

# **A Rocha International**

## **Annual Report and Financial Statements**

31 December 2020

Company registration number

06852417(England and Wales)

Charity Registration number

1136041

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## Reference and administrative information

<b>President</b>	Rev Peter Harris
<b>Trustees</b>	<p>Soohwan Park (Chair)</p> <p>Dr Steve Beck (resigned 31 December 2020)</p> <p>Geoffrey Cowper</p> <p>Rebecca Irvin (resigned 31 December 2020)</p> <p>Paul Jeanson (resigned 31 December 2020)</p> <p>Ian Marlow (resigned 11 January 2020)</p> <p>Dr Hilary Marlow (appointed 24 April 2020)</p> <p>Dr Florence Muindi (appointed 29 October 2020)</p> <p>Stephen Osei Mensah (resigned 11 January 2020)</p> <p>Dr Ruth Padilla DeBorst (resigned 11 January 2020)</p> <p>Dr Simon Stuart (resigned 26 June 2020)</p> <p>Graham Wright</p> <p><b>Regionally nominated trustees</b> (Appointed 1 January 2021)</p> <p>Prof Rodel Lasco</p> <p>Benjamin Lowe</p> <p>Prof Alfred Oteng-Yeboah</p> <p>Prof Jan van der Stoep</p> <p>Steve Tanner</p>
<b>Secretary</b>	David McKay
<b>Management team</b>	
Executive Director	Dr Simon Stuart (from 1 December 2020)
Interim Executive Director	David McKay (to 30 November 2020)
Director of Finance and Administration	David McKay
Director of Conservation Science	Dr Jeremy Lindsay
Director of International Operations	Sarah French
Director of Theology	Rev Dr David Bookless
Director of Communications	Joanna Swinney
Chief Operating Officer	Kenneth Brown (from 1 July 2021)
<b>Registered office</b>	<p>180 Piccadilly</p> <p>London</p> <p>W1J 9HF</p>
<b>Charity registration number</b>	1136041
<b>Company registration number</b>	06852417

## Reference and administrative information

<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Investment managers</b>	CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET
<b>Bankers</b>	HSBC 31 The Pyramids Grange Road Birkenhead CH41 2ZL  CAF Bank Limited Kings Hill West Malling Kent ME19 4TA

The trustees present their report together with the financial statements of A Rocha International (the “charity” or “ARI”) for the year ended 31 December 2020.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors’ report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 30 of the attached financial statements and comply with the charitable company’s memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### Introduction

A Rocha International (ARI) is an international environmental conservation organisation working to show God’s love for all creation.

ARI was incorporated as a company limited by guarantee on 19 March 2009 and became a UK registered charity (number 1136041) on 20 May 2010. On 1 July 2010, the activities of The A Rocha Trust (charity number 288634 and formerly known as A Rocha International) were transferred to A Rocha International. Prior to 1 July 2010, A Rocha International had been dormant.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Method of appointment or election of trustees**

On 24 October 2020 ARI and 20 A Rocha Organisations (AROs) signed a Covenant which replaced existing bi-lateral memoranda of association (between ARI and each ARO) with effect from 1 January 2021. The Covenant allocates AROs into 5 regions and each region can make a recommendation for a trustee of ARI. A further 5 trustees are appointed by the existing trustees with due consideration for the skills and experience required to assist the growth and development of ARI, being careful to ensure a breadth of diversity. Trustees can serve for up to two terms of four years. All trustees are required to sign the statement of A Rocha's Mission and Beliefs.

### **Policies adopted for the induction and training of trustees**

New trustees follow an established induction procedure, which includes an introduction to the work of ARI and receipt of a copy of the governing documents. The new trustee is also briefed on the current aims and objectives and fully advised on the financial position of the charity.

### **Organisational structure and decision making**

The trustees of ARI govern the charity in accordance with its memorandum and articles of association. In addition, the trustees appointed Peter Harris to a post recognising his role as Founder of A Rocha, with him becoming President and Co-Founder. He was responsible to the trustees through the Chair, and in attendance at trustee meetings as a non-voting member during the year until his retirement on 31 May 2020. Since then, Peter has remained as a volunteer and advocate for A Rocha but with no formal governance role.

The family of A Rocha Organisations (AROs) include ARI, A Rocha National Organisations (ARNOs), A Rocha Associated Projects (ARAPs) and A Rocha Thematic Organisations (ARTOs).

The trustees agree the strategic policy to be implemented by the management team which consisted of the following staff during 2020: the Executive Director, the Director of Conservation Science, the Director of Operations, the Director of Theology, the Director of Finance and Administration and the Head of Communications. The day to day running of ARI is devolved to the management team, to whom all other team members report.

Traditionally, as the trustees resided in six countries, they met twice a year to save costs. Each meeting was residential and held over two days and at least one of the meetings was at an ARO, enabling trustees to visit projects. This pattern allowed time for discussion of substantive issues and facilitated the strengthening of the relationship between the trustees. The business of trustees meetings includes receiving a set of financial statements and a review of operational issues from the management team, discussions on strategic priorities and relations between the A Rocha family of organisations, and considering the implications for A Rocha's resource needs, policies and priorities. In 2020, it was not possible to meet physically due to the COVID-19 pandemic. During the year 4 trustees' meetings took place by Zoom. Following the implementation of the Covenant from 1 January 2021, the new trustees now reside in 8 countries and initial meetings have taken place by Zoom. This will be reviewed when travel restrictions resulting from the COVID-19 pandemic are relaxed.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Organisational structure and decision making (continued)**

The Board is supported by two sub-committees that report to all trustees:

- ◆ The Finance Committee comprises three trustees. The Finance Committee met twice during the year as part of the Executive Trustee Committee. In March 2021 the committee widened its scope and became the Finance and Compliance Committee and comprises 4 trustees.
- ◆ An Executive Trustee Committee which will, if required, meet with the management team between full trustee meetings to review operational issues. The Executive Committee comprises five trustees. The Executive Committee met twice during 2020.

### **Risk management**

Trustees identify potential risks to the charity by carrying out regular detailed reviews of the activities and future strategy of the charity. These risks are kept under regular review. A full risk register has been prepared and the trustees have asked the management team to monitor risks under the headings below. The following specific measures have been put in place to mitigate each of the risk areas.

Identified risk	Action Taken
Dependence upon a few donors making large donations	<p>A Fundraising Working Group has been set up which includes the Head of Communications</p> <p>The Executive Trustee Committee has met twice during 2020 to consider fundraising activities to reduce ARI's dependence on a few donors making large donations</p> <p>The Fundraising Working Group discusses increasing the donor base at each of its meetings</p> <p>The Chairperson has written to a number of longstanding supporters asking them to commit to regular financial support over 3 years</p> <p>An A Rocha Development Fund has been started to increase the donor base</p>
Financial Reserves	<p>Reserves are above the target of £600,000 and this represents approximately 10 months expenditure. Please refer to page 15 for further details on the reserves policy.</p>
Capacity of ARI Staff	<p>A Conservation Projects Manager has been appointed</p> <p>An Operations Manager has been appointed</p> <p>A Head of Communications has been appointed</p> <p>Several other part time posts have been created for the next 12 months</p>

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Risk management (continued)**

Governance and Reporting by AROs	<p>A new Covenant between ARI and 20 AROs was signed on 24 October 2020 to replace bi-lateral memoranda of understandings.</p> <p>The Director of Operations is supporting AROs with reporting and is implementing stricter project monitoring and evaluation processes.</p> <p>Training of staff in project management cycle and project risk assessment has been undertaken.</p>
Theological or Mission Drift	<p>A Director of Theology has been appointed.</p> <p>An international forum involving representatives from each ARO are held every 3 years and are seen as key in avoiding theological and mission drift.</p> <p>The next stage of the governance review is helping AROs focus on the core theological and mission values which binds the A Rocha family</p>
Reputational risk	<p>Compliance with the application of the brand is kept under review.</p> <p>Potential reputational risks arising from discussions with groups wishing to become AROs are assessed</p> <p>A Code of Conduct for trustees, staff, volunteers, interns and seconded staff has been prepared and adopted</p>

The management team monitors the effectiveness of the actions annually and presents its evaluation to trustees. In addition to the above specific actions taken during the year, potential risks are mitigated on an on-going basis by the following actions:

- ◆ The trustees provide an appropriate variety of professional skills and experience;
- ◆ The maintenance of a prudent level of reserves;
- ◆ The employment of professionally qualified staff in key areas;
- ◆ A comprehensive and adequate suite of insurance policies;
- ◆ Effective internal communications and controls; and
- ◆ A comprehensive range of written policies and procedures covering all areas of the charity's activities.

All staff are required to complete a Comprehensive Safety in Travel review of their international travel arrangements prior to departure and their completed review is filed with the Director of Operations. All staff and volunteers are covered by a travel insurance policy. ARI's International Travel Policy and Risk Register has been amended to limit the number of staff members, ARI directors or board members who are allowed to travel together on the same flight, vehicle, train or boat.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Risk management** (continued)

The management team will keep under close and constant review the impact of COVID-19. In particular, the impact of the virus on the health of the A Rocha International team members as well as their ability to perform and control project activities in a number of countries with differing lockdown restrictions will be closely monitored. In addition, the economic impact of the virus on the value of investments will be monitored to consider if there is likely to be any implications for future activities.

In addition, further risks are still being monitored from previous years. These are:

- ◆ Kidnap and Terrorism threats particularly relating to activities in Lebanon, Kenya, Uganda and Nigeria;
- ◆ The health of key ARI staff; and
- ◆ The outcome of the A Rocha global consultation.

### **Key management personnel**

The trustees consider that they together with the management team of the charity comprise the key management in charge of directing and controlling, running and operating the charity on a day to day basis.

Employees of the charity are remunerated in accordance with the charity's pay scales as set by the Board. Subject to funds being available, it is the charity's policy to increase salary bands each year in line with the UK consumer prices index.

All trustees give their time freely. No trustees were remunerated during the year (2019 - no remuneration). Details of trustee expenses are disclosed in note 11.

### **Statement of trustees' responsibilities**

The trustees (who are also directors of ARI for the purposes of company law) are responsible for preparing the trustees' report and 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 which give a true and fair view of the state of affairs of the charity and of the income and expenditure, of the charity 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 Accounting and Reporting by Charities: 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 (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;



## **GOVERNANCE, STRUCTURE AND MANAGEMENT** (continued)

### **Statement of trustees' responsibilities** (continued)

- ◆ state whether applicable United Kingdom 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from other jurisdictions.

## **OBJECTIVES AND ACTIVITIES**

### **Policies and objectives**

ARI is an international environmental conservation organisation working to show God's love for all creation.

The objects of the charity are:

- ◆ The advancement of the Christian faith and the understanding of its relevance to environmental issues.
- ◆ Education of the public by promotion of conservation and the study of ecology and the environment.
- ◆ Promotion of the conservation, protection and improvement of the physical and natural environment in a community context.

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Policies and objectives** (continued)

In setting objectives and planning the charity's activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

### **Strategies for achieving objectives**

ARI implements global environmental conservation programmes in France, Ghana, India, Peru, Portugal, Uganda and USA. In addition, team members visit AROs to review conservation programmes, to teach local staff and their supporters as well as teaching at locally organised events in schools, colleges, universities and churches. Trustees visit international projects annually (although this was impractical throughout 2020).

ARI also coordinates and supports the conservation and environmental education activities of nationally registered AROs around the world. At the end of 2020 ARNOs were active in 19 countries – Australia, Brazil, Canada, Czech Republic, Finland, France, Ghana, India, Kenya, Lebanon, Netherlands, New Zealand, Peru, Portugal, South Africa, Switzerland, Uganda, UK and USA. During 2020, ARAPs were active in Nigeria and the Philippines. Climate Stewards was an ARTO member of the A Rocha family operating globally. ARI receives many requests from organisations wishing to become an ARO; where such organisations have existing national reach, they may become ARNOs, but where not, they are encouraged to apply instead for ARAP status as an interim measure. It is anticipated that some ARAPs will remain local and therefore will remain ARAPs without progressing to become an ARNO.

ARI is the body that supports AROs around the world as detailed above. Each ARO is a separate, independent legal entity from ARI whose activities are not controlled by the charity, although it is mutually supportive through the global Covenant. The results of each ARO are therefore not consolidated within these financial statements.

This dispersed structure avoids the overhead expenses of maintaining an office while allowing team members to be in touch and involved with the environmental conservation work and associated activities of the various national teams. In addition, staff were seconded to ARI by A Rocha USA, A Rocha Canada, A Rocha France and A Rocha Switzerland.

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Specific objectives for the year**

Our objectives for 2020 and progress in meeting them is set out below:

<b>What we said we would do</b>	<b>What we did</b>
The multi-year African Forest projects in Ghana and Kenya will continue and will be expanded to include Uganda and Nigeria	The African Forest projects in Ghana and Nigeria continued in 2020 and have secured multi-year grants. Funding is being sought for forest sites at Benue and Taraba in Nigeria and West Bugwe in Uganda
ARI will continue to present and promote the underlying Christian basis of A Rocha's care for creation both with AROs and also in churches, theological colleges as well as international conferences	We promoted A Rocha's underlying Christian basis of faith by speaking in churches, theological colleges and at international conferences during 2020. As most of these took place by video, the number of events increased and we were able to speak at events in a greater number of countries.
An Environmental Education conference will be held in Uganda	Due to COVID-19 travel constraints, it was not possible to hold a physical Environmental Education conference in Uganda in 2020. However, an Environmental conference and two workshops were held by Zoom and these included delegates from 17 countries.
Global programmes for Theology and Marine will continue	The Marine Conservation Programme has involved activities by AROs across the globe and the Marine team has grown to 11 scientists. The Theology and Churches Global Programme involve representatives from the great majority of A Rocha Organisations and they are meeting regularly online.
Work will continue to establish ARAPs in Sweden, Spain, Singapore and Germany	We continue to work with groups in Sweden, Spain, Singapore and Germany to establish ARAPs. The group in Sweden has submitted a formal application to become an ARAP.
The agreement by AROs of a covenant as part of the new governance structure for ARI will be signed	The global A Rocha covenant was signed by ARI and 20 AROs on 24 October 2020.

**OBJECTIVES AND ACTIVITIES** (continued)

**Strategies for achieving objectives** (continued)

A new Executive Director will be appointed	Dr Simon Stuart was appointed Executive Director and took up his post on 1 December 2020.
Continued focus of the management and trustees will be given to raising unrestricted income to ensure ARI becomes financially sustainable	Unrestricted income continued to increase in 2020 and a surplus for the year was achieved.

**ACHIEVEMENTS AND PERFORMANCE**

**Review of the year**

Given A Rocha's organisational structure, the primary function of ARI is as an implementer, inspirer and enabler of activities carried out locally by AROs. During 2020, ARI assisted and resourced growth of national activities in many places including building the capacity of national committees and teams, recruiting new volunteers and supporters as well as implementing, monitoring and evaluating conservation programme and reviewing governance and financial capacity.

Whilst ARI's achievements and performance are easiest assessed in terms of working in partnership with AROs and the direct support provided to those organisations, the real measure of achievement is in the practical impact that the family of organisations is then able to make.

***Implementation and coordination of A Rocha's global activities***

There has been ongoing liaison with and support for AROs through frequent communication, training workshops and conferences with the aim of strengthening their organisational development, leadership, governance, theological, scientific capacity and the sharing of best practice and resources. Due to COVID-19 travel restrictions it was not possible to visit any AROs in 2020 but visits are seen as an important part of ARO support and these will be resumed as soon as travel restrictions are lifted and it is safe for staff to do so. The International Operations Team has greatly assisted and supported AROs with strategic planning, leadership development and project monitoring and evaluation.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### ***Implementation and coordination of A Rocha's global activities*** (continued)

This will enable AROs to develop their management of practical environmental programmes more effectively as well as building their capacity. COVID-19 has impacted AROs in many different ways and at different times during 2020. The financial impact has been greatest for those AROs which rely on income from visitors to their centres. Other AROs have been constrained in visiting project sites. ARI's role has been to support, encourage and resource AROs through these difficulties.

ARI implemented and resourced global conservation activities in Ghana, India, Kenya, Peru, Portugal, Uganda and USA. In addition to support of existing ARO initiatives, ARI expanded its micro-plastics project through Dr Robert Sluka, Lead Scientist Marine and Conservation Programme. This project has expanded to include most AROs. A micro-plastics tool-kit has been developed to assist those involved in such projects. These activities will assist in understanding the impact of micro-plastics on fish and other marine life. ARI's Marine projects also include looking at the bleaching and damage of corals off the coast of Kenya. These projects led to a new research partnership with St Andrews University funded by the UK Government's Global Challenges Research Fund. Activities in Kenya will be expanded to include Madagascar.

The COVID-19 travel restrictions in 2020 allowed ARI to have many more opportunities to speak online with theological colleges, conferences, workshops and meetings across the world on the biblical basis for environmental responsibility. As a result more people heard about A Rocha and the biblical case for creation care in 2020 than in any previous year.

In particular, ARI partnered with the Lausanne and World Evangelical Alliance Creation Care network to organise a global conference on "Creation at the Crossroads" which had participants from over 40 countries.

The Global Programme for Theology and Churches was convened by ARI with active participation from a large majority of A Rocha Organisations. During 2020, there were regular online meetings of this group.

Throughout 2020, the International Operations Team has been in regular contact with AROs to consider and assess how their project work has been impacted by the COVID-19 pandemic and to consider what additional support and resources can be given to them. The International Operations Team is also in regular contact with a number of groups across the globe that wish to become part of A Rocha.

The appointment of Joanna Swinney as Head of Communications has enabled the communication of an integrated programme of activities across AROs. Joanna has also been able to form a Communications Collective which brings together communications staff and volunteers from a number of AROs for the sharing of ideas and training. She was appointed Director of Communications in July 2021.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### ***Implementation and coordination of A Rocha's global activities*** (continued)

On 24 October 2020, ARI and 20 AROs signed a global A Rocha Covenant as part of a new governance structure for ARI. This replaced bi-lateral memoranda of understandings between ARI and individual AROs. Executing the new Covenant required extensive changes in trustee appointments, hence the unusually large number of changes in the past year.

### ***Protection of threatened habitats and species***

A Rocha's range of conservation programmes in 2020 focused on scientific research, theology, environmental education and community participation linked to the United Nations' Sustainable Development Goals. A key focus during the year has been to improve the collection and conservation of data and statistical analysis, practical environmental education and communication within AROs. Project work has, at times during 2020, been difficult due to COVID-19 travel restrictions to project site.

The Director of Conservation Science and his team have also been able to assist the publication of 9 peer-reviewed scientific papers published in leading scientific journals including *Nature*, *Ecology and Evolution*, *Conservation Letters*, *Journal of Insect Conservation* and *Bird Study*. ARI has also established its trans-national initiatives linking teams in various countries through common programmes. One such initiative was the completion of phase 2 and the commencement of phase 3 of a marine governance project linking coastal conservation efforts in Ghana, Kenya and Madagascar benefitting over 9000 hectares of coastal habitat.

During 2020, ARI continued its multi-year African Forest programme, which will plant and conserve forests in Ghana and Kenya as well as providing income for the local communities by educating them to manage their natural resources in a sustainable way. During the year forest sites at Benue and Taraba in Nigeria and West Bugwe in Uganda have been included in the programme.

Substantial support and resources were given to the global campaign by A Rocha Ghana and ARI to counter the threats of bauxite and gold mining and illegal logging in the Atewa mountain range. The mountain range is important as it is the watershed for four rivers which supply drinking water for 5 million people in Accra and the local villages that the river flows through. This work is bringing A Rocha into partnership with many conservation organisations, government agencies, corporations and global influencers. We have also published a significant report on the biodiversity of Atewa Forest. In November 2020 A Rocha Ghana was successful in having a motion calling on the government of Ghana to protect the 250 Km<sup>2</sup> Atewa Forest passed by members of the International Union for Conservation of Nature (IUCN). IUCN is the global authority on the status of the natural world.

A Rocha's nature reserve in the Dakatcha Woodland in Kenya was expanded to 600 hectares of forest. The land purchase strategy helps save the highly threatened habitat of the Sokoke Scops Owl - Africa's smallest owl species. The land purchase strategy has also influenced other leading conservation agencies in Kenya, including Nature Kenya, to follow suit and embark on land purchase to protect other globally threatened species in the region.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### ***Protection of threatened habitats and species*** (continued)

A Rocha's engagement with students has been significant over the year despite COVID-19 restrictions with Masters students being hosted as interns, mentored and supervised by A Rocha staff in Ghana, Kenya, UK and USA.

Gifts with a Difference was developed to enable individuals and churches to be involved in supporting practical conservation projects at low cost. All the gifts have a positive environmental impact. The gifts are allocated to recipients within existing A Rocha projects and the purchaser receives a gift card of their choice at the time of purchase. Projects in Ghana, India, Kenya, Lebanon, Peru and Uganda as well as the marine and coastal conservation programme are being supported through this initiative.

### ***Raising A Rocha's profile***

Despite the travel restrictions caused by the COVID-19 pandemic, the Director of Theology was able to give theological leadership through online and pre-recorded conference addresses to many countries across the world on the biblical basis for environmental responsibility. More people heard about A Rocha and the biblical case for creation care in 2020 than in any previous year.

New theological resources were produced including a bible study and discussion course to accompany the Lausanne Global Classroom video series, and a global statement on the biblical arguments for Biodiversity Conservation in partnership with the World Evangelical Alliance.

With stories from A Rocha Organisations, Rev Dr Dave Bookless was a major contributor to the Archbishop of Canterbury's 2020 Lent book, "Saying Yes to Life" written by Dr Ruth Valerio.

A Rocha's profile and reputation continues to grow as a result of our campaign to protect the Atewa Forest campaign in Ghana. This was increased significantly by the actor Leonardo DiCaprio's promotion of the campaign on social media.

Two of A Rocha's proposals, "Hope for the oceans" talking about the marine toolkit and "The roots of our ecological hope", were accepted as contributions to the IUCN World Conservation Congress in Marseille, which was to be held in June 2020. This has now been moved to September 2021.

In parallel with these and other events, there is a steady, on-going programme of communication and influence. Blogs, websites and newsletters were translated in a number of different languages to spread the important message of Creation Care to a wider audience. The appointment of Joanna Swinney as Head of Communications in June 2020 has increased the spread, clarity and accessibility of the A Rocha message. A key component of this has been the use of social media to reach and influence a younger age group.

## **ACHIEVEMENTS AND PERFORMANCE** (continued)

### ***Raising A-Rocha's profile*** (continued)

The trustees wish to acknowledge their gratitude to A Rocha's partners in this international work; Crosslinks and the Church Missionary Society through the secondment of team members. A Rocha Canada, France, Switzerland and USA have also seconded staff to the ARI team.

## **FUTURE PLANS**

ARI's plans for 2021 are primarily about maintaining momentum on the many initiatives which have progressed positively during 2020. Headline priorities include:

- The multi-year African Forest projects in Ghana and Kenya will continue and funding will be sought for forests in Nigeria and Uganda
- ARI will continue to present the underlying Christian basis of A Rocha's care for creation both with AROs and also in churches, theological colleges as well as international conferences online and in person as COVID-19 travel restrictions allow
- Establishing a new *modus operandi* for our international trustee board
- Reviewing A Rocha's basis of faith, 5 Commitments, Vision and Mission
- An A Rocha Environmental Education conference will be held. The format of this will depend on COVID-19 travel restrictions
- Global programmes for Theology and Churches and Marine will continue
- A Rocha will contribute to the Convention on Biodiversity (COP15) in Kunming, China and the UN Climate Change Conference (COP26) in Glasgow
- Work will continue to establish ARAPs in Sweden, Singapore and Germany
- Establishing a "Friends of A Rocha" category and bringing new groups into it as a possible entry point to becoming an ARO
- A new Chief Operating Officer will be appointed
- The tri-annual forum which brings together delegates from all AROs together for training and teaching will be held online in June
- Funding will be sought for an A Rocha Development Fund to provide strategic funding for ARI and AROs
- The raising of unrestricted income to ensure that ARI remains financially sustainable with a balanced budget will continue to be a focus of the management team and trustees in 2021
- Agreeing new fundraising protocols between AROs



#### **FUTURE PLANS** (continued)

- Communications materials and resources will be produced to make the work of ARI more accessible by more diverse and younger age groups

We have considered the effects of the COVID-19 pandemic on the charity's operations and have concluded that the impact on it is likely to be limited. Most members of staff already work from home. However, following advice from the governments where staff were office based, these staff members will continue to work from home and will only return to their office when advised by their government and satisfactory social distancing working conditions are assured and travel is safe. Travel to project sites will only be undertaken when governments advise that it can be undertaken and appropriate social distancing measures can be satisfactorily demonstrated.

#### **FINANCIAL REVIEW**

##### **Financial position**

A summary of the year's results can be found on page 23 of this report and financial statements

During 2020, total income amounted to £1,187,933 (2019 - £1,123,070). Of the income, a total of £1,075,339 (2019 - £805,434) related to donations and legacies.

Expenditure totalled £1,028,895 compared to £1,091,138 in 2019. Expenditure incurred on charitable activities amounted to £1,018,008 (2019 - £1,082,656). This included staff costs of £522,159 (2019 - £620,174). Charitable grants and donations made amounted to £356,309 (2019 - £288,091).

Net income for the year before investment gains was £159,038 (2019 - £31,932). Investment gains of £95,530 (2019 - £194,839) resulted in a net increase in funds for the year of £254,568 (2019 - net increase of £226,771).

The charity's net assets at 31 December 2020 were £2,341,505 (2019 - £2,086,937). Of this £193,930 (2019 - £123,009) related to restricted funds; £455,405 (2019 - £399,416) had been designated by the trustees; leaving the general funds balance of £1,692,170 (2019 - £1,564,512).

##### **Reserves policy**

The charity's reserves are held in support of the organisation's ongoing activities, recognising its commitment to the employment of staff, the lack of substantial regular income from grants, and the fluctuation of income in relation to appeals, seasonal donations and legacies and the need to ensure funds are available for planned developments.

For the purposes outlined above, the trustees aim to maintain free reserves at around 50% of annual expenditure, which equates to approximately £600,000, but the minimum acceptable level is 25%. The reserves policy will be reviewed in 2021.

The annual work plan and budget includes a forecast for income, expenditure and reserves for the next two years to illustrate how this target is expected to be met.

## **FINANCIAL REVIEW** (continued)

### **Reserves policy** (continued)

This policy is monitored and reviewed by the trustees regularly when the draft annual financial statements are presented for approval. The level of free reserves held at 31 December 2020 was £1,692,170 comprising of the unrestricted general funds balance. This level of free reserves is greater than the target of £600,000.

During 2013, a trust which had previously made a quarterly gift to ARI to support its activities was wound up and a capital sum of over US\$3,000,000 was made to the charity. The trustees have to manage this income in such a way as best assists the charity's financial challenges over the next few years. The management team and trustees are committed to grow its regular donor base but recognise that this will take a number of years to achieve. It was envisaged that expenditure would exceed income, on a reducing annual basis, until approximately 2019 but that these amounts would be covered by the major gifts received in 2012 and 2013. By reducing staff costs and increasing unrestricted income, ARI has been able to have a balanced budget without the need to utilise reserves. Based on the planned expenditure of the charity, the level of free reserves will, in the medium term, be in line with the level set by the trustees.

### **Going concern assessment**

There is a reasonable expectation that ARI has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue operating as a going concern. In making this decision, the trustees have taken into consideration the risks and uncertainties arising from the Coronavirus pandemic and conclude that the charity can sustain its operations for a period of at least twelve months from date of signing these accounts. Consequently, the financial statements have therefore been prepared on the basis that the charity remains a going concern.

### **Transactions with related parties**

Peter Harris, the co-founder of the charity, was remunerated £38,215 (2019 - £67,007) for his services to the charity until his retirement on 31 May 2020. Since that time he has become a volunteer for the charity. In 2019, Miranda Harris, the co-founder of the charity, was remunerated £56,973 for services to the charity.

David McKay is Company Secretary and Treasurer of Climate Stewards (company registration number 7442207 (England and Wales), charity registration number 1141108). The activities of Climate Stewards were previously carried out as a project within ARI. On 1 June 2011, the activities and reserves of Climate Stewards (the project) were transferred to the separate legal entity.

Details of related party transactions during the year are included within note 18.

### **Investment policy**

The charity holds funds with CAF Bank Limited and HSBC plc in addition to holding accumulated units in the COIF Charities Ethical Investment Fund with CCLA.

**FINANCIAL REVIEW** (continued)

**Investment policy** (continued)

The charity's investment policy is to give priority to banks or other institutions that have an ethical policy. The trustees benchmark and review interest rates regularly to ensure the investments deliver a suitable return.

At 31 December 2020, the market value of listed investments was £1,073,515 (2019 - £977,985). Details of movements in investments during 2020 are included within note 13.

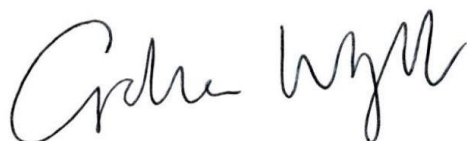
**Fundraising policy**

All fundraising is carried out by the charity's own staff and ARI does not employ external fundraisers. When supporters contact ARI asking to be removed from its database this is done without undue delay. A thorough review of all donors and supporters was undertaken in 2018 as part of ARI's preparation for GDPR. As such, all donors and supporters have been contacted to confirm that they wish to remain on ARI's database and to ascertain how they would like us to contact them in respect of the various marketing and fundraising publications. Trustees were fully involved in the preparation for GDPR and have approved a Privacy policy and a Data Breach policy which are displayed on ARI's website.

During 2020, ARI did not receive any complaints relating to its fundraising approach.

A Code of Conduct has been prepared to further protect vulnerable people and other members of the public from behaviour which could be seen as an unreasonable intrusion on a person's privacy.

Approved by the trustees:

A handwritten signature in black ink, appearing to read 'Graham Wright', is written over a light blue horizontal line.

Graham Wright  
Trustee and Treasurer

Approved on: 7 July 2021

**Independent auditor's report to the members of A Rocha International**

**Opinion**

We have audited the financial statements of A Rocha International (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' 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 charity'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.

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic 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 accounting records have not been kept,
- ◆ 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; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### *How the audit was considered capable of detecting irregularities including fraud*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and

**Auditor's responsibilities for the audit of the financial statements (continued)**

- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

## **Independent auditor's report** Year to 31 December 2020

### **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.

A handwritten signature in dark ink, appearing to read 'Shachi Blakemore', with a stylized flourish at the end.

Shachi Blakemore (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Dated: 07 September 2021



## Statement of financial activities Year ended 31 December 2020

	Notes	Restricted funds £	Unrestricted funds £	Total funds 2020 £	Restricted funds £	Unrestricted funds £	Total funds 2019 £
<b>Income from:</b>							
Donations and legacies	1	448,608	626,731	<b>1,075,339</b>	334,918	470,516	805,434
Other trading activities		—	—	—	—	18,025	18,025
Charitable activities	2	—	76,245	<b>76,245</b>	—	60,696	60,696
Other: gain on disposal of property	12	—	10,152	<b>10,152</b>	—	232,084	232,084
Other: sundry		70	26,127	<b>26,197</b>	—	6,831	6,831
<b>Total income</b>		<b>448,678</b>	<b>739,255</b>	<b>1,187,933</b>	<b>334,918</b>	<b>788,152</b>	<b>1,123,070</b>
<b>Expenditure on:</b>							
Raising funds	3	—	10,887	<b>10,887</b>	—	8,482	8,482
Charitable activities	4, 8	377,757	640,251	<b>1,018,008</b>	264,502	818,154	1,082,656
<b>Total expenditure</b>		<b>377,757</b>	<b>651,138</b>	<b>1,028,895</b>	<b>264,502</b>	<b>826,636</b>	<b>1,091,138</b>
<b>Net income (expenditure) before gains on investments</b>	9	70,921	88,117	<b>159,038</b>	70,416	(38,484)	31,932
Gains on investments							
. Realised gains	13	—	—	—	—	17,202	17,202
. Unrealised gains	13	—	95,530	<b>95,530</b>	—	177,637	177,637
<b>Net income and net movement in funds for the year</b>		70,921	183,647	<b>254,568</b>	70,416	156,355	226,771
Total funds brought forward at 1 January		123,009	1,963,928	<b>2,086,937</b>	52,593	1,807,573	1,860,166
<b>Total funds carried forward at 31 December</b>		<b>193,930</b>	<b>2,147,575</b>	<b>2,341,505</b>	<b>123,009</b>	<b>1,963,928</b>	<b>2,086,937</b>

All of the charity's activities derived from continuing operations during the above two financial periods.

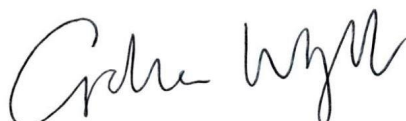
All recognised gains and losses are included in the above statement of financial activities.

The notes on pages 26 to 39 form part of these financial statements.

## Balance sheet As at 31 December 2020

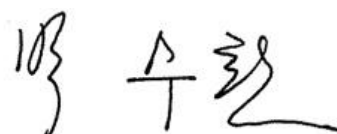
		2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	12		<b>331,255</b>		336,824
Investments	13		<b>1,073,515</b>		977,985
			<b>1,404,770</b>		1,314,809
<b>Current assets</b>					
Debtors	14	<b>342,017</b>		335,407	
Cash at bank		<b>692,904</b>		553,575	
		<b>1,034,921</b>		888,982	
<b>Creditors:</b> amounts falling due within one year	15	<b>(98,186)</b>		(116,854)	
<b>Net current assets</b>			<b>936,735</b>		772,128
<b>Total net assets</b>			<b>2,341,505</b>		2,086,937
<b>The funds of the charity</b>					
Restricted funds	16		<b>193,930</b>		123,009
Unrestricted funds					
. Tangible fixed assets	16		<b>331,255</b>		336,824
. Other designated	16		<b>124,150</b>		62,592
. General	16		<b>1,692,170</b>		1,564,512
<b>Total funds</b>			<b>2,341,505</b>		2,086,937

Approved by the trustees and signed on their behalf by:



Graham Wright

Trustee and Treasurer



Soohwan Park

Trustee (Chair)

Approved on: 7 July 2021

A Rocha International

Company Registration Number 06852417 (England and Wales)

## Statement of cash flows Year ended 31 December 2020

	Notes	2020 £	2019 £
<b>Cash outflow from operating activities:</b>			
Net cash provided by (used in) operating activities	A	<b>139,329</b>	(301,941)
<b>Cash inflow from investing activities:</b>			
Proceeds from sale of tangible fixed assets		—	581,897
Disposal of investments		—	150,000
<b>Net cash provided by investing activities</b>		<b>—</b>	<b>731,897</b>
<b>Change in cash and cash equivalents in the year</b>		<b>139,329</b>	<b>429,956</b>
<b>Cash and cash equivalents at 1 January</b>	B	<b>553,575</b>	<b>123,619</b>
<b>Cash and cash equivalents at 31 December</b>	B	<b>692,904</b>	<b>553,575</b>

### Notes to the statement of cash flows for the year to 31 December:

<b>A Reconciliation of net movement in funds to net cash flow from operating activities</b>		
	2020 £	2019 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>254,568</b>	226,771
<b>Adjustments for:</b>		
Depreciation charge	5,569	5,569
Gain on disposal of tangible fixed assets	—	(232,084)
Gains on investments	(95,530)	(194,839)
Increase in debtors	(6,610)	(178,582)
(Decrease) increase in creditors	(18,668)	71,224
<b>Net cash provided by (used in) operating activities</b>	<b>139,329</b>	(301,941)
<b>B Analysis of cash, cash equivalents, and net debt</b>		
	2020 £	2019 £
Cash at bank and in hand	692,904	553,575
<b>Total cash and cash equivalents</b>	<b>692,904</b>	<b>553,575</b>

## **Principal accounting policies** Year to 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 December 2020 and have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements are presented in sterling and are rounded to the nearest pound.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

ARI is the body that supports AROs around the world as detailed in the trustees' report. Each ARO is a separate independent legal entity to ARI whose activities are not controlled by the charity although it is mutually supportive through a Memorandum of Understanding and Statement of Faith. The results of each ARO are therefore not consolidated within these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ estimating the value of gifts in kind; and
- ◆ determining the basis for allocating support costs across expenditure categories.

In addition to the above, the full impact of the continuing global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, suppliers, beneficiaries and the wider economy.

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and have considered the impact of the coronavirus pandemic on the charity's operations.

## **Principal accounting policies** Year to 31 December 2020

### **Assessment of going concern** (continued)

The total eventual impact of the ongoing global coronavirus pandemic is still unknown. Therefore, currently it is not possible to evaluate all the potential implications for the charity's activities, suppliers, beneficiaries and the wider economy.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The trustees monitor cash flow throughout the year including future sources of income via a system which tracks fundraising expectations month by month.

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

### **Income recognition**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and grants, legacies, investment income and other income for charitable activities.

Donations and grants are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations and grants pledged but not received, the amount is accrued for where the receipt is considered probable, unless there are implied time-related conditions which limit entitlement to a grant. In the event that a donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

## **Principal accounting policies** Year to 31 December 2020

### **Income recognition** (continued)

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes costs associated with fundraising.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, direct and support costs in respect to the co-ordination of global activities and conservation programmes.
- ◆ Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case, and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved.

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity, it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

## Principal accounting policies Year to 31 December 2020

### Allocation of support and governance costs (continued)

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs are apportioned between charitable activities in proportion to the direct costs incurred in relation to each activity.

### Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Assets are retired at the end of their useful economic life.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold or leasehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

- ♦ Leasehold property and improvements – the shorter of 70 years or the remaining lease term
- ♦ Freehold property – 70 years
- ♦ Office equipment – 25% on cost

### Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

### Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

## **Principal accounting policies** Year to 31 December 2020

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

### **Pension contributions**

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 10. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

### **Funds structure**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity 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 each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity 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.



## Notes to the financial statements Year to 31 December 2020

### 1 Donations and legacies

	Restricted funds £	Unrestricted funds £	2020 Total funds £	Restricted funds £	Unrestricted funds £	2019 Total funds £
Donations	196,696	491,510	688,206	176,473	314,528	491,001
Legacies	—	62,250	62,250	—	—	—
Grants	235,570	72,971	308,541	158,445	155,988	314,433
Total funds	432,266	626,731	1,058,997	334,918	470,516	805,434

Donations in kind amounting to £2,680 (2019 - £12,450) are included above within donations. There is a corresponding increase in salary costs under expenditure.

### 2 Income from charitable activities

	Restricted funds £	Unrestricted funds £	2020 Total funds £	Restricted funds £	Unrestricted funds £	2019 Total funds £
Co-ordination of global events	—	76,245	76,245	—	60,696	60,696

### 3 Cost of raising funds

	Restricted funds £	Unrestricted funds £	2020 Total funds £	Restricted funds £	Unrestricted funds £	2019 Total funds £
Promotional costs	—	10,887	10,887	—	8,482	8,482

### 4 Charitable activities

	Direct costs (note 5) £	Grant funding of activities (note 6) £	Support costs (note 7) £	2020 Total funds £
Co-ordination of global activities	566,950	256,604	39,129	862,683
Protection of threatened habitats and species	48,576	99,705	7,044	155,325
2020 total funds	615,526	356,309	46,173	1,018,008

	Direct costs (note 5) £	Grant funding of activities (note 6) £	Support costs (note 7) £	2019 Total funds £
Co-ordination of global activities	685,305	210,723	63,692	959,720
Protection of threatened habitats and species	37,410	77,368	8,158	122,936
2019 total funds	722,715	288,091	71,850	1,082,656

## Notes to the financial statements Year to 31 December 2020

### 5 Direct costs

	Co-ordination of global activities £	Protection of threatened habitats and species £	2020 Total funds £
Premises costs	6,449	—	6,449
Travel	8,564	—	8,564
Donations	—	48,216	48,216
Other project costs	12,846	360	13,206
Web site development costs	9,795	—	9,795
Other administration costs	19,649	—	19,649
Meetings and conferences	1,158	—	1,158
Staff costs	502,920	—	502,920
Depreciation (note 12)	5,569	—	5,569
2020 total funds	566,950	48,576	615,526

	Co-ordination of global activities £	Protection of threatened habitats and species £	2019 Total funds £
Premises costs	7,839	—	7,839
Travel	46,602	—	46,602
Donations	—	23,857	23,857
Other project costs	10,310	13,553	23,863
Web site development costs	2,592	—	2,592
Other administration costs	15,265	—	15,265
Meetings and conferences	2,787	—	2,787
Staff costs	594,341	—	594,341
Depreciation (note 12)	5,569	—	5,569
2019 total funds	685,305	37,410	722,715

### 6 Grant funding of activities

	Restricted funds £	Unrestricted funds £	2020 Total funds £	Restricted funds £	Unrestricted funds £	2019 Total funds £
Grants to A Rocha National Projects	311,916	44,393	356,309	226,563	61,528	288,091
2020 total funds	311,916	44,393	356,309	226,563	61,528	288,091

## Notes to the financial statements Year to 31 December 2020

### 7 Support costs

	Co-ordination of global activities £	Protection of threatened habitats and species £	2020 Total funds £	Co-ordination of global activities £	Protection of threatened habitats and species £	2019 Total funds £
Premises costs	1,223	220	1,443	1,490	191	1,681
Office administration	3,953	712	4,665	11,109	1,423	12,532
Legal and professional fees	2,502	450	2,952	3,141	402	3,543
Staff costs	16,304	2,935	19,239	22,900	2,933	25,833
Governance costs:						
· Auditor's remuneration	7,474	1,346	8,820	7,446	954	8,400
· Trustees' meetings and expenses	7,673	1,381	9,054	17,606	2,255	19,861
	<b>39,129</b>	<b>7,044</b>	<b>46,173</b>	<b>63,692</b>	<b>8,158</b>	<b>71,850</b>

### 8 Expenditure by charitable activity

#### Summary by fund type

	Restricted funds £	Unrestricted funds £	2020 £	Restricted funds £	Unrestricted funds £	2019 £
Co-ordination of global activities	229,837	632,846	862,683	169,941	789,779	959,720
Protection of threatened habitats and species	147,920	7,405	155,325	94,561	28,375	122,936
<b>2020 total funds</b>	<b>377,757</b>	<b>640,251</b>	<b>1,018,008</b>	<b>264,502</b>	<b>818,154</b>	<b>1,082,656</b>

#### Summary by expenditure type

	Staff costs £	Depreciation £	Other costs £	Total 2020 £
Co-ordination of global activities	519,224	5,569	337,890	862,683
Protection of threatened habitats and species	2,935	—	152,390	155,325
	<b>522,159</b>	<b>5,569</b>	<b>490,280</b>	<b>1,018,008</b>

	Staff costs £	Depreciation £	Other costs £	Total 2019 £
Co-ordination of global activities	617,241	5,569	336,910	959,720
Protection of threatened habitats and species	2,933	—	120,003	122,936
	<b>620,174</b>	<b>5,569</b>	<b>456,913</b>	<b>1,082,656</b>

## Notes to the financial statements Year to 31 December 2020

### 9 Net income (expenditure) before gains on investments

This is stated after charging the following:

	2020 £	2019 £
Depreciation (note 12)	5,569	5,569
Auditors' remuneration		
. Current year	8,820	8,400

### 10 Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	443,466	530,945
Social security costs	59,454	62,137
Pension cost	19,239	27,092
	522,159	620,174

The average monthly number of employees during the year was as follows:

	2020 No	2019 No
Direct programme staff (including staff seconded to national projects)	9	9
Administrative staff	2	3
	11	12

The number of higher paid employees was:

	2020 No	2019 No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the senior management team of the charity. The total remuneration (including taxable benefits and employer's national insurance and pension contributions) of the key management personnel for the year was £298,302 (2019 - £450,402).

Peter Harris, the co-founder of the charity, was remunerated £38,215 (2019 - £67,007) for his services to the charity until his retirement on 31 May 2020. Since that time he has become a volunteer for the charity. In 2019, Miranda Harris, the co-founder of the charity, was remunerated £56,973 for services to the charity.

### 11 Trustees' expenses and remuneration

No trustee received any emoluments during the year in connection with his or her duties as trustee to the charity (2019 - £nil).

During the year, three trustees (2019 - four) were reimbursed travel expenses amounting to £1,714 (2019 - £4,735). During the year, trustees made unrestricted donations to the charity totalling £51,622 (2019 - £15,950).

## 12 Tangible fixed assets

	Leasehold property and improvements £	Freehold property £	Total £
<b>Cost</b>			
At 1 January 2020	309,844	119,520	<b>429,364</b>
Disposals	—	—	—
At 31 December 2020	<b>309,844</b>	<b>119,520</b>	<b>429,364</b>
<b>Depreciation</b>			
At 1 January 2020	63,980	28,560	<b>92,540</b>
Charge for the year	4,141	1,428	<b>5,569</b>
Disposals	—	—	—
At 31 December 2020	<b>68,121</b>	<b>29,988</b>	<b>98,109</b>
<b>Net book values</b>			
At 31 December 2020	<b>241,723</b>	<b>89,532</b>	<b>331,255</b>
At 31 December 2019	<b>245,864</b>	<b>90,960</b>	<b>336,824</b>

Included within freehold and leasehold property is land with value of £39,545 which is not depreciated (2019 - £39,545). The freehold property comprises of the field study centre 'Cruzinha' in Mexilhoeira Grande, Portugal, which is used exclusively by the A Rocha Associação Cristã de Estudo e Defesa Ambiente. Leasehold property comprises 'Karara' in Nairobi, Kenya, used exclusively by A Rocha Kenya. Although the charity was left the freehold title to the property, under local legislation introduced in 2010, freehold titles held by foreign bodies were revoked in favour of long leasehold arrangements. Legal title of the properties is held by A Rocha Limited, a company registered in the UK and limited by guarantee. Beneficial ownership has been assigned to A Rocha International. The land and buildings are shown at cost, or estimated cost at the point of donation.

## 13 Investments – listed securities

	2020 £	2019 £
<b>Market value</b>		
At 1 January	<b>977,985</b>	933,146
Disposals	—	(132,798)
Unrealised gains in the year	<b>95,530</b>	177,637
<b>At 31 December</b>	<b>1,073,515</b>	<b>977,985</b>
<b>Historic cost of investments</b>	<b>579,319</b>	579,319
Listed investments at the year end comprised of the following:		
COIF Charities Ethical Investment fund	<b>1,073,515</b>	977,985

## Notes to the financial statements Year to 31 December 2020

### 14 Debtors

	2020 £	2019 £
Amounts due from other A Rocha organisations	74,297	23,080
Gift aid receivable	19,801	15,565
Other debtors	247,919	296,762
	<b>342,017</b>	<b>335,407</b>

### 15 Creditors: amounts falling due within one year

	2020 £	2019 £
Taxation and social security	65,965	63,269
Accruals	4,566	45,485
Other creditors	27,655	8,100
	<b>98,186</b>	<b>116,854</b>

### 16 Funds

	1 January 2020 £	Income £	Expenditure £	Gains, transfers and designations £	31 December 2020 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Fixed asset funds	336,824	—	(5,569)	—	<b>331,255</b>
Other funds	62,592	61,946	(388)	—	<b>124,150</b>
	<b>399,416</b>	<b>61,946</b>	<b>(5,957)</b>	<b>—</b>	<b>455,405</b>
<b>General funds</b>					
General Funds - all funds	1,564,512	677,309	(645,181)	95,530	<b>1,692,170</b>
<b>Total Unrestricted funds</b>	<b>1,963,928</b>	<b>739,255</b>	<b>(651,138)</b>	<b>95,530</b>	<b>2,147,575</b>

	1 January 2019 £	Income £	Expenditure £	Gains, transfers and designations £	31 December 2019 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Fixed asset funds	692,206	—	(355,382)	—	336,824
Other funds	—	32,161	(7,438)	—	24,723
	<b>730,075</b>	<b>32,161</b>	<b>(362,820)</b>	<b>—</b>	<b>399,416</b>
<b>General funds</b>					
General Funds - all funds	1,077,498	755,991	(463,816)	194,839	1,564,512
<b>Total Unrestricted funds</b>	<b>1,807,573</b>	<b>788,152</b>	<b>(826,636)</b>	<b>194,839</b>	<b>1,963,928</b>

## 16 Funds (continued)

The fixed assets fund represents the net book value of the charity's fixed assets. A decision was made to separate this fund from the general fund of the charity in recognition of the fact that the tangible fixed assets are essential to the day-to-day work of the charity and as such their value should not be regarded as funds that would be realisable with ease, in order to meet future contingencies.

Other funds include funds designated to the John Stott memorial lectures.

### *Restricted funds*

	1 January 2020 £	Income £	Expenditure £	Transfers £	31 December 2020 £
A Rocha Australia	2,334	3,003	(3,712)	—	1,625
A Rocha Brazil	2,708	994	(67)	—	3,635
A Rocha Canada	485	295	(30)	—	750
A Rocha Czech Republic	3,609	21,871	(23,220)	—	2,260
A Rocha France	14,313	19,953	(33,880)	—	386
A Rocha Germany	75	—	—	—	75
A Rocha Ghana	2,852	6,666	(5,596)	—	3,922
A Rocha India	6,563	13,114	(19,276)	—	401
A Rocha Kenya	19,443	51,809	(61,218)	—	10,034
A Rocha Lebanon	18,263	23,357	(10,305)	—	31,315
A Rocha Netherlands	271	—	—	—	271
A Rocha New Zealand	94	—	(98)	—	(4)
A Rocha Peru	1,765	17,048	(17,220)	—	1,593
A Rocha Portugal	5,811	32,092	(23,838)	—	14,065
A Rocha South Africa	388	1,430	(981)	—	837
A Rocha Switzerland	43	—	—	—	43
A Rocha Uganda	949	9,736	(7,630)	—	3,055
A Rocha UK	4,052	5,437	(5,088)	—	4,401
A Rocha USA	220	—	—	—	220
Eden Creation Care (Nigeria)	206	308	(21)	—	493
Climate Stewards	—	(244)	244	—	—
Projects	38,565	241,809	(165,821)	—	114,553
	123,009	448,678	(377,757)	—	193,930

The income funds listed for each of the AROs represent donations and grants for A Rocha's work, including specific projects in that country and for running the respective field study centres.

## Notes to the financial statements Year to 31 December 2020

### 16 Funds (continued)

#### Restricted funds (continued)

	1 January 2019 £	Income £	Expenditure £	Transfers £	31 December 2019 £
<i>A Rocha Australia</i>	512	2,832	(1,010)	—	2,334
<i>A Rocha Brazil</i>	1,733	1,056	(81)	—	2,708
<i>A Rocha Canada</i>	1,284	604	(1,403)	—	485
<i>A Rocha Czech Republic</i>	612	18,222	(15,225)	—	3,609
<i>A Rocha France</i>	6,557	16,052	(8,296)	—	14,313
<i>A Rocha Germany</i>	—	81	(6)	—	75
<i>A Rocha Ghana</i>	2,858	3,794	(3,800)	—	2,852
<i>A Rocha India</i>	46	7,961	(1,444)	—	6,563
<i>A Rocha Kenya</i>	16,094	57,038	(53,689)	—	19,443
<i>A Rocha Lebanon</i>	6,056	28,121	(15,914)	—	18,263
<i>A Rocha Netherlands</i>	62	225	(16)	—	271
<i>A Rocha New Zealand</i>	8,593	852	(9,351)	—	94
<i>A Rocha Peru</i>	754	11,802	(10,791)	—	1,765
<i>A Rocha Portugal</i>	2,467	14,748	(11,404)	—	5,811
<i>A Rocha South Africa</i>	307	86	(5)	—	388
<i>A Rocha Switzerland</i>	20	25	(2)	—	43
<i>A Rocha Uganda</i>	1,304	8,061	(8,416)	—	949
<i>A Rocha UK</i>	1,147	3,145	(240)	—	4,052
<i>A Rocha USA</i>	656	687	(1,123)	—	220
<i>Eden Creation Care (Nigeria)</i>	183	25	(2)	—	206
<i>Climate Stewards</i>	—	18,691	(18,691)	—	—
<i>Science projects</i>	1,348	140,810	(103,593)	—	38,565
	<b>52,593</b>	<b>334,918</b>	<b>(264,502)</b>	<b>—</b>	<b>123,009</b>

### 17 Analysis of net assets between funds

	Unrestricted funds			2020 Total funds £
	Restricted funds £	General funds £	Designated funds £	
Tangible fixed assets	—	—	331,255	<b>331,255</b>
Investments	—	1,073,515	—	<b>1,073,515</b>
Current assets	193,930	716,841	124,150	<b>1,034,921</b>
Creditors due within one year	—	(98,186)	—	<b>(98,186)</b>
	<b>193,930</b>	<b>1,692,170</b>	<b>455,405</b>	<b>2,341,505</b>

	Unrestricted funds			2019 Total funds £
	Restricted funds £	General funds £	Designated funds £	
Tangible fixed assets	—	—	336,824	336,824
Investments	—	977,985	—	977,985
Current assets	123,009	703,381	62,592	888,982
Creditors due within one year	—	(116,854)	—	(116,854)
	<b>123,009</b>	<b>1,564,512</b>	<b>399,416</b>	<b>2,086,937</b>



**17 Analysis of net assets between funds (continued)**

	2020 £	2019 £
Unrealised gains included above on investments	<b>494,196</b>	398,666
<b>Reconciliation of movement in unrealised gains</b>		
Unrealised gains at 1 January	<b>398,666</b>	257,703
Unrealised gains released on disposal	—	(36,674)
Net gains arising on revaluation	<b>95,530</b>	177,637
Total unrealised gains at 31 December	<b>494,196</b>	398,666

**18 Transactions with related parties**

Peter Harris, the co-founder of the charity, was remunerated £38,215 (2019 - £67,007) for his services to the charity until his retirement on 31 May 2020. Since that time he has become a volunteer for the charity. In 2019, Miranda Harris, the co-founder of the charity, was remunerated £56,973 for services to the charity.

David McKay is Company Secretary and Treasurer of Climate Stewards (company registration number 7442207 (England and Wales), charity registration number 1141108). The activities of Climate Stewards were previously carried out as a project of A Rocha International. On 1 June 2011 the activities and reserves of Climate Stewards (the project) were transferred to the separate legal entity.

During the year, A Rocha International received income of £244 (2019 - £18,691) on behalf of Climate Stewards which was subsequently reimbursed. As at 31 December 2020, £2,765 is included in creditors relating to income yet to be reimbursed (2019 - £nil) to ARI by Climate Stewards.

A Rocha UK acted as the agent of A Rocha International regarding the receipt and banking of funds from UK donors intended for the support of A Rocha International and other national A Rocha organisations outside the UK. In the year to 31 December 2019, A Rocha International received £23,113 (2019 - £26,842) via A Rocha UK under this arrangement (including Gift Aid tax reclaims). This included £14,263 (2019 - £18,643) income and gains for A Rocha International and £8,850 (2019 - £8,199) for other A Rocha national organisations.

**19 Liability of members**

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up the members are required to contribute an amount not exceeding £10.