



**Annual Report
& Accounts 2022**

**Fauna
& Flora**
Saving Nature Together

Hirwa family of mountain gorillas in
Volcanoes National Park, Rwanda.

© Steph Baker / Fauna & Flora



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Message from the Chair

In 2022, the dual shocks of the war in Ukraine and the rapidly escalating cost-of-living crisis underlined the need to ensure diverse and resilient income streams to support Fauna & Flora's ambitious growth plans, which are central to our recently refreshed strategy.

That strategy reflects the need to increase the scale and visibility of our work, but places renewed emphasis on the approach that is the very essence of Fauna & Flora, which is locally led conservation, driven by our in-country partners, working together with our own experts to address the interconnected challenges of biodiversity loss, climate change and human well-being.

Despite the considerable challenges that we faced in 2022 – and will continue to face – the year was marked by some notable conservation achievements.

Fauna & Flora's work with critically endangered reptiles featured prominently among our 2022 success stories. A survey revealed that the population of the diminutive Union Island gecko, once the most heavily trafficked reptile in the Caribbean, has risen to around 18,000 – an 80% increase.

The year also saw the biggest ever release of captive-bred Siamese crocodiles into the wild, a massive boost to the survival chances of a reptile that was feared extinct until its rediscovery by a Fauna & Flora-led survey team.

Among other notable milestones, Príncipe announced the creation of six new marine protected areas – the first for the island – which will enhance local livelihoods, promote sustainable fishing practices and benefit a diversity of threatened marine species from sharks to sea turtles.

A series of surveys in Romania's Vâlsan River found record numbers of the asprete, a critically endangered fish that is a crucial flagship for its threatened freshwater habitat, which Fauna & Flora and our in-country partners are working to safeguard.

In partnership with WILDLABS and OI Pejeta Conservancy in Kenya, Fauna & Flora launched the Women in Conservation Technology Programme, which promotes gender equality by supporting East African women in the field of conservation technology, in order to advance and strengthen conservation impact.

A new report published by Fauna & Flora helped shine a spotlight on plastic pellet pollution, and media coverage was complemented by a social media campaign that reached 16 million, creating an invaluable base of support for future action, including raising awareness with the UK government.

For Fauna & Flora, 2022 also marked the end of an era. After an incredible 30 years at the helm, Mark Rose announced that he would be standing down as CEO of Fauna & Flora in June 2023. When Mark took over in 1993, the Fauna & Flora Preservation Society – as it was then known – was housed in a basement of the Royal Geographical Society in London, with a handful of staff, a couple of projects and very little money. Today, Fauna & Flora is a global force in conservation and one of the most respected organisations in the field, working at over 300 project sites in around 40 countries with over 400 partners.

During Mark's tenure, many of Fauna & Flora's target species have been brought back from the brink. The population of the Antiguan racer, once the world's rarest snake, has risen from 50 to 1,100. Mountain gorillas are off the critical list. Kazakhstan's saiga antelope population stands at 1.32 million, up from 20,000 in the 1990s. Cao vit gibbon numbers have more than doubled, and the last remaining viable Tonkin snub-nosed monkey population has trebled.

Over 50 million hectares of vital habitat have been protected, thanks in no small part to the Arcadia Fund and other crucial donors whose support Mark has been responsible for securing. Fauna & Flora's marine programme, formally launched a decade ago, is thriving, but alert to the dangers of deep-sea mining. Conservation management has been resurrected in post-conflict areas such as Liberia and South Sudan, a new generation of scientists has been nurtured and biodiversity was embedded in some key company actions.

I would join everyone associated with Fauna & Flora in thanking Mark for all that he has done for the organisation over the past three decades. And I would also like to thank all our supporters for putting their faith in Fauna & Flora and helping to make us one of the most effective conservation organisations in the world, and one in which Mark – and all of us – can take tremendous pride. We move forward with our new CEO Kristian Teleki, who also has an impressive career in conservation coming most recently from leading the Ocean Programme at the World Resources Institute and with an ambition to build on Mark's incredible legacy to make an even bigger conservation impact. Your continued support will be even more vital in enabling us to save nature together.

Liz Rogers

**Our shared
purpose is to protect
the diversity of life on
Earth, for the survival
of the planet and
its people.**

Strategic Report

Our objectives and aims

Fauna & Flora 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, Fauna & Flora focuses on a core set of ambitions as set out in our 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 Fauna & Flora'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

Fauna & Flora's mission is to work closely with local conservation partners around the world to save nature, together. We harness this collective expertise to inspire positive change globally. In working to achieve our mission, we ensure that all our projects adhere to a set of core principles. We deliver collaborative projects on the ground to benefit both species and the habitats they depend on, and which drive climate benefits. 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.

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 who live closest to threatened species and habitats, seeking to enhance human well-being and coexistence with nature. We work more widely to influence decisions for nature, both by governments and business, and will champion emerging issues and challenge threats to the sites where we work.

Our conservation practices are evidence-informed, taking into account both robust science and traditional knowledge. We aim to ensure that all project decisions are underpinned by the best available information and to monitor our impact rigorously, sharing what Fauna & Flora and our partners have learned, in order to improve practice and help guide future conservation innovation.

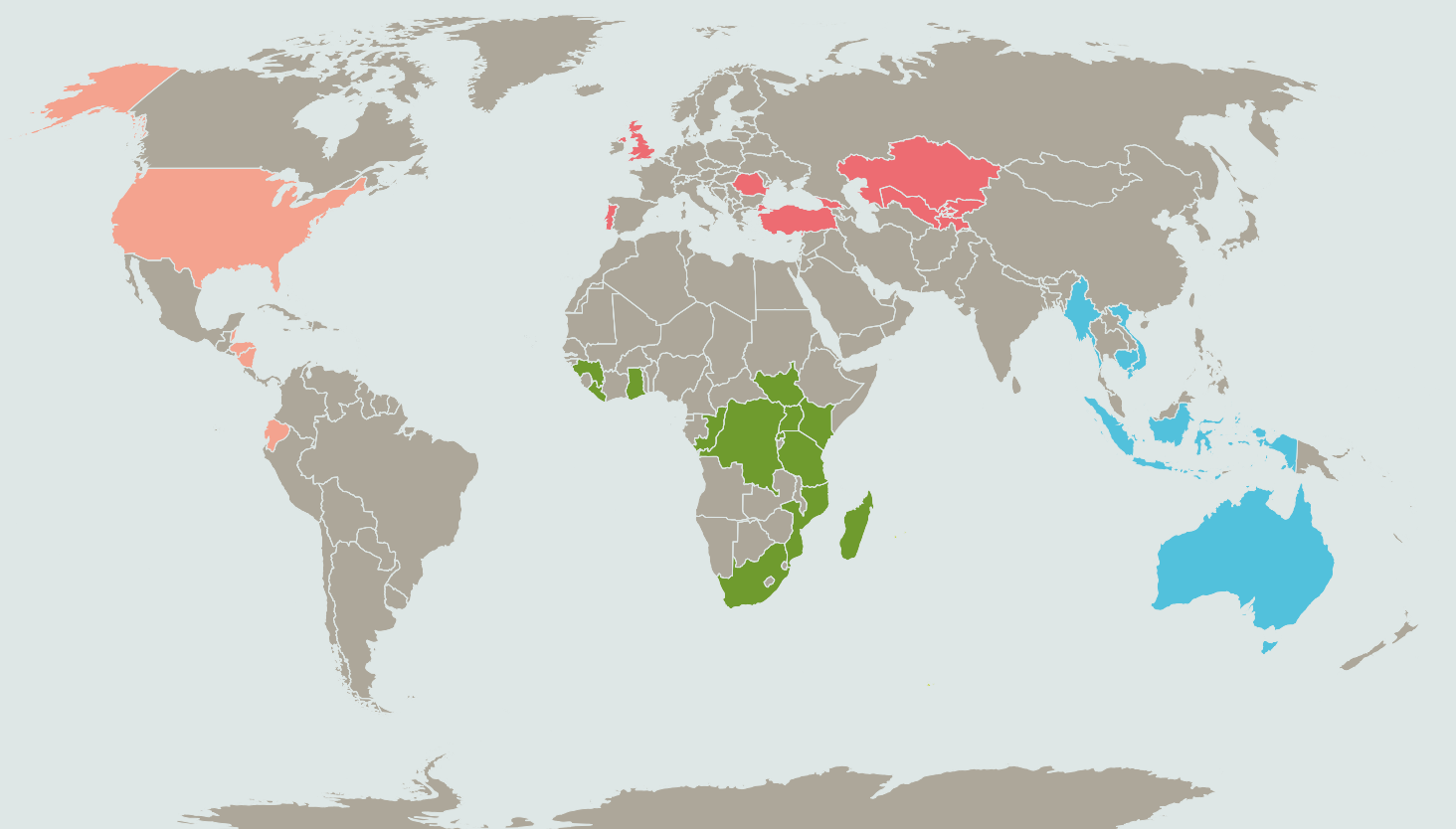


A diver carries out a marine ecosystem assessment in the Mergui Archipelago, Myanmar.

© Michelangelo Pignani/Fauna & Flora

Where we work

Fauna & Flora has over 120 projects[†] in around 40 countries across the globe.



Americas & Caribbean

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

Africa

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

Eurasia

Georgia
Kazakhstan
Kyrgyzstan
Portugal
Romania
Tajikistan
Türkiye
United Kingdom**

Asia-Pacific

Australia*
Cambodia
Indonesia
Myanmar
Vietnam

[†]. A project is defined as a set of activities leading towards a meaningful conservation outcome. The conservation result that a project works towards might be a specific biodiversity target, such as the conservation of a site or a species, or it might be creating a specific set of enabling conditions for delivering better conservation - for example by changing the behaviour of a particular group to address a specific issue. A project may encompass multiple sites and/or species and employ multiple conservation approaches. A project might be delivered by Fauna & Flora directly, or in collaboration with partners and other organisations.

* Administrative hub ** Headquarters

2022 highlights

What follows is a representative cross-section of Fauna & Flora'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 2022 Conservation Impact Report, which is available on our website.

Researchers pause on their homeward journey to admire the spectacular sunset.

Ambition one: Thriving species

Securing populations of threatened species

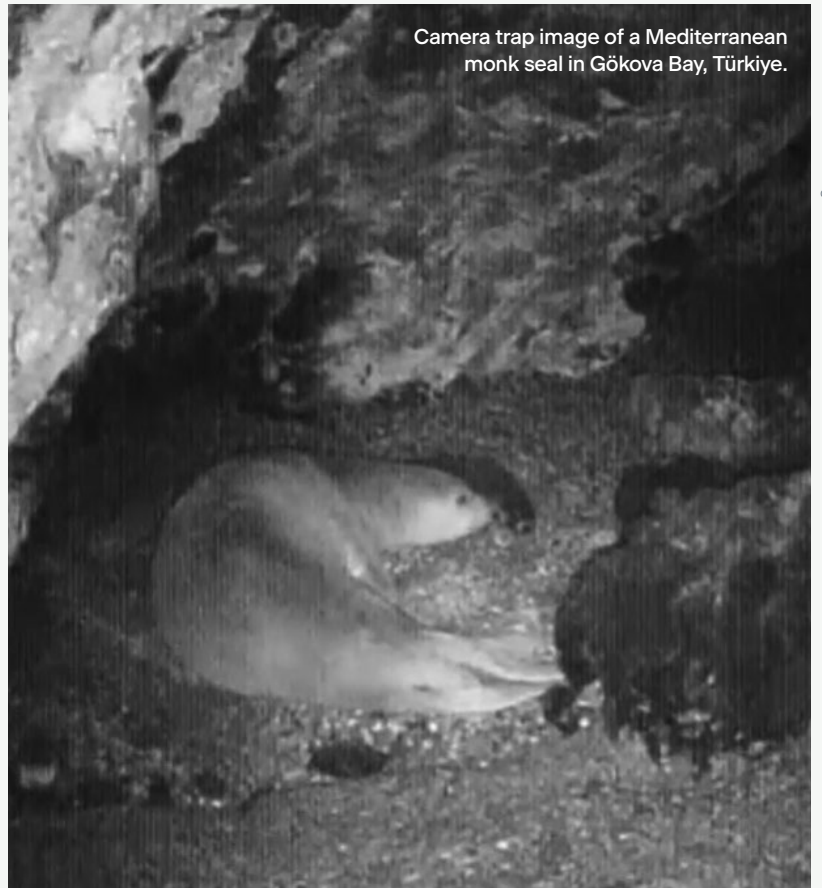
Fauna & Flora has a long and distinguished track record in bringing endangered species back from the brink, either by protecting their habitat or through direct interventions such as combating illegal wildlife trade.

Species benefiting from our work in 2022 included widely known species such as green turtles, gorillas, pangolins, and both Asian and African elephants, as well as less familiar species including saiga, the critically endangered asprete, and an array of rare reptiles.

2022 at a glance

- We worked with 109 priority species, and at least 193 further species benefited from our work.
- Fifty-eight of our projects had a specific focus on priority species conservation.
- Over 14,000 turtle hatchlings were protected and released.
- Over 179,000 tree seedlings were grown or planted including over 18,000 from threatened species.
- Action plans were produced for 20 species.
- Forty-three of our projects undertook activities to address illegal wildlife trade.

“A Mediterranean monk seal and her pup were captured on a camera trap in Türkiye, where our partner Akdeniz Koruma Derneği has installed cave monitoring systems to check on the activity of these endangered pinnipeds. With only 600-700 Mediterranean monk seals remaining worldwide, it’s uplifting to see evidence of the species breeding in a project area and shows conservation efforts are paying off.”



Camera trap image of a Mediterranean monk seal in Gökova Bay, Türkiye.

© Akdeniz Koruma Derneği

Case studies

Gecko good news

By 2017, the Union Island gecko was officially the most heavily trafficked reptile in the region. A survey conducted the following year found that the wild population had shrunk to just 20% of its former size, largely as a result of poaching and collectors destroying its fragile habitat.

A species recovery plan, developed with local residents in 2016, has guided a range of conservation efforts including anti-poaching patrols and camera surveillance, to protect this tiny reptile. The latest survey in 2022 revealed the gecko's population has now grown from 10,000 in 2018 to around 18,000 – a heartening 80% increase. Thanks to the hard work and commitment of the local community, national government and a coalition of local and international conservation organisations (including Fauna & Flora), the Union Island gecko is making a big comeback. Despite this good news, the species remains firmly on the critical list and eternal vigilance is key if we are to secure its future.

Union Island gecko.



© Jacob Bock / Fauna & Flora

Siamese crocodiles get a boost

The Siamese crocodile is one of the world's rarest reptiles, having disappeared from 99% of its former range. Fauna & Flora is working closely with the Cambodian government and local communities to safeguard the remaining wild crocodiles and their habitat.

In 2022, Fauna & Flora and partners completed the biggest ever release of captive-bred Siamese crocodiles into the wild. A total of 35 crocodiles were released, and three of the largest were fitted with satellite tags in addition to acoustic tags, which will enable the team to continue collecting vital data. This represents a massive boost to the survival chances of a critically endangered reptile that was feared extinct until its rediscovery by a Fauna & Flora-led survey team over two decades ago.



Siamese crocodile release, Chhay Reap, Cambodia.

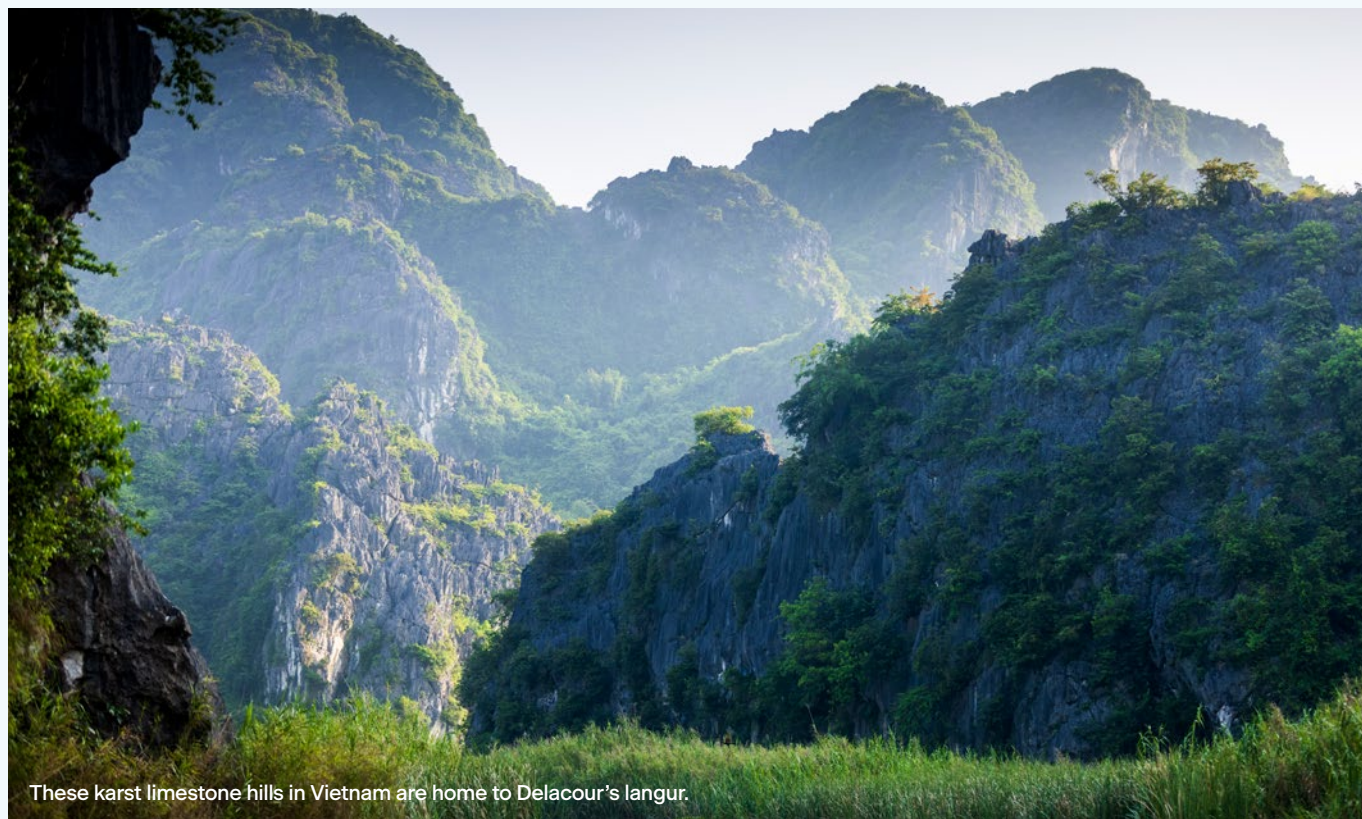
© Jeremy Holden / Fauna & Flora

Ambition two: 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 Fauna & Flora's work, helping to secure safe havens for species, maintain ecosystem health and mitigate the effects of climate change. In 2022 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.



© Steph Baker / Fauna & Flora

These karst limestone hills in Vietnam are home to Delacour's langur.

2022 at a glance

- We influenced conservation across 55 million hectares of important habitat, including over 11.5 million hectares where we worked directly on the ground.
- This included over 6,000 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 protection in at least 116 sites.
 - Helping to produce 40 site-management plans.
 - Helping to restore habitat at 29 sites.
 - Helping to carry out invasive species control at 15 sites.

Case studies

Hope for Príncipe's unique coastal waters

São Tomé and Príncipe is a marine biodiversity hotspot, and its coastal waters support high numbers of reef fish, turtles and mollusc species that are unique to the area. Overfishing and destructive fishing practices are contributing to declining fish stocks and degradation of marine ecosystems, which poses serious threats to fishing communities who rely on marine resources. Fauna & Flora is working with partners Fundação Príncipe, Oikos and MARAPA to engage with local stakeholders (including government, fishers and fish traders) to promote sustainable use of marine resources around the islands.

In 2022, after several years of consultation, the Regional Government of Príncipe made a commitment towards creating the island's first Marine Protected Areas (MPAs), approving 6 new MPAs at their Regional Assembly (30 km²). If implemented well, it's hoped that these will enhance local livelihoods, ensuring coastal communities can participate in the management of the MPAs and help promote sustainable fishing practices. The new MPAs will protect key areas including the waters around the most significant sea turtle nesting beach of the island plus habitats such as rocky reefs and rhodolith beds which are important for marine biodiversity.



© Dário Pequeno Paraiso

Survey success for a Romanian rarity

A series of surveys led by the Alex Găvan Foundation in 2022, in partnership with Fauna & Flora, recorded unprecedented numbers of the critically endangered asprete in Romania's Vâlsan River. The Vâlsan River is the last remaining refuge of the asprete, and threats to this habitat are numerous. It was feared this little-known fish was at grave risk of extinction until its existence was reconfirmed in 2020. Survey teams covered 21 separate stretches of the river and recorded 58 individuals in 14 transects, a huge boost for the species.

These findings, which also included juvenile fish (hinting at a reproducing population), highlight the urgent need for protection of the Vâlsan, which Fauna & Flora and our in-country partners are working to safeguard.



© Alex Găvan

Ambition three: 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 2022 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.

2022 at a glance

- We disbursed over £6.2 million in conservation grant funding and influenced the distribution of over £35 million in additional conservation funding through direct support given to five external grant providers.
- Over 360 organisations received some form of direct capacity development support.
- Of these organisations at least 17 went on to secure their own funds independently of Fauna & Flora in 2022
- Over 5,900 individuals received conservation training, including partner staff, students and members of local communities.
- We supported the establishment of five new organisations, and supported or established at least 72 community-based organisations.

In 2022, the WILDLABS and Fauna & Flora Women in Conservation Technology Programme was launched with the goal of supporting East African women in the field of conservation technology. Fifteen early-career Kenyan conservationists participated in a six-month training course and received an introduction to a wide range of key conservation technology tools, with mentoring from female leaders in the Kenyan conservation technology field. Ongoing support to participants included seed funding to launch projects applying conservation technology.



Janet Kavutha sets up a camera trap as part of the Women in Conservation Technology programme, Kenya.

© Stephanie O'Donnell

Case studies

Seeding success for the Honduran rosewood

Ya'axché began life as a handful of environmentally conscious Mayan community members and, with support from Fauna & Flora, has grown into a nationally recognised leader in conservation, with 32 local people engaged as staff. Ya'axché now influences the conservation management of an area exceeding one million hectares, from the Maya mountains in the west of Belize to the Caribbean Sea.



© Ya'axché Conservation Trust

One of their most recent successes has been a long time in the making. In 2022, after ten years of trying, Ya'axché managed to collect viable seed and germinate seedlings from the critically endangered native Honduran rosewood, *Dalbergia stevensonii*. This is a huge breakthrough, since rosewood is one of the world's most heavily trafficked wild products and is extremely slow-growing. Thanks to joint patrolling by Ya'axché and the Forest Department, there has been no rosewood logging since 2016 at the two main sites managed by Ya'axché. But, increasing the population of these threatened trees is crucial to their survival. Fauna & Flora has been working with Ya'axché to propagate rosewood seedlings for several years, and persistent seed monitoring in 2022 finally paid off. The 330 precious seedlings were planted within the 14,500 ha Maya Mountain North Reserve, with the hopes it will help restore the wild population to its former glory.

Accolades for saiga conservation partnership

The Altyn Dala Conservation Initiative, a ground-breaking landscape restoration initiative composed of local and international partners working to restore degraded saiga habitat in Kazakhstan, was recognised in 2022 as one of ten UN World Restoration Flagship projects. This award goes to the best examples of large-scale and long-term ecosystem restoration around the globe.

The conservation efforts and initiatives of our in-country partner Association for the Conservation of Biodiversity of Kazakhstan (ACBK), alongside the government of Kazakhstan, Fauna & Flora, Frankfurt Zoological Society and RSPB, have been pivotal to the success of this visionary project, which spans 75 million hectares of Kazakh steppe and desert. This locally-led success story has now seen saiga numbers increase from fewer than 40,000 individuals in 2005 to 1.9 million antelope in Kazakhstan today.



© rostovdriver / Adobe Stock

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 2022 we worked with governments to strengthen policy, regulatory frameworks and enforcement, engaged with key business sectors to help reduce their environmental impacts, and disseminated conservation messages to communities at our project sites worldwide.



© Jeremy Holden / Fauna & Flora

Cardamom forest gecko in Samlout, Cambodia.

2022 at a glance

- We engaged with policy-makers in 57 of our projects.
- We contributed to the development of at least 11 conservation laws, regulations or government-level strategic plans.
- We engaged with the corporate sector in over 50 projects.
- We engaged with or supported over 450 communities through our work.
- Our sustainable livelihood activities directly benefited over 9,000 people.
- Our awareness or outreach activities reached almost 200 communities and over 12,600 community members.
- More than 18,000 children from over 120 schools were reached through education and awareness activities.

Case studies

Putting an end to plastic pellet pollution

In 2022, Fauna & Flora published a new report titled 'Stemming the tide: putting an end to plastic pellet pollution' to shine a spotlight on plastic pellets, otherwise known as nurdles. Plastic pellets affect wildlife and coastal communities around the world. In the report, Fauna & Flora called for a series of complementary measures to bring about a systemic change in the way pellets are handled and transported on land and at sea, to ultimately achieve the goal of zero pellet loss. The report will be a useful reference tool for policymakers who are considering the most effective interventions to stop pellet pollution on a national, regional and international basis.



Plastic pellets on a beach in Norfolk, UK.

© Ed Marshall

Speaking up for threatened species at CITES

In November 2022, a delegation of five Fauna & Flora colleagues attended the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) COP. CITES is an international agreement that regulates international trade in wild animal and plant species. Fauna & Flora provided technical input to government delegations on decisions for Asian elephants, saiga, pangolins and Siamese crocodiles.

We co-organised two side events to help raise awareness among delegates. Our presentation on the illegal trade of Caribbean reptiles was well-received and our event on addressing pangolin trafficking in Africa featured our work to develop a national action plan to protect pangolins in Kenya.



A rescued white-bellied tree pangolin being monitored before release.

© Elle Stones

Ambition five:

Increasing visibility

Our 2019-2023 strategy places an emphasis on raising Fauna & Flora's public profile in order to grow our influence, impact and income.

2022 was a year in which we continued to build our visibility by both exploring new topics and maximising core subject areas to wider external audiences.

Our work included

- Highlighting the problem of plastic pellets – known as ‘nurdles’ – polluting marine environments. Media coverage included a *Sky News* feature and an article in *The Express* newspaper with a video produced by the team viewed 22,000 times on the *Sky News* website. The media coverage was complemented by a social media campaign #NurdleAction which reached 16 million, creating an invaluable base of support for future action.
- Sharing the success of our work to protect the diminutive Union Island gecko, which gave a helpful boost to our media and social media profile in November, with highlights including *BBC News Online* and *New Scientist*.
- Using the gecko coverage as an ideal platform from which to build our visibility in the lead up to the climate change talks at COP 27 and the following COP 15 on biodiversity, for which we secured over 10,000 engagements and 50 pieces of media coverage.
- Growing our total social media audience by 17% and increasing engagement rates, with the greatest growth seen on LinkedIn. A focus on keywords that raise the likelihood of people finding our work through search engines has seen progress from which we will build.
- Supporting the wider organisation by producing engaging and targeted content to help deliver results. This included film and photo work about the Annamites that helped us secure a £15 million Biodiverse Landscapes Fund grant.
- Beginning the process of reviewing and refreshing our brand strategy (including research and analysis) to ensure that the way we present ourselves reflects our new conservation strategy and enables us to resonate with target audiences and achieve organisational objectives.



Head Warden, Sim Khmao, being interviewed about Fauna & Flora's Siamese crocodile conservation work.

© Pablo Sinosas / Fauna & Flora International

Ambition six:

Investing in our people

Fauna & Flora'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.



© Kieran Murray / Fauna & Flora

We have more than doubled the number of people working at Fauna & Flora over the previous business planning period. Our People/HR team now supports more than 500 colleagues across 20 jurisdictions, and we have focused on the following priorities throughout 2022:

2022 at a glance

- Remote working during the pandemic led us to rethink the workplace. Recognising some of the benefits of remote working on individual wellbeing, as well as the need to provide a more flexible offering to attract and retain talent, we adopted a new hybrid working policy. This aims to strike a balance between providing more flexibility while also retaining key in-person collaboration and interaction.
- We implemented global cost-of-living awards in line with local rates of inflation, supporting our people at a particularly financially-challenging time as well as helping toward competitiveness of our remuneration in the sector.
- We continued to embed mindfulness and mindful ways of working at Fauna & Flora, running regular guided mindfulness drop-in sessions and webinars on well-being issues and delivering in-depth mindfulness programmes to more teams.
- We carried out significant work with country programmes to support compliance and started to increase HR resources in-country to support our operations. We progressed our safeguarding work, with a continued focus on raising awareness and internal capacity-building, and established Safeguarding Focal Points across the organisation.
- We continued to support staff development through the Professional Development Programme. The number of courses available on Mangrove, our e-learning platform, increased to 146, with 75% of staff completing at least one course in 2022. Thirty-six live courses were delivered, and every team engaged with the programme in some form. To encourage learning from one another and strengthen connections between teams, 17 staff were supported to take part in exchange visits and six tricks of the trade webinars took place, showcasing talent and passion from across the organisation.
- We continued to progress against priorities identified by our equality, diversity and inclusion working group. We participated in the first RACE Report, designed to encourage UK environmental charities to tackle the ongoing lack of racial diversity in their workforce. We supported eight paid internships to provide opportunity and experience for those interested in a career in the environment sector, and we supported the set-up of affinity groups, where staff from under-represented groups can come together confidentially and share insights, experiences, and support one another.

Ambition seven:

Securing the resources we need

Ensuring diverse and resilient income streams to support our ambitious growth plans is central to Fauna & Flora'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.

2022 unrestricted income took a significant hit with the dual shocks of the war in Ukraine and the rapidly escalating cost-of-living crisis. The war in Ukraine diverted charitable giving across the UK for much of Quarter 2 and the knock-on effects of the war on the global economy, including spiralling inflation reduced response rates across most of our public-facing fundraising channels.

Unlike recent years, 2022 did not bring in any significant out-of-budget boosts to income – restricted or unrestricted – and was not an extraordinary legacy income year.

While unrestricted income in 2022 was significantly under both budget and the previous year, restricted income exceeded budget, demonstrating the ongoing appeal of Fauna & Flora's conservation programmes to funders globally.

2022 at a glance

- Total income reached just over £33.1m. This was a £3.3m decrease on 2021, however included in 2021 income was a one-off donation of £3.7m for the purchase of land in Belize.
- Unrestricted income was just over £5.2m (£2.3 down on budget and £1.6m down on 2021).
- Income from digital sources exceeded £1.7m, primarily from email, social media advertising and income through our website. Regular donor numbers increased as well to nearly 19,000 (up from 15,000 at the end of 2021).
- Funding received from government and multilateral sources was £7.4m in 2022 (2021: £5.6m). This represents 22% of total income in 2022, in line with organisational targets.
- Total income from trusts and foundations was £16.1m. Unrestricted income from trusts and foundation was £619k. Over 110 foundations gave to Fauna & Flora, including several new donors.
- Unrestricted income from Major Donors was just over £900k (£1.1m down on budget).

Drosera rotundifolia flowers in Cambodia's Cardamom mountains.



© Jeremy Holden / Fauna & Flora International



Kyrgyzstan's forests are vital for local livelihoods.

Sturgeon Conservation Officer,
Janeli Rogava, in Georgia.



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.

During 2022 we refreshed and renewed our strategy, taking time to consider how the world was changing, our position within the wider conservation landscape and how Fauna & Flora could deliver most impact. We will be launching a new strategy at the start of 2023, taking us up to 2030.

This strategy responds to the growing recognition of the centrality of nature to human and planetary survival, and the links between the intertwined biodiversity and climate crises. We saw the increasing global ambition on nature and climate after the pandemic being quashed by the economic impact of the conflict in Ukraine and the increased swing to a focus on energy security rather than transition. In this context we see a need to increase the scale and visibility of our work, and to do more to contribute our voice – and that of our partners – to ensure nature is put at the heart of decision making going forwards.

There is an increasing recognition of the importance of local leadership of conservation efforts, and of the power of supporting and empowering the existing knowledge and experience of communities (including Indigenous People) who live alongside nature. Fauna & Flora has a track record of developing authentic and long-term partnerships with in-country organisations, and championing their growth as conservation leaders. We have put our work with local partner organisations and local communities at the heart of our new strategy. We firmly believe that conservation is all about people, and we want to ensure that we promote integrated approaches that deliver mutual benefits for people, nature and the climate. We seek to identify local organisations and agencies working to deliver real impact for high biodiversity sites, and partner with them to scale up projects that deliver to their agenda and that contribute to wider global

biodiversity goals, including those under the new Global Biodiversity Framework agreed in December 2022. As well as delivering impact for species, climate and people on the ground, we aim to support the growth and resilience of partner organisations, so they can lead and scale up their conservation efforts into the future, as a key part of sustaining long-term impact from our work.

We aim to do more to engage with the policy environments affecting project sites and partners, ensuring we ground our policy engagement with the issues we see at our sites – so our engagements with national governments, international policy and corporates all reinforce our on-the-ground impact. We also want to ensure that the depth of understanding of the realities of on-the-ground conservation, and the implications of wider policy contexts for effective delivery, can be lifted up to international arenas to drive better decision making. To this end we aim to do more to create a platform so the voices of our in-country partners can be heard, and to address underlying systemic challenges that prevent conservation funding flowing effectively to the grass roots.

Fauna & Flora collaborates across a wide and diverse network. We plan to do more to make this work tangible and drive impact through actively sharing learning, expertise and innovation across the wider conservation community, with an emphasis on enabling in-country organisations, empowered communities and unusual sectors to access new conservation tools and techniques.

And, underpinning all our conservation impact, we will continue to focus on and invest in the growth of our own organisation, ensuring that all our staff – our most important asset – are well supported as they do their incredibly important work for the health of nature and the planet.

Water droplets on a leaf.

Structure, governance and management

Our structure

Fauna & Flora 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, Fauna & Flora 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

Fauna & Flora 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 Fauna & Flora 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 Fauna & Flora'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.



Representatives from The Association for the Conservation of Biodiversity of Kazakhstan (ACBK) and the Kazakh government release a collared saiga.



Karst limestone hills and wetlands.

© Steph Baker/Fauna & Flora

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 Leadership Team (SLT) 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 has regular supervision of Fauna & Flora's management and operations. The Committee holds monthly meetings with the SLT in attendance, whilst the day-to-day operations of the Charity are the responsibility of the Chief Executive Officer (CEO), the SLT 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 Committee's role is to provide critical challenge and its remit includes 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 SLT members, as well as to review and agree the overall remuneration policy for Fauna & Flora 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 Fauna & Flora 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 7 of the Code on Openness and Accountability advocates that the board leads the organisation in being transparent and accountable and that the charity is open in its work. This applies not only to building the public's trust that the charity is delivering public benefit but to making accountability real through genuine and open two-way communication and consultation with all stakeholders; with the Code identifying staff as being a key group amongst these. As with the recent review and development of the organisation's new strategy and brand, Council have therefore sought to ensure transparency by consulting with staff and keeping them informed throughout the process of recruiting and selecting a new CEO which began in late 2022.

The Chair of Trustees, who led the process, wrote initially to all staff directly to set out what this process would entail and to emphasise the importance of staying connected and in communication during the recruitment and transition period. Stakeholder input was sought, including from staff, before the role was advertised with the Chair appearing personally to update the virtual global Town Hall staff meetings on progress. The final selection stages included a staff discussion forum with each short-listed candidate and input from SLT and the outgoing CEO before the appointment was unanimously approved by Council. When announcing the appointment of the new CEO, the Chair thanked staff for their valued engagement and input into the recruitment and selection process.



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 Fauna & Flora'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 Fauna & Flora 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 Fauna & Flora's success, both now and in the future. This comes to the fore during Fauna & Flora'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 Fauna & Flora can achieve greater, demonstrable and lasting impact.

In 2022, 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 Fauna & Flora'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

Fauna & Flora 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 Fauna & Flora's vision of effective, locally driven conservation being realised. Fauna & Flora's existing approach of working with local partners is more relevant than ever, with our new high level strategy to 2030 anticipating more conservation delivery being led on the ground by local partner institutions. We respect and support these in-country actors, providing technical resource, mentoring support in organisation development and access to funding where needed. We aspire to, and will strive for, equitable partnerships, investing in our relationships with core partners and harnessing the skills of each. Fauna & Flora commits to partners and places long-term, seeing long-term partnerships with local organisations as vital to cementing ongoing benefits for nature. We enable our partners to scale their projects and grow their remit and impact; evolving these partnerships over time and maintaining close (but different) relationships even when partners become more independent.

As well as working with local partners 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 our local partners to engage in national policy processes and lifting their voices to international arenas. 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 Fauna & Flora'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

Fauna & Flora is fortunate to have supportive and long-standing relationships with our major donors and to have members and supporters who provide valued and steadfast support, responding positively to our campaigns and appeals and engaging with us through our digital communications and online, hybrid and in person events. We report regularly to our donors, members and supporters, providing updates on the impact we are having so they can see what their support is helping to achieve. In 2022 we held our 118th AGM as a virtual event for the third year running, enabling increased participation and the opportunity for members to actively engage with trustees and our senior leadership team and to provide us with their thoughts and feedback via a live Q&A session.

Suppliers and other stakeholders

In keeping with Fauna & Flora'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. Likewise, the organisation benefits from having developed long-standing relationships with key professional advisers such as our auditors and insurers. Our collaboration with our partners in the Cambridge Conservation Initiative (CCI) continues to flourish; with our global headquarters at The David Attenborough Building being part of a vibrant hub representing the world's largest cluster of conservation organisations, researchers, policy makers and practitioners.

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 Fauna & Flora 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 (Fauna & Flora) 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

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



Patron

HRH The Prince
of Wales



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

Hon Najib Balala

The Lord Browne of Madingley
FR Eng

Lindsay Bury

Dee Caffari

Charlene de Carvalho-Heineken

Giles Clark

Viscount Philippe de
Spoelberch

Dame Judi Dench CH

Dr Lee Durrell

Hugh Fearnley-Whittingstall

Stephen Fry

Rupert Goodman

Edward Hoare

Tim Jarvis AM

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

Nigel Winser

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

Dr Liz Rogers	Chair (<i>appointed 13th September 2022</i>)
Hugo van Vredenburg	Chair (<i>stood down 13th September 2022</i>)
Annette Lanjouw	Vice Chair
David Gibson	Vice Chair (<i>co-opted 14th March 2023</i>)
Paul Baldwin	Treasurer

Ordinary members of council

Jeffrey Blumberg	Hugh Sloane
Anna Gavazzi	Kimberly Stewart
Senator Abshiro Halake	Hugo van Vredenburg (<i>from 13th September 2022</i>)
Tony Juniper CBE (<i>co-opted 20th January 2023</i>)	Diana van de Kamp (<i>retired 13th September 2022</i>)
Benjamin Khalili	Richard Walker OBE
Miguel Nogales (<i>co-opted 28th October 2022</i>)	Professor Joanne Webster FLS FRSB
Richard Plackett	

Senior leadership team

Mark Rose	Chief Executive Officer (<i>until 30 June 2023</i>)
Kristian Teleki	Chief Executive Officer (<i>from 26 June 2023</i>)
Svetlana Ignatieva	Chief Operating Officer and Company Secretary
Joanna Elliott	Global Director of Conservation
Jonny Wright	Senior Director, Communications & Fundraising
Dr. Abigail Entwistle	Senior Conservation Director
Paul Hotham	Senior Conservation Director

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

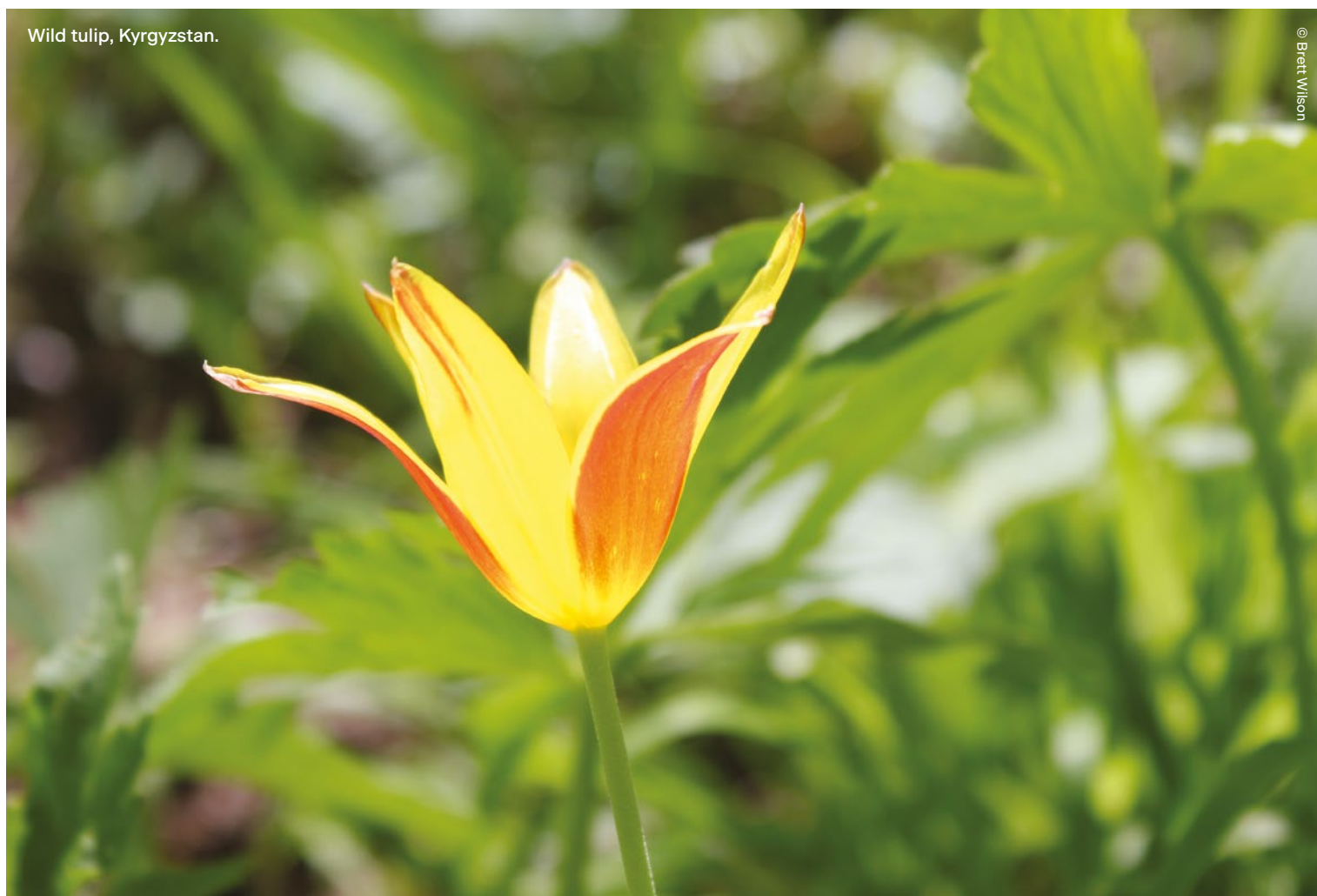
Key Policies & Statements

Public benefit

The Strategic Report demonstrates the scope of the activities undertaken by Fauna & Flora in 2022 in furtherance of its charitable purposes for the public benefit.

- Fauna & Flora 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 and act to conserve threatened species and ecosystems worldwide for the benefit of the public. 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.

Wild tulip, Kyrgyzstan.



© Brett Wilson



Reserves Policy

Fauna & Flora 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. Fauna & Flora'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, Fauna & Flora 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 Fauna & Flora to continue its operations while simultaneously working to rebuild its reserves. Fauna & Flora'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 Fauna & Flora (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 Fauna & Flora's reserves because the capital amounts must be maintained. Further details on Fauna & Flora'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 Fauna & Flora's charitable objectives in accordance with internal decisions made by Fauna & Flora'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 Fauna & Flora's activities.

Investment Policy

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

Fauna & Flora 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. Fauna & Flora 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, Fauna & Flora will choose investment opportunities that align with Fauna & Flora's mission.

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

Grant-making Policy

Fauna & Flora makes grants to strategic and implementing partners and in 2022 we disbursed over £6.2 million in grant funding (2021: £5.0m). 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. Fauna & Flora staff also reviewed almost 600 grant applications for external grants funds using criteria developed and agreed with the donors, and through this, influenced the allocation of an additional £35 million of conservation grant funds.

Tamar Edisherashvili, Sturgeon Researcher.



© Kakha Gogichashvili / Fauna & Flora

Environmental Policy

All of Fauna & Flora'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 minimizing our environmental impact wherever we can, whilst ensuring we are able 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 bronze award in 2019, a silver in 2020 and a gold in 2022 from the NUS Green Impact Scheme. Particularly commended was the scaling of green practices in the building and continued efforts to reduce energy consumption.

To quantify and manage Fauna & Flora'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 and 2022 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 regular basis. Our first carbon management framework was finalised in 2022 outlining our organisational approach to maximising conservation impact while minimising the carbon intensity of our operations; and providing guidelines for our staff.

We have also finalised guidance on the sustainable procurement of food and drink at events we hosted; and the internal Green Fund helped the Guinea Team to cut down on single-use plastic water bottles and disposable batteries through the procurement of water dispensers, reusable water bottles and rechargeable batteries. Since the pandemic commuting habits have changed, people come in the office less often, 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). Fauna & Flora 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)	2022 (Jan-Dec)
Gas (kWh)	107,078.4	94,175.3	88,310.4	95,764.9
Electricity (kWh)	55,056.5	35,865.4	36,564.7	43,137.5
Total UK energy use (kWh) ¹	162,134.9	130,040.7	124,875.1	138,902.4
Gas (tonnes CO ₂ e) ³	19.7	17.3	16.2	17.5
Electricity (tonnes CO ₂ e)	14.1	8.4	7.8	8.3
Total associated GHG emissions (tonnes CO ₂ e) ^{2,3}	33.8	25.7	23.2	25.8
Intensity ratio Emissions per office floor space (tonnes CO ₂ e per m ²) ³	0.046	0.035	0.032	0.035

1. The total UK energy use covers gas and electricity consumption of the Fauna & Flora office in our global headquarters, The David Attenborough Building. Global data is not yet available, therefore we have agreed a stepwise process for our carbon footprint assessment that prioritises the UK operation, before a gradual roll out to country offices. Please note that two electricity submeters were not recording between 08/02/21 and 13/10/21, but based on a new methodology we have filled the gaps and provided a more accurate estimate for 2021. 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 recognized independent standard, the GHG Reporting Protocol – Corporate Standard. Please note that due to a conversion factor error the 2021 gas data have been updated.

Remuneration Policy

Fauna & Flora 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 Fauna & Flora'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 Fauna & Flora 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.

© Ed Marshall

Atlantic grey seal in Norfolk, UK.





Janet Kavutha (centre) and fellow Women in Conservation Technology participants.

Fundraising

The Trustees have reviewed Fauna & Flora'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 Fauna & Flora's approach towards developing and monitoring its fundraising activities.

Fauna & Flora is a membership organisation and uses the membership offer as well as a broader regular giving proposition to cement long-term relationships with donors. Fauna & Flora's direct marketing activities are carried out in partnership with specialist agencies, who provide creative and media buying services, enabling us to develop supporter recruitment materials and to place our fundraising campaigns across a variety of offline and online channels, including direct response television and press advertisements in targeted newspapers and social media.

Fauna & Flora has a well-established major-giving programme, with approaches typically made in person by senior staff or trustees. Fauna & Flora also hosts events throughout the year, typically targeted at stewarding and soliciting funding from major donors and prospects.

Fauna & Flora has paid the applicable levy to register with the Fundraising Regulator and

displays the Regulator's badge on all appropriate fundraising materials. Fauna & Flora complies with the terms and conditions of its registration, and follows the guidance and recommendations from the Regulator, as well as the standards contained in the Code of Fundraising Practice to ensure that our fundraising activities are fair, transparent and honest.

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

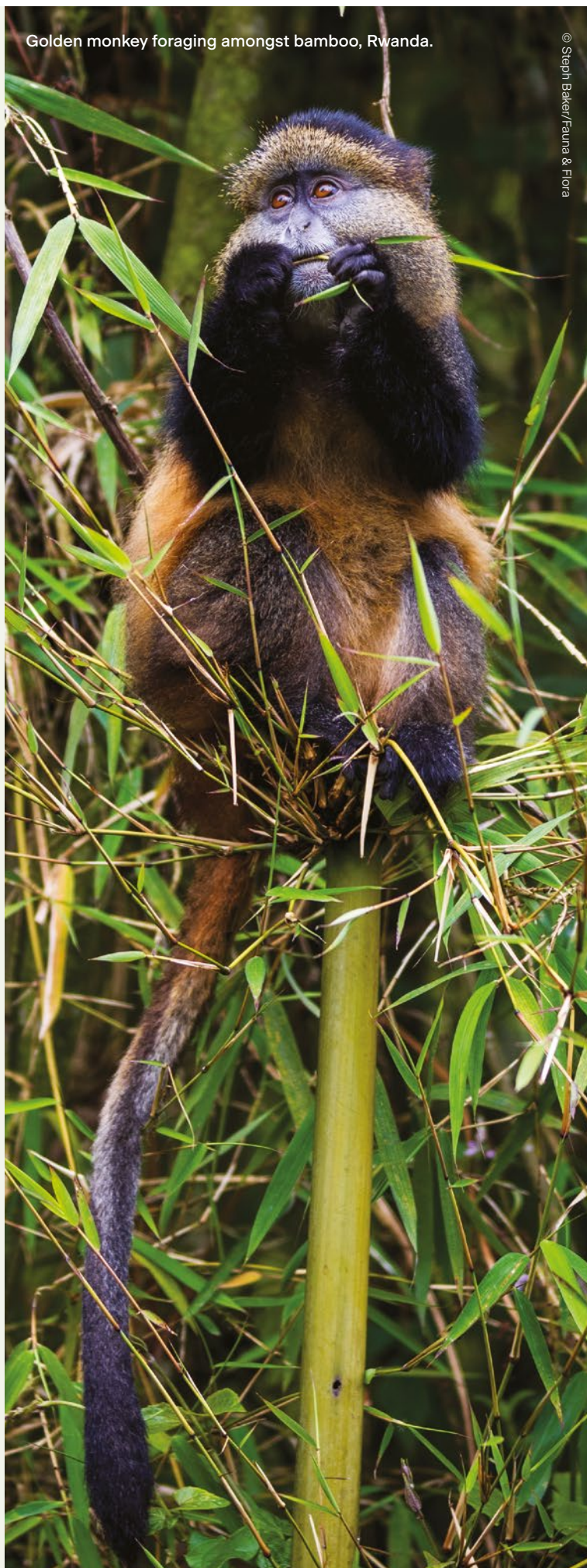
In 2022, we received approximately 25 complaints relating to our response handling and telephone fundraising agencies. This is where our agencies respond to calls from people who have seen our direct response television and press adverts, or who have received an appeal mailing from us. Complaints usually relate to people being 'upsold' (meaning that the call handler asks whether the potential donor would like to give an increased monthly gift) or dissatisfaction with the call handler. In each case we listen back to the call, and feedback to the agency concerned if we feel a telephone responder has not met Fauna & Flora's expectations during the conversation. In over 95% of cases the call was deemed to have met best practice standards, and no further action was needed.

We regularly monitor 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 Fauna & Flora 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 Fauna & Flora's supporters.

Fauna & Flora 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 Fauna & Flora to change their preferences. All of Fauna & Flora's communications include easy mechanisms for unsubscribing or updating contact preferences and we ensure that our database is updated accordingly.

Golden monkey foraging amongst bamboo, Rwanda.



© Steph Baker/Fauna & Flora

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 Institutional Risk Register, complemented by regular discussion of risk by the Executive and Audit & Risk Committees.
- 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 those relating to International Health, Safety & Security (IHSS); with 2022 seeing the appointment of a specialist IHSS Manager to oversee emergency planning & response mechanisms relating to such risks.
- A portfolio risk-tracking tool enabling regular and comprehensive assessment of individual project risk against a series of six risk categories (financial, social (human rights and social safeguards), health, safety & security, partner, other delivery risks and impact).
- Regular review of our insurance cover to assess whether it adequately addresses the risks and potential liabilities we face, extending cover if new risks are identified.



Woman weaving baskets and place mats at an arts cooperative near Volcanoes National Park, Rwanda.

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

Financial environment – rising inflation and cost of living, slowing down of the economy, and geopolitical instability pose a continuing range of 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 and business plan, but attracting and retaining our talented workforce is becoming more challenging 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 and we are addressing this with recruitment and selection procedures designed to reach a wider and more diverse talent pool and paid internships to improve access to career opportunities in our sector. We aim to support our workforce in finding a fulfilling, long-term career at Fauna & Flora 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 'One Fauna & Flora' 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 Fauna & Flora 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 our Conservation Resilience Fund. This fund also focuses 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 – Fauna & Flora'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; strengthening and institutionalising a culture and practice of safety and security so that Fauna & Flora 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. Fauna & Flora 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. Fauna & Flora'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.

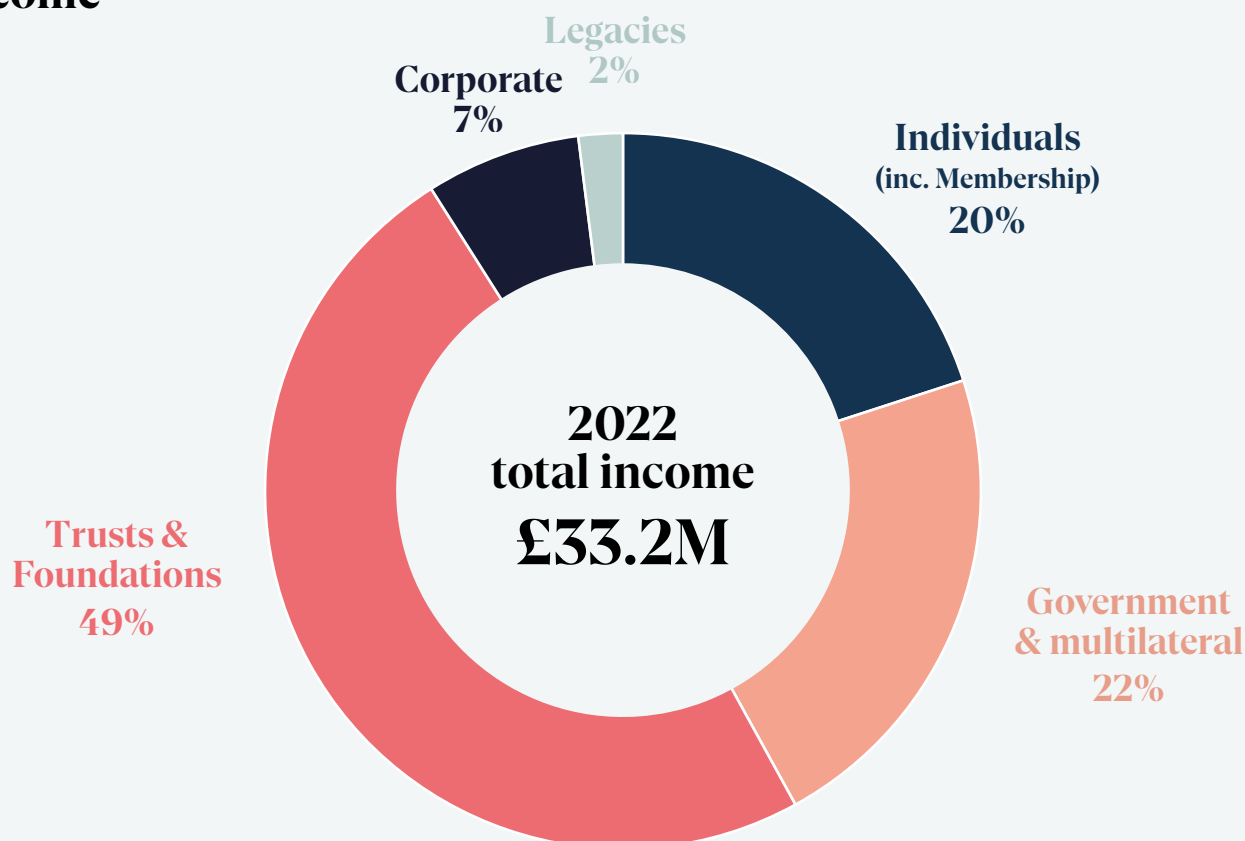
Financial Review

Overall Position

This report and the consolidated Financial Statements incorporate the results of Fauna & Flora'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 £3.5m (2021: £10.9m increase), comprising an increase in restricted funds of £4.1m (2021: £9.5m increase), a decrease of endowment funds of £86k (2021: £57k increase) and a decrease in unrestricted funds of £520k (2021: £1.3m increase). Restricted funds includes around £6.4m of capitalised land purchases and the balance predominantly relates 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 £33.2m shows a decrease of £3.3mm (9%) compared with 2021. 2021 income included a one-off grant of £3.7m for the purchase of Boden Creek in Belize. Trusts & Foundations remain our largest source of income, although this has decreased from 59% of total income in 2021. Funding from Government and multilateral sources has increased from 16% in the prior year.

Unrestricted income by type

	2017	2018	2019	2020	2021	2022	2021/2022 Change
Individuals	1,241,392	1,276,626	1,362,427	4,139,416	4,081,322	3,804,560	-7%
Trusts & Foundations	1,063,758	521,424	756,517	859,475	1,821,776	619,169	-66%
Legacies	790,779	73,885	2,325,653	1,189,313	901,330	601,962	-33%
Other	7,999	38,704	25,514	34,453	7,412	195,069	2532%
Corporate	55,939	167,038	52,914	196,920	19,806	32,251	63%
Capital Campaign	2,487,505	500,000	125,000	-	-	-	0%
	5,647,372	2,577,677	4,648,025	6,419,577	6,831,646	5,253,011	-23%

Unrestricted income from Trusts & Foundations reduced by £1.2m (66%) from 2021, which included a £1.3m (€1.5m) grant from the Dutch Postcode Lottery. Income from Individuals reduced by £277k (7%) from 2021, largely as a result of a challenging fundraising environment due to the impacts of the war in Ukraine as well as the cost-of-living crisis.

Restricted income by type

	2017	2018	2019	2020	2021	2022	2021/2022 Change
Trusts & Foundations	11,152,475	10,266,072	10,206,257	11,738,061	19,713,173	15,432,208	-22%
Government & Multilateral	4,274,240	4,457,350	6,947,640	5,315,100	5,645,650	7,400,676	31%
Corporate	1,881,587	1,068,003	816,097	1,254,924	2,046,255	2,315,213	13%
Individuals	173,979	294,112	414,924	1,560,470	2,042,816	2,396,280	17%
Other	30,595	117,772	178,269	180,828	205,417	352,797	72%
Legacies	25,000	318,444	44,613	-	-	-	0%
	17,537,876	16,521,752	18,607,800	20,049,383	29,653,311	27,897,174	-6%

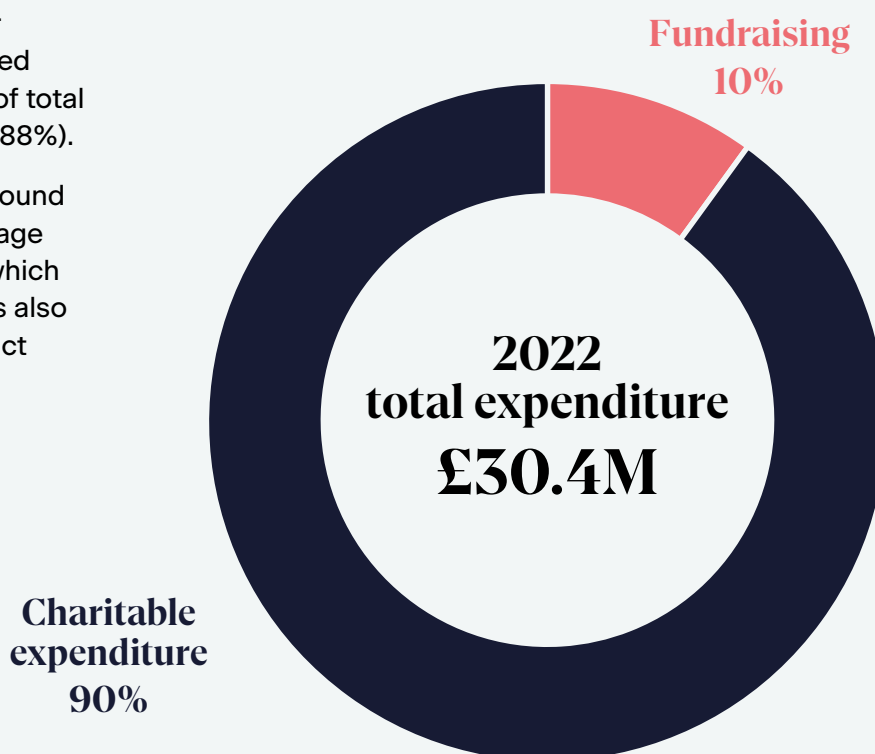
Restricted income from Trusts & Foundations has decreased by £4.2m (22%) in 2022. In 2021, income from Trusts & Foundations included a one-off grant of £3.7m for the purchase of Boden Creek in Belize. Income from Government & Multilateral donors increased by £1.8m (31%) in 2022. Government grants tend to be higher value grants and allow us to scale in activity and impacts, however they can be costly in terms of compliance as well as set-up and close-out costs. They may also require co-finance.

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

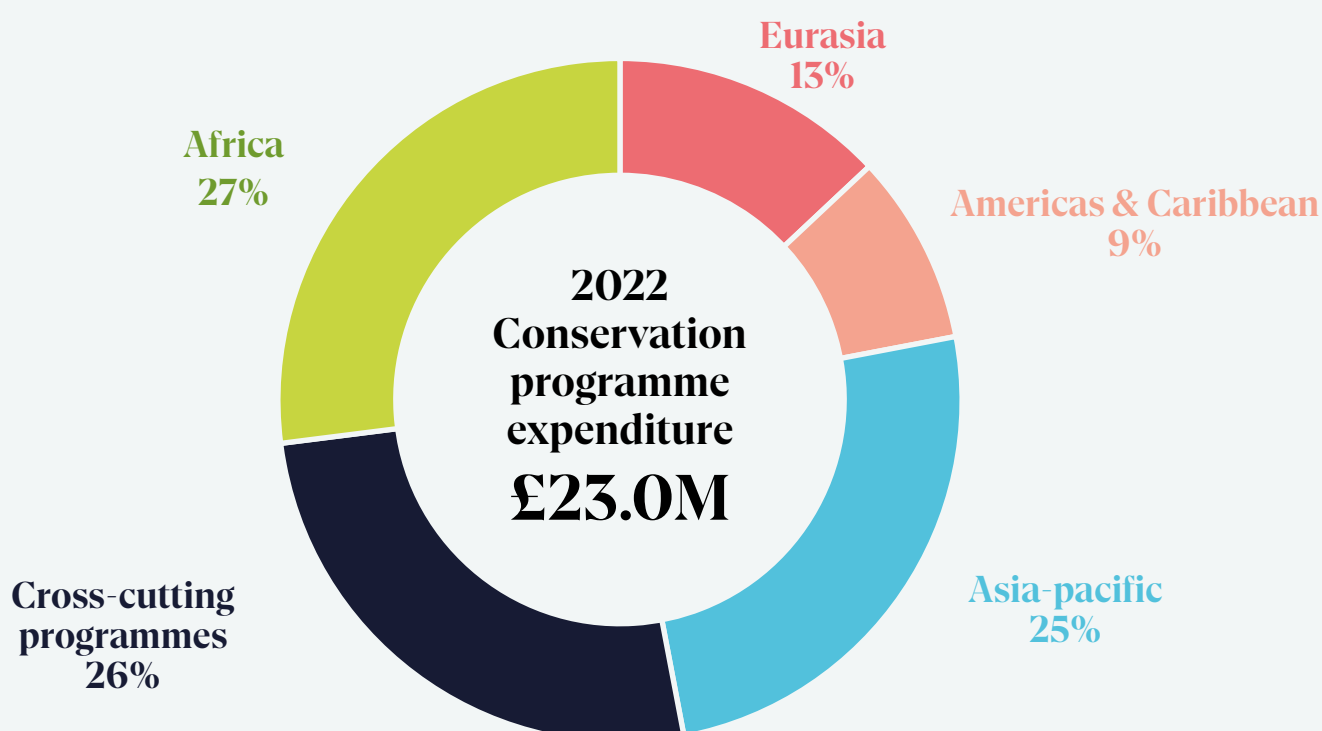
Expenditure

Charitable expenditure across our conservation portfolio has remained consistently high as a proportion of total expenditure (90%) in 2022 (2021: 88%).

With over 120 active projects in around 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.



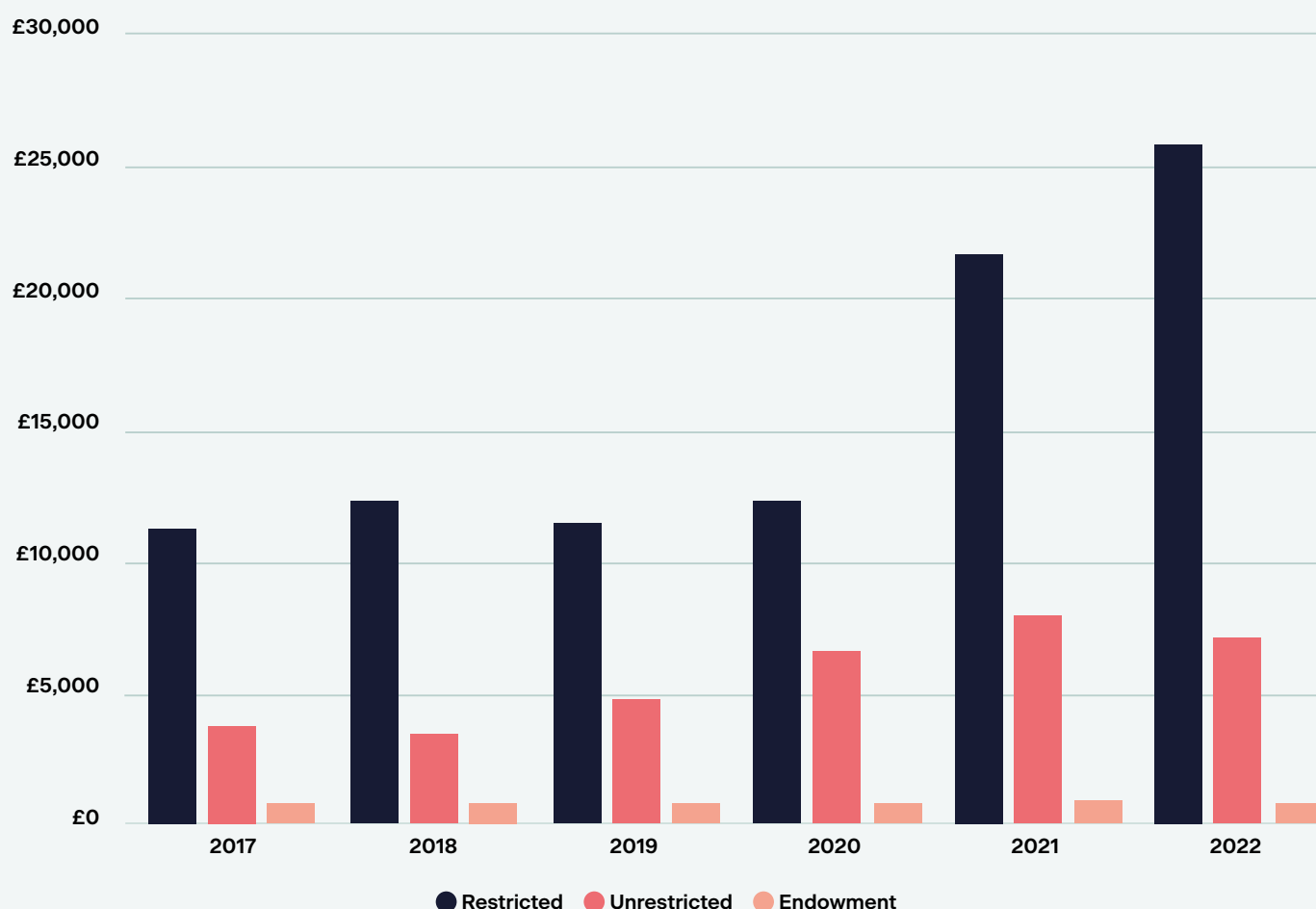
Fauna & Flora operates through four regional Conservation Programmes (Asia-Pacific (2021: 26%); Africa (2021: 24%); Eurasia (2021: 12%); and Americas & Caribbean (2021: 10%)) supported by an array of cross-cutting initiatives (Conservation Science & Design; Conservation Capacity & Leadership; Corporate Sustainability; Climate & Nature Linkages; and Sustainable Agriculture & Enterprise), which form our Cross-cutting Programmes division (2021: 28%).



Reserves

The total reserves of the organisation at the end of 2022 were £33.6m (2021: 30.1m). Restricted reserves were £25.7m (2021: \$21.6m), 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 £639k (2021: £725k), these funds are invested to secure the capital base whilst producing an income stream in support of our gorilla conservation work.

Unrestricted reserves were £7.3m (2021: £7.8m). Free reserves (unrestricted reserves less unrestricted fixed assets of £161k (2021: £179k) are £7.1m (2021: £7.6m). This represents 7.9 months¹ (2021: 9.6 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 11.5 months (2021: 13.4 months) of committed, recurring expenditure when measured using 2022 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 29th June 2023 and signed on its behalf by



Liz Rogers, 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 2022 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 2022 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 48, 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.

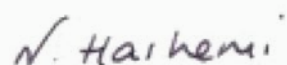
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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
on behalf of
Crowe U.K. LLP, Statutory Auditor, London
Date: 11th August 2023

A white-bellied tree pangolin in its habitat.

Financial Statements



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

For the year ended 31 December 2022

	Notes				2022	2021
		Unrestricted £	Restricted £	Endowment Funds £	Total £	Total £
Income and endowments from:						
Donations and legacies	3a, 3b	3,874,100	2,396,280	-	6,270,380	6,334,452
Charitable Activities		1,181,608	25,163,384	-	26,344,992	29,807,934
Investments		194,613	105,989	221	300,823	24,122
Other Trading Activities		2,234	-	-	2,234	131,507
Other		456	246,808	-	247,264	187,111
Total		5,253,011	27,912,461	221	33,165,693	36,485,126
Expenditure on:						
Raising funds		3,161,365	-	-	3,161,365	3,165,103
Charitable activities		3,454,325	23,732,719	-	27,187,044	22,395,108
Jointly controlled operations expenditure	21	55,019	-	-	55,019	35,730
Total	4a, 6a, 6b	6,670,709	23,732,719	-	30,403,428	25,595,941
Net gains/(losses) on investments		(4,357)	(22,519)	(86,442)	(113,318)	61,175
Net income		(1,422,055)	4,157,223	(86,221)	2,648,947	10,950,360
Transfers between funds	12	755,425	(755,425)	-	-	-
Other gains/(losses)	4b	146,959	683,877	-	830,836	(94,559)
Net movement in funds		(519,671)	4,085,675	(86,221)	3,479,783	10,855,801
Reconciliation of funds:						
Total funds brought forward		7,822,078	21,594,379	724,890	30,141,347	19,285,546
Total funds carried forward	12	7,302,407	25,680,054	638,669	33,621,130	30,141,347

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

In 2021, unrestricted voluntary income was £4,291,636 (the remainder was restricted). In 2021, unrestricted charitable activities income was £2,402,811 (the remainder was restricted). In 2021, unrestricted investment income was £5,692 and endowment investment income was £149 (the remainder was restricted). In 2021, all income from other trading activities was unrestricted. In 2021, all income from other sources was restricted.

In 2021, unrestricted charitable activities expenditure was £2,594,970 (the remainder was restricted). In 2021, all expenditure on raising funds was unrestricted. In 2021, all expenditure on jointly controlled operations was unrestricted.

In 2021, unrestricted net gains on investments were £3,873 (the remainder was gains on endowment fund investments). In 2021, unrestricted transfers were £308,493 (the remainder was restricted) and unrestricted other losses were (£26,952) (the remainder was restricted).

Consolidated Balance Sheet

For the year ended 31 December 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed Assets					
Tangible assets	7a	1,855,772	1,562,801	668,101	372,273
Intangible assets	7b	45,713	114,720	45,713	114,720
Investments	8	23,005,425	20,490,551	23,005,425	20,490,551
Total fixed assets		24,906,910	22,168,072	23,719,239	20,977,544
Current Assets					
Debtors	9	3,607,886	2,543,585	4,510,838	2,208,363
Cash at bank and in hand		7,010,457	7,044,811	4,872,469	5,668,075
Total current assets		10,618,343	9,588,396	9,383,307	7,876,438
Creditors: amounts falling due within one year	10	(1,886,437)	(1,597,435)	(1,858,920)	(1,579,021)
Net Current Assets		8,731,906	7,990,961	7,524,387	6,297,417
Provisions for liabilities	11	(17,686)	(17,686)	(17,686)	(17,686)
Total net assets		33,621,130	30,141,347	31,225,940	27,257,275
The funds of the charity					
Income funds					
Unrestricted funds	12	7,246,862	7,765,576	5,096,876	5,715,377
Designated funds	12	55,545	56,502	55,545	56,502
		7,302,407	7,822,078	5,152,421	5,771,879
Restricted funds	12	25,680,054	21,594,379	25,434,850	20,760,506
		32,982,461	29,416,457	30,587,271	26,532,385
Capital Funds					
Permanent endowment funds	12	638,669	724,890	638,669	724,890
Total Charity Funds		33,621,130	30,141,347	31,225,940	27,257,275

The surplus in respect of the parent charity only was £3,968,665 (2021: £9,954,394).

The attached notes form part of these financial statements.

Approved by the Board of Trustees and authorised for issue on 29th June 2023 and signed on its behalf by



Chair: Liz Rogers



Treasurer: Paul Baldwin

Consolidated Cash Flow Statement

For the year ended 31 December 2022

Statement of cash flows	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash flows from operating activities	16	201,004	10,562,479	(418,882)	9,973,285
Cash flows from investing activities	16	300,823	24,122	297,756	22,226
Cash flows from financing activities	16	(863,234)	(3,886,452)	(863,234)	(3,872,182)
		(361,407)	6,700,149	(984,360)	6,123,329
Reconciliation of Net Cash Flow to Movements in Net Funds					
Increase/(decrease) in cash in the year		(361,407)	6,700,149	(984,360)	6,123,329
Cash and cash equivalents at the beginning of the reporting period		22,322,117	15,793,394	20,945,382	14,974,534
Change in cash and cash equivalents due to exchange rate movements		1,990,819	(171,426)	1,852,519	(152,482)
Cash and cash equivalents at the end of the reporting period		23,951,529	22,322,117	21,813,541	20,945,381
Analysis of cash and cash equivalents					
		Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash at bank and in hand		7,010,457	7,044,811	4,872,469	5,668,075
Deposit accounts		16,941,072	15,277,306	16,941,072	15,277,306
		23,951,529	22,322,117	21,813,541	20,945,381

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. Fauna & Flora 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 a 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 Fauna & Flora'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.

Legacies are recognised at the earlier of the settlement of the estate or the receipt of payment.

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 leases 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

	2022	2021
	£	£
Individuals	5,668,418	5,433,122
Legacies	601,962	901,330
	6,270,380	6,334,452

3b Income

	Restricted	Unrestricted	Endowment	2022	2021
	£	£	£	Total	Total
	£	£	£	£	£
Income Source					
Government & Multilateral	7,400,676	-	-	7,400,676	5,647,370
Trusts & Foundations	15,447,495	619,169	-	16,066,664	21,534,969
Corporate	2,315,213	32,251	-	2,347,464	2,066,061
Individuals	2,396,280	3,876,334	-	6,272,614	6,465,959
Membership	-	530,188	-	530,188	559,534
Investment	105,989	194,613	221	300,823	24,122
Other	246,808	456	-	247,264	187,111
Total	27,912,461	5,253,011	221	33,165,693	36,485,126

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

	2022	2021
	£	£
Expenditure includes:		
Auditors' remuneration - audit	62,958	52,855
Auditors' remuneration - other	42,976	76,691
Depreciation	209,256	169,954
Operating leases: land and buildings	229,526	449,851

4b Other gains/(losses)

	2022	2021
	£	£
Other gains/losses includes:		
Realised foreign exchange gains/(losses)	32,814	14,091
Unrealised foreign exchange gains/(losses)	786,844	(108,650)
Gains/(losses) on disposal of tangible fixed assets	11,178	-
	830,836	(94,559)

5 Employee information

5a Staff costs

	2022	2021
	£	£
Wages and salaries	11,574,711	9,536,309
Social security costs	1,161,693	958,882
Pension costs	600,606	529,902
	13,337,010	11,025,093

Included in the above is £378,672 relating to termination payments in 2022 (2021: £29,612).

5b

	2022	2021
The average number of persons, analysed by function, employed during the year was:		
Project management	455	432
Fundraising	21	21
Administration	29	26
	505	479

5c

	2022	2021
Employees whose emoluments for the year were £60,000 or more are shown in the following bands:		
£60,001 - £70,000	4	5
£70,001 - £80,000	5	2
£80,001 - £90,000	3	2
£90,001 - £100,000	4	1
£100,001 - £110,000	0	2
£110,001 - £120,000	0	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	0
£150,001 - £160,000	0	1
£450,001 - £460,000	1	0

The pension contributions to pension schemes for the higher paid staff were £87,420 (2021: £86,632).

The total value of salary and benefits received by key management personnel in 2022 was £1,183,356 (2021: £861,700).

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 2022, £6,629 (2021: £4,076) 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 2022 £	Total 2021 £
Conservation Programme Area					
Africa	2,149,386	4,087,569	277,502	6,514,457	4,548,071
Asia Pacific	3,148,709	2,758,075	139,653	6,046,437	4,810,506
Americas & Caribbean	711,274	1,408,444	195,498	2,315,216	1,825,381
Eurasia	1,134,281	1,837,148	126,346	3,097,775	2,164,900
Cross-cutting Programmes	3,705,790	2,481,530	214,740	6,402,060	5,243,610
Other (incl. Foreign exchange (gain)/loss)	-	(1,396,356)	-	(1,396,356)	152,480
Programmatic Activities	10,849,440	11,176,410	953,739	22,979,589	18,744,948
Fundraising costs	1,157,098	-	2,004,267	3,161,365	3,165,103
Support & administration costs	2,256,845	-	2,005,629	4,262,474	3,685,890
Total costs	14,263,383	11,176,410	4,963,635	30,403,428	25,595,941

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 2022 £	Total 2021 £
Office rent & services	88,510	-	519,024	607,534	513,611
Equipment acquisition & maintenance	33,451	454	8,895	42,800	48,193
Grants	222,955	32,500	-	255,455	49,088
Conference attendance & event costs	9,963	33,022	67,563	110,548	83,538
Printing, publications and media costs	787	1,223,210	25,386	1,249,383	1,552,325
Bank charges and interest	13,174	74,040	10,785	97,999	115,007
Depreciation	6,763	28,073	42,564	77,400	70,320
IT, telephony & office supplies	105,859	116,684	226,180	448,723	412,599
Travel & Subsistence	214,380	62,554	202,974	479,908	142,938
Audit, Legal & Professional fees	219,241	407,122	890,898	1,517,261	1,232,962
Other costs	38,656	26,608	11,360	76,624	127,483
Total support costs	953,739	2,004,267	2,005,629	4,963,635	4,348,064

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 2022	35,900	88,124	1,192,695	729,746	2,046,465
Additions	12,561	55,013	-	362,515	430,089
Disposals	-	(49,589)	-	(5,965)	(55,554)
At 31 December 2022	48,461	93,548	1,192,695	1,086,296	2,421,000
Depreciation					
At 1 January 2022	5,622	53,653	319	424,070	483,664
Charge for year	8,488	8,530	639	119,461	137,118
On disposals	-	(49,589)	-	(5,965)	(55,554)
At 31 December 2022	14,110	12,594	958	537,566	565,228
Net book value:					
At 31 December 2022	34,351	80,954	1,191,737	548,730	1,855,772
At 31 December 2021	30,278	34,471	1,192,376	305,676	1,562,801

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

	Software	Total
	£	£
Cost:		
At 1 January 2022	565,333	565,333
Additions	3,131	3,131
Disposals	-	-
At 31 December 2022	568,464	568,464
Depreciation		
At 1 January 2022	450,613	450,613
Charge for year	72,138	72,138
On disposals	-	-
At 31 December 2022	522,751	522,751
Net book value:		
At 31 December 2022	45,713	45,713
At 31 December 2021	114,720	114,720

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

	2022	2021
	£	£
Movement during the year		
Market value as at 1 January	20,490,551	12,547,574
Net gains/(losses) during the year	(113,318)	61,175
Foreign exchange gains/(losses) during the year	2,072,757	135,004
Capital invested/(withdrawn) during the year	555,435	7,746,798
Total Investments	23,005,425	20,490,551

Investments are represented by:	2022	2021
	£	£
Fixed interest securities & equity shares	661,662	752,461
Cash deposit funds	16,941,072	15,277,306
Programme related investments	5,402,691	4,460,784
Total Investments held in the UK	23,005,425	20,490,551

The historic cost of investments as at 31 December 2022 was £22,943,763 (2021: £20,338,091).

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	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	2,647,623	1,402,085	2,451,444	1,320,629
Amounts due from subsidiaries	-	-	1,136,730	511,717
Prepayments and accrued income	960,263	1,141,500	922,664	376,017
	3,607,886	2,543,585	4,510,838	2,208,363

All the above amounts fall due within one year.

10 Creditors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	298,770	450,900	287,764	453,181
Amounts due to subsidiaries	-	-	664	-
Tax and social security	790,216	641,071	783,522	633,779
Accruals and deferred income	792,317	505,464	781,836	492,061
Other creditors	5,134	-	5,134	-
	<u>1,886,437</u>	<u>1,597,435</u>	<u>1,858,920</u>	<u>1,579,021</u>

Accruals and deferred income includes the following:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income at 1st January	4,790	65,823	4,790	65,823
Income deferred in year	-	4,790	-	4,790
Amounts released from previous years	(4,790)	(65,823)	(4,790)	(65,823)
Deferred Income at 31st December	<u>-</u>	<u>4,790</u>	<u>-</u>	<u>4,790</u>

11 Provisions (all provisions are attributable to the charity)

	At 01/01/2022 £	Provisions created / (released) £	Provisions utilised £	At 31/12/2022 £
Land taxes payable	17,686	-	-	17,686
	<u>17,686</u>	<u>-</u>	<u>-</u>	<u>17,686</u>

Provision has been made in a prior year for land tax in Ecuador that may be payable by Fauna & Flora.

12 Reconciliation of funds

	Balance b/fwd	Income	Expenditure	Other gains/ (losses)	Movements between funds	Balance c/fwd
	£	£	£	£	£	£
Unrestricted						
General unrestricted funds	7,765,576	5,253,011	(6,670,709)	142,602	756,382	7,246,862
Designated funds	56,502	-	-	-	(957)	55,545
Total unrestricted funds	7,822,078	5,253,011	(6,670,709)	142,602	755,425	7,302,407
Endowment funds						
Rothiemurchus Bequest Fund	37,993	221	-	(4,155)	-	34,059
Whitley Animal Protection Trust	686,897	-	-	(82,287)	-	604,610
Total endowment funds	724,890	221	-	(86,442)	-	638,669
Restricted funds						
Africa	4,046,491	3,362,897	(6,190,034)	(55,347)	2,543,194	3,707,201
Americas & Caribbean	6,282,891	1,420,098	(2,039,134)	(9,502)	648,603	6,302,956
Asia-Pacific	4,392,089	6,557,986	(6,567,573)	1,308	1,065,361	5,449,171
Conservation Capacity and Leadership	1,917,110	3,089,150	(2,630,740)	(2,294)	(19,488)	2,353,738
Cross-cutting Programmes Development	419,148	79,941	(71,647)	(336)	-	427,106
Conservation Science and Design	2,184,724	7,703,614	(3,114,266)	1,964	(4,005,491)	2,770,545
Climate & Nature Linkages	162,189	33,178	(112,781)	(12,953)	-	69,633
Eurasia	2,407,092	2,404,916	(2,734,801)	15,697	401,660	2,494,564
Corporate Sustainability	205,076	1,231,735	(1,447,528)	384	15,803	5,470
Sustainable Agriculture & Enterprise	56,413	72,787	(125,640)	(5)	-	3,555
Regional Programmes Development	-	1,500,000	(94,933)	-	(1,405,067)	-
Other (incl Foreign Exchange) Revaluation	(478,844)	456,159	1,396,358	722,442	-	2,096,115
Total restricted funds	21,594,379	27,912,461	(23,732,719)	661,358	(755,425)	25,680,054
Total Funds	30,141,347	33,165,693	(30,403,428)	717,518	-	33,621,130

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 Fauna & Flora's income recognition policy as outlined in Note 1 to the accounts, restricted funds in deficit have arisen where Fauna & Flora 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 (2022: £176,868, 2021: £71,528), the Endangered Landscapes Programme (2022: £362,269, £2021: £678,850), and Defra, UK Government: Darwin Initiative (2022: £2,009,027, 2021: £1,126,449), Darwin Plus (2022: £146,817, 2021: £93,735), and Illegal Wildlife Trade Challenge Fund (2022: £609,630, 2021: £672,819)."

13 Analysis of Net Assets between Funds

	General Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£	£
Tangible Fixed Assets	115,305	-	1,740,467	-	1,855,772
Intangible Fixed Assets	45,713	-	-	-	45,713
Investments	4,821,104	-	17,545,652	638,669	23,005,425
Net current assets	2,282,426	55,545	6,393,935	-	8,731,906
Provisions	(17,686)	-	-	-	(17,686)
	<u>7,246,862</u>	<u>55,545</u>	<u>25,680,054</u>	<u>638,669</u>	<u>33,621,130</u>

14 Operating Lease Commitments

	2022	2021
	£	£
Annual commitments are as follows:		
Land and buildings:		
Not later than one year	208,471	200,829
Later than one year and not later than five years	267,858	355,893
Later than five years	-	-
	<u>476,329</u>	<u>556,722</u>
Other operating leases:		
Not later than one year	71,874	61,801
Later than one year and not later than five years	122,960	181,638
Later than five years	-	-
	<u>194,834</u>	<u>243,439</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.

Fauna & Flora received grant funding from The Marcela Trust. An immediate family member of one of Fauna & Flora's Senior Leadership Team (SLT) members and a member of Fauna & Flora's SLT are Trustees of the Trust.

Fauna & Flora provides grant funding to the Príncipe Foundation (São Tomé and Príncipe) and ProPark Foundation (Romania). A member of Fauna & Flora's SLT is also a director of each of these organisations. Fauna & Flora provides grant funding to Chuilexi Conservação e Investimentos Limitada and Luambeze Investimentos Limitada, both of which are subsidiaries of Fauna & Flora. Refer to note 21 for details of Fauna & Flora's subsidiaries and jointly controlled operations.

Fauna & Flora pays licence fees to OMC Investments Ltd in relation to Fauna & Flora's London office. An immediate family member of one of Fauna & Flora's SLT 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.

	2022 £	2021 £
Grants received from related parties		
The Marcela Trust	150,000	-
Grants made to related parties		
Chuilexi Conservação Investimentos Limitada	1,192,285	625,515
Luambeze Investimentos Limitada	236,447	267,814
Príncipe Foundation	133,879	133,174
ProPark Foundation	1,000	22,468
Donations received from		
Trustees & Related parties	74,770	867,115
Lease & service fees		
OMC Investments Ltd	52,741	43,756
Amounts owing from subsidiary undertakings		
Fauna & Flora International Australia	(664)	-
Fauna & Flora International South Africa	41,544	39,987
Fauna & Flora International USA Inc	1,095,186	471,730

16 Cash Flow Information

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
a) Reconciliations of changes in resources to net inflow from operating activities				
Net incoming resources	3,479,781	10,855,801	3,968,665	9,954,394
Depreciation charge	209,255	169,954	206,401	169,481
Investment income (shown separately in (b) below)	(300,823)	(24,122)	(297,756)	(22,226)
(Increase)/decrease in debtors	(1,064,301)	(705,621)	(2,302,476)	(368,759)
Increase/(decrease) in creditors	289,002	223,515	279,899	216,387
Change in fixed asset investments valuation	90,799	(61,175)	90,799	(61,175)
Unrealised foreign exchange gains/(losses) on non-monetary assets	(650,193)	(48,353)	(511,898)	(67,297)
Unrealised foreign exchange gains/(losses) on monetary assets	(1,852,516)	152,480	(1,852,516)	152,480
Net cash inflow/(outflow) from operating activities	201,004	10,562,479	(418,882)	9,973,285
a) Gross cash flows				
<i>Returns on investment and servicing of finance:</i>				
Investment income received	300,823	24,122	297,756	22,226
<i>Capital expenditure and financial investment:</i>				
Payment to acquire tangible and intangible fixed assets	(433,220)	(206,515)	(433,220)	(192,245)
Payments to acquire fixed asset investments	(430,014)	(3,679,937)	(430,014)	(3,679,937)
	(863,234)	(3,886,452)	(863,234)	(3,872,182)

17 Summary income and expenditure account for the year ending 31 December 2022

	All income funds 2022 £	All income funds 2021 £
Income	32,864,870	36,461,004
Gains/(losses) on investments	-	-
Interest and investment income	300,602	23,973
Gross income in the reporting period	33,165,472	36,484,977
Expenditure	29,390,212	25,516,673
Interest payable	-	-
Depreciation and charges for impairment of fixed assets	209,256	169,954
Total expenditure in the reporting period	29,599,468	25,686,627
Net income (expenditure) before tax for the reporting period	3,566,004	10,798,350
Tax payable	-	-
Net income (expenditure) for the financial year	3,566,004	10,798,350

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

				2022	2021
	Unrestricted	Restricted	Endowment	Total	Total
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	3,528,148	2,298,259	-	5,826,407	5,251,264
Charitable Activities	755,020	25,871,397	-	26,626,417	29,503,493
Investments	191,546	105,989	221	297,756	22,226
Other Trading Activities	2,234	-	-	2,234	131,507
Other	456	229,441	-	229,897	176,103
Total	4,477,404	28,505,086	221	32,982,711	35,084,593
Expenditure on:					
Raising funds	2,722,807	-	-	2,722,807	2,792,076
Charitable Activities	3,208,066	23,639,706	-	26,847,772	22,254,301
Total	5,930,873	23,639,706	-	29,570,579	25,046,377
Net gains/(losses) on investments	(4,357)	-	(86,442)	(90,799)	61,175
Net income/(expenditure)	(1,457,826)	4,865,380	(86,221)	3,321,333	10,099,391
Transfers between funds	755,425	(785,316)	-	(29,891)	-
Other gains/(losses)	82,943	594,280	-	677,223	(144,997)
Net movement in Funds	(619,458)	4,674,344	(86,221)	3,968,665	9,954,394
Total funds brought forward	5,771,879	20,760,506	724,890	27,257,275	17,302,881
Total funds carried forward	5,152,421	25,434,850	638,669	31,225,940	27,257,275

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	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

20 Prior Year Funds Analysis Statement

	General Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total £
Tangible Fixed Assets	64,749	-	1,498,052	-	1,562,801
Intangible 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)
	7,765,576	56,502	21,594,379	724,890	30,141,347

21 Subsidiaries and Jointly Controlled Operations

Fauna & Flora 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.

Fauna & Flora holds a 75% 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.

Fauna & Flora 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	c/o Corporation Trust Centre, 1209 Orange St, Wilmington, New Castle County, Delaware 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, Sommerschield II, Maputo, Moçambique	
Percentage Ownership / Control	100%	100%	100%	100%	100%	55%	75%
	£	£	£	£	£	£	£
Total Income	104,613	1,304,332	2,375	302,321	-	-	-
Costs	(109,112)	(1,969,689)	(1,726)	(278,959)	-	(985,116)	(270,832)
Net gains/(losses) on investments	-	(22,519)	-	-	-	-	-
Other gains/(losses)	8,000	171,162	268	52	-	-	-
Surplus / (deficit) for the year	3,501	(516,714)	917	23,414	-	(985,116)	(270,832)
Retained surplus brought forward	164,854	1,444,492	5,459	1,271,783	3,746,023	(3,570,649)	(1,993,368)
Retained surplus carried forward	168,355	927,778	6,376	1,295,197	3,746,023	(4,555,765)	(2,264,200)
Gross assets at 31 December 2022	171,032	2,047,353	47,919	1,296,310	3,746,023	1,138,370	353,899
Gross liabilities at 31 December 2022	(2,677)	(1,119,576)	(41,544)	(1,114)	-	(5,693,875)	(2,617,868)
Reserves at 31 December 2022	168,355	927,777	6,375	1,295,196	3,746,023	(4,555,505)	(2,263,969)

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 £55,019 (2021: £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 2022.



Fauna & Flora

Saving Nature Together

Garnet pitta - a specialist of lowland forests.

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