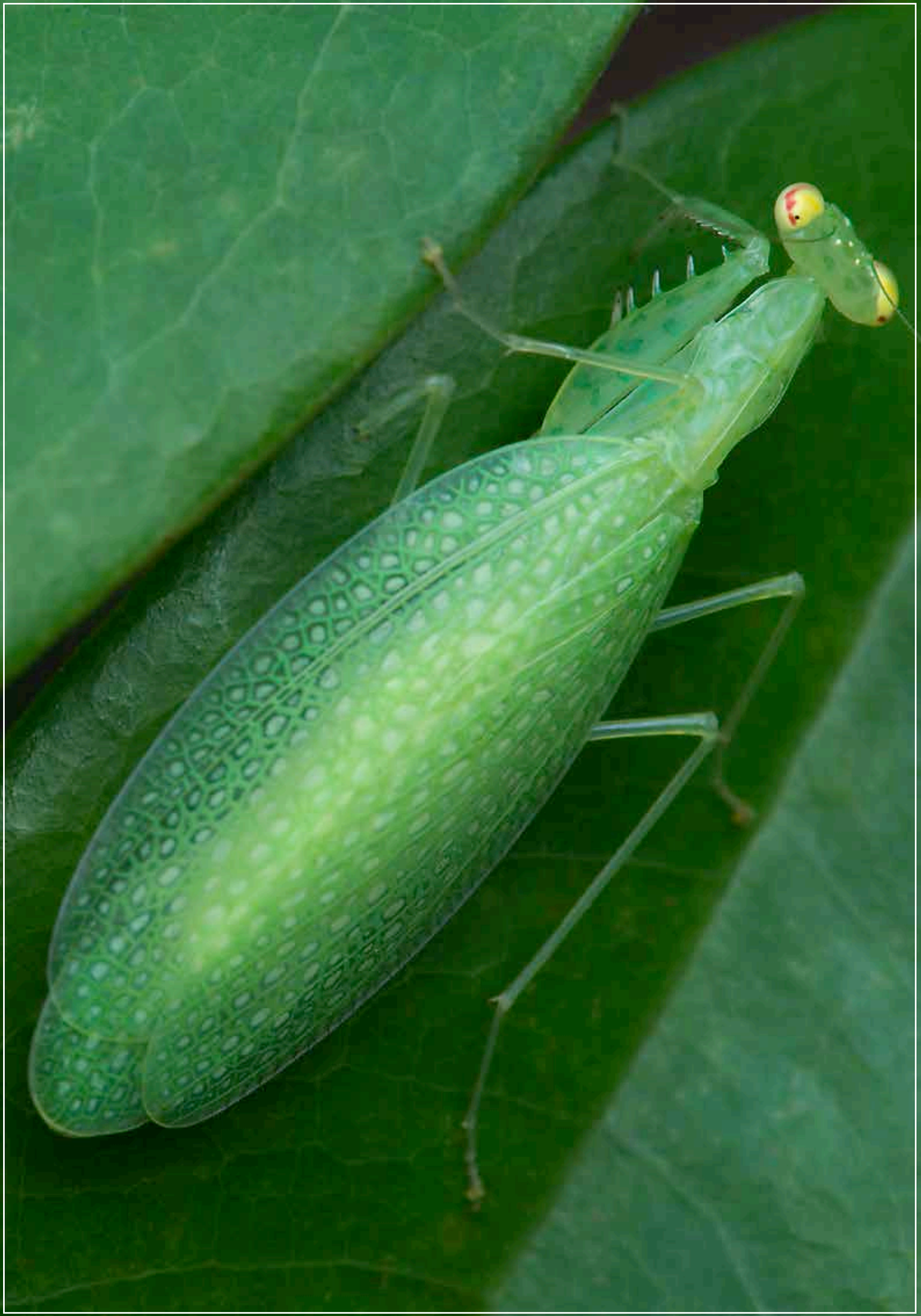




Annual Report and Accounts 2021



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Message from the Chair

The last two years have shown us what it looks like when life as we know it gets turned completely upside down. Alongside the shocking loss of life that has touched too many families, the costs of the pandemic – both financial and emotional – have been enormous.

But another set of crises is knocking urgently on the door. Globally, species and ecosystems are experiencing precipitous declines, which is fuelling – and is being fuelled by – climate change. Unless urgent action is taken, we face an even more profound catastrophe than the one we have just experienced.

And that is where the conservation community comes in. Organisations like Fauna & Flora International (FFI) and the many partners we work with around the world are holding back the tide of extinctions and advocating for change on a global scale that will allow us to create a new and more healthy way of living on our planet.

We are making good progress and can see the impact of FFI's work across a broad spectrum of species, landscapes and issues worldwide.

Some of the world's most endangered species are starting to show signs of recovery thanks to these efforts. The critically endangered saiga antelope, for example, is beginning to rebound following a tumultuous few decades that saw poaching and successive disease epidemics drive this species to the very precipice of extinction. These tentative first steps on the road to recovery are thanks to the Herculean efforts of the Kazakh government, FFI and other partners in the Altyn Dala Conservation Initiative.

As rewarding as it is to see individual species beginning to flourish, FFI also works hard to protect and restore ecosystems. This is complex and multifaceted work that encompasses everything from helping to establish community and state protected areas to tackling the underlying threats to these ecosystems. And perhaps nowhere is the impact of this approach more visible than in the Caribbean, where FFI and partners have been working for over 20 years to remove invasive species and restore islands to their former glory.

At a glance, these two examples of FFI's work might appear very different. Saiga are mammals that roam vast plains in Eurasia, whereas our work in the Caribbean focuses on small – sometimes tiny – island habitats and benefits reptiles and seabirds most of all.

However, looks can be deceiving.

Underlying each of these programmes is the same ethos: partnership. We work with a vast array of people and organisations to achieve our aims – from the communities living alongside the species and areas we seek to conserve, to local organisations and emerging conservation leaders, to governments at all levels, to the private sector.

In the case of our work in the Caribbean, 2021 saw the formation of a new alliance as FFI joined forces with Re:wild to raise the profile of this region as one of the most biologically diverse – and threatened – parts of the world and pool our complementary skills and knowledge to increase the scale and impact of conservation action in the Caribbean.

FFI's work is also underpinned by our incredible supporters and donors, without whom these successes would not be possible. FFI's income in 2021 was our highest ever, with significant growth in both restricted and unrestricted funding; however, with the global picture looking increasingly turbulent, we must remain focused on securing the income we need to grow our conservation programmes and ensure financial stability for the organisation.

As I write this, FFI is in the process of reviewing its conservation strategy. This is an exercise we carry out periodically, but is all the more vital in our rapidly changing world. Given the urgency of our mission, and the seriousness of the twin climate and biodiversity crises, it is imperative that we continually re-evaluate how to maximise our effectiveness.

It is becoming ever clearer that the conservation community needs to work together to achieve systemic change at national and international levels, and that a significant scaling up of funding is required. At FFI, we believe we have a key role to play here by helping to ensure that local voices are heard on the global stage, and that nature is put at the heart of decision making – with solutions that are locally driven and adequately financed.

The challenges we face are immense, but the strength of the communities we work with, our partners, our staff, our supporters and the wider conservation network gives us real grounds for optimism.

Hugo van Vredenburg



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

Our mission is to conserve
threatened species
and ecosystems
worldwide.

Strategic Report

Our objectives and aims

FFI is committed to achieving the following charitable objectives:

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

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

Conserving threatened habitats and species:

1 AMBITION ONE: THRIVING SPECIES

2 AMBITION TWO: RESILIENT ECOSYSTEMS

Empowering organisations and individuals to lead innovative conservation action:

3 AMBITION THREE: LOCALLY LED CONSERVATION

Shaping decisions within society to benefit biodiversity:

4 AMBITION FOUR: INFLUENCING OTHERS

Investing in FFI's effectiveness:

5 AMBITION FIVE: INCREASING VISIBILITY

6 AMBITION SIX: INVESTING IN OUR PEOPLE

7 AMBITION SEVEN: SECURING THE RESOURCES WE NEED

How we work

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

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

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

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

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

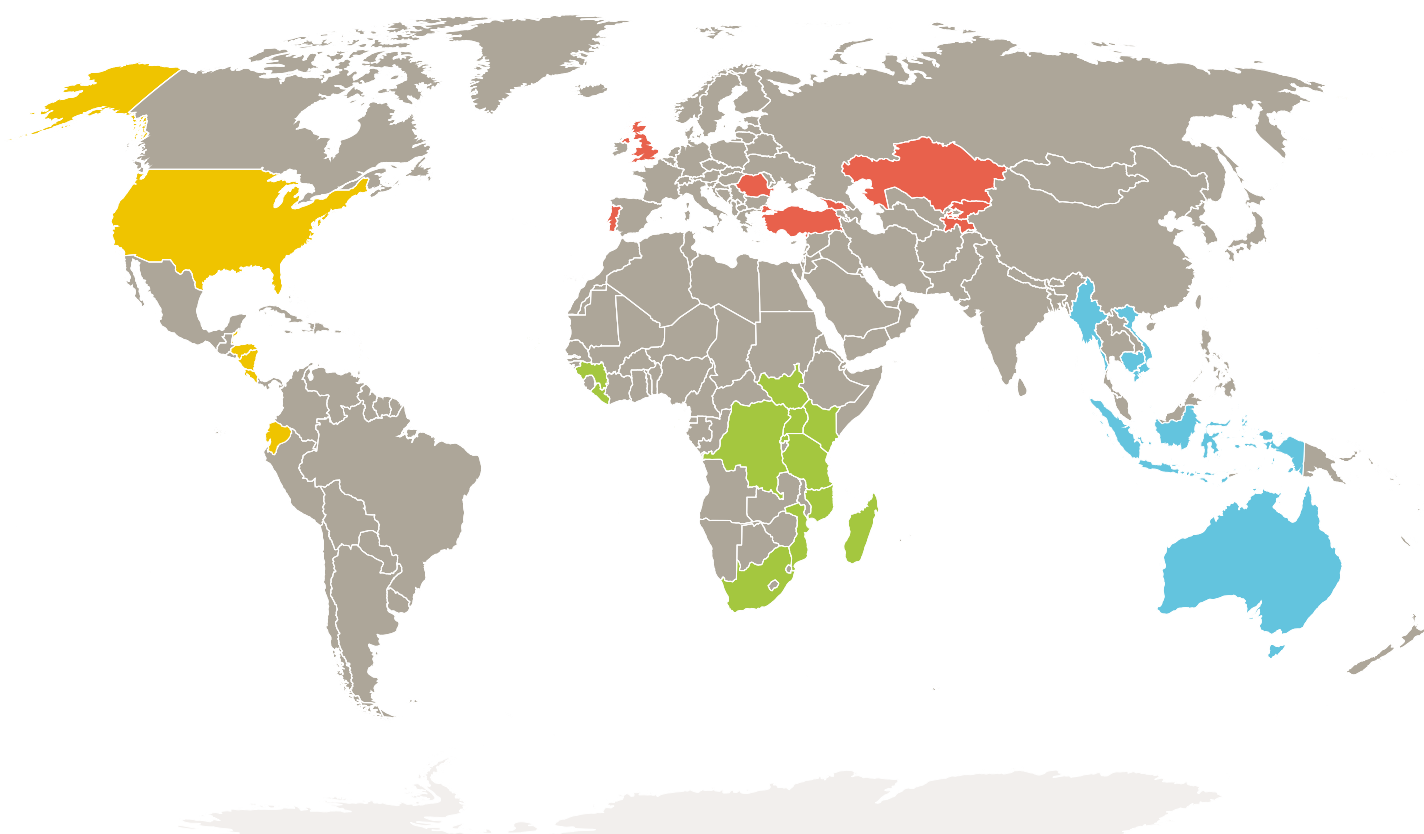
Our conservation practices are rooted in robust science. We aim to ensure that all project decisions are underpinned by the best available information, including up-to-date research – whether generated by ourselves or others – and to monitor our impact rigorously, sharing what FFI and our partners have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



Setting up a camera trap deep inside Viachey National Park, Cambodia. © Jeremy Holden/FFI

Where we work

Fauna & Flora International has over 120 projects in about 40 countries around the world.



AMERICAS & CARIBBEAN

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

AFRICA

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

EURASIA

Georgia
Kazakhstan
Kyrgyzstan
Portugal
Romania
Tajikistan
Turkey
United Kingdom*

ASIA-PACIFIC

Australia[†]
Cambodia
Indonesia
Myanmar
Vietnam

* Headquarters † Administrative hub

2021 Highlights

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

A more comprehensive account of our activities and their impact over the preceding 12 months can be found in our 2021 Conservation Report, which is available on our website.

AMBITION 1: THRIVING SPECIES

Securing populations of threatened species

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

Species benefiting from our work in 2021 included widely known species such as eastern gorillas, sea turtles, brown bears, and both black and white rhinos, as well as less familiar species including the Obô snail, the yellow-naped parrot, five species of sturgeon, and a wide array of primates in Vietnam.

2021 at a glance

- **Fifty-one of our projects had a specific focus on priority species conservation.**
- **Almost 13,000 turtle hatchlings were protected and released.**
- **Action plans were produced for 12 species.**
- **Forty-one of our projects undertook activities to address illegal wildlife trade.**

A previously unrecorded family of eight African forest elephants – including three calves – was captured on camera traps in Guinea's Ziama Massif, suggesting that the efforts of FFI and our partner Centre Forestier N'Zérékoré to protect the forest habitat of this critically endangered species are helping to ensure its survival.



Group of elephants photographed using a camera trap, Guinea. © FFI

CASE STUDIES



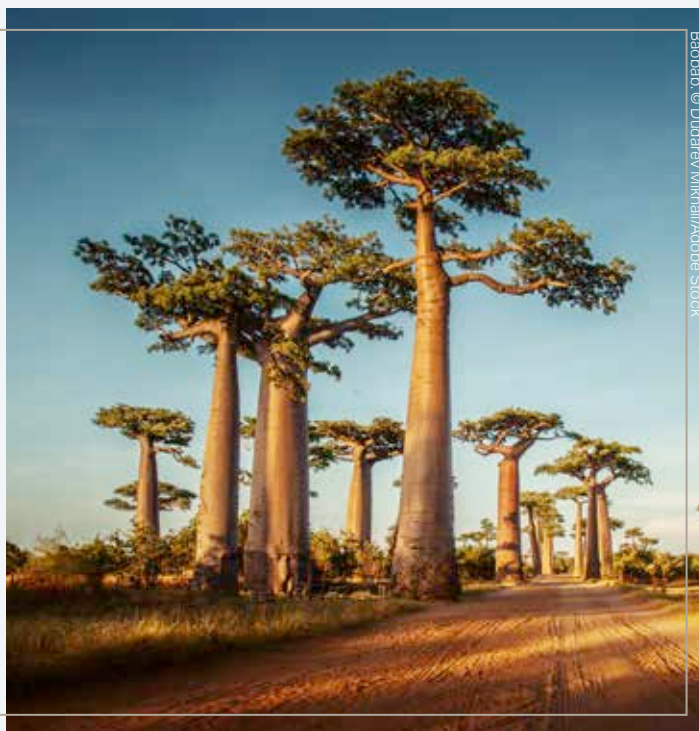
SIGNS OF HOPE FOR SAIGA

The saiga has experienced a dramatic few decades, with intensive poaching, habitat loss and disease pushing the number of these unusual antelopes to the very brink of extinction. The latest chapter in the saiga's tale appears to be a more uplifting one, however. After a survey hiatus caused by the Covid-19 pandemic, researchers took to the skies once again in 2021 to carry out an aerial saiga census. They recorded a veritable population boom, with an estimated 842,000 saiga now present in Kazakhstan – over half a million higher than the number recorded in 2019.

The saiga's recovery is thanks to government efforts, which have been supported by the Altyn Dala Conservation Initiative, which FFI supports. But saiga are by no means out of danger yet. Despite the recent good news, they remain critically endangered and in need of strong conservation action. FFI continues to support our partners in-country to put saiga firmly back on the path to recovery.

REPORT HIGHLIGHTS THE NEED TO CONSERVE THREATENED TREES

In 2021, FFI and Botanic Gardens Conservation International (BGCI) launched a new report, *Securing a Future for the World's Threatened Trees – A Global Challenge*, and called for a global scaling-up of conservation action to safeguard the world's threatened trees. The report can be used to guide and plan tree conservation action. It sets out tried-and-tested approaches from across the Global Trees Campaign partnership, with the aim of inspiring new players to engage in this work and grow the global tree conservation taskforce.



AMBITION 2: RESILIENT ECOSYSTEMS

Conserving threatened habitats

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

Area-based conservation, both terrestrial and marine, has always been a cornerstone of FFI's work, helping to secure safe havens for species, maintain ecosystem health and mitigate the effects of climate change. In 2021 we safeguarded key areas of natural habitat both by ensuring more effective management of existing protected areas and by bringing new areas under protection or sustainable management.

2021 at a glance

- **We influenced conservation across over 52 million hectares of important habitat, including over 11.3 million hectares where we worked directly on the ground.**
- **This included over 310,000 hectares that we helped to bring under conservation management for the first time (by supporting the creation of new reserves or community management areas).**
- **Across our portfolio of projects, we supported active management and/or protection of threatened habitats by:**
 - Supporting on-the-ground enforcement or protection in at least 118 sites.
 - Helping to produce 36 site-management plans.
 - Helping to restore habitat at 20 sites.
 - Helping to carry out invasive species control at 13 sites.



South Pemba - Pemba Marine project area © Tanguy Nicolas/FFI

Marine surveys around Tanzania's Pemba Island – which have been carried out over a number of years – have revealed an increase in the number of juvenile fish (particularly parrotfish and butterflyfish) and some invertebrates (including sea cucumbers and starfish) since FFI and partners established a community-led temporary fisheries closure in Kukuu, within the Pemba Channel Conservation Area.

CASE STUDIES

A NEW PROTECTED AREA FOR SOUTH SUDAN

The future of globally important wildlife – including endangered chimpanzees and pangolins – looks a little brighter after over 17,000 hectares of severely threatened forest habitat in an ecologically unique region of South Sudan were granted formal protection in 2021.

The regazettement of Bangangai Game Reserve will ensure that this unhailed haven of biodiversity is brought under more effective management at what is a crucial juncture for the country's impressive but imperilled natural wonders. The new reserve is already benefiting from the engagement of the surrounding communities, who have shown real commitment to conservation and support for sustainable resource use, even in the face of a socio-economic crisis.

Operating against a historical backdrop of civil unrest and conflict, FFI has succeeded in creating an inclusive model of protected area management that brings together government and community interests, supporting the development of resilient livelihood activities and enhancing social cohesion while simultaneously safeguarding South Sudan's incredibly rich wildlife.



Giant pangolin, photographed with camera trap. © FFI

CARIBBEAN SUCCESS

Following an intensive and challenging eight-week mission, Anguilla's most remote offshore island, Sombrero, has been successfully cleared of invasive house mice. Six Anguilla National Trust staff members and twelve volunteers from Anguilla were trained in mouse eradication as well as monitoring and biosecurity protocols to ensure the island remains rodent-free. An action plan to restore the island's vegetation was also developed and we have begun trialling the growth of nine native plant species from seed on the island, with Anguilla National Trust staff members given additional training in vegetation restoration and monitoring protocols.



Sombrero Island, Anguilla. © Sarah Macpherson / Anguilla National Trust

AMBITION 3: LOCALLY LED CONSERVATION

Working in partnership

Putting communities at the heart of conservation

Developing conservation leaders

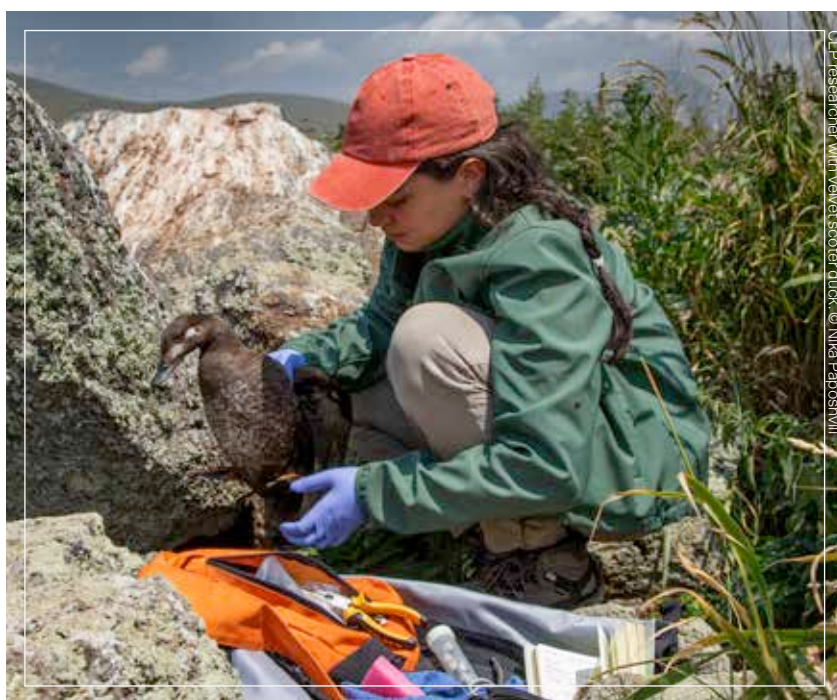
We believe that local people and organisations, equipped with the requisite skills, tools and resources, are best placed to conserve the biodiversity on their doorsteps.

In 2021 we supported a range of partners in locally led conservation activities, worked hand in hand with communities to ensure local ownership and nurtured emerging conservation leaders across the globe.

2021 at a glance

- We disbursed over £5.0 million in conservation grant funding and influenced the distribution of over £23 million in conservation
- Over 250 partner organisations received some form of direct capacity development support.
- Over 4,700 individuals received conservation training, including partner staff, students and members of local communities.
- We supported the establishment of four new organisations, and supported or established at least 71 community-based organisations.
- We helped at least 33 organisations to source their own funds independently of direct support from FFI.

A team of Conservation Leadership Programme alumni has helped save possibly the last remaining population of velvet scoter ducks in the Caucasus. The team reported a complete cessation of egg collecting, a 39% increase in the number of females building nests, and an 800% increase in the number of successful fledglings.



CASE STUDIES

FFI LAUNCHES NEW CONSERVATION RESILIENCE FUND

In 2020, FFI launched a Partner Crisis Support Fund to help our partners weather the Covid-19 pandemic. That fund (which was made possible thanks to the generosity of Arcadia – a charitable fund of Lisbet Rausing and Peter Baldwin) provided 37 FFI partners with emergency funding, making a huge difference for organisations whose ability to continue their vital conservation work was severely affected by the pandemic.



Workshop in Union Island © Laura Owens/FFI

Building on the success of this approach, in 2021 FFI established a new Conservation Resilience Fund to support conservation partner organisations around the world. The new fund, which is underpinned by a multi-year commitment from Arcadia, recognises that shocks to our natural, economic and social systems – such as future pandemics and the impacts of climate change – are increasingly the norm. As threats evolve and intensify, so must the work and resilience of our partners.

BOOSTING MARINE CONSERVATION IN CAMBODIA

Despite the ongoing challenges presented by Covid-19, FFI's Cambodia team continued to work effectively with communities and partners to carry forward the marine conservation work taking place on the archipelagos of Koh Rong and Koh Sdach, Koh Kong and Kep and Kampot. One significant success was that, following an extensive consultation process chaired by the Cambodian Fisheries Administration with support from FFI, in 2021, the Koh Sdach commune voted to proceed with the establishment of a new Marine Fisheries Management Area by an overwhelming majority. This allows communities to take the lead in managing their marine resources to drive better protection.



Community fishery team leader Cambodia © Andy Bat/FFI

AMBITION 4: INFLUENCING OTHERS

Supporting governments to protect biodiversity

Embedding biodiversity in private-sector decision making

Awareness, education and outreach activities

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

In 2021 we worked with governments to strengthen policy, regulatory frameworks and enforcement, engaged with key business sectors to help reduce their environmental impacts, and disseminated the conservation message to communities at our project sites worldwide.

2021 at a glance

- **We engaged with policy-makers in almost 60 of our projects.**
- **We contributed to the development of at least 14 conservation laws, regulations or government-level strategic plans.**
- **We engaged with the corporate sector in almost 50 projects.**
- **Our awareness or outreach activities reached at least 70 communities and over 4,000 community members.**
- **Nearly 11,000 children from almost 90 schools were reached through education and awareness activities.**
- **Our sustainable livelihood activities directly benefited over 13,800 people.**
- **We engaged with or supported over 580 communities through our work.**

FFI's team in Nicaragua has been drawing on behavioural science to target its 'Son Nicas' campaign messaging more effectively at consumers of turtle eggs. In 2021, the campaign included embedding key messages into radio sports commentary and TV cookery programmes.



Hawksbill turtle release, Nicaragua. © Marvin Torres

CASE STUDIES

PROTECTING THE OCEAN FLOOR

In 2020, FFI raised the alarm about the risks posed by deep-sea mining with the publication of the first comprehensive assessment of the potential impacts of mining the deep seabed for minerals. In 2021, we built on this work, co-sponsoring a motion at the IUCN World Conservation Congress that called for a ban on deep-seabed mining and for a reform of the International Seabed Authority and associated governing policy and practices.

The motion passed with a strong majority from both government and civil society members, and subsequently we have seen a sharp fall in investment in one of the key companies promoting deep sea mining, despite their narrative that this is a necessary evil to supply metals for energy decarbonisation pathways.

Encouragingly, key corporations and finance institutions are increasingly coming out in opposition to deep sea mining. This marks an important step towards ensuring a global moratorium on deep-sea mining, and our work continues through our participation in the Deep Sea Conservation Coalition.



Deep sea octopus. © NOAA Office of Ocean Exploration and Research

FINDING NEW SOLUTIONS TO AN AGE-OLD PROBLEM

In 2021, FFI published a new report titled *Bottom Trawling: New perspectives on an old fishing practice*. The report was created in collaboration with world-leading fisheries scientists and ocean experts and calls for constructive pathways forward to tackle the impacts of bottom trawling. The hope is that, if all parties can work together more constructively, we can inject new ideas and new ambitions into the polarising debate about bottom trawling and transform the way we catch seafood to ensure a healthy seabed while respecting the rights of both those working in the fishing industry and those affected by it.



Fishing catch including non-target species. © Ziafer Kizilova

AMBITION 5:

Increasing visibility

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

In 2021, we built on the success of FFI's *Our One Home* campaign through clearer messaging and the creation of new materials, and called for action at the long-anticipated COP26 climate summit in Glasgow.

2021 at a glance

- We developed FFI's 'Five Breakthroughs for Nature' – a clear suite of messaging that articulates the urgency of the nature crisis and calls for action on five priority areas:
 1. Put nature at the heart of decision making
 2. Invest \$500bn/year to protect and restore nature
 3. Ensure solutions are locally driven
 4. Safeguard nature for climate stability and human health
 5. Make tech work for nature

As part of this work, we created a brochure (available in English, French and Spanish) and a standalone website: www.ouronehome.org

The Five Breakthroughs messaging and materials are providing a valuable framework for communications, allowing us to achieve cut through by using clearer, bolder and more consistent language.

- November 2021 saw the long-delayed COP26 climate summit take place in Glasgow. Through careful planning and preparation, FFI delegates joined the summit armed with four key asks that reflected the areas we wished to see progress on. These asks were underpinned by the latest climate science and insights from our field programmes, and strengthened by our Five Breakthroughs language.

We supported this advocacy work with a sustained publicity campaign that combined planned media outreach before, during and after the event with reactive commentary to the media. This was complemented with activity on our social media channels and our website, with our vice-presidents lending valuable weight to the campaign.



COP26, Glasgow © Annanairline/shocky/FFI

“Our publicity activity around COP26 achieved coverage in leading media outlets including BBC News online, Yahoo News, the Independent, EuroNews and edie. Not only did this increase awareness about key advocacy topics, it also promoted FFI as relevant experts on this critical topic.”

AMBITION 6:

Investing in our people

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

In 2021, the health, safety and well-being of our employees around the globe remained a key priority as we continued to support them through the pandemic.



Siamese crocodile release, Cambodia © Jeremy Holden/FFI

2021 at a glance

- **Employees continued to work flexibly and we supported hybrid working arrangements to meet their needs.**
We furthered our work to embed mindfulness and mindful ways of working at FFI, including offering regular guided mindfulness drop-in sessions for everyone and developing a global network of Mindfulness Champions.
- **We strengthened our focus on safeguarding, developing our internal expertise and supplementing this with specialist consultancy support.** We assessed employee understanding of safeguarding, implemented mandatory training, and reviewed our policy and processes against sector standards and best practice with the aim of embedding and managing safeguarding across FFI.
- **We launched FFI's new online learning management system: *FFI Mangrove*.** This platform currently hosts over 120 e-learning courses which can be accessed by staff at any time, from any country (many of which are available in up to 100 languages). Over 300 FFI staff have logged on to date, accessing bespoke content ranging from whistleblowing, IT security and active listening, to specialist courses such as conducting seahorse surveys.
- **Taking forward priorities identified by our Equality, Diversity and Inclusion working group, we reviewed our recruitment and selection procedures to identify where we may be creating barriers to diversity and inclusion, developing a new Recruitment and Selection Policy & Procedure that embeds equality, diversity and inclusion principles throughout, widening the range of advertising media that we use to reach a more diverse talent pool and introducing paid internships to improve access to employment opportunities.**

AMBITION 7:

Securing the resources we need

Ensuring diverse and resilient income streams to support our ambitious growth plans is central to FFI's business plan, and the ongoing turbulent external factors continue to highlight the importance of this approach as any long-term stability becomes less certain.

Income in 2021 was our highest ever, with significant growth in both restricted and unrestricted funding. Our planned ongoing investment in unrestricted income generation continued to pay off; meanwhile the year was characterised by some significant restricted grants from new donors and increased support from existing funders.


2021 at a glance

- **Total income reached £36.5m (a £10.0m increase on 2020). Included in this was a £3.7m (US\$4.9m) donation for the purchase of Boden Creek in Belize and £1m from the UK People's Postcode Lottery (PPL), which is flexible funding.**
- **Unrestricted income was over £6.8m. Supporter Marketing activities also brought in new donors to support our work with species such as pangolins and Vietnamese primates and in landscapes as diverse as Mozambique's Chuilexi Conservancy and Belize's Maya Golden Landscape.**
- **Income from digital sources grew significantly, primarily from email, social media advertising and income through our website. Donor numbers increased significantly as well, with over 15,000 regular donors (up from 9,000 at the end of 2020) and over 80,000 one-off donations (31,000 in 2020).**
- **Income received from government and multilateral sources was £5.6m in 2021, compared with £5.3m in 2020. This represents 16% of FFI's total income in 2021, in line with organisational targets. FFI is also sharing our on-the-ground experience with funders to support the design and focus of their funding programmes, and thus help achieve conservation impact beyond our projects.**
- **Total income from trusts and foundations was £21.5m. Over 130 foundations gave to FFI, including several new donors. A number made significant contributions towards the purchase of Boden Creek, while the Bezos Earth Fund pledged US\$5.0m for our work in the Congo Basin. We also received €1.5m in unrestricted funding from the Dutch Postcode Lottery.**
- **Unrestricted income from major donors exceeded £1.2m, including a boost of US \$450k from our growing fundraising operation in the US and a very successful fundraising dinner in London in November that raised over £500k.**

*“Income in 2021 was our highest ever,
with significant growth in both
restricted and unrestricted funding.”*



Plans for the future



There is a renewed sense of urgency surrounding the interconnected biodiversity and climate crises. But we need to harness this moment to ensure that the right decisions are taken – both for nature and for humanity.

There is an increasing recognition among governments that nature is absolutely central to human welfare and well-being, and a greater understanding of the economic, social and political costs of failing to act. The resulting uplift in ambition and commitments has been heartening; however, there is a long way to go before these ambitions turn into action and results. Adding to an already complicated global picture, the recent Russian invasion of Ukraine is forcing us to reconsider the geopolitical map and get to grips with the far-reaching repercussions that this war will have.

We are already seeing the impact of the invasion on global economies, on standards of living, and on energy security policies, and anticipate additional challenges such as increased pressure on natural habitats arising from food security concerns. Furthermore, changes in energy policy could make it more difficult than ever to meet vital global commitments on climate change under the Paris Agreement.

In parallel we are seeing changing narratives – a rise in citizen action (particularly among the young) in response to the threats we face if we destabilise the natural balance of our world, and an increasing tensions between the urgency to secure nature and the need to respect Indigenous and local community rights, along with increasing interrogation of the role that international NGOs should play.

Against this backdrop of great uncertainty and complexity, FFI is currently undertaking a review of its strategy, to ensure that our work remains relevant and effective in a rapidly changing world. The review is pointing to new areas of focus as well

as highlighting where FFI's greatest strengths lie and allowing us to think creatively about how to build on these to maximise our conservation impact.

As an organisation, FFI draws strength and immense insight from our huge network of partners and collaborators around the world. The local communities and organisations with whom we work understand the picture on the ground, the challenges they face and – more often than not – how best to address these challenges. However, many of the threats to nature felt locally are the result of larger scale national or global drivers, which need to be addressed through mechanisms operating at wider scales. FFI's job is help achieve effective and lasting conservation on the ground, while building and improving bridges between local conservation and global debates, and helping to drive changes at larger scales.

We have a long history of working with a range of different partners to achieve shared conservation goals; however, the strategy review has made it clear that we can further scale up our impact by harnessing this local knowledge to improve global action.

2021 saw a significant investment in our global policy work, bringing in new expertise and perspective, and we anticipate that this area of work will grow. We will continue to use our knowledge and expertise to drive change in key corporate sectors. But, at the heart of all of this, we will continue to work with local, on-the-ground conservationists to protect and restore nature, help them build strong and stable organisations, and ensure that their contributions, voices and lessons are better recognised within policy processes and decision-making at all levels.

Structure, governance and management

Our structure

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

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

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

How we are governed

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

Trustee recruitment, induction and training

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

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

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

How we are managed

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

An Executive Committee, comprising the officers of Council and one other trustee, 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 & Risk 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 & Risk Committee's remit also includes the review of internal control and risk management systems and receiving reports on such from the management of the organisation.

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

The Charity Governance Code

Council believes that FFI is best placed to achieve its mission and objectives if it has high standards of governance, with practices and thinking which reflect the Code's seven principles, and that by adopting these it can provide effective, strategic leadership which supports fulfilment of the Charity's vision.

Principle 1 of the Code advocates that the board is clear about the charity's aims and makes sure that these are being delivered effectively and sustainably and that it focus on strategy, performance and assurance as its core role. Council has a responsibility to understand the environment in which FFI operates so it can stay relevant and to lead on developing, and agreeing, a strategy aimed at achieving our charitable purposes. In line with this, FFI began a light-touch "strategy review" in late 2021 to consider the fitness of our existing five-year strategy in light of seismic external changes as well as internal shifts in positioning and delivery since that plan began in 2019.

Through a series of external and internal consultations, web-based research and Council and SMT-level discussions and workshops, the review examined the changing environmental, social and political contexts for conservation as well as the current opportunities, risks and priorities for impact, both long and short-term. The review highlighted a number of critical trends that will shape our future operating context and gave us the opportunity to check that our mission-level priorities and ways of working are in tune with these wider contextual changes. The result is a refreshed and reframed strategy that is future-focused and has a "clarity of purpose" designed to concentrate our efforts more carefully and to guide trustees and SMT in their decision-making.

Trustee duties in relation to Section 172 of the Companies Act

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

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

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

DECISION MAKING

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

In 2021, a key area of trustees' decision-making involved continued management of the range of risks presented to our people, partners, programmes and finances, so that the impacts of these on FFI's delivery and sustainability, both in the short and longer term, could be limited wherever possible. For further information please see the key risks section later in this report.

STAKEHOLDER ENGAGEMENT

Partners

FFI has a long and successful history of building effective partnerships with others, from individuals and local community groups to national government and multilateral agencies, international NGOs and large corporates. The more organisations and individuals that can be empowered to achieve their own conservation goals, the greater the chance there is of FFI's vision of effective, locally driven conservation being realised. We prioritise activity in areas where local partners have requested FFI engagement, where we see a need that is not being addressed and where we believe we can add value. We see that investing in and building the capacity of these local partners is key for the sustainability of local conservation, and we aim for them to become independent of FFI in the future while staying engaged as part of our wider network. The importance of our ongoing support to partners was brought into sharp relief in 2020, when the Partner Crisis Support Fund (launched in response to the impacts of the pandemic) provided 37 partners with emergency funding to continue their vital conservation work. 2021 saw the establishment of a new Conservation Resilience Fund that will continue to allow us to help partner organisations plan for and respond to ongoing shocks to our natural, economic and social systems, thus building their resilience for the long term.

We also recognise the necessity to do more to influence wider decision making, working internationally on issues that others don't, or collaboratively as part of coalitions – and, where appropriate, supporting local partners to engage in national policy processes. We do this in the belief that the fate of species and ecosystems is influenced not only by those living closest to them, but also by the decisions of businesses, people and policy-makers further afield. For more information on FFI's work with partners and on influencing others please see our reporting on Ambitions Three and Four earlier in this report.

Donors, members and supporters

FFI is fortunate to have supportive and long-standing relationships with our major donors, with whom we have engaged over the last two years to discuss the impacts of the pandemic on our project delivery, agreeing flexibility and new timeframes if necessary when work has been disrupted. Throughout this period our members and supporters have also provided valued and steadfast support, responding positively to our campaigns and appeals and engaging with us through our increased digital communications and online events, including our second virtual AGM. Attendance for this event continued to be higher than previous in-person versions, validating the decision of the trustees to adopt a virtual format, so increasing engagement with our membership going forward.

Suppliers and other stakeholders

In keeping with FFI's values we act with integrity in all our internal and external relationships, including our business ones with our suppliers, which we foster through long-term arrangements where appropriate. This period saw continued increased engagement with some key professional advisers such as our insurers, where our long-standing relationships have been an advantage during the pandemic. Our collaboration with other members of the Cambridge Conservation Initiative (CCI) continues to flourish with this year seeing ongoing collective decision-making around the operation of CCI's base at the David Attenborough Building to promote and protect the health and safety and well-being of employees of all the organisations involved.

COMMUNITY AND THE ENVIRONMENT

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

Reference and administrative details

Status

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

Registered office

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



Patron

HRH The Duke of
Cambridge



President

HRH Princess Laurentien
of the Netherlands

Vice-Presidents

Baroness Valerie Amos
LG CH PC

Professor Sir Roy Anderson
FRS FMedSci

Sir David Attenborough OM FRS

The Lord Browne of Madingley
FR Eng

Lindsay Bury

Dee Caffari

Charlene de Carvalho-Heineken

Field Marshal Sir John Chapple
GCB CBE DL *(passed away 22nd
March 2022)*

Giles Clark

Viscount Philippe de Spoelberch

Dame Judi Dench CH

Dr Lee Durrell

Hugh Fearnley-Whittingstall

Stephen Fry

Rupert Goodman

Edward Hoare

Tim Jarvis

Anders Johansson

The Lady Emma Kitchener LVO

Rove McManus

Justin Mundy LVO

Blaine T. Phillips

The Rt. Hon. the Lord Randall of
Uxbridge

Sir Gareth Rhys Williams

Dr Lisbet Rausing

Dr Claudio Segré

The Rt. Hon Mark Simmonds

Victoria Stack

Jon L Stryker

Andrew Sykes

Edward van Cutsem

Antonio Versace

Charles Whitbread DL

Dr Adrian Wilson

James Wong

The Rt. Hon Baroness Young of
Old Scone

Jochen Zeitz

Board of Trustees

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

EXECUTIVE COMMITTEE

Hugo van Vredenburg	Chair
Annette Lanjouw	Vice Chair
Paul Baldwin	Treasurer
Dr Liz Rogers	Vice Chair elect <i>(appointed to Council 29th September 2021)</i>

ORDINARY MEMBERS OF COUNCIL

Jeffrey Blumberg	Richard Plackett
Anna Gavazzi	Hugh Sloane <i>(appointed 29th September 2021)</i>
David Gibson	Kimberly Stewart
Senator Abshiro Halake <i>(appointed 29th September 2021)</i>	Diana van de Kamp
Andrew Joy <i>(retired 29th September 2021)</i>	Richard Walker OBE
Benjamin Khalili	Professor Joanne Webster FLS FRSB
Dr Sandra Knapp <i>(retired 29th September 2021)</i>	<i>(appointed 29th September 2021)</i>

SENIOR MANAGEMENT TEAM

Mark Rose	Chief Executive Officer
Svetlana Ignatieva	Chief Operating Officer and Company Secretary
Joanna Elliott	Senior Conservation Director, Cross-cutting Programmes
Jonny Wright	Senior Director, Communications & Fundraising
Dr. Abigail Entwistle	Acting Senior Director, Conservation Science & Design <i>(temporary appointment from October 2021)</i>
Paul Hotham	Acting Senior Conservation Director, Regional Programmes <i>(temporary appointment from October 2021)</i>

PRINCIPAL PROFESSIONAL ADVISERS

Auditors	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Solicitors	Mills & Reeve, Botanic House, 100 Hills Road, Cambridge, CB2 1PH
Investment Managers	BlackRock, 12 Throgmorton Avenue, Drapers Gardens, London, EC2N 2DL
Bankers	Barclays Bank, Mortlock House, Vision Park, Histon, Cambridge, CB24 9DE
Insurance Brokers	Sutton Winson, 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 2021 in furtherance of its charitable purposes for the public benefit.

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



Reserves Policy

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

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

Our reserves fall into three types.

RESTRICTED RESERVES

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

ENDOWMENT RESERVES

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

UNRESTRICTED RESERVES

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

Investment Policy

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

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

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

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

Grant-making Policy

FFI makes grants to strategic and implementing partners and in 2021 we disbursed over £5.0 million in grant funding (2020: £5.4m). All our grant funds are disbursed with clear criteria and application processes, including conducting due diligence based on materiality criteria, and use formal review and clearly defined decision-making. All grants are made based on written grant agreements, and incorporating requirements on reporting and financial oversight. Donor conditions are passed on to the recipient in the sub-grant agreement, as necessary.

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

Environmental Policy

All of FFI's activities are designed to address threats to the world's habitats and species and to have a positive impact on biodiversity. As an organisation focused on protecting the environment, we are committed to minimising our environmental impact wherever we can, taking into account the need to deliver the wider environmental goals within our mission.

Our Green Group continues to work on internal initiatives to embed the organisation's Environmental Policy and to encourage best practice, resulting in achievement of a Gold award for the 2020-2021 Green Impact year from the NUS Green Impact Scheme. Particularly commended was the significant reduction in energy consumption and the sharing of good practice and new green ideas.

To quantify and manage FFI's carbon footprint, we established a 2019 baseline for emissions related to our Cambridge office and organisation-wide flights. We then completed an audit of 2021 flights, following the most commonly used accounting and reporting standard: the Greenhouse Gas Protocol. In parallel, our expenses and travel policies have been adjusted to improve information collected about flights, allowing us to track carbon on a more regular basis. We conducted desk research to determine an appropriate carbon reduction target that aligns with best practice within the sector, and we aim to develop an implementation plan in 2022.

We have also developed guidance on the sustainable procurement of food and drink at FFI-hosted events; this includes purchasing locally sourced products with minimal packaging, and encourages sustainably harvested protein options. We expect the trend for increased home working by FFI staff to continue as we navigate through the pandemic, and this is now embedded in our new Hybrid Working Policy. Home working reduces the emissions associated with commuting to an office (although we do not track this, nor any increase in home energy bills associated with working from home). FFI has embraced communications technology in order to reduce our carbon footprint from both commuting and overseas travel.

ENERGY AND EMISSIONS REPORT (SECR)

As detailed above, in the last three years we significantly reduced our energy consumption, and took various actions to promote energy efficiency and low-carbon choices. Our actions are in line with the carbon reduction and energy efficiency targets set out in the Sustainability Action Plan for the David Attenborough Building, where our headquarters is located.

	2019 (Jan-Dec)	2020 (Jan-Dec)	2021 (Jan-Dec)
Gas (kWh)	107,078.4	94,175.3	88,310.4
Electricity (kWh)	55,056.5	35,865.4	24,683.2
Total UK energy use (kWh) ¹	162,134.9	130,040.7	112,993.6
Gas (tonnes CO ₂ e) ³	19.7	17.3	17.9
Electricity (tonnes CO ₂ e)	14.1	8.4	5.2
Total associated GHG emissions (tonnes CO ₂ e) ^{2,3}	33.8	25.7	23.2
Intensity ratio Emissions per office floor space (tonnes CO ₂ e per m ²) ³	0.046	0.035	0.031

1. The total UK energy use covers gas and electricity consumption of the FFI office in our global headquarters, The David Attenborough Building. Global data is not yet available, therefore we have agreed a step-by-step process for our carbon footprint assessment that prioritises the UK operation, before a gradual roll out to country offices. Please note that two FFI electricity submeters were not recording between 08/02/21 and 13/10/21. The 2021 data is therefore less accurate. Energy consumption in 2020-2021 was also affected by the pandemic and increased home working.

2. Associated greenhouse gas (GHG) emissions have been calculated using DEFRA conversion factors, following the widely recognised independent standard, the GHG Reporting Protocol - Corporate Standard. Please note that due to a calculation error the 2019 and 2020 electricity data have been updated.

3. Please note that due to a calculation error in the gas consumption related GHG emissions, the 2019 and 2020 data have been updated.

Remuneration Policy

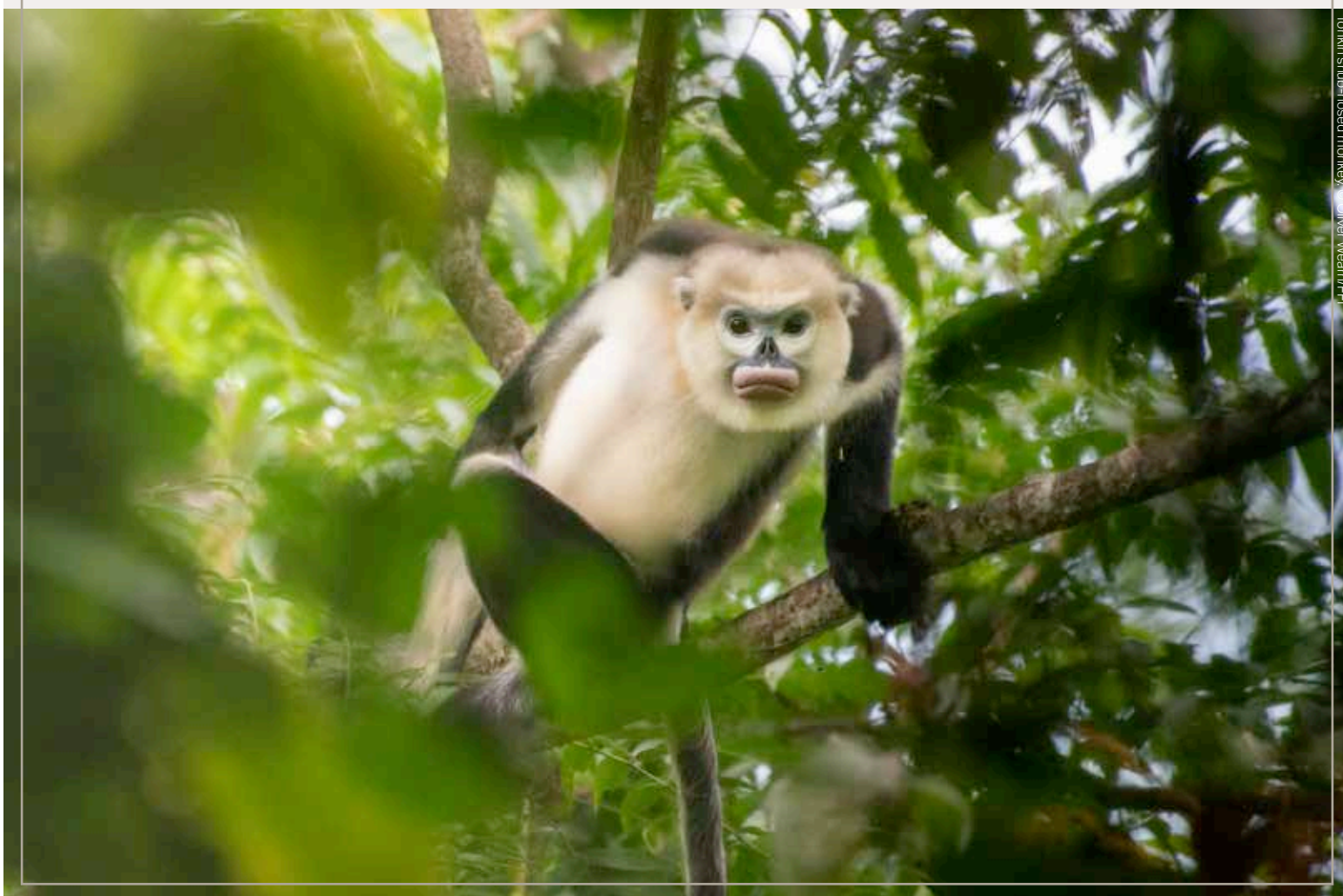
FFI recognises its responsibility to expend funds wisely and intelligently in line with its status as a charity and the expectations of the public and those that support its work. In parallel, it recognises its responsibility to ensure that it attracts and retains excellent people with the appropriate 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.

Going concern

Going concern remains an increased risk area for all organisations, particularly in light of the continued effects of the global pandemic, rising inflation and cost of living, slowing down of the economy and geopolitical instability.

Trustees are required make a determination of FFI's ability to continue as a going concern for a minimum of 12 months following the date of signing of this report. In order for Trustees to make this determination, we have reviewed our actual results from previous years, together with our current budget and have updated the projection figures and assumptions therein, taking a conservative approach. The results of this exercise indicate that FFI has sufficient reserves to continue to deliver its strategic objectives by the end of that period, and will still maintain an adequate level of unrestricted reserves by the end of it.

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



Tonkin snub-nosed monkey © Oliver Wearn/FFI

Fundraising

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

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

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

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

its performance against objectives, particularly for unrestricted income.

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

In 2021, FFI received approximately 30 complaints relating to our telephone fundraising. This is where our telephone handling agencies respond to calls from people who have seen our direct response television and press adverts, or who have received an appeal mailing from us. Complaints usually relate to people being 'upsold' (meaning that the call handler asks whether the potential donor would like to give an increased monthly gift). In each case we listen back to the call, and feed back if we feel a fundraiser has not met FFI's expectations during the conversation. In 90% of cases the calls were fine, and no further action was needed. With over 3,500 regular donors and members recruited via this channel in 2021, the proportion of complaints was very low.

FFI regularly monitors our telephone agencies, which includes weekly reports that highlight instances when supporters raise questions or complaints. These reports, along with training of call centre staff, enable us to continually assess their performance and ensure a high level of supporter care is achieved.



Our agencies also follow a set of guidelines to determine supporter vulnerability; if a supporter is deemed to be vulnerable, a case is raised with FFI which will investigate the matter. This may result in a donation being declined and further action being taken. We are currently reviewing our contracted call handling agencies to ensure we are working with agencies that will provide the best experience for FFI's supporters.

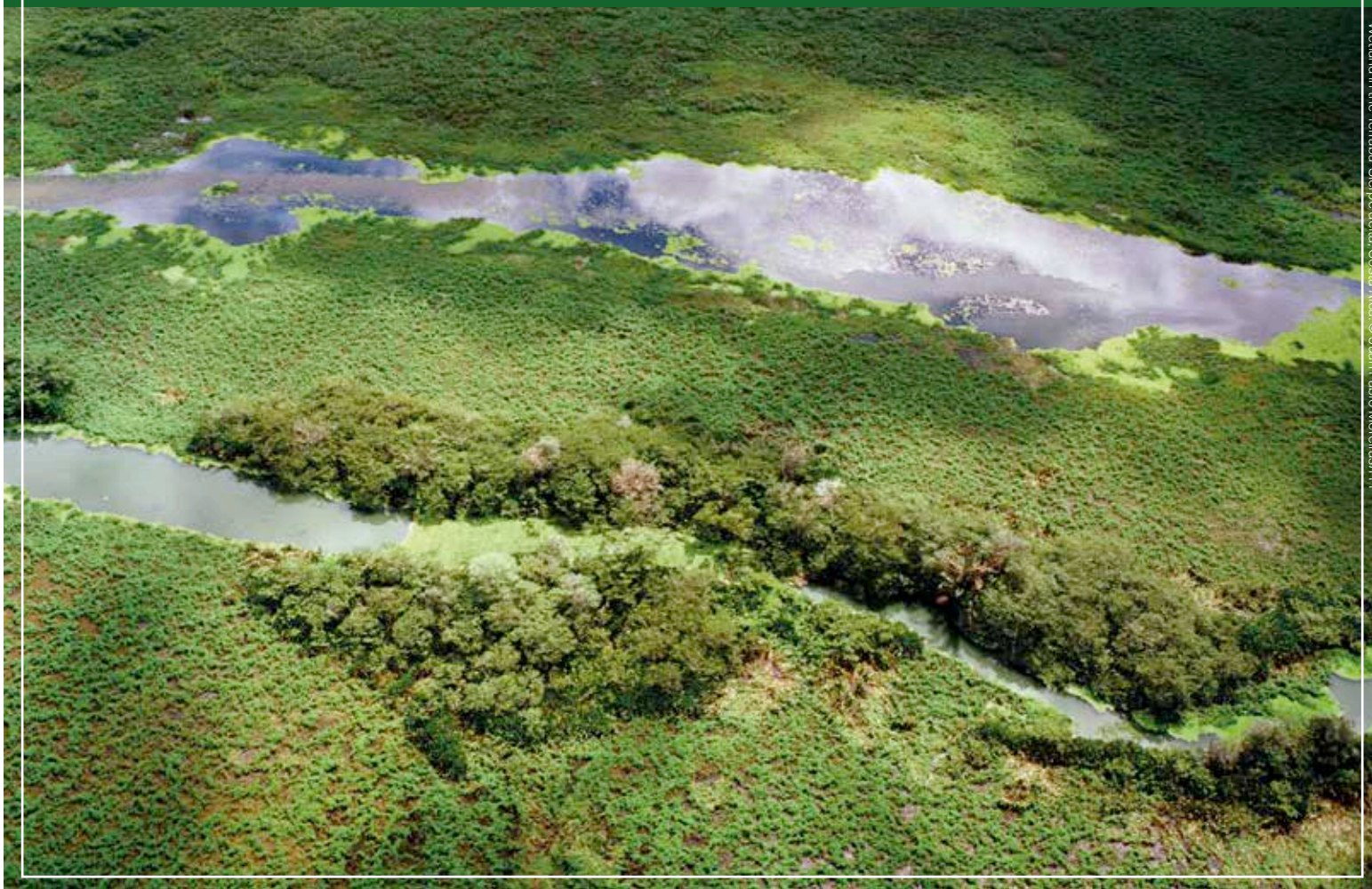
FFI regularly reviews its Privacy Statement and updates it when necessary. Our Fundraising Promise makes it clear what personal data is collected, how it is processed and how an individual can get in touch with FFI to change their preferences. All of FFI's communications include easy mechanisms for unsubscribing 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 which comprises:

- A rolling review of the risks the Charity faces or which may arise, tracked in the Risk Register, complemented by regular discussion of risk by the Executive Committee and Audit & Risk Committee (the latter having been renamed to reflect an increased focus on risk management in recent years).
- The establishment of systems and procedures to mitigate against those risks and their potential impacts should they materialise, identified from an operational review and as part of the Business Plan.
- The implementation of processes designed to underpin our ability to identify and manage specific risks. For example In 2021, recognising that our employees are our most valuable assets and fundamental to successfully achieving our mission, we updated our policy and procedures relating to recruitment and selection so we attract high-performing and motivated people from a wide and diverse talent pool, appointing candidates on merit alone, following a fair, systematic and transparent process.
- A portfolio risk-tracking tool enabling regular and comprehensive assessment of three types of risk: financial, delivery and conservation impact, across portfolios of projects.
- Regular review of our insurance cover to assess whether it adequately addresses the risks and potential liabilities we face, extending cover if new risks are identified.



Wetland in the Teraba-Sierpe delta, Costa Rica. © Juan Pablo Moreiras/FH

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

FINANCIAL ENVIRONMENT – the continued effects of the global pandemic, rising inflation and cost of living, slowing down of the economy, and geopolitical instability are posing a range of new, unforeseen risks. We are mitigating these risks through careful financial monitoring and management, and future scenario planning, along with diversifying our income sources and reviewing our non-essential spending. While our reserves are healthy and in line with our policy, these additional pressures will require prudent and agile management of our financial resources and reserves.

RECRUITMENT AND RETENTION – our people are critical to the delivery of our strategy, but attracting and retaining our talented workforce is becoming more challenging in the aftermath of Brexit and in light of the increasingly competitive global labour markets. We recognise that our people often work under immense pressure, in both conservation delivery and enabling functions. Our new recruitment and selection procedures are designed to reach a wider and more diverse talent pool, while paid internships improve access to career opportunities in our sector. We aim to support our workforce in finding a fulfilling, long-term career at FFI by investing in training and development, allowing our people to work flexibly and helping them to improve their mental resilience, promoting clear internal communications, and fostering an inclusive 'OneFFI' culture.

FINANCIAL MANAGEMENT, COMPLIANCE AND RESILIENCE OF IN-COUNTRY PARTNERS – an inherent risk, particularly where funding is sub-granted from government or multilateral donors, where funding from FFI represents a significant element of funding portfolios, and/or where local partners have limited access to international fundraising markets. We identify risks through partner due diligence and invest in supporting our partners to build their capacity and resilience, including through the new Conservation Resilience Fund. This fund will also focus on supporting partners to develop conservation enterprise schemes, allowing them to find new income streams that will provide greater financial security and, in turn, mitigate the risk to continued, sustainable delivery of our conservation programmes worldwide.

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

GLOBAL SAFETY AND SECURITY – our staff and operations are inevitably subject to such risks especially given some of the more remote, difficult and insecure locations we work in and travel to, such as Myanmar and Mozambique. We seek to protect our people and programmes by monitoring global travel, security and health risks that have the potential to affect them. We also track regional security and political trends for developing situations and put in place policies, procedures and risk management measures designed to safeguard our staff and those who come into contact with our activities and to strengthen and institutionalise a culture and practice of safety and security so that FFI is well prepared for, and can respond well to, the safety and security challenges it faces.

NEGATIVE SOCIAL IMPACTS – inherent in the delivery of our conservation programmes is the risk of causing negative social impacts, including breaches of human rights. FFI has adopted a suite of social safeguard policies and procedures to mitigate these risks and ensure that our projects and partners fully respect and uphold Indigenous Peoples' and local communities' rights as well as enhancing the equitable outcomes of our projects. FFI's social safeguards are being shared and developed with peers and partners, helping us to live up to best practice in implementing rights-based approaches, preventing harm and addressing and effectively mitigating any negative social impacts of our work.

Financial Review

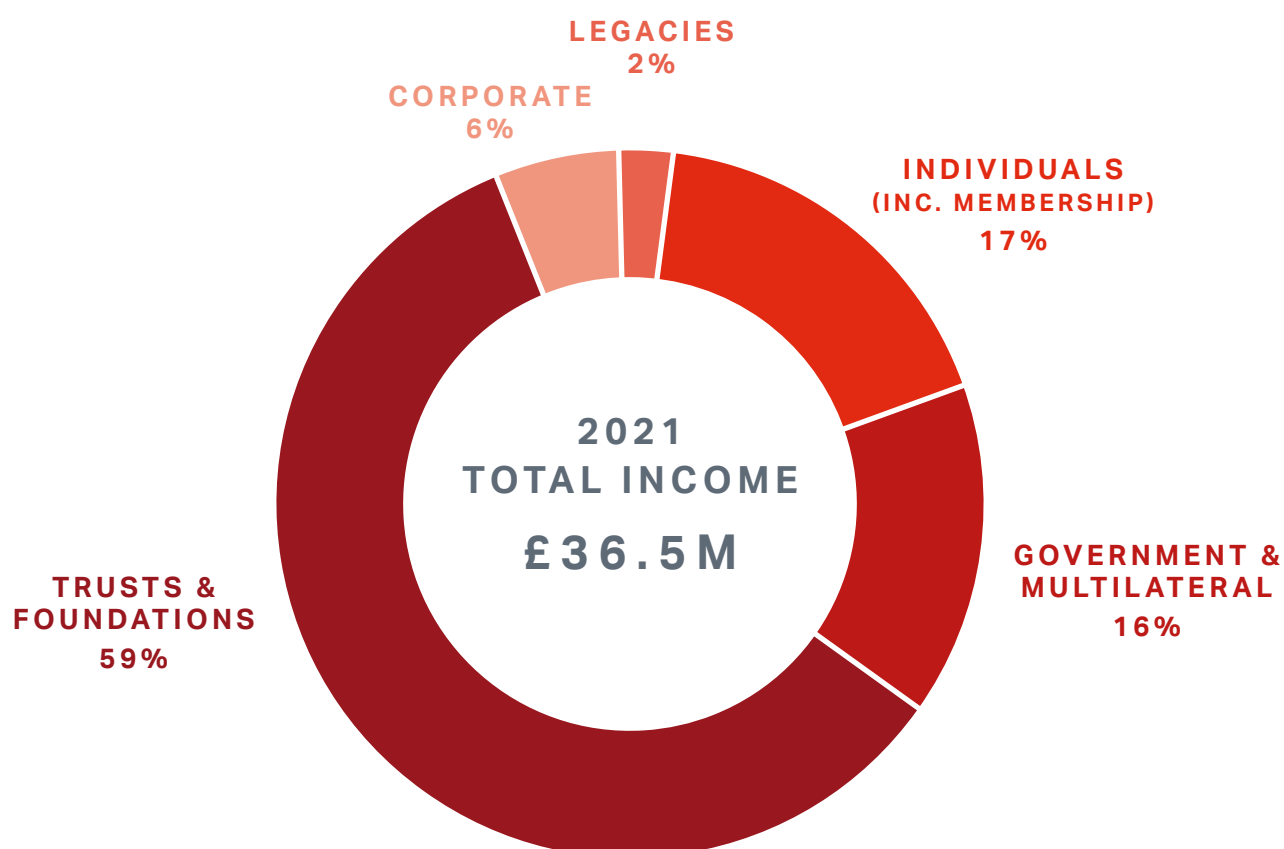


Overall Position

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

The net movement in total funds for the period is an increase of £10.9m (2020: £2.5m increase), comprising an increase in restricted funds of £9.5m (2020: £706k increase), an increase of endowment funds of £57k (2020: £45k increase) and an increase in unrestricted funds of £1.3m (2020: £1.8m increase). Restricted funds predominantly relate to current, active projects and are largely anticipated to be utilised over the course of the next one to four years.

Income



Income generated overall of £36.5m shows an increase of £10.0m (38%) compared with 2020. This represents the highest level of income FFI has ever received, with significant growth in both restricted and unrestricted funding. Included in this is a one-off grant of £3.7m for the purchase of Boden Creek in Belize.

UNRESTRICTED INCOME BY TYPE

	2016	2017	2018	2019	2020	2021	2020/2021 Change
Individuals	1,309,006	1,241,392	1,276,626	1,362,427	4,139,416	4,081,322	-1%
Trusts & Foundations	144,834	1,063,758	521,424	756,517	859,475	1,821,776	112%
Legacies	256,176	790,779	73,885	2,325,653	1,189,313	901,330	-24%
Corporate	20,689	55,939	167,038	52,914	196,920	19,806	-90%
Other	17,253	7,999	38,704	25,514	34,453	7,412	-78%
Capital Campaign	10,417	2,487,505	500,000	125,000	-	-	0%
	1,758,375	5,647,372	2,577,677	4,648,025	6,419,577	6,831,646	6%

Unrestricted income from Trusts & Foundations increased by £960k (112%) from 2020, including a £1.3m (£1.5m) grant from the Dutch Postcode Lottery. Income from Individuals has remained the same as in 2020, however 2020 Individual income included £2.0m received by FFI as a Promoting Society of the People's Postcode Lottery. In 2021, we saw an increase in online and other individual donations.

RESTRICTED INCOME BY TYPE

	2016	2017	2018	2019	2020	2021	2020/2021 Change
Trusts & Foundations	9,259,111	11,152,475	10,266,072	10,206,257	11,738,061	19,713,173	68%
Government & Multilateral	2,877,498	4,274,240	4,457,350	6,947,640	5,315,100	5,645,650	6%
Corporate	1,403,693	1,881,587	1,068,003	816,097	1,254,924	2,046,255	63%
Individuals	460,966	173,979	294,112	414,924	1,560,470	2,042,816	31%
Other	23,047	30,595	117,772	178,269	180,828	205,417	14%
Legacies	-	25,000	318,444	44,613	-	-	0%
	14,024,315	17,537,876	16,521,752	18,607,800	20,049,383	29,653,311	48%

Restricted income from Trusts & Foundations has increased by £8.0m (68%) in 2021. We received increased income from both new and long-standing donors, in addition to the previously mentioned grant for the purchase of Boden Creek in Belize. The increase in Corporate income relates to the expansion of existing relationships. The increase in Individual income relates primarily to funding received in support of a partner organisation in Kenya.

As ever, we are very grateful for all the support we receive from our donors.

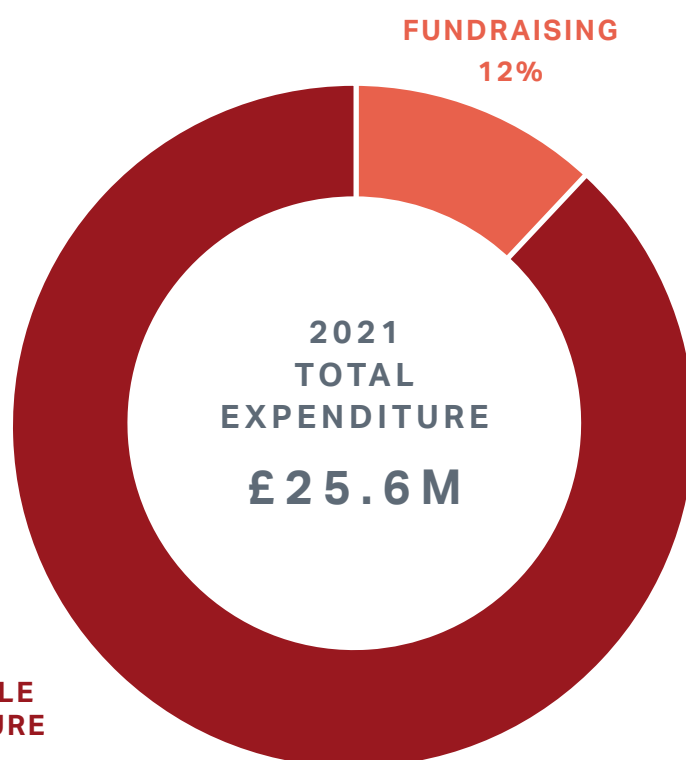
Expenditure

Charitable expenditure across our conservation portfolio has remained consistently high as a proportion of total expenditure (88%) in 2021 (2020: 92%).

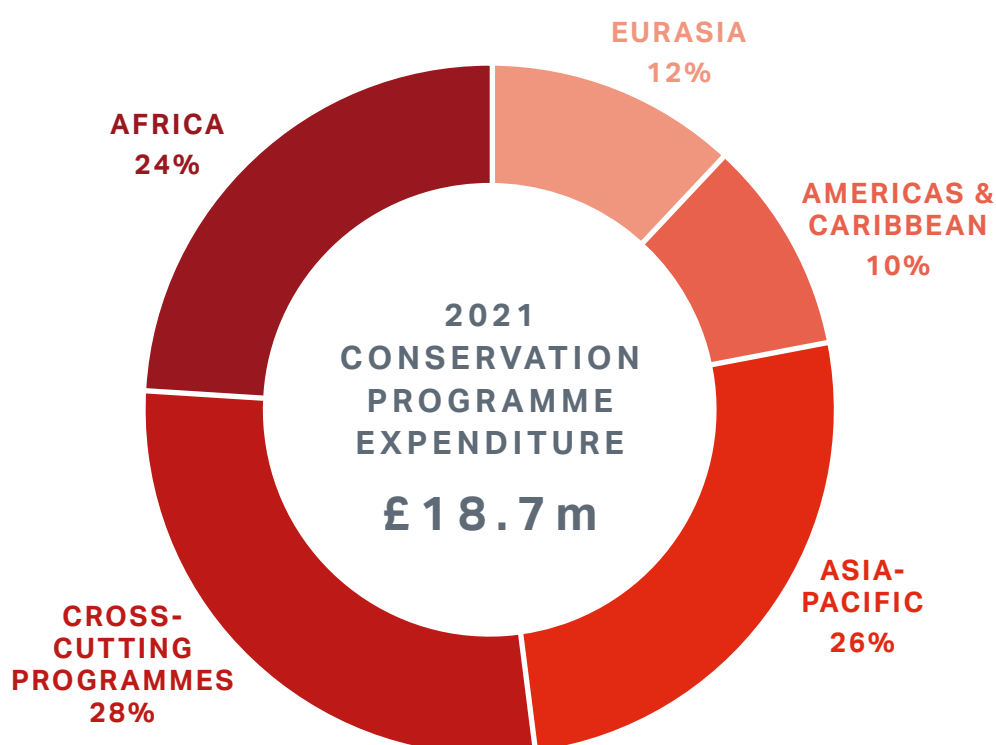
In accordance with our strategic plan, FFI has invested in fundraising capacity and the diversification of our income streams, resulting in fundraising expenditure increasing to 12% of total expenditure (2020: 8%).

With over 120 active projects in over 40 countries, we continue to manage a diverse programme of activity, which presents its own challenges, but is also evidence of our far-reaching impact in delivering tangible biodiversity conservation.

**CHARITABLE
EXPENDITURE**
88%



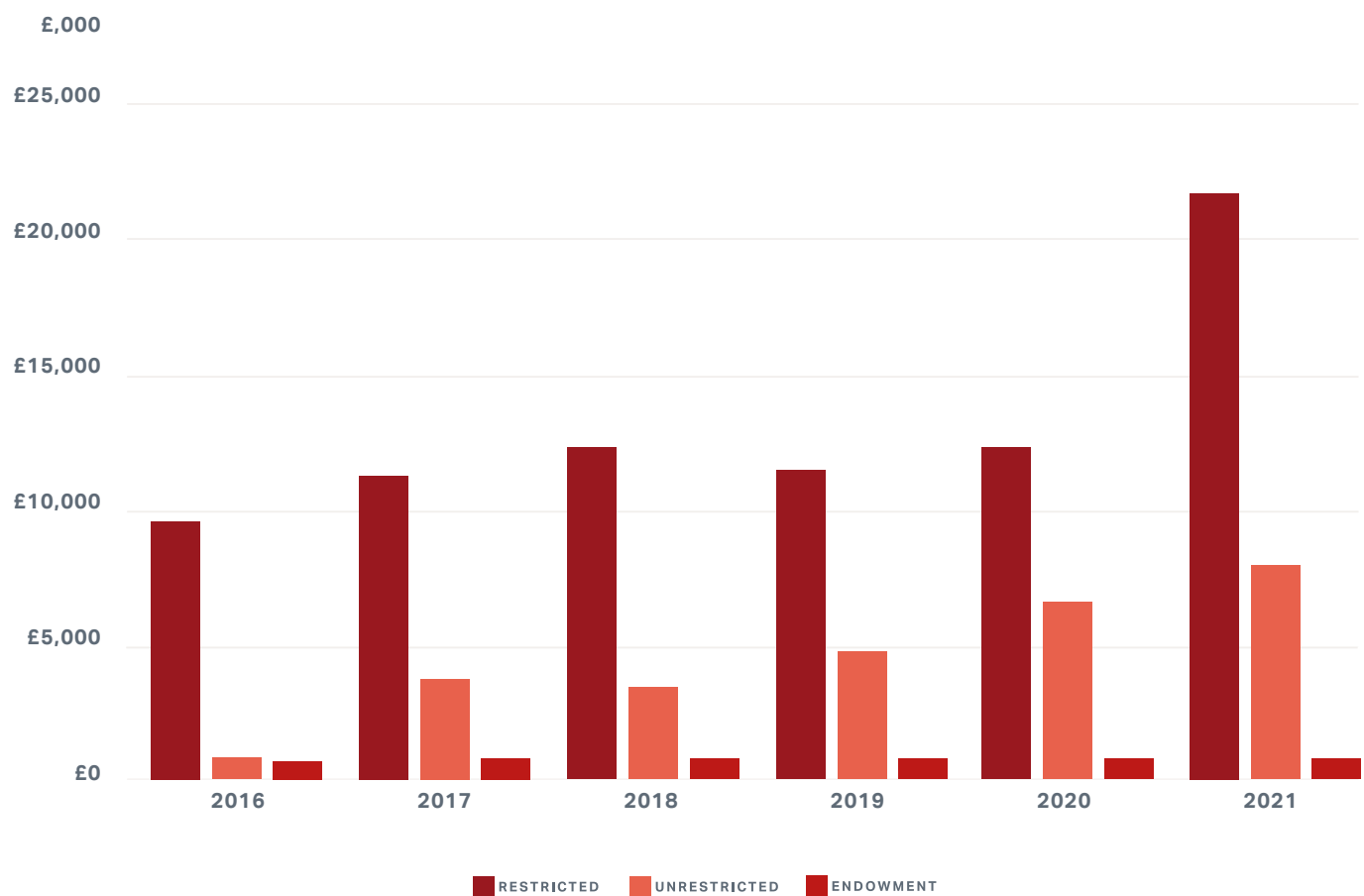
Conservation programme expenditure in 2021 was £18.7m (2020: £19.1m). The Covid-19 pandemic continued to impact levels of expenditure in 2021, while expenditure in 2020 included funds dispersed to partners via our Partner Crisis Support Fund.



FFI operates through four regional Conservation Programmes (Asia-Pacific (2020: 30%); Africa (2020: 22%); Eurasia (2020: 9%); and Americas & Caribbean (2020: 9%)) supported by an array of cross-cutting initiatives (Conservation Science & Design; Conservation Capacity & Leadership; Extractives & Development Infrastructure; Climate & Nature Linkages; and Sustainable Agriculture & Enterprise), which form our Cross-cutting Programmes division (2020: 30%).

Reserves

The total reserves of the organisation at the end of 2021 were £30.1m (2020: 19.3m). Restricted reserves were £21.6m (2020: £12.1m), these funds comprise balances of unspent restricted funding, funds received in advance, and £6.4m of capitalised land and other programme related investments. Endowment reserves were £725k (2020: £667k), these funds are invested to secure the capital base whilst producing an income stream in support of our gorilla conservation work. Unrestricted reserves were £7.8m (2020: £6.5m), a welcome increase to help FFI's financial resilience during periods of instability. Free reserves (unrestricted reserves less unrestricted fixed assets of £179k (2020: £181k) are £7.6m (2020: £6.3m). This represents 9.6 months¹ (2020: 9.0 months) of budgeted, recurring core expenditure. As outlined in our reserves policy on page 31, we aim to hold unrestricted reserves of 6-18 months.



1. Unrestricted free reserves represents 13.4 months (2020: 15.3 months) of committed, recurring expenditure when measured using 2021 core expenditure levels as outlined in Note 6a.

Statement of Trustees' Responsibilities

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

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

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

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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

The Trustees' Annual Report and the Strategic Report contained therein were approved and authorised for issue by the Board of Trustees on 6th July 2022 and signed on its behalf by



Hugo van Vredenburg, Chair

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

Opinion

We have audited the consolidated financial statements of Fauna & Flora International ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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



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

Date 5 August 2022

Financial Statements



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

For the year ended 31 December 2021

	Notes			Endowment Funds	2021 Total	2020 Total
		Unrestricted £	Restricted £	£	£	£
Income and endowments from:						
Donations and legacies	3a, 3b	4,291,636	2,042,816	-	6,334,452	4,434,249
Charitable Activities		2,402,811	27,405,123	-	29,807,934	19,795,324
Investments		5,692	18,281	149	24,122	73,716
Other Trading Activities		131,507	-	-	131,507	2,033,187
Other		-	187,111	-	187,111	132,643
Total		6,831,646	29,653,331	149	36,485,126	26,469,119
Expenditure on:						
Raising funds		3,165,103	-	-	3,165,103	1,902,804
Charitable activities		2,594,970	19,800,138	-	22,395,108	22,140,114
Jointly controlled operations expenditure	22	35,730	-	-	35,730	-
Total	4a, 6a, 6b	5,795,803	19,800,138	-	25,595,941	24,042,918
Net gains/(losses) on investments		3,873	-	57,302	61,175	46,304
Net income		1,039,716	9,853,193	57,451	10,950,360	2,472,505
Transfers between funds	12	308,493	(308,493)	-	-	-
Other gains/(losses)	4b	(26,952)	(67,607)	-	(94,559)	56,813
Net movement in funds		1,321,257	9,477,093	57,451	10,855,801	2,529,318
Reconciliation of funds:						
Total funds brought forward		6,500,821	12,117,286	667,439	19,285,546	16,756,228
Total funds carried forward	12	7,822,078	21,594,379	724,890	30,141,347	19,285,546

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

In 2020, unrestricted voluntary income was £2,874,366 (the remainder was restricted). In 2020, unrestricted charitable activities income was £1,487,238 (the remainder was restricted). In 2020, unrestricted investment income was £14,277 and endowment investment income was £159 (the remainder was restricted). In 2020, unrestricted income from other trading activities was £2,032,601 (the remainder was restricted). In 2020, unrestricted income from other sources was £11,095 (the remainder was restricted).

In 2020, unrestricted charitable activities expenditure was £2,384,124 (the remainder was restricted). In 2020, all expenditure on raising funds was unrestricted. In 2020, unrestricted other losses were £330,533 (the remainder was restricted). In 2020, unrestricted transfers were £25,000, with the remainder restricted.

In 2020, unrestricted other losses were £330,533 and restricted other gains were £387,346.

Consolidated Balance Sheet

For the year ended 31 December 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed Assets					
Tangible assets	7a	1,562,801	1,495,328	372,273	318,597
Intangible assets	7b	114,720	145,632	114,720	145,632
Investments	8	20,490,551	12,547,574	20,490,551	12,547,574
Total fixed assets		22,168,072	14,188,534	20,977,544	13,011,803
Current Assets					
Debtors	9	2,543,585	1,837,964	2,208,363	1,839,604
Cash at bank and in hand		7,044,811	4,650,654	5,668,075	3,831,794
Total current assets		9,588,396	6,488,618	7,876,438	5,671,398
Liabilities					
Creditors: amounts falling due within one year	10	(1,597,435)	(1,373,920)	(1,579,021)	(1,362,634)
Net Current Assets		7,990,961	5,114,698	6,297,417	4,308,764
Provisions for liabilities	11	(17,686)	(17,686)	(17,686)	(17,686)
Total net assets		30,141,347	19,285,546	27,257,275	17,302,881
The funds of the charity					
Income funds					
Unrestricted funds	12	7,765,576	6,444,319	5,715,377	4,630,668
Designated funds	12	56,502	56,502	56,502	56,502
		7,822,078	6,500,821	5,771,879	4,687,170
Restricted funds	12	21,594,379	12,117,286	20,760,506	11,948,272
		29,416,457	18,618,107	26,532,385	16,635,442
Capital Funds					
Permanent endowment funds	12	724,890	667,439	724,890	667,439
Total Charity Funds		30,141,347	19,285,546	27,257,275	17,302,881

The surplus in respect of the parent charity only was £9,954,394 (2020: £2,140,004).

The attached notes form part of these financial statements.

Approved by the Board of Trustees an authorised for issue on 6th July 2022 and signed on its behalf by



Chair: Hugo van Vredenburg



Treasurer: Paul Baldwin

Consolidated Cash Flow Statement

For the year ended 31 December 2021

Statement of cash flows	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash flows from operating activities	16	10,562,479	3,384,387	9,973,285	3,196,401
Cash flows from investing activities	16	24,122	87,094	22,226	83,663
Cash flows from financing activities	16	(3,886,452)	(159,548)	(3,872,182)	(159,548)
		6,700,149	3,311,933	6,123,329	3,120,516
Reconciliation of Net Cash Flow to Movements in Net Funds					
Increase/(decrease) in cash in the year		6,700,149	3,311,933	6,123,329	3,120,516
Cash and cash equivalents at the beginning of the reporting period		15,793,394	12,777,873	14,974,534	12,147,823
Change in cash and cash equivalents due to exchange rate movements		(171,426)	(296,412)	(152,482)	(293,805)
Cash and cash equivalents at the end of the reporting period		22,322,117	15,793,394	20,945,381	14,974,534
Analysis of cash and cash equivalents					
		Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash at bank and in hand		7,044,811	4,650,654	5,668,075	3,831,794
Deposit accounts		15,277,306	11,142,740	15,277,306	11,142,740
		22,322,117	15,793,394	20,945,381	14,974,534

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), Fauna & Flora International S.R.L. and Boden Creek Land and Cattle Ltd, and its share of its jointly controlled operations (the Carribean Alliance) with Re:Wild.

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.

The investment in Boden Creek Land and Cattle Ltd by Fauna & Flora International has been accounted for as a programme related investment in the charity only balance sheet, rather than as an investment in a subsidiary. The purchase of the share capital of the company was completed in order to achieve ownership of the land owned by the company. The company has no other assets or liabilities. As such on a substance over form basis, the investment has been accounted for as a programme related investment rather than an investment in subsidiary in the charity only balance sheet.

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.

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

	2021 £	2020 £
Individuals	5,433,122	3,244,936
Legacies	901,330	1,189,313
	6,334,452	4,434,249

3b Income

	Restricted £	Unrestricted £	Endowment £	2021 Total £	2020 Total £
Income Source					
Government & Multilateral	5,645,650	1,720	-	5,647,370	5,324,181
Trusts & Foundations	19,713,193	1,821,776	-	21,534,969	12,597,536
Corporate	2,046,255	19,806	-	2,066,061	1,451,844
Individuals	2,042,816	4,423,143	-	6,465,959	6,467,436
Membership	25	559,509	-	559,534	421,763
Investment	18,281	5,692	149	24,122	73,716
Other	187,111	-	-	187,111	132,643
Total	29,653,331	6,831,646	149	36,485,126	26,469,119

In 2021, income from Trusts & Foundations included a one-off donation of £3.7m (US \$4.9m) for the purchase of Boden Creek in Belize.

4a Expenditure

	2021 £	2020 £
Expenditure includes:		
Auditors' remuneration - audit	52,855	54,295
Auditors' remuneration - other	76,691	46,029
Depreciation	169,954	206,225
Operating leases: land and buildings	449,851	306,629

4b Other gains/(losses)

	2021 £	2020 £
Other gains/losses includes:		
Realised foreign exchange gains/(losses)	14,091	11,256
Unrealised foreign exchange gains/(losses)	(108,650)	45,557
	(94,559)	56,813

5 EMPLOYEE INFORMATION

5a Staff costs

	2021 £	2020 £
Wages and salaries	9,536,309	8,766,901
Social security costs	958,882	890,696
Pension costs	529,902	474,276
	11,025,093	10,131,873

£29,612 was paid out as termination payments in 2021. No termination payments were made in 2020 in the UK.

5b

	2021	2020
The average number of persons, analysed by function, employed during the year was:		
Project management	432	434
Fundraising	21	19
Administration	26	22
	479	475

5c

	2021	2020
Employees whose emoluments for the year were £60,000 or more are shown in the following bands:		
£60,001 - £70,000	5	6
£70,001 - £80,000	2	3
£80,001 - £90,000	2	2
£90,001 - £100,000	1	0
£100,001 - £110,000	2	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£150,001 - £160,000	1	1

The pension contributions to pension schemes for the higher paid staff were £86,632 (2020: £96,369)

The total value of salary and benefits received by key management personnel in 2021 was £861,700 (2020: £709,061)

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 2021, £4,076 (2020: £292) was reimbursed to, or paid on behalf of Trustees in respect of travel and subsistence during the year.

6a Analysis of Total Expenditure

	Staff costs £	Other costs £	Support costs £	Total 2021 £	Total 2020 £
Conservation Programme Area					
Africa	1,689,593	2,722,048	136,430	4,548,071	4,138,552
Asia Pacific	2,869,249	1,878,433	62,824	4,810,506	5,628,048
Americas & Caribbean	593,701	1,103,263	128,417	1,825,381	1,738,377
Eurasia	858,587	1,232,947	73,366	2,164,900	1,677,544
Conservation Partnerships	3,035,294	2,089,797	118,519	5,243,610	5,640,535
Foreign exchange (gain)/loss	-	152,480	-	152,480	293,803
Programmatic Activities	9,046,424	9,178,968	519,556	18,744,948	19,116,859
Core costs					
Fundraising costs	1,074,052	-	2,091,050	3,165,102	1,902,804
Support & administration costs	1,948,433	-	1,737,458	3,685,891	3,023,255
Total costs	12,068,909	9,178,968	4,348,064	25,595,941	24,042,918

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

6b Analysis of Support Costs

	Programme Activities £	Fundraising costs £	Operations & Governance costs £	Total 2021 £	Total 2020 £
Office rent & services	65,135	24	448,452	513,611	500,842
Equipment acquisition & maintenance	46,110	1,144	939	48,193	41,388
Grants	21,321	6,100	21,667	49,088	598,420
Conference attendance & event costs	1,119	74,150	8,269	83,538	44,286
Printing, publications and media costs	8,204	1,478,596	65,525	1,552,325	603,457
Bank charges and interest	5,580	71,065	38,362	115,007	54,281
Depreciation	3,053	28,073	39,194	70,320	108,785
IT, telephony & office supplies	73,629	93,916	245,054	412,599	323,578
Travel & Subsistence	72,654	16,456	53,828	142,938	117,233
Audit, Legal & Professional fees	177,604	290,492	764,866	1,232,962	764,635
Other costs	45,147	31,034	51,302	127,483	149,576
Total support costs	519,556	2,091,050	1,737,458	4,348,064	3,306,481

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 2021	12,467	76,413	1,176,733	610,337	1,875,950
Additions	23,433	11,711	15,962	119,409	170,515
Disposals	-	-	-	-	-
At 31 December 2021	35,900	88,124	1,192,695	729,746	2,046,465
Depreciation					
At 1 January 2021	3,179	50,483	-	326,960	380,622
Charge for year	2,443	3,170	319	97,110	103,042
On disposals	-	-	-	-	-
At 31 December 2021	5,622	53,653	319	424,070	483,664
Net book value:					
At 31 December 2021	30,278	34,471	1,192,376	305,676	1,562,801
At 31 December 2020	9,288	25,930	1,176,733	283,377	1,495,328

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

	Software	Total
	£	£
Cost:		
At 1 January 2021	529,333	529,333
Additions	36,000	36,000
Disposals	-	-
At 31 December 2021	565,333	565,333
Depreciation		
At 1 January 2021	383,701	383,701
Charge for year	66,912	66,912
On disposals	-	-
At 31 December 2021	450,613	450,613
Net book value:		
At 31 December 2021	114,720	114,720
At 31 December 2020	145,632	145,632

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

	2021 £	2020 £
Movement during the year		
Market value as at 1 January	12,547,574	10,787,045
Net gains/(losses) during the year	61,175	46,304
Foreign exchange gains/(losses) during the year	135,004	43,841
Capital invested/(withdrawn) during the year	7,746,798	1,670,384
Total Investments	20,490,551	12,547,574

Investments are represented by:	2021 £	2020 £
Fixed interest securities & equity shares	752,461	691,286
Cash deposit funds	15,277,306	11,142,740
Programme related investments	4,460,784	713,548
Total Investments held in the UK	20,490,551	12,547,574

The historic cost of investments as at 31 December 2021 was £20,338,091 (2020: £12,456,288).

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

9 Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	1,402,085	1,481,687	1,320,629	1,349,671
Amounts due from subsidiaries	-	-	511,717	137,968
Prepayments and accrued income	1,141,500	356,277	376,017	351,965
	2,543,585	1,837,964	2,208,363	1,839,604

All the above amounts fall due within one year.

Income accrued in 2021 has been received in 2022.

10 Creditors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	450,900	432,779	453,181	433,059
Tax and social security	641,071	541,543	633,779	535,886
Accruals and deferred income	505,464	399,598	492,061	393,689
	<u>1,597,435</u>	<u>1,373,920</u>	<u>1,579,021</u>	<u>1,362,634</u>

Accruals and deferred income includes the following:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deferred income at 1st January	65,823	2,707,365	65,823	2,707,365
Income deferred in year	4,790	65,823	4,790	65,823
Amounts released from previous years	(65,823)	(2,707,365)	(65,823)	(2,707,365)
Deferred Income at 31st December	<u>4,790</u>	<u>65,823</u>	<u>4,790</u>	<u>65,823</u>

11 Provisions (all provisions are attributable to the charity)

	At 01/01/2021 £	Provisions created / (released) £	Provisions utilised £	At 31/12/2021 £
Land taxes payable	17,686	-	-	17,686
	<u>17,686</u>	<u>-</u>	<u>-</u>	<u>17,686</u>

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

12 Reconciliation of funds

	Balance b/ fwd	Income	Expenditure	Other gains/ (losses)	Movements between funds	Balance c/fwd
	£	£	£	£	£	£
Unrestricted						
General unrestricted funds	6,444,319	6,831,646	(5,795,803)	(23,079)	308,493	7,765,576
Designated funds	56,502	-	-	-	-	56,502
Total unrestricted funds	6,500,821	6,831,646	(5,795,803)	(23,079)	308,493	7,822,078
Endowment funds						
Rothiemurchus Bequest Fund	34,748	149	-	3,096	-	37,993
Whitley Animal Protection Trust	632,691	-	-	54,206	-	686,897
Total endowment funds	667,439	149	-	57,302	-	724,890
Restricted funds						
Africa	2,482,127	4,785,672	(4,107,088)	(29,714)	915,494	4,046,491
Americas & Caribbean	2,438,768	4,949,670	(1,745,207)	56,662	582,998	6,282,891
Asia-Pacific	1,950,565	6,165,598	(5,217,017)	15,668	1,477,275	4,392,089
Conservation Capacity and Leadership	371,660	3,589,139	(1,999,319)	930	(45,300)	1,917,110
Cross-cutting Programmes Development	403,696	48,432	(83,293)	151	50,162	419,148
Conservation Science and Design	2,405,566	6,500,788	(2,925,698)	(656)	(3,795,276)	2,184,724
Climate & Nature Linkages	240,708	25	(205,515)	(12,359)	139,330	162,189
Eurasia	1,942,299	2,012,556	(1,896,490)	(3,652)	352,379	2,407,092
Extractives & Development Infrastructure	103,731	1,541,442	(1,456,419)	1,877	14,445	205,076
Sustainable Agriculture & Enterprise	8,015	60,009	(11,611)	-	-	56,413
Other (incl Foreign Exchange) Revaluation	(229,849)	-	(152,481)	(96,514)	-	(478,844)
Total restricted funds	12,117,286	29,653,331	(19,800,138)	(67,607)	(308,493)	21,594,379
Total Funds	19,285,546	36,485,126	(25,595,941)	(33,384)	-	30,141,347

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 (2021: £71,528, 2020: £241,879), the Endangered Landscapes Programme (2021: £678,850, 2020: £104,009), and Defra, UK Government: Darwin Initiative (2021: £1,126,449, 2020: £1,094,591), Darwin Plus (2021: £93,735, 2020: £101,383), and Illegal Wildlife Trade Challenge Fund (2021: £672,819, 2020: £489,003).

13 Analysis of Net Assets between Funds

	General Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£	£
Tangible Fixed Assets	64,749	-	1,498,052	-	1,562,801
Intangible Fixed Assets	114,720	-	-	-	114,720
Investments	2,726,322	-	17,171,664	592,565	20,490,551
Net current assets	4,877,471	56,502	2,924,663	132,325	7,990,961
Provisions	(17,686)	-	-	-	(17,686)
	<u>7,765,576</u>	<u>56,502</u>	<u>21,594,379</u>	<u>724,890</u>	<u>30,141,347</u>

14a Operating Lease Commitments

	2021 £	2020 £
Annual commitments are as follows:		
Land and buildings:		
Not later than one year	200,829	160,720
Later than one year and not later than five years	355,893	477,613
Later than five years	-	-
	<u>556,722</u>	<u>638,333</u>
Other operating leases:		
Not later than one year	61,801	69,980
Later than one year and not later than five years	181,638	243,439
Later than five years	-	-
	<u>243,439</u>	<u>313,419</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), Flower Valley Conservation Trust (South Africa), Príncipe Foundation (São Tomé and Príncipe), ProPark Foundation (Romania), Sustainable Inshores Fisheries Trust (UK) and the International Gorilla Conservation Programme (Rwanda). Members of FFI's Senior Management Team are also directors of each of these organisations and a Trustee of FFI is a director of OI Pejeta Conservancy. Príncipe Foundation, ProPark Foundation and Sustainable Inshores Fisheries Trust became related parties during the year due to changes in the FFI Senior Management Team. FFI incurred expenditure on behalf of, and was reimbursed by the East African Wildlife Society (Kenya), Sustainable Inshores Fisheries Trust (UK), OI Pejeta Ranching Ltd and the International Gorilla Conservation Programme (Rwanda). Members of FFI's Senior Management Team are also directors of these organisations.

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 is a director of CCI Services Ltd. A member of FFI's Senior Management Team is on The Cambridge Conservation Initiative Council, which provided grant funding to FFI. FFI also received funding from the Arcus

Foundation, a Trustee of FFI is a senior employee of the Foundation. FFI received funding from The Mohamed bin Zayed Species Conservation Fund, a Trustee of FFI, who stood down in April 2020 is also a Trustee of the Fund, at which point it ceased to be a related party. FFI received funding from Fondation Segré, a Trustee of FFI, who was appointed in September 2020 is a Director of the Foundation, at which point it became a related party.

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

	2021 £	2020 £
Grants received from related parties		
Arcus Foundation	447,570	243,028
Cambridge Conservation Initiative Council	35,001	38,685
Fondation Segré	71,528	241,879
The Mohamed bin Zayed Species Conservation Fund	-	9,358
Grants made to related parties		
OI Pejeta Conservancy	632,217	353,948
Chuilexi Conservação e Investimentos Limitada	625,515	519,340
Luambeze Investimentos Limitada	267,814	252,526
Northern Rangelands Trust	37,646	246,301
International Gorilla Conservation Programme (IGCP)	120,153	178,844
Ya'axché Conservation Trust	92,598	248,666
Flower Valley Conservation Trust	12,955	-
Principe Foundation	133,174	-
ProPark Foundation	22,468	-
Sustainable Inshore Fisheries Trust	18,220	-
Donations received from		
Trustees & Related parties	867,115	350,997
Expenditure paid on behalf of related parties		
East African Wildlife Society	5,454	3,571
OI Pejeta Ranching Ltd	258	-
Reimbursement of expenditure from related parties		
International Gorilla Conservation Programme (IGCP)	1,784	4,175
East African Wildlife Society	-	590
OI Pejeta Conservancy	-	53
Sustainable Inshore Fisheries Trust	6,046	-
Lease & service fees		
CCI Services Ltd	114,718	106,866
OMC Investments Ltd	43,756	48,226
Amounts owing from subsidiary undertakings		
Fauna & Flora International Australia	-	110,291
Fauna & Flora International South Africa	51,217	78,187
Fauna & Flora International USA Inc	351,732	165,105
Amounts owing from related parties		
Cambridge Conservation Initiative Council	15,000	18,091
East African Wildlife Society	2,035	590
OMC Investments Ltd	3,843	-
International Gorilla Conservation Programme (IGCP)	-	4,024
Amounts owing to related parties		
International Gorilla Conservation Programme (IGCP)	3,890	4,436
Northern Rangelands Trust	468	-
OI Pejeta Conservancy	2,618	-

16 Cash Flow Information

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
a) Reconciliations of changes in resources to net inflow from operating activities				
Net incoming resources	10,855,801	2,529,318	9,954,394	2,140,004
Depreciation charge	169,954	206,225	169,481	206,225
Investment income (shown separately in (b) below)	(24,122)	(87,094)	(22,226)	(83,663)
(Increase)/decrease in debtors	(705,621)	2,770,851	(368,759)	2,954,311
Increase/(decrease) in creditors	223,515	(2,313,422)	216,387	(2,296,375)
Change in fixed asset investments valuation	(61,175)	(46,304)	(61,175)	(46,304)
Unrealised foreign exchange gains/(losses) on non-monetary assets	(48,353)	31,010	(67,297)	28,400
Unrealised foreign exchange gains/(losses) on monetary assets	152,480	293,803	152,480	293,803
Net cash inflow/(outflow) from operating activities	10,562,479	3,384,387	9,973,285	3,196,401
a) Gross cash flows				
<i>Returns on investment and servicing of finance:</i>				
Investment income received	24,122	87,094	22,226	83,663
<i>Capital expenditure and financial investment:</i>				
Payment to acquire tangible and intangible fixed assets	(206,515)	(159,548)	(192,245)	(159,548)
Payments to acquire fixed asset investments	(3,679,937)	-	(3,679,937)	-
	(3,886,452)	(159,548)	(3,872,182)	(159,548)

17 Summary income and expenditure account for the year ending 31 December 2021

	All income funds 2021 £	All income funds 2020 £
Income	36,461,004	26,395,403
Gains/(losses) on investments	-	-
Interest and investment income	23,973	73,557
Gross income in the reporting period	36,484,977	26,468,960
Expenditure	25,516,673	23,777,929
Interest payable	-	-
Depreciation and charges for impairment of fixed assets	169,954	206,225
Total expenditure in the reporting period	25,686,627	23,984,154
Net income (expenditure) before tax for the reporting period	10,798,350	2,484,806
Tax payable	-	-
Net income (expenditure) for the financial year	10,798,350	2,484,806

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

				2021	2020
	Unrestricted	Restricted	Endowment	Total	Total
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	3,941,445	1,309,819	-	5,251,264	4,383,060
Charitable Activities	2,031,275	27,472,218	-	29,503,493	19,055,132
Investments	3,796	18,281	149	22,226	70,285
Other Trading Activities	131,507	-	-	131,507	2,033,187
Other	-	176,103	-	176,103	121,548
Total	6,108,023	28,976,421	149	35,084,593	25,663,212
Expenditure on:					
Raising funds	2,792,076	-	-	2,792,076	1,802,510
Charitable Activities	2,384,475	19,869,826	-	22,254,301	21,816,521
Total	5,176,551	19,869,826	-	25,046,377	23,619,031
Net gains/(losses) on investments	3,873	-	57,302	61,175	46,304
Net income/(expenditure)	935,345	9,106,595	57,451	10,099,391	2,090,485
Transfers between funds	165,010	(165,010)	-	-	-
Other Recognised Gains and Losses					
Other gains/(losses)	(15,646)	(129,351)	-	(144,997)	49,519
Net movement in Funds	1,084,709	8,812,234	57,451	9,954,394	2,140,004
Total funds brought forward	4,687,170	11,948,272	667,439	17,302,881	15,162,877
Total funds carried forward	5,771,879	20,760,506	724,890	27,257,275	17,302,881

19 Prior year Reconciliation of Funds Statement

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

20 Prior Year Funds Analysis Statement

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

21 People's Postcode Lottery (PPL) Income

	2021 £	2020 £
Ticket Value	-	6,344,424
Prize fund	-	2,537,769
Management fee	-	1,776,439
Net proceed received	<u>-</u>	<u>2,030,216</u>

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

22 Subsidiaries and Jointly Controlled Operations

FFI has five wholly owned subsidiary undertakings. One registered in Australia, one registered in Belize, one registered in Romania, one registered in South Africa and one registered in the United States of America.

FFI holds a 51% controlling interest in Luambeze Investimentos Limitada (Luambeze), a limited liability company registered in Mozambique. 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. The minority interest in this company is immaterial to the Group, so it has not been adjusted for in the consolidated accounts.

Entity	Fauna & Flora International Australia (Ltd)	Fauna & Flora International USA Inc.	Fauna & Flora International (South Africa)	Fauna & Flora International S.R.L	Boden Creek Land and Cattle Ltd	Chuilexi Conservação e Investimentos	Luambeze Investment, Limitada
Country of Registration	Australia	USA	South Africa	Romania	Belize	Mozambique	Mozambique
Registration No.	ABN: 75 132 715 783 CAN: 132715783	81-3967095	2014/099386 /08	33448761	17633	100321041	100014343
Registered Address	c/o Purpose Accounting, 583 Elizabeth Street, Redfern NSW 2016	1720 N ST NW FL 4, Washington DC, DC 20036- 2907, USA	43 Fish Eagle Place, Fish Eagle Place, Kommetjie, 7975, South Africa	STR. 1 Decembrie Nr. 14 330025 Deva, Romania	c/o Reyes Retreage LLP & Loyal Offshore Ltd, 122 Eve Street, P.O. Box 2205, Belize City, Belize	c/o MozConsult Rua Beijo da Mulata nº 188, Sommerschild II, Maputo, Moçambique	
Percentage Ownership / Control	100%	100%	100%	100%	100%	55%	51%
	£	£	£	£	£	£	£
Total Income	156,276	5,430,663	1,878	265,600	-	-	-
Costs	(154,129)	(4,570,968)	(1,494)	(231,423)	-	(635,578)	(242,830)
Net gains/(losses) on investments	-	-	-	-	-	-	-
Other gains/(losses)	(8,060)	(5,055)	(514)	-	-	-	-
Surplus / (deficit) for the year	(5,913)	854,640	(130)	34,177	-	(635,578)	(242,830)
Retained surplus brought forward	170,767	589,851	5,589	1,237,605	3,746,023	(2,450,093)	(1,719,395)
Retained surplus carried forward	164,854	1,444,491	5,459	1,271,782	3,746,023	(3,085,671)	(1,962,225)
Gross assets at 31 December 2021	167,284	1,922,915	52,216	1,274,304	3,746,023	507,349	427,034
Gross liabilities at 31 December 2021	(2,430)	(478,424)	(46,757)	(2,522)	-	(3,592,789)	(2,389,027)
Reserves at 31 December 2021	164,854	1,444,491	5,459	1,271,782	3,746,023	(3,085,440)	(1,961,993)

The Caribbean Alliance is a jointly controlled operation between Fauna & Flora International and Re:Wild. The jointly controlled operation was created in 2021. The net expenditure of £35,730 shown in the Statement of Financial Activities represents Fauna & Flora International's share of the net expenditure of the jointly controlled operation for 2021.

