the Charity Governance Code, thereby enabling it to provide strategic leadership in line with the Charity's aims and values.

With regard to the Code's first principle, concerning the trustee board having clarity around these aims, in 2018 Council actively engaged in the development of the organisation's new five-year 2019 – 2023 Strategy. This Strategy aims to be clear, simple and inspirational, to ensure FFI's purpose, aims and ambitions will be understood by, and relevant to, the trustees, staff, partners and supporters alike. To ensure that these aims and ambitions are effectively and sustainably delivered, the trustees participated in the development of an accompanying internal Business Plan, setting out in more detail how delivery of the Strategy will be resourced and supported in order to achieve greater demonstrable and lasting impact over the next five years.

To enhance the board's effectiveness, in 2018 a secure section of the organisation's intranet was created solely for trustee use, enabling ready access to governance documentation, reports and meeting papers, the organisation's risk management tools and policies and procedures. Together with links to external guidance and to FFI's social media sites, this ensures that trustees are kept fully informed as to their role as well as up to date on the work that we do.





# 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

Baroness Amos

Sir David Attenborough OM FRS

Professor David Bellamy OBE

The Lord Browne of Madingley FR Eng

Lindsay Bury

Charlene de Carvalho-Heineken

Field Marshal Sir John Chapple GCB CBE DL

Viscount Philippe de Spoelberch

Giles Clark

Dame Judi Dench

Dr Lee Durrell

Hugh Fearnley-Whittingstall

Dorette Fleischmann

Stephen Fry

Michael Gollner

Rupert Goodman

Edward Hoare

The Lady Emma Kitchener LVO

Rove McManus

Justin Mundy

Blaine T. Phillips

Dr Lisbet Rausing

Dr Claudio Segré

Rt Hon. Mark Simmonds

Hugh Sloane

Jon L. Stryker

Charles Whitbread

James Wong

Baroness Young of Old Scone

Jochen Zeitz



## Board of Trustees

### EXECUTIVE COMMITTEE

|                 |   |
|-----------------|---|
| Andrew Sykes    | Chair   |
| Michael Maunder | Vice Chair <i>(appointed 28th March 2019)</i> |
| Paul Baldwin    | Treasurer                                     |

### ORDINARY MEMBERS OF COUNCIL

|  |  |
|--|--|
| Stephen Georgiadis <i>(retired 11th September 2018)</i>                        | Richard Plackett   |
| David Gibson   | Sir Gareth Rhys Williams                                   |
| Dr Charlotte Grezo   | Edward van Cutsem  |
| Andrew Joy   | Diana van de Kamp  |
| Dr Sandra Knapp  | Professor Bhaskar Vira                                     |
| Annette Lanjouw  | Hugo van Vredenburg <i>(appointed 11th September 2018)</i> |
| Professor Nigel Leader-Williams <i>(retired as Vice-Chair 28th March 2019)</i> | Richard Walker <i>(appointed 11th September 2018)</i>      |
|  | John Wotton  |

### SENIOR MANAGEMENT TEAM

|                    |   |
|--------------------|---|
| Mark Rose          | Chief Executive Officer   |
| Rosalind Aveling   | Deputy Chief Executive <i>(retired from SMT on 9th April 2019)</i>              |
| 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 <i>(appointed 9th April 2019)</i> |

### 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 | Brewin Dolphin Limited, 12 Smithfield Street, London, EC1A 9BD                    |
| 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 2018 in furtherance of its charitable purposes for the public benefit.

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



Yellow-naped parrot, Nicaragua. Credit: Ondrejprosimsky/Adobe Stock

## 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.

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.

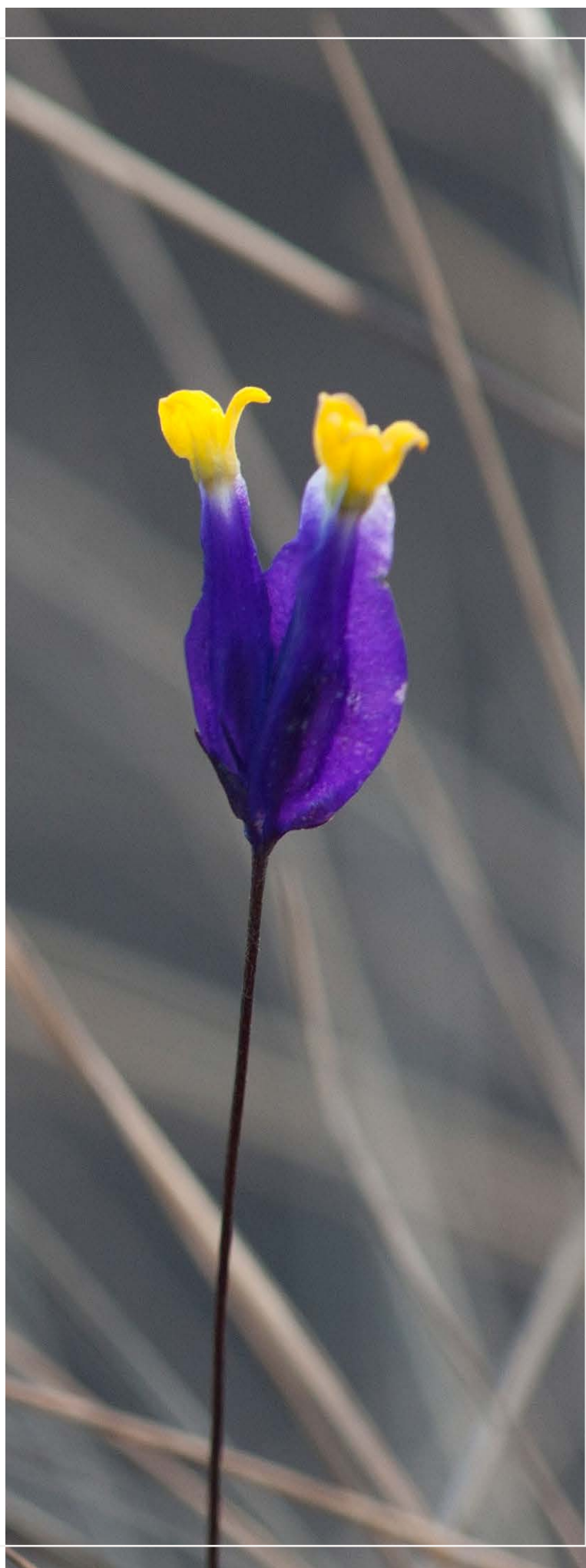
### ENDOWMENT RESERVES

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 systems and organisational capacity building.



Unidentified species of *Burmannia*, Cambodia. Credit: Jeremy Holden/FFI



## Investment Policy

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

FFI is responsible for the safekeeping and investment of restricted reserves prior to their being required for project expenditure. As such, the main investment priority is capital preservation, with the funds held either on deposit with major banks or in suitable money market funds.

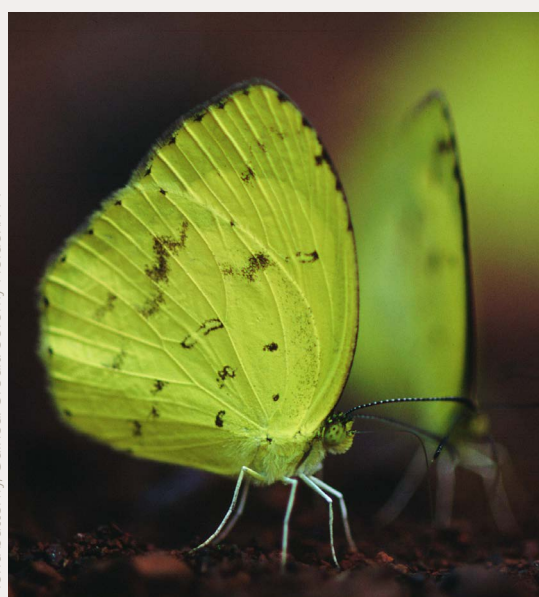
Unrestricted reserves are held for general expenditure and to meet unforeseen requirements. As these funds may need to be available at short notice, they are regarded as short-term funds for investment purposes, with capital preservation and liquidity as the main focus. FFI keeps a sufficient amount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

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

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



Coastal forest, Cambodia. Credit: Jeremy Holden/FFI



Pierid butterfly, Guinea. Credit: 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 £2.80 million to implementing partners in 2018 (2017: £2.90m). 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, if necessary.

FFI staff also reviewed over 555 grant applications for external grants funds using criteria developed and agreed with the donors and, through this, influenced the allocation of an additional £2.13 million of conservation grant funds.



## Environmental Policy

All FFI's activities are designed to address threats to the world's habitats and species and to have a positive impact on biodiversity. At the same time FFI aims to be an environmentally responsible and accountable organisation. As far as is possible, FFI is therefore committed to minimising the negative impacts it has on the environment without compromising its ability to address its mission and aims and to undertake cost-effective conservation activities.

FFI's global headquarters is at The David Attenborough Building, which it occupies alongside its partners in the Cambridge Conservation Initiative (CCI). The work undertaken to develop a bespoke Sustainability Framework during the refurbishment of The David Attenborough Building is now being taken forward by a Sustainability Working Group formed of representatives from all the building's occupants. The group will advise on and implement sustainability initiatives, taking responsibility for motivating and empowering building users to further develop the building's sustainable credentials by delivering against a range of targets including biodiversity and ecology; carbon reduction and energy efficiency; transport and mobility; and waste management and water use.

FFI's own 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. The group also encourages FFI staff across the globe to reduce the environmental footprint generated by their work, an example being the purchase of water filters and reusable water bottles for FFI's coastal and marine conservation project in Cambodia. The kits will not only directly reduce plastic use but serve as a good example of environmentally friendly behaviour when they are used at meetings and workshops in the four local communities the project covers.

## 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

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 2018.

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

## 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.



# 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 inserts and advertisements placed in targeted newspapers and magazines throughout the year to bring on board new supporters. We also have a growing portfolio of digital fundraising activities, including our weekly e-newsletter and social media ads, which although focused on the recruitment of new supporters also 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 2018, we raised 68% of our targeted unrestricted income of £3.78m. The main reason for the variance is the delayed receipt of a large 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 100 complaints in 2018, with the majority of these related to our change of database and website, which caused some minor issues with web page speeds and subscription processing. 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.

# 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:

- An annual review of the risks the Charity might face, tracked in the Risk Register, complemented by regular reviews by the Executive Committee and the Audit Committee.
- The establishment of systems and procedures to mitigate those risks identified from an operational review and as part of the Business Plan.
- The implementation of procedures designed to minimise any potential impact should those risks materialise. For example, in 2018 we added a new Anti-Fraud and Financial Crime Policy and Procedure to our suite of Organisational Policies.
- A portfolio risk-tracking tool has been developed to enable a more comprehensive and regular risk assessment across portfolios of projects. Going forward, three types of risk will be assessed: financial, delivery and conservation impact.
- 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:

- **HEALTH, SAFETY AND SECURITY**

The work of FFI staff inevitably comes with such risks, especially in some of the remote and challenging areas that we work in, and travel to. Our Travel Policy & Procedure aims to prevent and mitigate these risks to the maximum extent possible by means of thorough pre-trip preparation, comprehensive risk assessments of high-risk destinations and a centralised system for registering and tracking travel. In conjunction with our travel insurance provision, staff can access a range of security advice and support services, including tailored travel alerts. Mandatory training for all staff on the Travel Policy & Procedure is complemented by specialist training opportunities where required, e.g. remote wilderness first-aid courses.

- **REGULATORY COMPLIANCE**

We ensure the legality of our global operations by complying with statutory policies in all of the countries where we operate, maintaining current registrations with appropriate authorities and seeking guidance on local legislation from trusted local advisors where necessary. We also adhere to all regulatory alerts and guidance issued by the Charity Commission, including those relating to Safeguarding, which prompted a review of our policies and procedures in this regard.

- **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. We have developed a programme of Good Grant Management and provide training to our project staff. We continue to embed our new project management system (implemented in 2016) that 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 are developing a comprehensive set of organisational policies and procedures and maintaining a schedule of delegated authorities to define accountability in decision making and monitor the application of these across the organisation. Our accounting and project management system is designed to automate and align our business processes and financial controls and we are working on embedding the new systems to support efficient compliance and monitoring.

- **FINANCIAL VIABILITY OF IN-COUNTRY PARTNERS**

This is an inherent risk, particularly where funding from FFI represents a significant element of its funding portfolio and the organisation has little access or exposure to international fundraising markets. We have increased our due diligence activities, and use partner monitoring health checks, as well as investing in local capacity building, to support this.

- **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 the risk by increasing 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 conservation impacts are tracked and learning fed back into effective tackling of threats.

# Financial Review





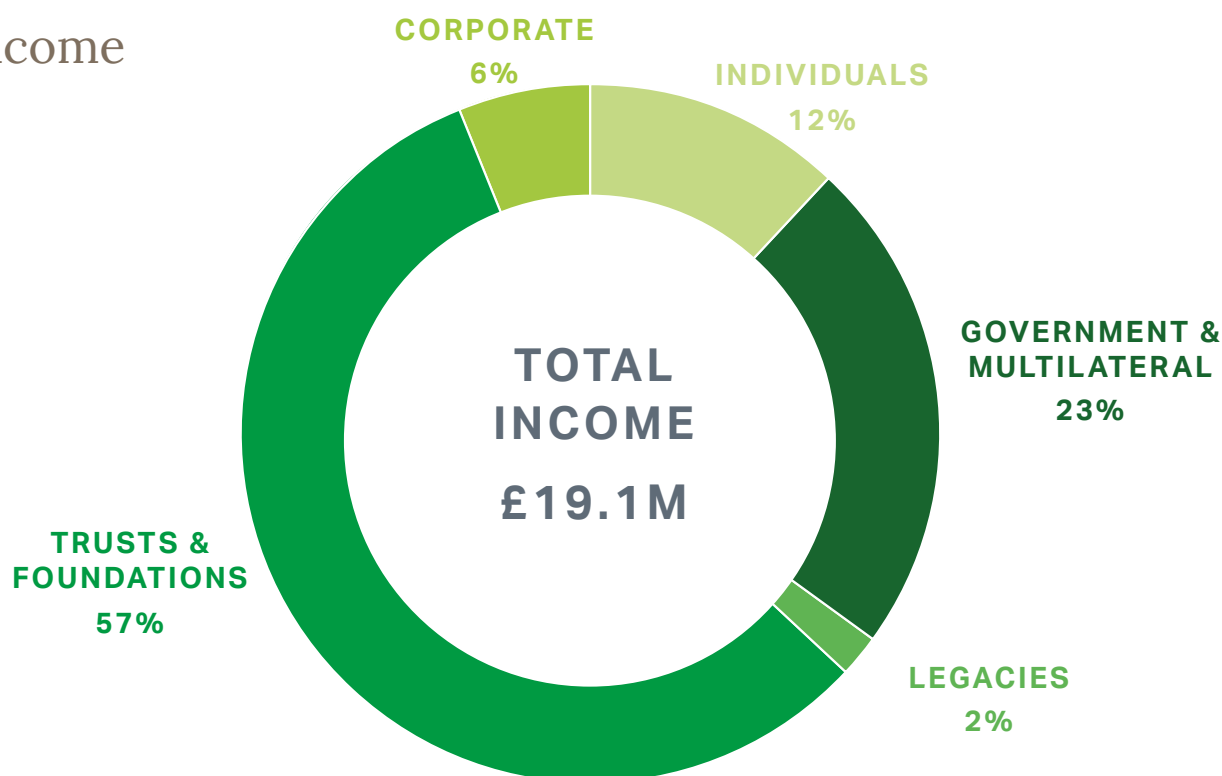
# Overall Position

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.

2018 represented the final year of the Business Plan on which we embarked in 2014, with continued investment being made to streamline and create efficiency in our operations in parallel with pragmatic assessment and rationalisation of the sources of our restricted funding and a focus on improving the financial sustainability of the organisation into the future.

The net movement in total funds for the period is an increase of £666k (2017: £4.1m), comprising an increase in restricted funds of £1.0m (2017: £1.1m increase), a decrease in endowment funds of £59k (2017: £35k increase) and a decrease in unrestricted funds of £294k (2017: £2.9m increase). All restricted funds held relate to current, active projects and are anticipated to be utilised over the next one to four years.

## Income



Income generation overall of £19.1m shows a decrease of 17% compared with 2017. This is largely due to the receipt of significant contributions to FFI's Capital Campaign in 2017,

a targeted fundraising appeal aimed at building the reserves of the organisation to the levels specified in our Reserves Policy (refer to page 25).

| UNRESTRICTED INCOME BY TYPE | 2014             | 2015             | 2016             | 2017             | 2018             | 2018/2017 Change |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Individuals                 | 1,074,137        | 1,395,588        | 1,309,006        | 1,841,392        | 1,776,626        | -4%              |
| Trusts & Foundations        | 632,958          | 28,382           | 155,251          | 2,951,263        | 521,424          | -82%             |
| Corporate                   | 319,356          | 528,239          | 20,689           | 55,939           | 167,038          | 199%             |
| Legacies                    | 206,417          | 343,216          | 256,176          | 790,779          | 73,885           | -91%             |
| Other                       | 16,581           | 15,938           | 17,253           | 7,999            | 38,704           | 384%             |
| Government & Multilateral   | 78,845           | -                | -                | -                | -                | 0%               |
|                             | <b>2,328,294</b> | <b>2,311,363</b> | <b>1,758,375</b> | <b>5,647,371</b> | <b>2,577,677</b> | <b>-54%</b>      |

The Capital Campaign contributions mentioned above are reflected predominantly in the 2017 income from Trusts & Foundations and the one-off nature of these contributions accounts for the decreased income in 2018.

By their nature, legacies are unpredictable in terms of timing and value and therefore legacy income will vary from year to year, which also contributed to the decrease in income in 2018.

| Restricted Income by type | 2014              | 2015              | 2016              | 2017              | 2018              | 2018/2017 Change |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| Trusts & Foundations      | 6,307,985         | 8,998,384         | 9,259,111         | 11,152,475        | 10,266,072        | -8%              |
| Government & Multilateral | 1,656,586         | 759,805           | 2,877,498         | 4,274,240         | 4,457,350         | 4%               |
| Corporate                 | 3,150,477         | 2,960,665         | 1,403,693         | 1,881,587         | 1,068,003         | -43%             |
| Legacies                  | 21,000            | -                 | -                 | 25,000            | 318,444           | 1174%            |
| Individuals               | 1,167,009         | 2,838,021         | 460,966           | 173,979           | 294,112           | 69%              |
| Other                     | 2,114             | 366               | 23,047            | 30,595            | 117,772           | 285%             |
|                           | <b>12,305,171</b> | <b>15,557,241</b> | <b>14,024,315</b> | <b>17,537,876</b> | <b>16,521,753</b> | <b>-6%</b>       |

Restricted income from Trusts & Foundations has decreased by 8% and Government & Multilateral has increased by 4% since 2017, thanks to continuing support from existing donors. Government & Multilateral funding in 2018 represented 23% of our overall funding portfolio (19% in 2017), within our internal maximum limit of 25% of our total income. 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 2018, due mostly to the receipt in advance of multiannual funding in 2017.

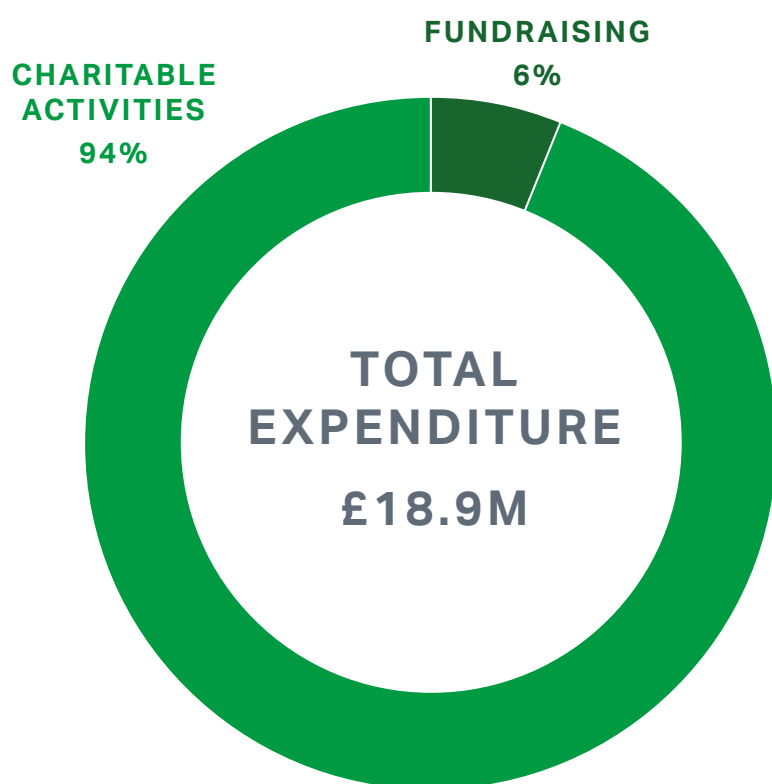
Restricted Individual and legacy income have both increased from 2017.

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 £24k in 2018 (2017: £31k), 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.

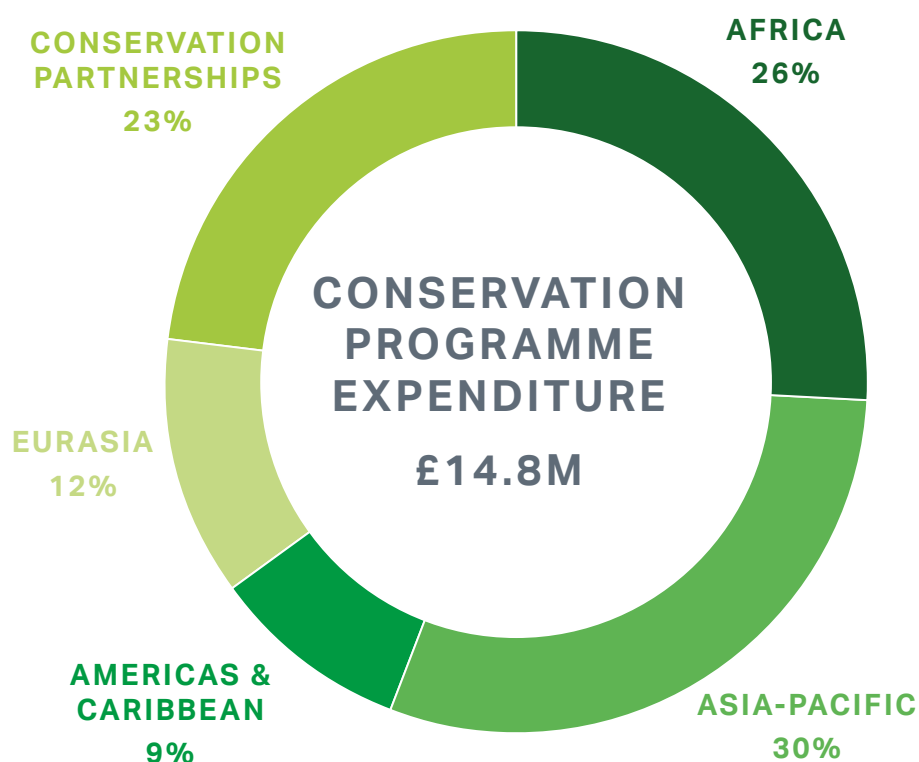


## Expenditure



Charitable expenditure across our conservation portfolio has remained consistently high as a proportion of total expenditure (94%) in 2018. With over 130 projects in close to 50 countries at year end, 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 sector initiatives (Conservation Science & Design; Conservation Capacity & Leadership; Extractives & Development Infrastructure; Conservation Finance & Enterprise; and Agricultural Landscapes), which form our Conservation Partnerships division.

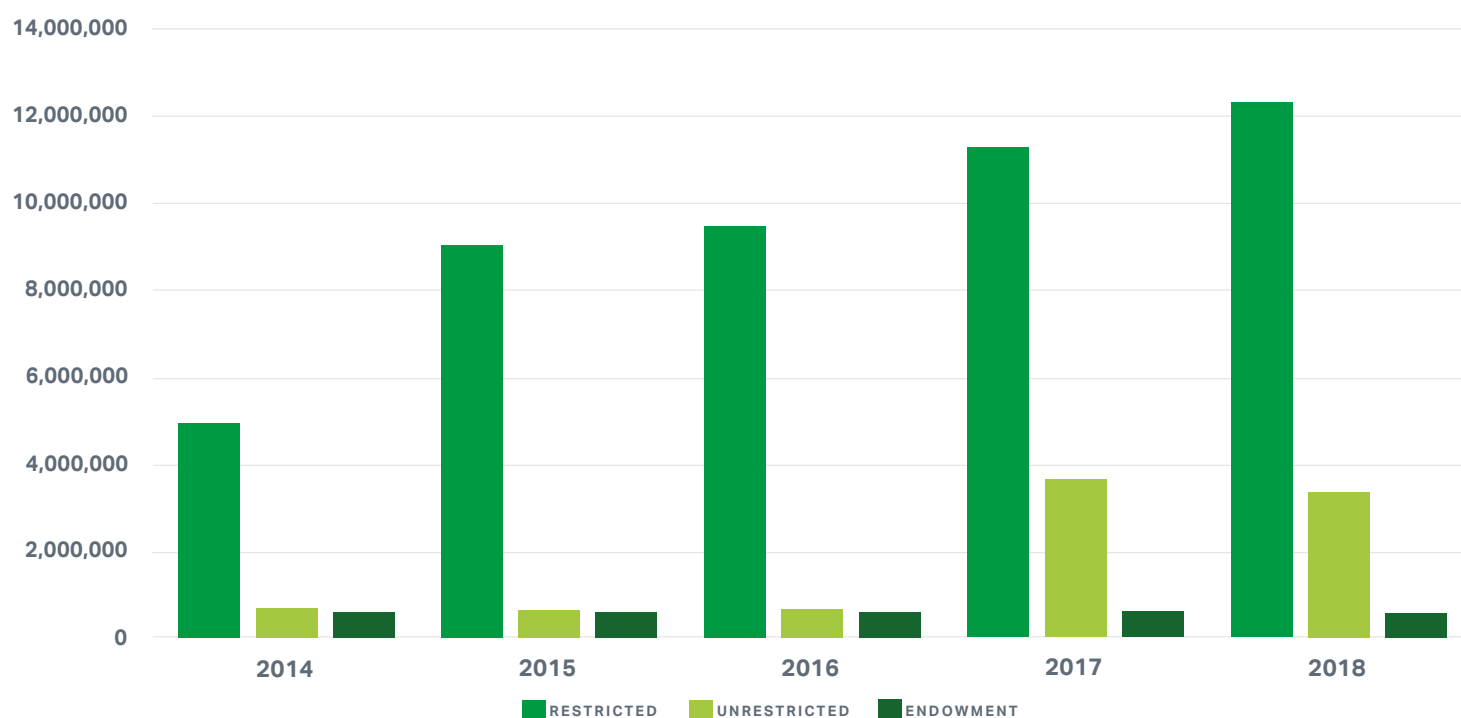


## Reserves

The total reserves of the organisation at the end of 2018 are £16.2m (2017: £15.6m).

After taking into account restricted reserves of £12.3m (2017: £11.3m) and endowment funds of £594k (2017: £653k), the unrestricted reserves are £3.4m (2017: £3.7m).

This represents 9.0 months (2017: 11.4 months) of budgeted, recurring core expenditure. As outlined in our Reserves Policy on page 25, we aim to hold unrestricted reserves of six to 18 months. Free reserves (unrestricted reserves less unrestricted fixed assets of £305k (2017: £372k)) are £3.1m (2017: £3.3m).



<sup>1</sup> Unrestricted reserves represents 10.1 months (2017: 13.2 months) of committed, recurring expenditure when measured using 2018 core expenditure levels as outlined in Note 6a.



# Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent; 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 auditor is 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 the company's auditor is 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 3rd July 2019 and signed on its behalf by



**Andrew Sykes**  
Chairman

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

## Opinion

We have audited the financial statements of Fauna & Flora International for the year ended 31 December 2018 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 2018 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 and the Charities Act 2011.

## 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 &amp; Trustees of Fauna &amp; 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 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## Independent Auditor's Report to the Members & Trustees 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 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 36, 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 &amp; Trustees of Fauna &amp; Flora International

## Auditor's responsibilities for the audit of the financial statements

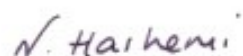
We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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](http://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, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

**Date: 18th July 2019**

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# Financial Statements



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

For the year ended 31 December 2018

|   | Notes      |                  |                   |                 | 2018              | 2017              |
|---|------------|------------------|-------------------|-----------------|-------------------|-------------------|
|   |            | Unrestricted     | Restricted        | Endowment Funds | Total             | Total             |
|   |            | £                | £                 | £               | £                 | £                 |
| <b>Income and endowments from:</b>      |            |                  |                   |                 |                   |                   |
| Donations and legacies                  | 3a, 3b     | 1,538,414        | 500,598           | -               | 2,039,012         | 2,966,044         |
| Charitable Activities                   |            | 994,667          | 15,897,316        | -               | 16,891,983        | 20,164,405        |
| Investments                             |            | 38,704           | 117,772           | 287             | 156,763           | 38,876            |
| Other Trading Activities                |            | 5,892            | 6,067             | -               | 11,959            | 16,205            |
| Other                                   |            | -                | -                 | -               | -                 | -                 |
| <b>Total</b>                            |            | <b>2,577,677</b> | <b>16,521,753</b> | <b>287</b>      | <b>19,099,717</b> | <b>23,185,530</b> |
| <b>Expenditure on:</b>                  |            |                  |                   |                 |                   |                   |
| Raising funds                           |            | 1,199,977        | -                 | -               | 1,199,977         | 981,007           |
| Charitable activities                   |            | 1,765,157        | 15,898,255        | 14              | 17,663,426        | 17,916,652        |
| <b>Total</b>                            | 4a, 6a, 6b | <b>2,965,134</b> | <b>15,898,255</b> | <b>14</b>       | <b>18,863,403</b> | <b>18,897,659</b> |
| Net gains/(losses) on investments       |            | (2,309)          | -                 | (59,149)        | (61,458)          | 34,760            |
| <b>Net income/(expenditure)</b>         |            | <b>(389,766)</b> | <b>623,498</b>    | <b>(58,876)</b> | <b>174,856</b>    | <b>4,322,631</b>  |
| Transfers between funds                 |            | (25,000)         | 25,000            | -               | -                 | -                 |
| <b>Other recognised gains /(losses)</b> |            |                  |                   |                 |                   |                   |
| Other gains/(losses)                    | 4b         | 120,544          | 370,349           | -               | 490,893           | (208,899)         |
| <b>Net movement in funds</b>            |            | <b>(294,222)</b> | <b>1,018,847</b>  | <b>(58,876)</b> | <b>665,749</b>    | <b>4,113,732</b>  |
| <b>Reconciliation of funds:</b>         |            |                  |                   |                 |                   |                   |
| Total funds brought forward             |            | 3,663,061        | 11,264,806        | 652,847         | 15,580,714        | 11,466,982        |
| <b>Total funds carried forward</b>      | 12         | <b>3,368,839</b> | <b>12,283,653</b> | <b>593,971</b>  | <b>16,246,463</b> | <b>15,580,714</b> |

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

In 2017, unrestricted voluntary income was £2,796,395 (the remainder was restricted). In 2017, unrestricted charitable activities income was £2,827,271 (the remainder was restricted). In 2017, unrestricted investment income was £7,999 and endowment investment income was £282 (the remainder was restricted). In 2017, unrestricted income from other trading activities was £15,707 (the remainder was restricted).

In 2017, unrestricted charitable activities expenditure was £1,679,274 and endowment charitable activities expenditure was £57 (the remainder was restricted). In 2017, all expenditure on raising funds was unrestricted. In 2017, unrestricted other losses were £24,669 and endowment other gains/losses were £34,7607 (the remainder was restricted). In 2017, unrestricted transfers were £29,787, with the remainder restricted.

# Consolidated Balance Sheet

For the year ended 31 December 2018

|                                       | Notes | Group<br>2018<br>£ | Group<br>2017<br>£ | Charity<br>2018<br>£ | Charity<br>2017<br>£ |
|---------------------------------------|-------|--------------------|--------------------|----------------------|----------------------|
| <b>Fixed Assets</b>                   |       |                    |                    |                      |                      |
| Tangible assets                       | 7a    | 1,375,179          | 1,304,388          | 198,446              | 127,655              |
| Intangible assets                     | 7b    | 301,503            | 360,076            | 301,503              | 360,076              |
| Investments                           | 8     | 7,608,461          | 5,425,471          | 7,608,461            | 5,425,471            |
| Total fixed assets                    |       | 9,285,143          | 7,089,935          | 8,108,410            | 5,913,202            |
| <b>Current Assets</b>                 |       |                    |                    |                      |                      |
| Debtors                               | 9     | 4,659,242          | 4,363,169          | 4,829,143            | 4,455,617            |
| Cash at bank and in hand              |       | 5,649,660          | 8,098,104          | 5,154,194            | 7,348,373            |
| Total current assets                  |       | 10,308,902         | 12,461,273         | 9,983,337            | 11,803,990           |
| <b>Liabilities</b>                    |       |                    |                    |                      |                      |
| Creditors falling due within one year | 10    | (3,289,742)        | (3,677,590)        | (3,280,467)          | (3,674,470)          |
| Net Current Assets                    |       | 7,019,160          | 8,783,682          | 6,702,870            | 8,129,520            |
| Provisions for liabilities            | 11    | (57,840)           | (292,903)          | (57,840)             | (292,903)            |
| <b>Total net assets</b>               |       | <b>16,246,463</b>  | <b>15,580,714</b>  | <b>14,753,440</b>    | <b>13,749,819</b>    |
| <b>The funds of the charity</b>       |       |                    |                    |                      |                      |
| <b>Unrestricted Funds</b>             |       |                    |                    |                      |                      |
| Unrestricted funds                    | 12    | 3,267,795          | 3,512,221          | 1,992,977            | 2,337,197            |
| Designated funds                      |       | 101,044            | 150,840            | 101,044              | 150,840              |
|                                       |       | 3,368,839          | 3,663,061          | 2,094,021            | 2,488,037            |
| Restricted funds                      | 12    | 12,283,653         | 11,264,806         | 12,065,448           | 10,608,935           |
|                                       |       | 15,652,492         | 14,927,867         | 14,159,469           | 13,096,972           |
| <b>Capital Funds</b>                  |       |                    |                    |                      |                      |
| Permanent endowment funds             | 12    | 593,971            | 652,847            | 593,971              | 652,847              |
| <b>Total Charity Funds</b>            |       | <b>16,246,463</b>  | <b>15,580,714</b>  | <b>14,753,440</b>    | <b>13,749,819</b>    |

The attached notes form part of these financial statements.

Approved by the Board of Trustees and authorised for issue on 3rd July 2019 and signed on its behalf by



Chairman: Andrew Sykes



Treasurer: Paul Baldwin



# Consolidated Cash Flow Statement

For the year ended 31 December 2018

| Statement of cash flows  | Notes | Group<br>2018<br>£          | Group<br>2017<br>£          | Charity<br>2018<br>£          | Charity<br>2017<br>£          |
|--|-------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash flows from operating activities                               | 16    | (427,080)                   | 5,559,402                   | (167,176)                     | 5,110,212                     |
| Cash flows from investing activities                               | 16    | 156,763                     | 38,876                      | 151,124                       | 31,941                        |
| Cash flows from financing activities                               | 16    | (209,981)                   | (604,199)                   | (209,981)                     | (273,464)                     |
|  |       | <b>(480,298)</b>            | <b>4,994,079</b>            | <b>(226,033)</b>              | <b>4,868,689</b>              |
| Change in cash and cash equivalents in the reporting period        |       | (480,298)                   | 4,994,079                   | (226,033)                     | 4,868,689                     |
| Cash and cash equivalents at the beginning of the reporting period |       | 12,158,732                  | 7,437,012                   | 11,409,001                    | 6,812,671                     |
| Change in cash and cash equivalents due to exchange rate movements |       | 193,427                     | (272,359)                   | 193,427                       | (272,359)                     |
| Cash and cash equivalents at the end of the reporting period       |       | <b>11,871,861</b>           | <b>12,158,732</b>           | <b>11,376,395</b>             | <b>11,409,001</b>             |
| <b>Analysis of cash and cash equivalents</b>                       |       | <b>Group<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>Charity<br/>2018<br/>£</b> | <b>Charity<br/>2017<br/>£</b> |
| Cash at bank and in hand   |       | 5,649,660                   | 8,098,104                   | 5,154,194                     | 7,348,373                     |
| Deposit accounts   |       | 6,222,201                   | 4,060,628                   | 6,222,201                     | 4,060,628                     |
|  |       | <b>11,871,861</b>           | <b>12,158,732</b>           | <b>11,376,395</b>             | <b>11,409,001</b>             |

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. Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are indirect costs related to the overall management and facilities of the organisation, Trustee administration of the charity and compliance with constitutional and statutory requirements.

### g) Pension Contributions

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

### h) Finance and operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance



charges. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

#### **i) Foreign Exchange**

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

#### **j) Tangible Assets**

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

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

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

#### **k) Investments**

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

#### **l) Debtors**

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

#### **m) Cash at bank and in hand**

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

#### **n) Creditors and provisions**

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

#### **o) Deferred income**

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

#### **p) Financial instruments**

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

#### **q) Going concern**

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

With respect to the next reporting period, 2019, the most significant area of uncertainty that affects the Charity is the ability to raise unrestricted funding, which is not secured in advance each year.

## **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

|                        | 2018<br>£        | 2017<br>£        |
|------------------------|------------------|------------------|
| Individuals            | 1,566,423        | 1,430,409        |
| Charitable foundations | 64,962           | 711,317          |
| Corporate donations    | 15,327           | 8,539            |
| Legacies               | 392,300          | 815,779          |
|                        | <b>2,039,012</b> | <b>2,966,044</b> |

### 3b Income

|                           | 2018<br>Restricted<br>£ | 2018<br>Unrestricted<br>£ | 2018<br>Endowment<br>£ | 2018<br>Total<br>£ | 2017<br>Total<br>£ |
|---------------------------|-------------------------|---------------------------|------------------------|--------------------|--------------------|
| Income Source             |                         |                           |                        |                    |                    |
| Government & Multilateral | 4,457,350               | -                         | -                      | 4,457,350          | 4,274,240          |
| Trusts & Foundations      | 10,266,072              | 521,424                   | -                      | 10,787,496         | 14,103,739         |
| Corporate                 | 1,068,003               | 167,038                   | -                      | 1,235,041          | 1,937,526          |
| Individuals               | 612,556                 | 1,616,506                 | -                      | 2,229,062          | 2,576,152          |
| Membership                | -                       | 234,005                   | -                      | 234,005            | 254,998            |
| Investment                | 117,772                 | 38,704                    | 287                    | 156,763            | 38,875             |
| Other                     | -                       | -                         | -                      | -                  | -                  |
| Total                     | <b>16,521,753</b>       | <b>2,577,677</b>          | <b>287</b>             | <b>19,099,717</b>  | <b>23,185,530</b>  |

### 4a Expenditure

|                                      | 2018<br>£ | 2017<br>£ |
|--------------------------------------|-----------|-----------|
| Expenditure includes:                |           |           |
| Auditors' remuneration - audit       | 53,473    | 46,419    |
| Auditors' remuneration - other       | 8,404     | 7,320     |
| Depreciation                         | 166,345   | 96,758    |
| Operating leases: land and buildings | 319,571   | 305,651   |

### 4b Other gains/(losses)

|  | 2018<br>£      | 2017<br>£        |
|--|----------------|------------------|
| Other gains/losses includes:               |                |                  |
| Realised foreign exchange gains/(losses)   | 372,853        | 28,894           |
| Unrealised foreign exchange gains/(losses) | 118,040        | (237,793)        |
|  | <b>490,893</b> | <b>(208,899)</b> |



## 5 EMPLOYEE INFORMATION

### 5a Staff costs

|                       | 2018<br>£        | 2017<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 6,911,106        | 6,526,749        |
| Social security costs | 703,805          | 583,591          |
| Pension costs         | 344,069          | 322,719          |
|                       | <b>7,958,980</b> | <b>7,433,059</b> |

In Kyrgyzstan, a redundancy payment of £1k was made in 2018. Redundancy payments of £29k were made during the year in China, due to the wind down of operations there.

### 5b

|  | 2018       | 2017       |
|--|------------|------------|
| The average number of persons, analysed by function, employed during the year was: |            |            |
| Project management   | 303        | 294        |
| Fundraising  | 16         | 13         |
| Administration & communications  | 18         | 21         |
|  | <b>337</b> | <b>328</b> |

### 5c

|   | 2018 | 2017 |
|---|------|------|
| Employees whose emoluments for the year were £60,000 or more are shown in the following bands:- |      |      |
| £60,001 - £70,000   | 4    | 6    |
| £70,001 - £80,000   | 1    | 1    |
| £90,001 - £100,000  | 1    | 1    |
| £100,001 - £110,000   | 1    | -    |
| £110,001 - £120,000   | 1    | 1    |
| £130,001 - £140,000   | -    | 1    |
| £140,001 - £150,001   | 1    | -    |

The pension contributions to pension schemes for the higher paid staff were £58,478 (2017: £58,255).

The total value of salary and benefits received by key management personnel in 2018 was £627,568 (2017: £538,199).

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 2018, £15,957 (2017: £6,440) 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<br>£ | Other costs<br>£ | Support costs<br>£ | 2018<br>£         | 2017<br>£         |
|------------------------------------|------------------|------------------|--------------------|-------------------|-------------------|
| <b>Conservation Programme Area</b> |                  |                  |                    |                   |                   |
| Africa                             | 1,201,598        | 2,406,948        | 256,088            | 3,864,634         | 3,218,994         |
| Asia Pacific                       | 2,354,377        | 2,132,451        | 58,593             | 4,545,421         | 5,382,195         |
| Americas & Caribbean               | 447,809          | 756,411          | 70,778             | 1,274,998         | 1,475,088         |
| Eurasia                            | 662,674          | 1,109,685        | 36,486             | 1,808,845         | 1,736,397         |
| Conservation Partnerships          | 2,242,890        | 1,202,818        | 81,053             | 3,526,761         | 3,565,123         |
| Foreign exchange (gain)/loss       | -                | (193,427)        | -                  | (193,427)         | 272,359           |
| <b>Programmatic expenditure</b>    | <b>6,909,348</b> | <b>7,414,886</b> | <b>502,998</b>     | <b>14,827,232</b> | <b>15,650,156</b> |
| <b>Core costs</b>                  |                  |                  |                    |                   |                   |
| Fundraising costs                  | 588,664          | -                | 611,313            | 1,199,977         | 981,007           |
| Support costs                      | 1,374,839        | 39,226           | 1,422,129          | 2,836,194         | 2,266,496         |
| <b>Total costs</b>                 | <b>8,872,851</b> | <b>7,454,112</b> | <b>2,536,440</b>   | <b>18,863,403</b> | <b>18,897,659</b> |

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

## 6b Analysis of Support Costs

|                                     | Programme<br>Activities<br>£ | Fundraising<br>costs<br>£ | Support<br>Costs<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|-------------------------------------|------------------------------|---------------------------|-----------------------|--------------------|--------------------|
| Office rent & services              | 31,616                       | -                         | 496,743               | 528,358            | 494,320            |
| Equipment acquisition & maintenance | 4,811                        | 82                        | 2,098                 | 6,991              | 14,870             |
| Grants                              | 210,242                      | -                         | 5,000                 | 215,242            | 185,002            |
| Conference attendance               | 6,966                        | 37,798                    | 37,399                | 82,163             | 81,684             |
| Printing & publications             | 497                          | 444,353                   | 34,398                | 479,248            | 356,743            |
| Bank charges and interest           | 5,694                        | 10,875                    | 11,718                | 28,287             | 33,760             |
| Depreciation                        | -                            | 3,815                     | 103,663               | 107,478            | 35,204             |
| IT, telephony & office supplies     | 35,803                       | 68,073                    | 159,233               | 263,109            | 220,234            |
| Travel & Subsistence                | 128,838                      | 48,730                    | 175,783               | 351,352            | 226,827            |
| Audit, Legal & Professional fees    | 53,427                       | (14,306)                  | 356,537               | 395,870            | 360,097            |
| Other costs                         | 25,104                       | 11,893                    | 41,557                | 78,342             | 175,519            |
| <b>Total support costs</b>          | <b>502,998</b>               | <b>611,313</b>            | <b>1,422,129</b>      | <b>2,536,440</b>   | <b>2,184,260</b>   |

**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 2018   | -                   | 59,126        | 1,176,733        | 203,803        | 1,439,662        |
| Additions           | 4,239               | -             | -                | 134,427        | 138,666          |
| Disposals           | -                   | -             | -                | -              | -                |
| At 31 December 2018 | <b>4,239</b>        | <b>59,126</b> | <b>1,176,733</b> | <b>338,230</b> | <b>1,578,328</b> |
| Depreciation        |                     |               |                  |                |                  |
| At 1 January 2018   | -                   | 47,536        | -                | 87,738         | 135,274          |
| Charge for year     | 1,060               | 11,590        | -                | 55,225         | 67,875           |
| On disposals        | -                   | -             | -                | -              | -                |
| At 31 December 2018 | <b>1,060</b>        | <b>59,126</b> | <b>-</b>         | <b>142,963</b> | <b>203,149</b>   |
| Net book value:     |                     |               |                  |                |                  |
| At 31 December 2018 | <b>3,179</b>        | <b>-</b>      | <b>1,176,733</b> | <b>195,267</b> | <b>1,375,179</b> |
| At 31 December 2017 | -                   | 11,590        | 1,176,733        | 116,065        | 1,304,388        |

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

|                     | Software       | Total          |
|---------------------|----------------|----------------|
|                     | £              | £              |
| Cost:               |                |                |
| At 1 January 2018   | 443,206        | 443,206        |
| Additions           | 39,897         | 39,897         |
| Disposals           | -              | -              |
| At 31 December 2018 | <b>483,103</b> | <b>483,103</b> |
| Depreciation        |                |                |
| At 1 January 2018   | 83,130         | 83,130         |
| Charge for year     | 98,470         | 98,470         |
| On disposals        | -              | -              |
| At 31 December 2018 | <b>181,600</b> | <b>181,600</b> |
| Net book value:     |                |                |
| At 31 December 2018 | <b>301,503</b> | <b>301,503</b> |
| At 31 December 2017 | 360,076        | 360,076        |



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

|   | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| <b>Movement during the year</b>                 |                  |                  |
| Market value as at 1 January 2018               | 5,425,472        | 1,330,084        |
| Unrealised net gains/(losses) during the year   | (61,458)         | 34,760           |
| Foreign exchange gains/(losses) during the year | 358,937          | -                |
| Capital invested/(withdrawn) during the year    | 1,885,510        | 4,060,627        |
| <b>Total investments</b>                        | <b>7,608,461</b> | <b>5,425,471</b> |

Investments are represented by:

|   | <b>2018</b>      | <b>2017</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| Fixed interest securities               | 166,974          | 167,538          |
| Equity shares                           | 454,282          | 483,758          |
| Cash deposit funds                      | 6,222,201        | 4,060,627        |
| Programme related investments           | 765,004          | 713,548          |
| <b>Total Investments held in the UK</b> | <b>7,608,461</b> | <b>5,425,471</b> |

The historic cost of investments as at 31 December 2018 was £7,373,002 (£2017: £5,159,973).

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**

|                                | <b>Group</b>     | <b>Group</b>     | <b>Charity</b>   | <b>Charity</b>   |
|--------------------------------|------------------|------------------|------------------|------------------|
|                                | <b>2018</b>      | <b>2017</b>      | <b>2018</b>      | <b>2017</b>      |
|                                | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Trade debtors                  | 4,028,011        | 3,947,743        | 3,859,673        | 3,758,078        |
| Amounts due from subsidiaries  | -                | -                | 353,583          | 285,801          |
| Prepayments and accrued income | 631,231          | 415,426          | 615,887          | 411,738          |
|                                | <b>4,659,242</b> | <b>4,363,169</b> | <b>4,829,143</b> | <b>4,455,617</b> |

All the above amounts fall due within one year.

## 10 Creditors

|                              | Group<br>2018<br>£ | Group<br>2017<br>£ | Charity<br>2018<br>£ | Charity<br>2017<br>£ |
|------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade creditors              | 423,800            | 630,693            | 421,422              | 636,175              |
| Amounts due to subsidiaries  | -                  | -                  | -                    | 9,087                |
| Tax and social security      | 241,342            | 222,231            | 236,661              | 213,824              |
| Accruals and deferred income | 2,624,600          | 2,816,964          | 2,622,384            | 2,814,766            |
| Other creditors              | -                  | 7,702              | -                    | 618                  |
|                              | <u>3,289,742</u>   | <u>3,677,590</u>   | <u>3,280,467</u>     | <u>3,674,470</u>     |

Accruals and deferred income includes the following:

|                                      | Group<br>2018<br>£ | Group<br>2017<br>£ | Charity<br>2018<br>£ | Charity<br>2017<br>£ |
|--------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Deferred income at 1st January       | 2,322,333          | 2,652,225          | 2,322,333            | 2,652,225            |
| Income deferred in year              | 2,174,429          | 2,322,333          | 2,174,429            | 2,322,333            |
| Amounts released from previous years | (2,322,333)        | (2,652,225)        | (2,322,333)          | (2,652,225)          |
| Deferred Income at 31st December     | <u>2,174,429</u>   | <u>2,322,333</u>   | <u>2,174,429</u>     | <u>2,322,333</u>     |

## 11 Provisions

|                               | At<br>01/01/2017<br>£ | Provisions<br>created<br>£ | Provisions<br>utilised<br>£ | At<br>31/12/2017<br>£ |
|-------------------------------|-----------------------|----------------------------|-----------------------------|-----------------------|
| Project expenditure repayable | 200,130               | -                          | (200,130)                   | -                     |
| Tax payable                   | -                     | 40,000                     | -                           | 40,000                |
| Land taxes payable            | 92,773                | (74,933)                   | -                           | 17,840                |
|                               | <u>292,903</u>        | <u>(34,933)</u>            | <u>(200,130)</u>            | <u>57,840</u>         |

'Project expenditure payable represents estimated funds due to donors where FFI has not been able to spend funds in accordance with donor conditions. Tax payable relates to tax due to HMRC arising from employee benefits. Provision has been made for land tax that may be payable by FFI, with an amount released to Accrued Expenditure in 2018 following the receipt of a tax assessment.

## 12 Reconciliation of funds

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

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 (£606,798) and the Endangered Landscapes Programme (£14,667).



### 13 Analysis of Net Assets between Funds

|                         | General<br>Unrestricted<br>Funds | Designated<br>Funds | Restricted<br>Funds | Endowment<br>Funds | Total             |
|-------------------------|----------------------------------|---------------------|---------------------|--------------------|-------------------|
|                         | £                                | £                   | £                   | £                  | £                 |
| Tangible Fixed Assets   | 3,179                            | -                   | 1,372,000           | -                  | 1,375,179         |
| Intangible Fixed 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> |

### 14a Operating Lease Commitments

|   | 2018<br>£      | 2017<br>£        |
|---|----------------|------------------|
| Commitments are as follows:                       |                |                  |
| Land and buildings:                               |                |                  |
| Not later than one year                           | 151,645        | 206,160          |
| Later than one year and not later than five years | 478,514        | 572,612          |
| Later than five years                             | <u>236,700</u> | <u>426,060</u>   |
|   | <u>866,859</u> | <u>1,204,832</u> |
| Other operating leases:                           |                |                  |
| Not later than one year                           | 66,313         | 89,300           |
| Later than one year and not later than five years | 241,728        | 298,900          |
| Later than five years                             | <u>120,864</u> | <u>217,555</u>   |
|   | <u>428,905</u> | <u>605,755</u>   |

### 14b Finance Lease Commitments

|   | 2018<br>£ | 2017<br>£    |
|---|-----------|--------------|
| Commitments are as follows:                       |           |              |
| IT equipment:                                     |           |              |
| Not later than one year                           | -         | 3,529        |
| Later than one year and not later than five years | -         | -            |
| Later than five years                             | <u>-</u>  | <u>-</u>     |
|   | <u>-</u>  | <u>3,529</u> |

## 15 Related Party Transactions and Ultimate Controlling Party

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

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

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

FFI provides grant funding to the Northern Rangelands Trust (Kenya), OI Pejeta Conservancy (Kenya), Ya'axché Conservation Trust (Belize) and the International Gorilla Conservation Programme (Rwanda). A member of FFI's Senior Management Team is also a director of each of these organisations and a Trustee of FFI is a director of OI Pejeta. FFI provided grant funding to Botanic Gardens Conservation International Ltd, a Trustee of which is also a Trustee of FFI. FFI and the Durrell Wildlife Conservation Trust had a common trustee who resigned from the Board of FFI during 2017, therefore the Trust is no longer considered a related party.

CCI Services Ltd was established to manage the facilities and services provided to the Cambridge Conservation Initiative (CCI) partner organisations who occupy the David Attenborough Building. CCI Services Ltd recharges costs to each organisation on a pro rata basis. A member of FFI's Senior Management Team and a Trustee of FFI are also directors of CCI Services Ltd.

FFI received funding from the Arcus Foundation; a Trustee of FFI is a senior employee of the Foundation. A trustee of FFI who resigned in 2017 is also a trustee of The Yorkshire Wildlife Park Foundation, The Rowney Trust and The Wixamtree Trust. Although FFI received funding from the latter two organisations in 2018, they are no longer considered related parties.

|   | 2018    | 2017    |
|---|---------|---------|
|   | £       | £       |
| <b>Grants received from related parties</b>           |         |         |
| - Arcus Foundation                                    | 334,482 | 435,330 |
| <b>Grants made to related parties</b>                 |         |         |
| - OI Pejeta Conservancy                               | 142,309 | 262,239 |
| - Chuilexi Conservação e Investimentos Limitada       | 631,127 | 433,025 |
| - Luambeze Investimentos Limitada                     | 353,166 | 363,423 |
| - Northern Rangelands Trust                           | 128,215 | 97,510  |
| - International Gorilla Conservation Programme (IGCP) | 128,190 | 127,659 |
| - Ya'axché Conservation Trust                         | 95,172  | 62,532  |
| - Botanic Gardens Conservation International Ltd      | 195     | -       |
| - Durrell Wildlife Conservation Trust                 | -       | 6,705   |
| <b>Donations received from</b>                        |         |         |
| - Trustees & Related parties                          | 43,039  | 174,481 |
| <b>Amounts owing from subsidiary undertakings</b>     |         |         |
| - Fauna & Flora International Australia               | 110,291 | -       |
| - Fauna & Flora International South Africa            | 78,187  | 86,109  |
| - Fauna & Flora International USA Inc                 | 165,105 | 199,617 |
| <b>Amounts owing to subsidiary undertakings</b>       |         |         |
| - Fauna & Flora International Australia               | -       | 9,087   |

Fauna & Flora International paid £134k to CCI Services Ltd during 2018 (2017: £104k) in relation to the management of The David Attenborough Building, where FFI's Cambridge office is located.

## 16 Cash Flow Information

|  | Group<br>2018<br>£ | Group<br>2017<br>£ | Charity<br>2018<br>£ | Charity<br>2017<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| a) Reconciliations of changes in resources to net inflow from operating activities |                    |                    |                      |                      |
| Net income/(expenditure)   | 174,856            | 4,322,631          | 539,079              | 3,423,526            |
| Depreciation charge  | 166,345            | 96,758             | 166,345              | 96,758               |
| (Gain)/loss on disposal of fixed assets  | -                  | -                  | -                    | -                    |
| (Gains)/losses on investments  | -                  | -                  | -                    | -                    |
| Investment income (shown separately in (b) below)                                  | (156,763)          | (38,875)           | (151,124)            | (31,941)             |
| (Increase)/decrease in debtors   | (296,073)          | 1,329,253          | (373,527)            | 1,769,104            |
| Increase/(decrease) in creditors   | (622,913)          | (179,065)          | (629,066)            | (168,495)            |
| (Increase)/decrease in fixed asset investment                                      | (51,456)           | -                  | (51,456)             | -                    |
| Change in investment valuation   | 61,458             | (34,760)           | 61,458               | (34,760)             |
| Unrealised currency revaluation gain/(loss) on non-monetary assets                 | 490,893            | (208,899)          | 464,542              | (216,339)            |
| Unrealised currency revaluation (gain)/loss on monetary assets                     | (193,427)          | 272,359            | (193,427)            | 272,359              |
| Net cash inflow/(outflow) from operating activities                                | (427,080)          | 5,559,402          | (167,176)            | 5,110,212            |
| a) Gross cash flows  |                    |                    |                      |                      |
| <i>Returns on investment and servicing of finance:</i>                             |                    |                    |                      |                      |
| Investment income received   | 156,763            | 38,876             | 151,124              | 31,941               |
| <i>Capital expenditure and financial investment:</i>                               |                    |                    |                      |                      |
| Payment to acquire tangible fixed assets   | (178,563)          | (604,199)          | (178,563)            | (273,464)            |
| Payments to acquire investments  | (31,418)           | -                  | (31,418)             | -                    |
|  | (209,981)          | (604,199)          | (209,981)            | (273,464)            |

## 17 Summary income and expenditure account for the year ending 31 December 2018

|  | All income funds<br>2018<br>£ | All income funds<br>2017<br>£ |
|--|-------------------------------|-------------------------------|
| Income   | 18,942,954                    | 23,146,655                    |
| Gains/(losses) on investments                                | -                             | -                             |
| Interest and investment income                               | 156,476                       | 38,593                        |
| <b>Gross income in the reporting period</b>                  | <b>19,099,430</b>             | <b>23,185,248</b>             |
| Expenditure  | 18,208,460                    | 19,009,744                    |
| Interest payable   | -                             | -                             |
| Depreciation and charges for impairment of fixed assets      | 166,345                       | 96,758                        |
| <b>Total expenditure in the reporting period</b>             | <b>18,374,805</b>             | <b>19,106,502</b>             |
| Net income (expenditure) before tax for the reporting period | 724,625                       | 4,078,747                     |
| Tax payable  | -                             | -                             |
| <b>Net income (expenditure) for the financial year</b>       | <b>724,625</b>                | <b>4,078,747</b>              |

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 (unconsolidated)**

|  |                  |                   |                 | 2018              | 2017              |
|--|------------------|-------------------|-----------------|-------------------|-------------------|
|  | Total            | Restricted        | Total           | Total             | Total             |
|  | Unrestricted     |                   | Endowment       |                   |                   |
|  |                  | £                 | £               | £                 | £                 |
| <b>Income and endowments from:</b>       |                  |                   |                 |                   |                   |
| Donations and legacies                   | 1,871,385        | 481,382           | -               | 2,352,767         | 2,437,467         |
| Charitable Activities                    | 330,476          | 15,891,472        | -               | 16,221,948        | 19,616,531        |
| Investments                              | 33,065           | 117,772           | 287             | 151,124           | 31,941            |
| Other Trading Activities                 | 5,892            | 6,067             | -               | 11,959            | 16,206            |
| <b>Total</b>                             | <b>2,240,818</b> | <b>16,496,693</b> | <b>287</b>      | <b>18,737,798</b> | <b>22,102,145</b> |
| <b>Expenditure on:</b>                   |                  |                   |                 |                   |                   |
| Raising funds                            | 1,199,977        | -                 | -               | 1,199,977         | 981,007           |
| Charitable Activities                    | 1,502,220        | 15,435,050        | 14              | 16,937,284        | 17,732,371        |
| <b>Total</b>                             | <b>2,702,197</b> | <b>15,435,050</b> | <b>14</b>       | <b>18,137,261</b> | <b>18,713,378</b> |
| Net gains/(losses) on investments        | (2,309)          | -                 | (59,149)        | (61,458)          | 34,760            |
| <b>Net income/(expenditure)</b>          | <b>(463,688)</b> | <b>1,061,643</b>  | <b>(58,876)</b> | <b>539,079</b>    | <b>3,423,527</b>  |
| Transfers between funds                  | (25,000)         | 25,000            | -               | -                 | -                 |
| <b>Other Recognised Gains and Losses</b> |                  |                   |                 |                   |                   |
| Other gains/(losses)                     | 94,672           | 369,870           | -               | 464,542           | (216,339)         |
| <b>Net movement in Funds</b>             | <b>(394,016)</b> | <b>1,456,513</b>  | <b>(58,876)</b> | <b>1,003,621</b>  | <b>3,207,188</b>  |
| Total funds brought forward              | 2,488,037        | 10,608,935        | 652,847         | 13,749,819        | 10,542,631        |
| <b>Total funds carried forward</b>       | <b>2,094,021</b> | <b>12,065,448</b> | <b>593,971</b>  | <b>14,753,440</b> | <b>13,749,819</b> |

## 19 Prior year Reconciliation of Funds Statement

|   | Restated<br>Balance<br>b/frd<br>£ | Income<br>£       | Expenditure<br>£    | Other gains/<br>(losses)<br>£ | Movements<br>between<br>funds<br>£ | Restated<br>Balance<br>c/frd<br>£ |
|---|-----------------------------------|-------------------|---------------------|-------------------------------|------------------------------------|-----------------------------------|
| <b>Unrestricted</b>                       |                                   |                   |                     |                               |                                    |                                   |
| General unrestricted funds                | 567,595                           | 5,647,372         | (2,660,281)         | (24,669)                      | (17,797)                           | 3,512,221                         |
| Designated funds                          | 103,257                           | -                 | -                   | -                             | 47,584                             | 150,840                           |
| <b>Total unrestricted funds</b>           | <b>670,852</b>                    | <b>5,647,372</b>  | <b>(2,660,281)</b>  | <b>(24,669)</b>               | <b>29,787</b>                      | <b>3,663,061</b>                  |
| <b>Endowment funds</b>                    |                                   |                   |                     |                               |                                    |                                   |
| Rothiemurchus Bequest Fund                | 29,823                            | 282               | (57)                | 1,752                         | -                                  | 31,800                            |
| Whitley Animal Protection Trust           | 588,039                           | -                 | -                   | 33,008                        | -                                  | 621,047                           |
| <b>Total endowment funds</b>              | <b>617,862</b>                    | <b>282</b>        | <b>(57)</b>         | <b>34,760</b>                 | <b>-</b>                           | <b>652,847</b>                    |
| <b>Restricted funds</b>                   |                                   |                   |                     |                               |                                    |                                   |
| Agricultural Landscapes                   | 12,869                            | 3,277             | (12,594)            | -                             | -                                  | 3,552                             |
| Conservation Capacity & Leadership        | 265,973                           | 577,107           | (796,168)           | 31,884                        | 253,856                            | 332,651                           |
| Conservation Partnerships Development     | -                                 | 370,926           | (4,965)             | 2,527                         | -                                  | 368,488                           |
| Conservation Finance & Enterprise         | 339,833                           | 1,045,842         | (1,011,476)         | 51,457                        | -                                  | 425,656                           |
| Extractives & Development Infrastructure  | (23,760)                          | 772,668           | (831,151)           | 8,023                         | 13,838                             | (60,382)                          |
| Conservation Science & Design             | 4,355,240                         | 4,275,747         | (1,661,290)         | (1,588)                       | (3,299,691)                        | 3,668,419                         |
| Africa                                    | 598,628                           | 2,235,796         | (3,096,187)         | (7,680)                       | 1,039,764                          | 770,321                           |
| Americas & Caribbean                      | 1,208,851                         | 979,692           | (1,241,025)         | 8,697                         | 296,789                            | 1,253,004                         |
| Australia                                 | -                                 | 88,500            | (9,146)             | 3,317                         | -                                  | 82,671                            |
| Eurasia                                   | 1,761,151                         | 1,165,724         | (1,675,672)         | (1,486)                       | 770,140                            | 2,019,856                         |
| Asia Pacific                              | 925,839                           | 6,022,597         | (5,625,288)         | (9,140)                       | 895,517                            | 2,209,526                         |
| Other (incl Foreign Exchange) Revaluation | 733,644                           | -                 | (272,359)           | (270,241)                     | -                                  | 191,044                           |
| <b>Total restricted funds</b>             | <b>10,178,268</b>                 | <b>17,537,876</b> | <b>(16,237,321)</b> | <b>(184,230)</b>              | <b>(29,787)</b>                    | <b>11,264,806</b>                 |
| <b>Total Funds</b>                        | <b>11,466,982</b>                 | <b>23,185,530</b> | <b>(18,897,659)</b> | <b>(174,139)</b>              | <b>-</b>                           | <b>15,580,714</b>                 |

## 20 Prior Year Funds Analysis Statement

|                         | General<br>Unrestricted Funds<br>£ | Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>£        |
|-------------------------|------------------------------------|--------------------------|--------------------------|-------------------------|-------------------|
| Tangible Fixed Assets   | 11,589                             | -                        | 1,292,799                | -                       | 1,304,388         |
| Intangible Fixed Assets | 360,076                            | -                        | -                        | -                       | 360,076           |
| Investments             | 2,697,630                          | -                        | 2,076,544                | 651,297                 | 5,425,471         |
| Net current assets      | 735,829                            | 150,840                  | 7,895,463                | 1,550                   | 8,783,682         |
|                         | (292,903)                          | -                        | -                        | -                       | (292,903)         |
|                         | <u>3,512,221</u>                   | <u>150,840</u>           | <u>11,264,806</u>        | <u>652,847</u>          | <u>15,580,714</u> |







The David Attenborough Building,  
Pembroke Street, Cambridge,  
CB2 3QZ, United Kingdom.  
[www.fauna-flora.org](http://www.fauna-flora.org)

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