



**Fauna
& Flora**
Saving Nature Together

**Annual Report &
Accounts 2023**

Message from the Chair

As I write this, I am just beginning my journey as Fauna & Flora's new Chair of Council, taking over from my predecessor Dr Liz Rogers. I would like to thank Liz for her excellent work and dedication as interim Chair, and am honoured to be taking on this important role for such a prestigious organisation.

2023 was a year of change for Fauna & Flora. We embarked on a new strategy that will steer our approach through to 2030. We refreshed our brand to better communicate our ambitions and direction of travel. And we welcomed on board our new Chief Executive, Kristian Teleki.

Our new strategy is our response to the scale of the crisis that our natural world faces. It builds on the knowledge we have amassed over our long history and is informed by local knowledge and scientific rigour.

It is an evolution of our approach. Most importantly, it puts our local partner-led approach front and centre, recognising this as critical to achieving real and sustainable impact at a global scale.

If we are going to halt - and reverse - the degradation of our natural world and tackle the climate crisis head on, we need to rapidly and radically increase the funding available to those who are tackling nature loss on the ground.

But to achieve this, conservation organisations need to demonstrate that they can deliver a good return on investment in the form of real-world benefits for nature.

Fauna & Flora is a leader in this arena. Not only do we track our impact through a rigorous annual reporting process, our whole approach is geared towards fostering a global group of thriving partners and enhancing collaboration across a wider network of people and organisations. We want to inspire positive change and see all sectors of society working together to restore the health of our planet.

I know that Kristian shares my determination to ensure that Fauna & Flora maximises its impact at such a critical juncture, and he recently shared with me a particularly encouraging observation made by Rocio Moreno from Fundação Maio Biodiversidade (FMB), our partner in Cabo Verde: "It's clear how fragile NGOs are; things change quickly, and we're firefighting. Fauna & Flora has been great to me as Director of FMB. You've never said 'no', but 'we'll find a way'."

This, to me, seems to encapsulate Fauna & Flora's spirit perfectly.

I look forward to working with Kristian and the entire team to expand what we do and increase the impact we have for nature and people around the world.



Stephen Fitzgerald AO



Read our
**Conservation
Impact Report**



Read our
**Strategy
to 2030**



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Cover image: Green turtle hatchlings. © Vasco Pissarra / Fundação Príncipe

Strategic report

Our purpose and mission

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

We work closely with local conservation partners around the world to save nature, together. We harness this collective expertise to inspire positive change globally.

Fauna & Flora staff take a break during a biomonitoring patrol to admire the view across Southern National Park, South Sudan.
© Justin Purefoy / Fauna & Flora

Our approach

2. Strong partners

We support our partners as they grow, helping them to flourish and increase their own impact.

1. Impact on the ground

Our work is rooted in conservation at the local level, where we collaborate with in-country partners to protect and restore nature on the ground.

5. A flourishing organisation

A strong and resilient organisation – built on expert, diverse and motivated staff, and engaged supporters – forms the bedrock of all our work.

3. Decisions for nature

By promoting better policy and practice, we create a healthy canopy that fuels a flourishing global conservation programme and community.

4. Seeding better conservation

We spread our ideas far and wide, contributing to a growing global conservation community taking action for nature around the world.

How we work

We support, sustain and strengthen local nature conservation action. For the survival of species and habitats, the planet and people.

Around the world, we work on the ground with local partners and communities. By aligning our technical skills and experience with their expertise and their local and traditional knowledge, we each play to our strengths for maximum conservation impact.

We influence businesses and governments to make informed decisions that benefit nature by addressing issues that affect our sites and improving global policies and practices. We also ensure that the voices of those spearheading conservation on the ground are heard.

We innovate, test new approaches, share skills and accelerate learning in support of the evolution of the wider conservation community. We aim to embrace new sectors and communities in order to make a greater contribution to conservation, diversifying the skills that can help solve the crisis before us.

We tackle the biodiversity and climate crisis as one. Our projects are integrated, effective and sustainable so that – working with our partners – we can deliver the best outcomes for climate, food security, livelihoods and health, as well as for nature.

Our objectives

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.

To achieve our mission and charitable objectives, our Strategy to 2030 sets out our ambition to double our impact by focusing on five areas:

1 Impact on the ground

Protect and ensure the recovery of nature on the ground, working with in-country partners.

2 Strong partners

Support our partners to increase their own impact.

3 Decisions for nature

Influence wider policies and practices that affect the places where we work, but also have wider national and international impacts. Ensuring nature is prioritised and championing globally important issues overlooked by others.

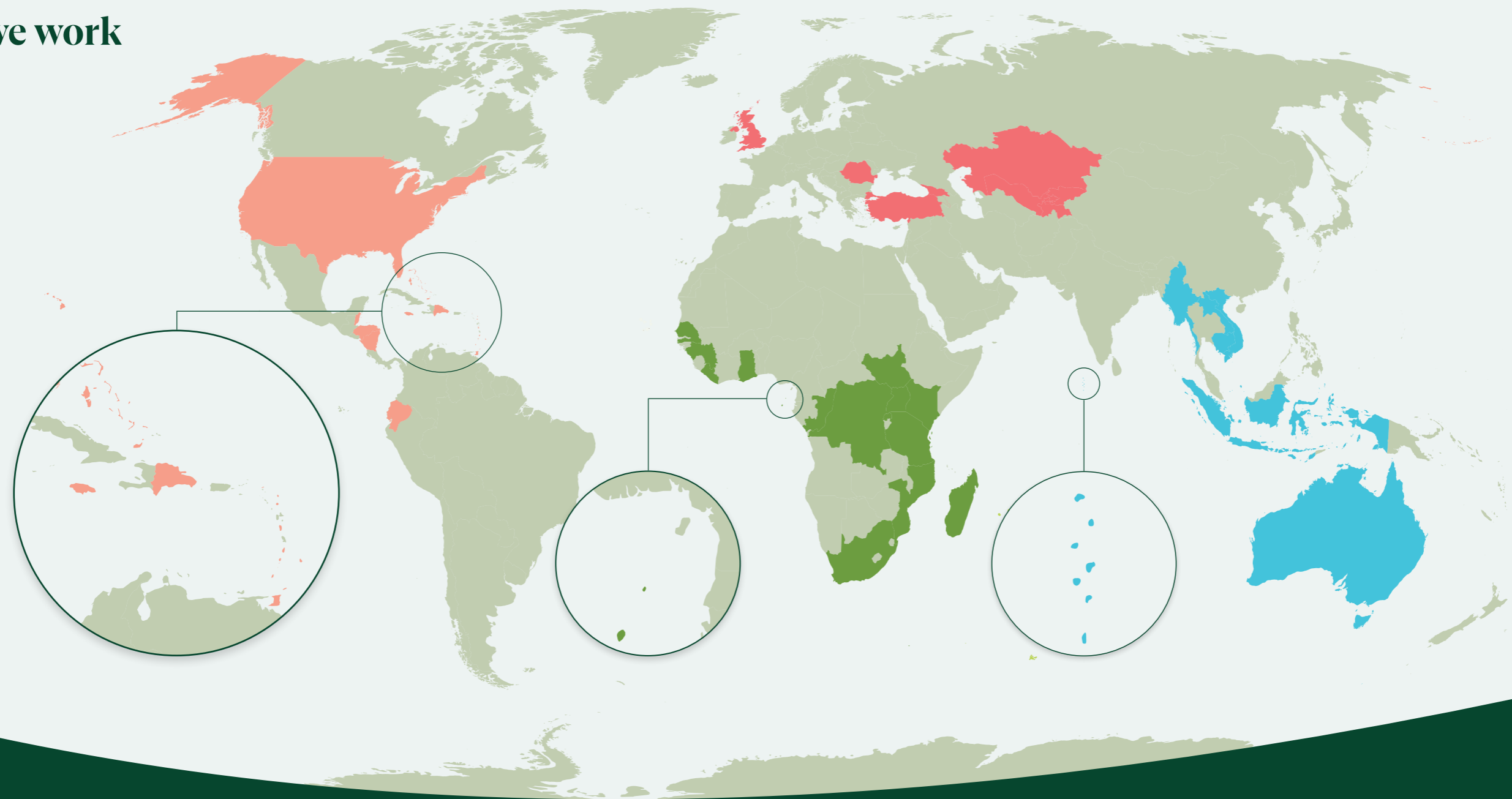
4 Seeding better conservation

Ensure that we contribute our learning, innovation and voices to global efforts for change, and support others to do the same. This includes bringing unexpected skills and sectors into conservation, and helping to better align local experience to global ambitions.

5 A flourishing organisation

Underpin these objectives by ensuring that Fauna & Flora is a dynamic and resilient organisation, built on effective, expert, diverse and motivated staff, and engaged supporters.

Where we work



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

Americas & Caribbean

Anguilla
Antigua and Barbuda
Bahamas
Barbados
Belize
Dominica
Dominican Republic
Ecuador
Grenada
Honduras
Jamaica
Nicaragua
Saint Lucia
St Vincent and The Grenadines
Trinidad and Tobago
United States of America*

Africa

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

Eurasia

Georgia
Kazakhstan
Kyrgyzstan
Romania
Tajikistan
Türkiye
United Kingdom**
Uzbekistan

Asia-Pacific

Australia*
Cambodia
Indonesia
Lao PDR
Maldives
Myanmar
Vietnam

[†] For the purposes of this report, 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



2023 highlights

Pages 12 to 21 aim to provide a representative sample of Fauna & Flora's achievements in 2023. These examples serve to illustrate how our work with partners is contributing to our organisational objectives.

For a more comprehensive account of our activities and impact over the last year, take a look at our 2023 Conservation Impact Report: www.fauna-flora.org/conservation-impact

1. Impact on the ground

Working on the ground, in partnership

People living closest to nature can be our biggest allies in protecting and recovering nature. So we work with local organisations and alongside local communities to protect and recover habitats and species around the world. By 2030 we aim to have doubled our impact on the ground – ensuring far more land and sea is secured and recovered for biodiversity, for climate security and for people.

We design and put in place holistic projects to ensure that places, species and people all thrive as a result of our work. We support people living locally to be active participants, partners and leaders in conservation and sustainable natural resource management and help ensure that they are properly resourced.

2023 highlights



Our work with partners included:



Adapting to a changing climate in Nicaragua

The remarkable island of Ometepe in Lake Nicaragua consists of two volcanoes – one dormant and forested, the other active – joined together by a low strip of land. Designated as a UNESCO Biosphere Reserve, the island harbours the largest remaining population of the endangered yellow-naped parrot and is home to 170 bird species.

Ometepe is also home to 40,000-plus inhabitants, more than half of whom rely on small-scale subsistence farming. Increased demand for new farmland, unsustainable tourism development and climate change pose growing threats to Ometepe’s globally important wildlife, and to the forest and freshwater ecosystems that underpin local livelihoods.

In collaboration with government agencies and local community cooperative Biometepe, Fauna & Flora works with islanders to promote grassroots participation in biodiversity conservation, and to support more climate-resilient and sustainable use of natural resources. Alongside our partners, we have helped to put together an island-wide Climate Adaptation Plan and a programme to trial climate adaptation measures on a series of demonstration farms. We have also engaged islanders in reforestation and yellow-naped parrot protection efforts.

In 2023, we delivered training in agroecology practices – a holistic approach that applies ecological and social principles to sustainable agriculture – to more than 450 farmers across ten farming communities. 95% of the farmers interviewed in our agricultural practices survey reported that the agroecological practices

(including the use of living fences, diversified and phased planting, and not clearing or burning standing forest) applied on their farms were contributing to a reduction in their vulnerability to the effects of climate change and economic shock.

Ometepe has developed into a model for sustainable, climate-resilient development and biodiversity conservation. In conjunction with government agencies and other partners across Nicaragua, Fauna & Flora is rolling out this successful agroecology blueprint to farmers and communities nationwide, for the collective benefit of the country’s people, nature and climate.

“Forestry has really protected me against natural disasters. Because the strong winds don’t destroy my plants anymore. Even when there was a hurricane, the storm didn’t have as much impact on my farm compared to my neighbours, who don’t have as much forest protection.”

Narcisa Morales - Farmer, Ometepe.



Heyssell Zacarias Montano (farmer) and Nums Argüello (Biometepe field technician for agroecology) sampling tomato crop.

2. Strong partners

Supporting in-country partners

We work together with our partners to save nature on the ground, but we also want to see them thriving, growing and increasing their own impact, in line with locally determined agendas.

So a key priority for us is to help our core partners meet their own defined priorities. This includes supporting them to develop the skill sets, resources and confidence they need to grow sustainable programmes and institutions. In turn, they are then able to share that expertise with others.

2023 highlights



We worked with
397
in-country organisations,
of which
67
were core partners



We delivered conservation
skills training to over
1,500
staff
from partner and
in-country organisations



We disbursed
£7.1m
in conservation
grant funding

**Over
two
thirds**
of field-based
projects
worked with a
core partner

Of the
67 core partners
we worked with:

- 57** received organisational development support
- 50** received training and/or mentoring on conservation skills
- 47** received resources including financial support or equipment

**51 of
our core
partners**
were national or
local NGOs or
community-based
organisations,
while
16
were government
agencies

Supporting partners to build resilience

Small organisations are often stretched for time and money, so they struggle to build the systems and structures needed to pay the bills on time and to work efficiently. At Fauna & Flora, we want to break this cycle. So, we accompany and support partners over time as they strengthen their organisations.

In 2021 Fauna & Flora launched the Conservation Resilience Fund to support our in-country partners – who are working on the front line of conservation – to anticipate and adapt to increasingly challenging circumstances and crises. Over three years, the Fund provided sub-grants, mentoring, technical assistance and training to 37 local partner organisations.

Our partner Fundación Cuero y Salado (FUCSA), with whom we have worked since 2011, was selected to receive a Resilience Fund grant in 2023. FUCSA is the NGO co-manager of Cuero y Salado Wildlife Refuge – a marine protected area (MPA) and Ramsar wetland in Honduras. FUCSA works closely with communities within and around the MPA on participatory governance and to conserve key species and habitats including Antillean manatees, mangroves, inundated forests and the estuary.

FUCSA was selected for the Resilience Fund grant because increasing organisational strength

and resilience was identified as a clear priority by its staff, and because they demonstrated readiness to engage effectively at all levels of the organisation.

Through a participatory process, Fauna & Flora supported FUCSA to assess the organisation's resilience and priorities, forming the basis for an updated three-year strategic plan and risk register. As a result of this grant, FUCSA anticipates that its governance and organisational functioning will be stronger, financial operations will be more effective and visibility will increase through better use of social media. Already, FUCSA has seen its efficiency and team capacity increase, enhancing conservation efforts.

“Resilience is more than just taking care of our day-to-day business; it is about investing time and resources in strategic actions that can have an impact over time.”

Ana Paz - Executive Director, FUCSA



FUCSA team – Ana Paz, Karla Mendoza, Jairo Garcia, Andrea Castro – at the strategy development workshop.

© Florencia Chippero / Fauna & Flora

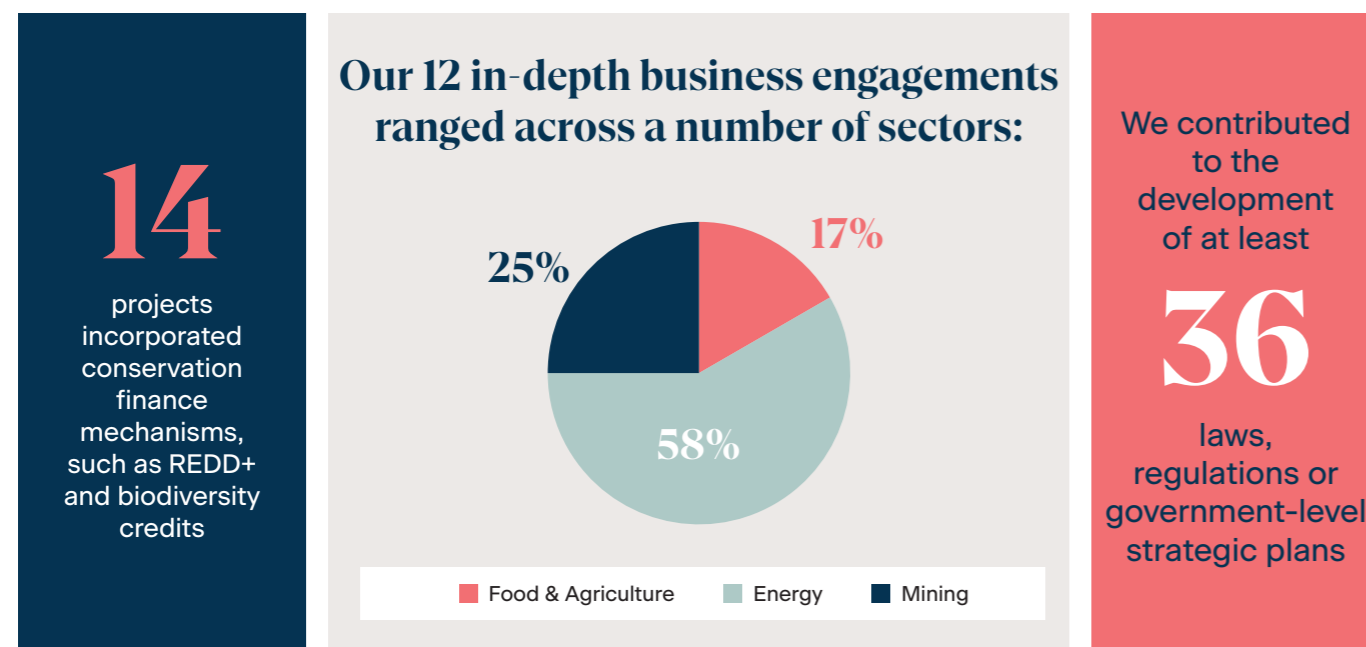
3. Decisions for nature

Influencing wider policies and practices

Decisions made by governments, international bodies and businesses can help or hinder nature. We aim to influence laws and policies that have a direct impact on the sites where we work, and ensure that the knowledge and information we and our partners hold can be used to influence key global decisions.

We are also working to find credible, practical and effective ways to get more finance invested into nature conservation and climate change work in a way that benefits people and planet. We strive to find solutions that ensure this finance reaches those taking action on the ground.

2023 highlights



Plastic pellets are a common sight on beaches around the world.

© Tanya Cox / Fauna & Flora

Catalysing European Union policy development to prevent plastic pellet pollution

Amongst sand and pebbles, small pieces of plastic are now a common sight on beaches. These lentil-sized pieces of plastic – called pellets – are melted together to create almost all plastic items used day-to-day. However, due to spillages occurring on land and at sea, these pellets are found washed up on coastlines across the world.

By weight, plastic pellets are estimated to be the second largest direct source of microplastic marine pollution; it is estimated that billions of individual pellets enter the ocean every year.

Although they are only tiny, plastic pellets are causing huge harm to marine wildlife and habitats – smothering seagrass meadows and filling the stomachs of seabirds and seals, fish and turtles, meaning many starve to death.

We're working with partners to campaign for the European Union to develop robust legislation based on a supply chain approach. Through our advocacy work on pellets — from co-organising a panel event at the European Parliament, to providing technical support to the European Commission — we have seen increased awareness and engagement in addressing supply chain pellet loss.

This culminated with the release of the European Commission's proposal of measures to prevent plastic pellet pollution, in October 2023. Tireless support and advice to the Commission in the lead up to this proposal established Fauna & Flora

as their 'go to' advisor for all issues pertaining to pellet pollution. The proposal marks a momentous step towards putting an end to this form of pollution and demonstrates the impact of advocating for nature.

If adopted by the European Union this will be the first pellet legislation in the world, paving the way for further global policy developments.

“It is clear that voluntary action alone is insufficient to drive the systemic change needed to eliminate this form of pollution, both on land and at sea. We need an urgent move towards regulation that mandates the implementation and maintenance of pellet loss prevention measures across the supply chain and at all stages of the life cycle.”

Tanya Cox – Senior Technical Specialist, Marine Plastics, Fauna & Flora

4. Seeding better conservation

Innovating, sharing and contributing to global efforts

Fauna & Flora is part of a wider and growing community carrying out conservation around the world. To achieve rapid and lasting success we, as a community, need to share lessons, innovations and successes with each other.

Fauna & Flora contributes to this in a number of ways, including:

- Participating in collaborations, both within and outside our sector.
- Supporting training and skills transfer for a broad range of organisations and individuals.
- Innovating and testing new approaches and tools for tackling biodiversity loss.
- Promoting the uptake of new technological tools.
- Supporting better conservation decision making, including improving the links between local realities and global discourse.
- Actively sharing lessons learned, and promoting the leadership of our in-country partners to show how much can be learned globally from local knowledge and action.

Seeding better conservation is woven throughout our programmes. Below is a selection of highlights from 2023 that serve to illustrate the range, scale and impact of this work.

2023 highlights



Inspiring the next generation of East African women in conservation technology

Technology has huge potential to contribute to conservation impact, but women are underrepresented as practitioners. In East Africa, for example, access to the knowledge and experience required to deploy tech tools is very limited. WILDLABS and Fauna & Flora launched the Women in Conservation Technology (WiCT) Programme in 2022 to create a regional support network for East African women working in this field.

The first cohort of conservationists from Kenya has already begun working on seed-funded projects to apply the skills learned last year. In 2023, alongside Grumeti Fund, WILDLABS and ConTech Africa, we delivered a workshop for a second cohort — this time from Tanzania — training exceptional early-career women in the use of a diversity of hardware, software and data management tools for wildlife monitoring, protection and resource management.

Sarah Maagi, a member of the 2023 cohort, shares how she is using the skills developed during the programme in her current work:

“As an early-career conservationist with a keen interest in utilising Geographic Information Systems for monitoring wildlife, the WiCT programme has served as a pivotal platform for my professional development. Since completing the programme, I have successfully secured an internship with the Grumeti Fund, where I

have been applying the skills acquired during the training to address real-life conservation challenges in the field.

“The resources provided during the programme, coupled with the network I built, have been instrumental in enabling me to undertake these projects. The ongoing mentorship and coaching have not only bolstered my confidence but have also honed my spatial analysis skills. I am deeply appreciative of the WiCT programme for affording me the opportunity to learn from experienced professionals and for introducing me to the realm of conservation technology.”

Step by step, country by country, we are realising our vision of a self-supporting network of women working in conservation technology across East Africa.

“The ongoing mentorship and coaching have not only bolstered my confidence but have also honed my spatial analysis skills.”

Sarah Maagi, 2023 member of the WILDLABS Women in Conservation Technology programme



Sarah Maagi learning how to set up a camera trap.

© Stephanie O'Donnell

5. Fauna & Flora flourishes

To have maximum impact, we must ensure that Fauna & Flora is a dynamic and resilient organisation, built on effective, expert, diverse and motivated staff, and backed by engaged supporters.

We are working to ensure that our organisation – including our management and governance – better reflects the international nature of our work. That our systems help us work effectively and that we use what we learn along the way to improve. That our funding keeps pace with our ambition. That we attract, support and retain the best people. And that we are known and trusted by potential supporters as well as those who can help us drive forward the changes we want to see.

2023 highlights

People and systems

To help us attract and retain the best people, we invested significantly in employee remuneration in 2023. First, we applied full cost-of-living awards across the organisation. We then implemented a job evaluation and grading system and carried out a global benchmarking exercise; this led to the introduction of new and competitive pay structures in all our countries of operation. Finally, we transitioned everyone to our new pay structures.

Working in the conservation sector can take a toll on mental health, so – to ensure our staff flourish – we have invested further in global wellbeing. Having sought funding to specifically support this work, we have recruited a dedicated Wellbeing & Equality Diversity and Inclusion (EDI) role, and launched a wider range of initiatives – such as live-translated wellbeing masterclasses and increased focus on mindful leadership and ways of working in order to enhance resilience, creativity and compassion. We have also provided direct support to local and regional partners and emerging leaders, including practical workshops on developing personal resilience and preventing burnout in conservation leadership.

“**In 2023 we ran a series of workshops for Fauna & Flora partners and staff on personal resilience, and coping with ecological anxiety and grief. During one of these, the sense of relief from everyone made me realise we were addressing a desperate need within the conservation community for this kind of support. To then see that relief turn to hope really brought home to me the value of this work.**”

Monique Rodgers - Wellbeing & EDI Officer, Fauna & Flora

We regularly review, and are systematically working through, our equality, diversity and inclusion priorities. We hold ourselves publicly accountable on our progress and share learning with other conservation organisations, including through the Diverse Sustainability Initiative. We value the increasing diversity of our workforce, with 16% of UK employees identifying as racially diverse compared to 4.8% in the wider conservation sector.

2023 also saw us bring together over 40 of our leaders from 17 countries for our first ever leadership summit. This provided space to deepen cross-organisational trust and collaboration, to agree strategic priorities, to share and learn from each other and to work together on key challenges.

Fundraising

To achieve our conservation ambitions, it is vital that we grow our income to meet the resource needs of the organisation. 2023 was a challenging year for fundraising due to the ongoing global economic turbulence; however, despite this, we achieved some notable results:

- Our 2023 pangolin fundraising appeal was our most successful ever. This has raised £488k to date from 11,145 donations. This appeal was launched in April 2023 across our main marketing channels: warm direct mail, digital, press and cold direct mail. Not only did this appeal raise the most in income, it generated the highest ever number of single donations to one campaign, including 3,500 donations from new donors.
- 2023 also saw the successful roll-out of two new marketing channels, the aforementioned cold direct mail (sending our appeal to lists of prospective donors) and private-site fundraising (recruiting regular donors at events and specific locations). We also tested a new fundraising product – a prize draw – which was launched at the Chelsea Flower Show and raised over £31k for the chance to win a trip to Rwanda and see mountain gorillas.

- The Trusts & Foundations team secured a number of renewed commitments – and brought on board new donors – that are modelling many of the key trust-based philanthropy principles, including greater flexibility in their giving and reduced reporting requirements. By following these principles, these donors help to underpin our organisational success, and enable the space for strategic investment to maximise impact. Donors include (but are not limited to) Arcadia, Postcode Green Trust – thanks to funds raised by players of People’s Postcode Lottery, The Schroder Foundation, Lucille Foundation, and Cartier For Nature.
- We secured US\$1.5m from Margaret A. Cargill Philanthropies, which is one of the first of their institutional capacity grants to be focused on locally led climate adaptation.
- We embarked upon a new ‘People and Nature Partnership’ with Nando & Elsa Peretti Foundation, securing an initial commitment of

EUR€3.0m for six key areas of work over the next three years.

- We secured US\$15.0m from the Legacy Landscapes Fund, including US\$10.0m from public donors and US\$5.0m philanthropic co-financing from Arcadia, supporting the West Papua Regional Natural Resources Conservation Department (BBKSDA) to designate and manage a Biosphere Reserve in the Tamberau Mountains Landscape of Southwest/West Papua Provinces in Indonesia, involving local and indigenous people.
- We secured £12.3m, subsequently increased to £14.3m, from the UK Department for Environment and Rural Affairs (Defra) Biodiverse Landscapes Fund for the Lower Mekong Landscape, which covers over one million hectares across Cambodia, Laos and Vietnam. This programme is designed to deliver lasting landscape protection, restoration and sustainable management, maintaining and ultimately improving the quality of the ecosystem and better safeguarding its biodiversity.

Bringing a rare glimpse of the endangered mountain gorilla’s habitat to RHS Chelsea Flower Show

Tracing a rough track through a succession of lush and changing landscapes, Fauna & Flora’s garden at the RHS Chelsea Flower Show gave visitors an entrancing insight into the experience of an ecotourist on a gorilla trek. Funded by Project Giving Back, the garden exhibited the success of our mountain gorilla conservation work, raised the profile of Fauna & Flora and showcased our new brand.

Fauna & Flora’s Garden featured in online, print and broadcast media coverage with a combined estimated reach of over 1.4 billion people. Broadcast highlights included a BBC Look East feature which went into depth on Fauna & Flora’s work, featuring our gorilla expert Angelique Todd. We also reached a range of target audiences through print media, including British Vogue and The Financial Times. Collaborating with celebrities, we created videos to share on our social channels; notable successes include a video of Dame Judi Dench praising our garden, which has been viewed over 47,000 times on Instagram.

Feedback was overwhelmingly positive – with over 22,000 leaflets handed out to visitors and two ‘After Hours’ drinks receptions held at the garden for our closest supporters, both of which required a waiting list.

Although boosting the profile of Fauna & Flora with Chelsea visitors was our main focus (as on-site fundraising activities are not permitted), we still raised over £30k in online donations, £60k from donor events and a further £90k pledged, including a legacy.

Fauna & Flora first began working with mountain gorillas in 1978 after a plea from vice-president Sir David Attenborough. Since then, numbers have increased from just a few hundred to over 1,000 today – a testament to the hard work and collaborative efforts of all those working to save these incredible primates.

Our garden was designed by Jilayne Rickards and landscaped by Tecwyn Evans, of Living Landscapes.



Dame Joanna Lumley visiting the Fauna & Flora garden at RHS Chelsea Garden Show.

© Sophie Hart / Fauna & Flora

Plans for the future

We enter the second year of our refreshed conservation strategy with huge optimism and ambition.

The evidence we collect from our projects, together with the feedback we get from our in-country partners and from wider conversations, confirms that the way Fauna & Flora operates is both necessary and effective.

In 2024 we will continue to consolidate and deepen our strong and diverse programme of work on the ground, which is delivered together with in-country partners and communities. We will roll out a number of new and exciting initiatives, including a tri-country project between Cambodia, Vietnam and Laos. We will also place a particular emphasis on profiling the scope and impact of work across a series of key African landscapes, showcasing how our community-centred approach provides wider benefits for nature, people and climate.

Our new strategy puts our in-country partnerships at the heart of how we work. During 2024 we will continue to develop our internal capacity for partner engagement, including embedding lessons learned about effective partnership management. We will continue to support our core partners to meet their own needs – be it helping them to access resources, offering skills and experience from our staff (to complement their own expertise), helping with their organisational development and direct fundraising, and ensuring that their knowledge and experience is sought and heard as part of global discussions. And together, we will advocate for the changes and systems that are needed to increase the accessibility and flow of funding for our partners and locally led conservation.

2024 brings some important global policy moments, including the first major global biodiversity meeting following the adoption of the Global Biodiversity Framework and key meetings to develop a new Global Plastics Treaty. We will be active across a range of global policy arenas, advocating for greater recognition of the role that local communities and organisations play in achieving global conservation results, and for the adoption of effective local approaches (such as non-state conservation areas). We will also use our expertise and influence to improve the flow of finance to local actors and to ensure that carbon and nature markets have integrity and deliver real impact on the ground.

We will also continue to explore a series of new engagements with the corporate sector. These entail promoting positive leadership for nature across a range of sectors; crafting bespoke solutions that help businesses understand their risks and responsibilities around nature; and developing evidence-based and tangible mitigation pathways.

We will also continue to support the wider conservation community and share lessons across our networks. We will do this through key collaborations such as the Conservation Leadership Programme and WILDLABS; through tools such as the *Capacity for Conservation* website; by publishing *Oryx—The International Journal of Conservation*; and through our input to teaching programmes such as the Cambridge MPhil in Conservation Leadership. We are also exploring a number of exciting new initiatives that will see us convene challenging discussions about new and emerging issues in conservation.

And, of course, we continue to develop and improve our own organisation. In 2024, this will include further developing our plan to 2030, taking into account the ever-changing global picture as well as new opportunities. We continue to invest in internal systems – particularly relating to employee experience and progression – and focus on driving greater organisational effectiveness and impact. We will also continue to increase our profile and visibility among target audiences, recognising that we have deep expertise to share and need to be much better known to increase the scale and impact of our work.

The last few years have been marked by a succession of economic shocks, which have created a challenging environment across the charitable sector. A major focus for 2024 is on bolstering our unrestricted income, and reviewing our funding model to increase financial resilience, while maximising effective on-the-ground actions.

By prioritising efforts to strengthen our organisation, we will create a solid foundation that enables us to deepen the impact of our existing work and provides a springboard for engaging new partners and expanding our activities to new sites. This builds towards our plans to at least double our impact by 2030.

Structure, governance & management

Head Warden Sim Khmao and team at Chhay Reap, Cambodia.

© Hem Mantara / Fauna & Flora



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:

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

Eurasia – Cabo Verde, 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 (AGM) 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.

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). 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.

The Executive Committee, comprising the Officers of Council, has regular supervision of Fauna & Flora's management and operations.

The Committee holds bi-monthly meetings with the SLT in attendance, while 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 planning the nature and scope of the audit and receiving and reviewing the Annual Report & Accounts, along with the associated Audit Findings Report. The Committee's role is to provide critical challenge and its remit includes reviewing 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 it is best placed to provide effective, strategic leadership and to support the achievement of Fauna & Flora's objectives if it adopts high standards of governance, with practices and thinking that reflect the Code's seven principles. Principle 4 of the Code advocates that the Board has informed, rigorous and timely decision-making

processes, and that effective delegation, control, risk assessment and management systems are in place.

To achieve this, Council is provided with all the necessary information to enable effective decision-making at its meetings, with adequate time allowed for discussion and for trustees' questions to be addressed before decisions are made. While its terms of reference reflect matters reserved to the Board, Council collectively exercises its powers of delegation via its various subcommittees, its Officers and the SLT. In addition, a key internal control document, the Global Delegations of Authority, sets out detailed approval procedures reflecting operational processes, financial authority levels and authorised signatories to ensure consistent and accountable decision-making across the organisation.

While Council has delegated review of internal control and risk management systems to its Audit & Risk Committee, it retains overall responsibility for risk management and for the effectiveness of the Charity's approach to risk. Council therefore reviews both the Institutional Risk Register and a comprehensive assessment of individual project risk on at least an annual basis. By discussing and deciding on the level of risk it is prepared to accept, Council can inform its strategic decision-making – properly weighing risks against opportunities to further the Charity's purpose and mission, with appropriate controls in place to mitigate and manage those risks.

Trustee duties in relation to Section 172(1) 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 objectives.

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 employees
- 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 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 purpose and mission. 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 strategic planning process when careful analysis of the changing external operating environment helps to shape the trustees' decision-making on where Fauna & Flora's efforts should be focused and what resources will be needed to deliver its strategy.

In 2023, a key area of trustees' decision-making involved the adoption of a new Strategy to 2030, which – together with a refreshed brand – will enable Fauna & Flora to achieve greater, demonstrable and lasting impact.

Stakeholder engagement

Employees

Fauna & Flora recognises that our employees are our most valuable assets and are fundamental to our success. Attracting, nurturing and retaining high-performing and motivated people is key to achieving our mission. 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, helping them to improve their mental resilience, promoting clear internal communications, and fostering an inclusive 'One Fauna & Flora' culture.

Partners

Fauna & Flora has a long and successful history of building effective partnerships with others, from local NGOs and community groups to national government and multilateral agencies, international NGOs and large corporates. We pioneered putting conservation in local hands, and we continue to lead the field due to our long-term approach to partnership. All over the world, we work on the ground with local partners and communities. By aligning our technical skills and experience with their expertise and their local and traditional knowledge, we each play to our strengths for maximum conservation impact. We support our partners as needed, to help them develop the skill sets, resourcing and confidence required to develop their programmes and institutions. Our ambition is that our partners' operations are both sustainable and effective, and that they are in turn able to share that expertise with others.

As well as working with local partners, we recognise the importance of partnering with others both within and outside our sector to improve conservation knowledge and practices, and to influence decisions that affect the places we work and people we work with. A key part of our approach is centred on ensuring that the knowledge and voices of those spearheading conservation locally are heard on the global stage.

For more information on Fauna & Flora's work with partners and on influencing others please see our reporting on Objectives 2, 3 and 4 earlier in this report.

Donors, members and supporters

At Fauna & Flora, we are fortunate to have supportive and long-standing relationships with our major donors. We also benefit from members and supporters who provide valued and steadfast support, responding positively to our campaigns and appeals and engaging with us through our online communications, as well as both 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 we are achieving with their support. Our AGM provides an opportunity for members to engage with trustees and our SLT 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. This includes our business relationships with suppliers, which we foster through long-term arrangements where appropriate (for example with key professional advisers such as our auditors and insurers). Our collaboration with partners in the Cambridge Conservation Initiative continues to flourish, with our global headquarters at The David Attenborough Building part of a vibrant hub representing the world's largest cluster of conservation organisations, researchers, policy-makers and practitioners.

Community and the environment

At Fauna & Flora, we want to see a world where nature comes first and we live sustainably within its limits, a world where nature is valued for its impact on our health, wellbeing, livelihoods and survival. Therefore, as we undertake our day-to-day activities we aim to minimise as far as possible any negative impact we may have on the environment, by reducing emissions, waste and resource use, without compromising our ability to address our purpose and mission. For further details please see the section on our environmental policy.

Below: Shepherd Silviu Zapodean is one of many who have received electric fences and guard dogs to protect livestock from large carnivores as part of the Life Connect Carpathians project in Romania.



© Daniel Mitea / Fauna & Flora

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.

Board of Trustees

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

Officers of Council

Stephen Fitzgerald AO	Chair (co-opted 13th February 2024)
Dr Liz Rogers	Chair (stood down 13th February 2024)
Annette Lanjouw	Vice Chair
David Gibson	Vice Chair
Martin Tyler	Treasurer (co-opted 13th February 2024)
Paul Baldwin	Treasurer (stood down 13th February 2024)

Ordinary members of Council

Jeffrey Blumberg	Dr Liz Rogers (from 13th February 2024)
Anna Gavazzi	Hugh Sloane
Hernán González Merlani (appointed 5th October 2023)	Tola St. Matthew-Daniel (appointed 5th October 2023)
Abshiro Halake	Kimberly Stewart
Tony Juniper CBE	Hugo van Vredenburg (stood down 18th May 2024)
Benjamin Khalili (stood down 23rd November 2023)	Richard Walker OBE (stood down 13th July 2023)
Christine Lloyd (appointed 5th October 2023)	Dominic Waughray (co-opted 21st December 2023)
Miguel Nogales	Professor Joanne Webster FLS FRSB
Richard Plackett	

Senior leadership team

Kristian Teleki	Chief Executive Officer (from 26 June 2023)
Mark Rose	Chief Executive Officer (until 30 June 2023)
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
Nicola Frost	Chief of Staff (from 8 April 2024)

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



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
 Georgina Bloomberg
 The Lord Browne of Madingley FR Eng
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 Charlene de Carvalho-Heineken
 Giles Clark
 Viscount Philippe de Spoelberch
 Dame Judi Dench CH
 Dr Lee Durrell
 Hugh Fearnley-Whittingstall
 Rupert Goodman
 Edward Hoare
 Tim Jarvis AM
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Justin Mundy LVO
 Blaine T. Phillips
 The Rt. Hon. the Lord Randall of Uxbridge
 Sir Gareth Rhys Williams CB
 Dr Lisbet Rausing
 Dr Claudio Segré
 The Rt. Hon Mark Simmonds
 Victoria Stack
 Jon L Stryker
 Andrew Sykes
 Edward van Cutsem
 Antonio Versace
 Richard Walker OBE
 Charles Whitbread DL
 Dr Adrian Wilson
 Nigel Winser
 The Rt. Hon Baroness Young of Old Scone
 Jochen Zeitz

Key policies and statements

Public benefit

The Strategic Report demonstrates the scope of the activities undertaken by Fauna & Flora in 2023 in furtherance of its charitable purposes for the public benefit.

Fauna & Flora promotes the conservation of the environment, benefiting the public through our shared purpose of protecting the biodiversity of life on Earth, for the survival of the planet and its people. We advance the awareness and education of all sectors of society worldwide in conservation and the protection of biodiversity by promoting or conducting training programmes and research and by publishing 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 any specific guidance from the Commission relating to the conservation of the environment for the public benefit.

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 10 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 10 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 42.

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 sufficient 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.

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 with 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 2023 we disbursed over £7.1 million in grant funding (2022: £6.2m). 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 that incorporate 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. Through this, we influenced the allocation of an additional £32.1 million of conservation grant funds.

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Environmental policy

All of our activities are designed to address threats to the world's habitats and species and to have a positive impact on biodiversity. We are therefore committed to minimising our environmental impact wherever we can, while ensuring we are able to deliver on our wider environmental goals.

Our Green Group continues to embed the organisation's environmental policy (currently being updated) and encourage best practice. As a result, in 2023 we received an NUS Green Impact Scheme gold award for the second year running.

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 have completed an audit of flights every year (except 2020 when traveling was minimal due to the Covid19 pandemic), 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 adopted in 2023; this outlines our organisational approach to maximising

conservation impact while minimising the carbon intensity of our operations, and also provides guidelines for staff. We raised internal awareness about this throughout 2023, and developed an infographic to aid decision making.

In line with the sustainable food procurement guidelines, Fauna & Flora has begun providing 100% vegetarian catering at UK events, including Council lunches and staff events, which have been positively received. The internal Green Fund has been used to support staff to make more sustainable choices, e.g. by reimbursing the difference in cost between train and air travel within Europe and cutting-down on single-use plastic waste in Guinea. Reflecting changing commuting habits, we have maintained the hybrid-working policy that we initiated during the pandemic. This offers staff more flexibility on home working and also means a reduction in 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 also embraced communications technology in order to reduce our carbon footprint from both commuting and overseas travel.

Energy and emissions report (SECR)

As detailed above, over the last three years we have actively promoted 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	2020	2021	2022	2023
Gas (kWh)	107,078	94,175	88,310	95,765	99,230
Electricity (kWh)	55,057	35,865	36,565	43,138	41,484
Total UK energy use (kWh)¹	162,135	130,041	124,875	138,902	140,714
Gas (tonnes CO₂e)	19.7	17.3	16.2	17.5	18.2
Electricity (tonnes CO₂e)	14.1	8.4	7.8	8.3	8.6
Total associated GHG emissions (tonnes CO₂e)²	33.8	25.7	23.2	25.8	26.7
Intensity ratio = Emissions per office floor space (tonnes CO₂e per m²)	0.046	0.035	0.032	0.035	0.036

1. The total UK energy use covers gas and electricity consumption of the Fauna & Flora office in our global headquarters, The David Attenborough Building (DAB). Global data is not yet available, therefore we have agreed a stepwise process for assessing our carbon footprint that prioritises the UK operation, before a gradual roll out to country offices. Please note that 2023 gas data contained gaps between May and December which were estimated using 2022 data for the affected meters. Electricity submeters were not recording between 21/05/2023 and 15/08/2023 thus missing data were estimated by using previous and subsequent similar days from the same year. Energy consumption in 2020-2021 was also affected by the pandemic and increased home working since then. Also note that the DAB's electricity supply is a combination of 17% renewable electricity purchased from UK-based wind farms via a Power Purchase Agreement, and nuclear power which, under carbon accounting guidance, can be reported as zero carbon. Thus, the DAB's electricity supply can be considered carbon neutral. For transparency, the emissions figures provided represent the hypothetical carbon footprint that the electricity usage would have represented if electricity had been bought from the UK grid (aka location-based emissions).

2. Associated greenhouse gas (GHG) emissions have been calculated using DEFRA conversion factors, following the widely recognised independent standard, the GHG Reporting Protocol – Corporate Standard.

Remuneration policy

Fauna & Flora recognises its responsibility to spend 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.

Safeguarding policy

Fauna & Flora recognises its responsibility to protect people, particularly children and vulnerable adults, from any harm that may be caused by coming into contact with the organisation. This includes harm arising from the conduct of staff or personnel associated with Fauna & Flora, and/or the design and implementation of our programmes and activities. We are committed to addressing safeguarding throughout our work, through the three pillars of prevention, reporting and response. Our Safeguarding Policy & Procedure sets out responsibilities in relation to safeguarding and how a safeguarding concern should be reported. It is a zero-tolerance policy meaning all proportionate and appropriate measures will be taken to prevent an incident, and to respond effectively if an incident arises, with Fauna & Flora committed to acting on every safeguarding allegation and expecting our partners to do the same.

Going concern

Going concern remains an increased risk area for all organisations, particularly in light of continued economic challenges, the cost of living and the effects of 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. 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 a going concern basis.





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 private site fundraising, direct response television, telemarketing and social media advertising.

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 occasionally works 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.

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 is also signed up to the Fundraising Preference Service, which is run by the Fundraising Regulator, and enables members of the public to manage the direct marketing communications they receive from charities. In 2023, Fauna & Flora received 13 requests to be removed from marketing and fundraising campaigns.

In 2023, as we increased our reach and grew our donor and supporter base, we received approximately 50 complaints relating to difficulties in donating as a result of website issues or failures with our response handling agencies. These include complaints about 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 provide feedback to the agency concerned if we feel a telephone responder has not met Fauna & Flora's expectations during the conversation, or carry out an investigation with the response handling agency to ascertain the issue. 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 and we will investigate the matter. This may result in a donation being declined and further action being taken.

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.

Principal risks

The trustees have established a framework for identifying and controlling the major risks to which the Charity is exposed.

The trustees have a risk-management strategy that comprises:

- A rolling review of the risks the Charity faces, or which may arise, tracked in the Institutional Risk Register. This is complemented by regular discussion of risk by the Executive and Audit & Risk Committees.
- Systems and procedures to manage and mitigate against those risks and their potential impacts should they materialise.
- Processes that allow us to identify and manage specific risks. For example, we have due diligence processes in place to assure us that the charity's funds, assets or reputation are not at undue risk (by ensuring we know where our funds come from, who the people and organisations we are working with are, and that we can verify the end use of those funds).
- A risk-tracking tool that enables regular and comprehensive assessment of individual projects across our portfolio against a series of six risk categories (financial; human rights & 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.

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

Financial environment

The cost of living, economic slow-down, and geopolitical instability pose a continuing range of risks, which we mitigate through careful financial monitoring and management, future scenario planning, diversification of sources of income and by reviewing our non-essential spending. These

additional pressures require prudent and agile management of our financial resources and reserves, striking a balance between long-term sustainability and the need to invest in the organisation to support the achievement of our objectives.

Recruitment and retention

Our people are critical to the delivery of our strategy, but attracting and retaining our talented workforce can be challenging in an increasingly competitive global labour market. Recognising this risk, we have introduced a fair, equitable and transparent global job evaluation & pay structure with the objective of (a) providing clarity around career progression, and (b) paying our people as competitively as possible for our sector, while at the same time managing our charitable resources appropriately by ensuring pay levels remain affordable and sustainable.

Financial management, compliance and resilience of in-country partners

This is 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 aims to help core partner organisations develop stronger operational models to better anticipate, cope with and adapt to increasingly challenging circumstances and crises. We achieve this through grants, direct technical support from Fauna & Flora experts and peer-to-peer exchange visits.

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,

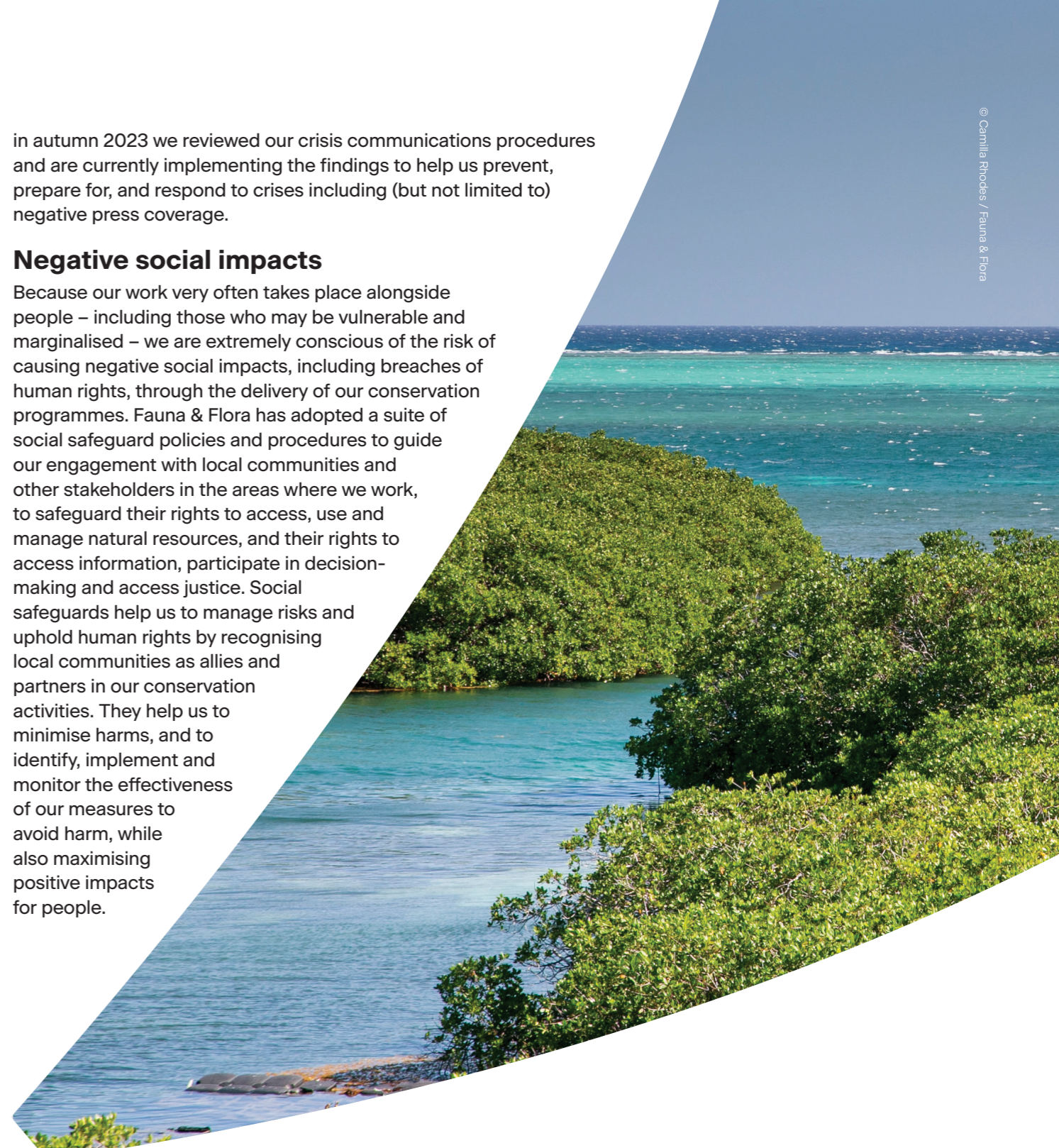
in autumn 2023 we reviewed our crisis communications procedures and are currently implementing the findings to help us prevent, prepare for, and respond to crises including (but not limited to) negative press coverage.

Negative social impacts

Because our work very often takes place alongside people – including those who may be vulnerable and marginalised – we are extremely conscious of the risk of causing negative social impacts, including breaches of human rights, through the delivery of our conservation programmes. Fauna & Flora has adopted a suite of social safeguard policies and procedures to guide our engagement with local communities and other stakeholders in the areas where we work, to safeguard their rights to access, use and manage natural resources, and their rights to access information, participate in decision-making and access justice. Social safeguards help us to manage risks and uphold human rights by recognising local communities as allies and partners in our conservation activities. They help us to minimise harms, and to identify, implement and monitor the effectiveness of our measures to avoid harm, while also maximising positive impacts for people.

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). The appointment of a specialist International Health, Safety & Security Manager has strengthened our ability to mitigate these risks through new and updated policies, procedures and risk management measures designed to protect our people and programmes. These include tracking regional security and political trends for developing situations, monitoring global travel, security and health risks which might affect staff, and having emergency planning and response mechanisms in place. By providing staff with support and training, including hostile environment awareness courses, we aim to embed a culture and practice of safety and security, not only to safeguard them and those that come into contact with our activities but so Fauna & Flora can be prepared for, and respond well to, the safety and security challenges it faces.



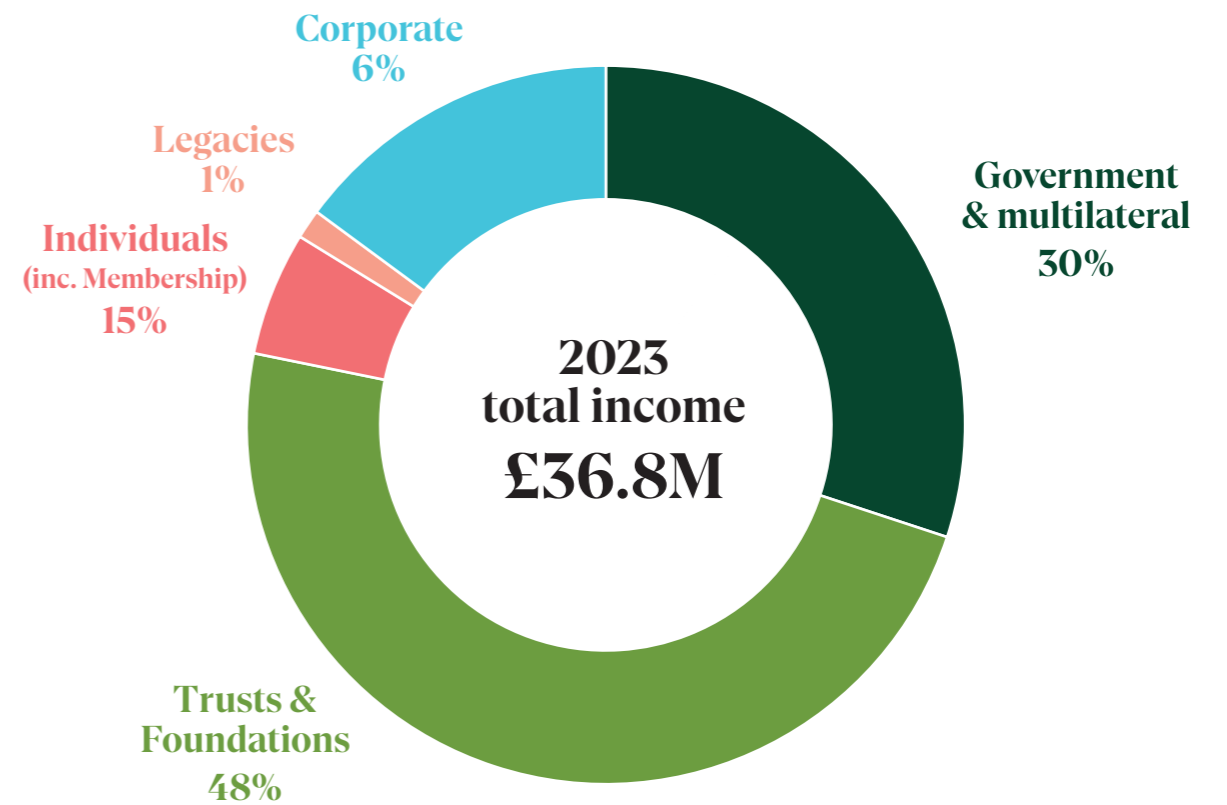
Financial Review

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 a decrease of £5.4m (2022: £3.5m increase), comprising a decrease in restricted funds of £3.1m (2022: £4.1m increase), an increase of endowment funds of £6k (2022: £86k decrease) and a decrease in unrestricted funds of £2.3m (2022: £520k decrease). Restricted funds include 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 £36.8m shows an increase of £3.6m (11%) compared with 2022. Trusts & Foundations remain our largest source of income at 48% of total (2022: 49%). Funding from Government and multilateral sources has increased to 30% from 22% of the portfolio in the prior year.

Unrestricted income by type

	2019	2020	2021	2022	2023	2022/2023 Change
Individuals	1,362,427	4,139,416	4,081,322	3,804,560	4,209,676	11%
Trusts & Foundations	756,517	859,475	1,821,776	619,169	611,259	-1%
Legacies	2,325,653	1,189,313	901,330	601,962	488,377	-19%
Other	25,514	34,453	7,412	195,069	624,894	220%
Corporate	52,914	196,920	19,806	32,251	82,272	155%
Capital Campaign	125,000	-	-	-	-	0%
	4,648,025	6,419,577	6,831,646	5,253,011	6,016,478	15%

Unrestricted income from Individuals increased by £405k (11%) from 2022, a result of successful campaigns as well as investment in direct supporter recruitment. Income from Trusts & Foundations remained in line with 2022, while Legacy income decreased by £114k (19%). We have a strong Legacy pipeline of £1.4m, although the timing of receipt is difficult to predict. Other income includes income from investments and interest.

Restricted income by type

	2019	2020	2021	2022	2023	2022/2023 Change
Trusts & Foundations	10,206,257	11,738,061	19,713,173	15,447,495	17,104,561	11%
Government & Multilateral	6,947,640	5,315,100	5,645,650	7,400,676	11,061,076	49%
Corporate	816,097	1,254,924	2,046,255	2,315,213	1,971,917	-15%
Individuals	414,924	1,560,470	2,042,816	2,396,280	238,054	-90%
Other	178,269	180,828	205,417	352,797	408,069	16%
Legacies	44,613	-	-	-	-	0%
	18,607,800	20,049,383	29,653,311	27,912,461	30,783,678	10%

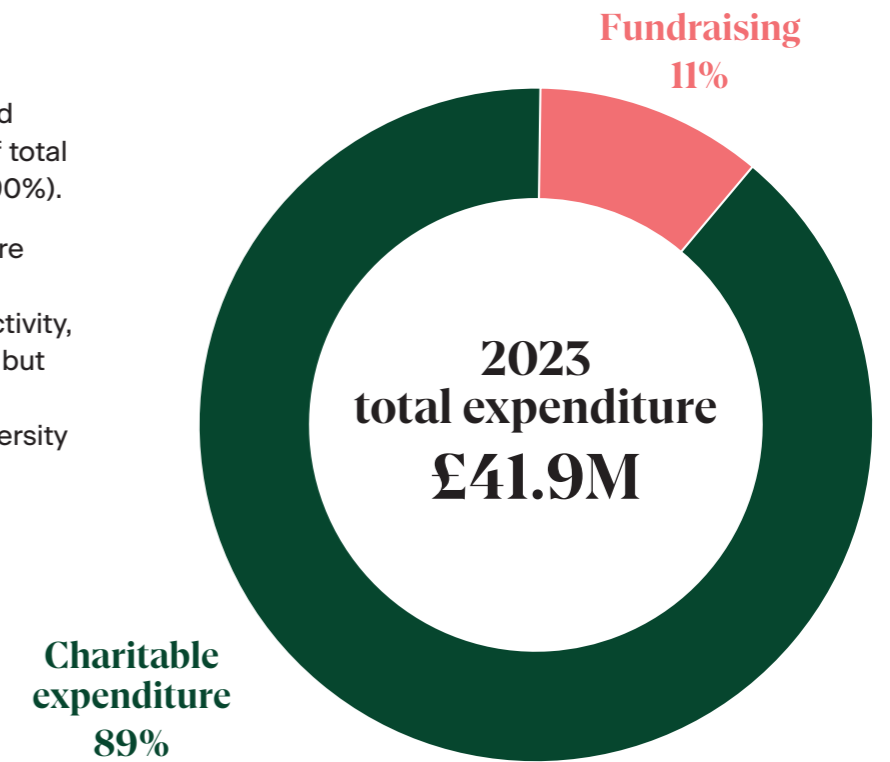
Trusts & Foundations restricted income has increased by £1.7m (11%) from 2022, a mix of renewed support from existing, long-term donors as well as income received from new sources during the year. Income from Government & Multilateral sources has increased by £3.6m (49%) from 2022. Government grants 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.

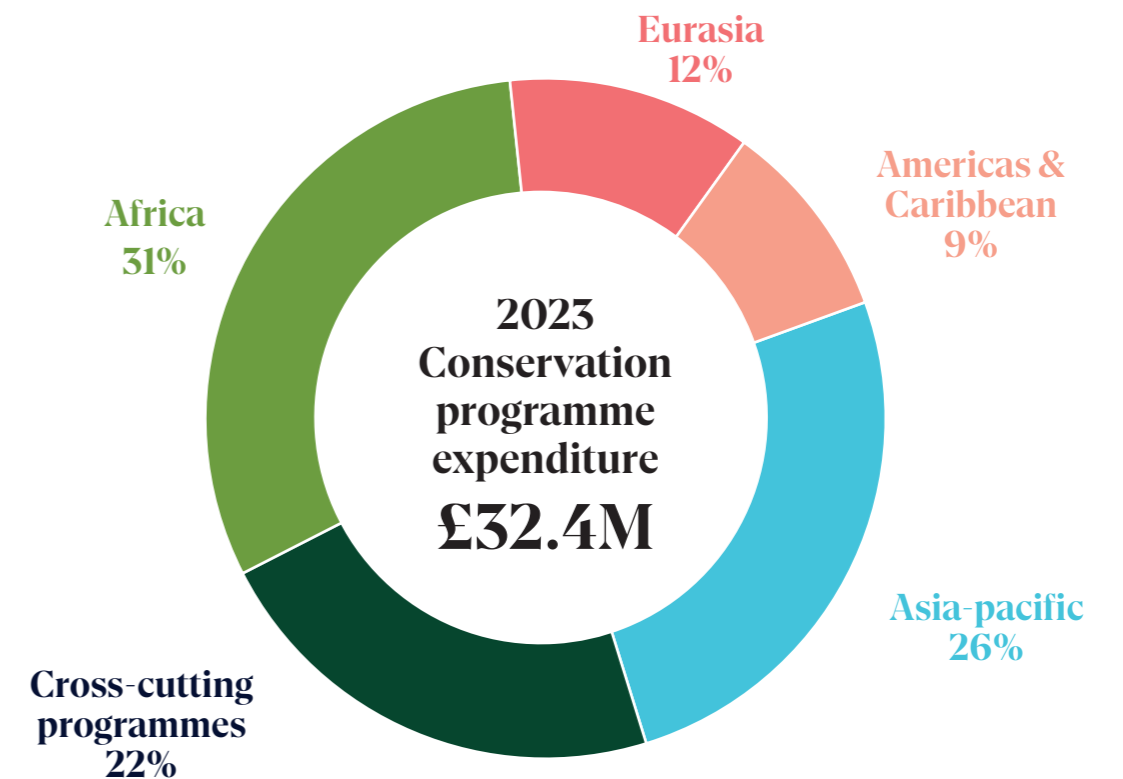
Expenditure

Charitable expenditure across our conservation portfolio has remained consistently high as a proportion of total expenditure (89%) in 2023 (2022: 90%).

With over 120 active projects in more than 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.



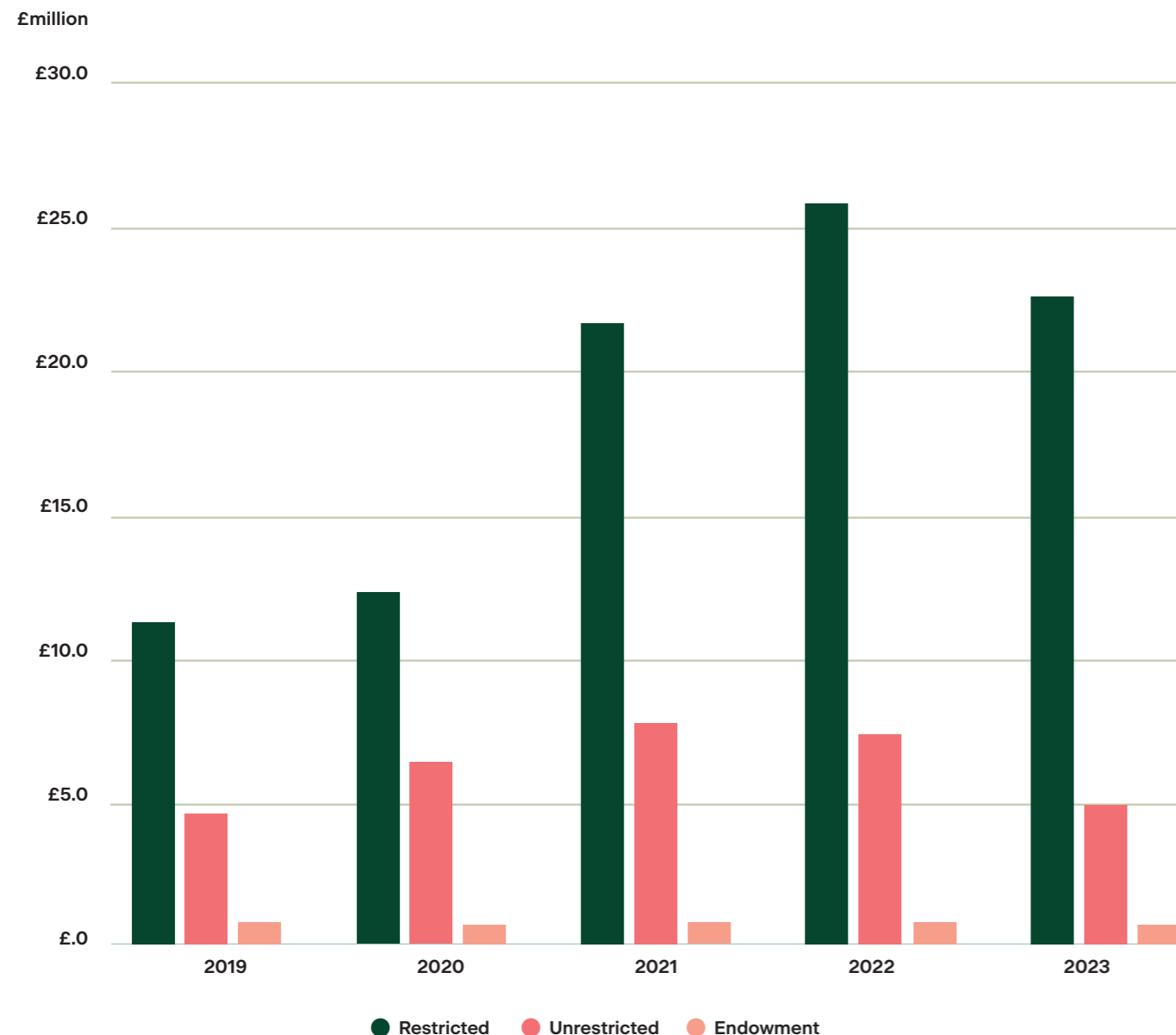
Fauna & Flora operates through four regional Conservation Programmes (Asia-Pacific (2022: 25%); Africa (2022: 27%); Eurasia (2022: 13%); and Americas & Caribbean (2022: 9%)) supported by an array of cross-cutting initiatives (Conservation Science & Design; Conservation Capacity & Leadership; Business & Nature; Climate & Nature Linkages; and People & Nature), which form our Cross-cutting Programmes division (2022: 26%).



Reserves

The total reserves of the organisation at the end of 2023 were £28.2m (2022: £33.6m). Restricted reserves were £22.6m (2022: £25.7m), 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 £644k (2022: £639k), these funds are invested to secure the capital base whilst producing an income stream in support of our gorilla conservation work.

Unrestricted reserves were £5.0m (2022: £7.3m). Free reserves (unrestricted reserves less unrestricted fixed assets of £267k (2022: £161k) are £4.7m (2022: £7.1m). This represents 5.6 months (2022: 7.9 months) of budgeted, recurring core expenditure. This is slightly below our minimum level of 6 months of reserves, a result of our unrestricted fundraising income not growing as much as we'd anticipated, combined with the impact of global cost of living increases on our unrestricted cost base. Trustees are paying close attention to the overall financial position and are seeking to bring reserves back in line with the policy range in the medium term, acknowledging that the short term will be challenging.



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 27th June 2024 and signed on its behalf by

Stephen Fitzgerald AO

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

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 2023 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 2023 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.

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 43, 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.

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.

This report has not yet been signed

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

For the year ended 31 December 2023

	Notes	2023			2022	
		Unrestricted £	Restricted £	Endowment Funds £	Total £	Total £
Income and endowments from:						
Donations and legacies	3a, 3b	4,192,667	237,634	-	4,430,301	6,270,380
Charitable Activities		1,195,654	30,137,554	-	31,333,208	26,344,992
Investments		618,913	220,464	196	839,573	300,823
Other Trading Activities		3,264	420	-	3,684	2,234
Other		5,981	187,605	-	193,586	247,264
Total		6,016,479	30,783,677	196	36,800,352	33,165,693
Expenditure on:						
Raising funds		4,587,721	-	-	4,587,721	3,161,365
Charitable activities		4,273,574	32,955,412	-	37,228,986	27,187,044
Jointly controlled operations expenditure	21	58,348	-	-	58,348	55,019
Total	4a, 6a, 6b	8,919,643	32,955,412	-	41,875,055	30,403,428
Net gains/(losses) on investments		3,412	-	5,594	9,006	(113,318)
Net income/(expenditure)		(2,899,752)	(2,171,735)	5,790	(5,065,697)	2,648,947
Transfers between funds	12	1,041,626	(1,041,626)	-	-	-
Other Recognised Gains and Losses						
Realised foreign exchange gains/(losses)		(395,530)	398,807	-	3,277	32,814
Unrealised foreign exchange gains/(losses)		(34,996)	(287,768)	-	(322,764)	786,844
Profit/(losses) on disposal of tangible fixed assets		(4,078)	(15,502)	-	(19,580)	11,178
Other gains/(losses)	4b	(434,604)	95,537	-	(339,067)	830,836
Net movement in Funds		(2,292,730)	(3,117,824)	5,790	(5,404,764)	3,479,783
Total funds brought forward		7,302,407	25,680,054	638,669	33,621,130	30,141,347
	12	5,009,677	22,562,230	644,459	28,216,366	33,621,130

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

In 2022, unrestricted voluntary income was £3,874,100 (the remainder was restricted). In 2022, unrestricted charitable activities income was £1,181,608 (the remainder was restricted). In 2022, unrestricted investment income was £194,613 and endowment investment income was £221 (the remainder was restricted). In 2022, all income from other trading activities was unrestricted. In 2022, all income from other sources was restricted.

In 2022, unrestricted charitable activities expenditure was £3,454,325 (the remainder was restricted). In 2022, all expenditure on raising funds was unrestricted. In 2022, all expenditure on jointly controlled operations was unrestricted.

In 2022, unrestricted net losses on investments were £4,357 and endowment fund net losses were £86,442 (the remainder was restricted). In 2022, unrestricted transfers were £755,425 (the remainder was restricted) and unrestricted other losses were £146,959 (the remainder was restricted).

Financial Statements

Consolidated Balance Sheet

For the year ended 31 December 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed Assets					
Tangible assets	7a	1,897,476	1,855,772	693,959	668,101
Intangible assets	7b	173,333	45,713	173,333	45,713
Investments	8	20,932,378	23,005,425	20,932,378	23,005,425
Total fixed assets		23,003,187	24,906,910	21,799,670	23,719,239
Current Assets					
Debtors	9	4,433,281	3,607,886	4,830,107	4,510,838
Cash at bank and in hand		8,892,352	7,010,457	7,922,239	4,872,469
Total current assets		13,325,633	10,618,343	12,752,346	9,383,307
Creditors: amounts falling due within one year	10	(8,094,768)	(1,886,437)	(8,070,353)	(1,858,920)
Net Current Assets		5,230,865	8,731,906	4,681,993	7,524,387
Provisions for liabilities	11	(17,686)	(17,686)	(17,686)	(17,686)
Total net assets		28,216,366	33,621,130	26,463,977	31,225,940
The funds of the charity					
Income funds					
Unrestricted funds	12	4,954,408	7,246,862	2,975,869	5,096,876
Designated funds	12	55,269	55,545	55,270	55,545
		5,009,677	7,302,407	3,031,139	5,152,421
Restricted funds	12	22,562,230	25,680,054	22,788,379	25,434,850
		27,571,907	32,982,461	25,819,518	30,587,271
Capital Funds					
Permanent endowment funds	12	644,459	638,669	644,459	638,669
Total Charity Funds		28,216,366	33,621,130	26,463,977	31,225,940

The (deficit)/surplus in respect of the parent charity only was (£4,761,966) (2022: £3,968,665)

The attached notes form part of these financial statements

Approved by the Board of Trustees and authorised for issue on 27th June 2024 and signed on its behalf by



Chair: Stephen Fitzgerald AO



Treasurer: Martin Tyler

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Statement of cash flows					
Cash flows from operating activities	16	416,527	201,004	1,464,886	(418,882)
Cash flows from investing activities	16	839,573	300,823	833,878	297,756
Cash flows from financing activities	16	(409,804)	(863,234)	(388,634)	(863,234)
		846,296	(361,407)	1,910,130	(984,360)
Reconciliation of Net Cash Flow to Movements in Net Funds					
Increase/(decrease) in cash in the year		846,296	(361,407)	1,910,130	(984,360)
Cash and cash equivalents at the beginning of the reporting period		23,951,529	22,322,117	21,813,541	20,945,382
Change in cash and cash equivalents due to exchange rate movements		(778,748)	1,990,819	(674,707)	1,852,519
Cash and cash equivalents at the end of the reporting period		24,019,077	23,951,529	23,048,964	21,813,541
Analysis of cash and cash equivalents					
		Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash at bank and in hand		8,892,352	7,010,457	7,922,239	4,872,469
Deposit accounts		15,126,725	16,941,072	15,126,725	16,941,072
		24,019,077	23,951,529	23,048,964	21,813,541

The attached notes form part of these financial statements.

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 Caribbean 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.

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

	2023	2022
	£	£
Individuals	3,941,924	5,668,418
Legacies	488,377	601,962
	<u>4,430,301</u>	<u>6,270,380</u>

3b Income

Income Source				2023	2022
	Restricted	Unrestricted	Endowment	Total	Total
	£	£	£	£	£
Government & Multilateral	11,061,076	-	-	11,061,076	7,400,676
Trusts & Foundations	17,104,561	611,259	-	17,715,820	16,066,664
Corporate	1,971,917	82,272	-	2,054,189	2,347,464
Individuals	238,054	4,195,931	-	4,433,985	6,272,614
Membership	-	502,123	-	502,123	530,188
Investment	220,464	618,913	196	839,573	300,823
Other	187,605	5,981	-	193,586	247,264
Total	<u>30,783,677</u>	<u>6,016,479</u>	<u>196</u>	<u>36,800,352</u>	<u>33,165,693</u>

4a Expenditure

	2023	2022
	£	£
Expenditure includes:		
Auditors' remuneration - audit	65,685	62,958
Auditors' remuneration - other	87,523	42,976
Depreciation	220,454	209,256
Operating leases: land and buildings	235,748	229,526

4b Other gains/(losses)

	2023	2022
	£	£
Other gains/losses includes:		
Realised foreign exchange gains/(losses)	3,277	32,814
Unrealised foreign exchange gains/(losses)	(322,764)	786,844
Gains/(losses) on disposal of tangible fixed assets	(19,580)	11,178
	<u>(339,067)</u>	<u>830,836</u>

5 Employee information

5a Staff costs

	2023	2022
	£	£
Wages and salaries	14,252,780	11,574,711
Social security costs	1,528,187	1,161,693
Pension costs	789,466	600,606
	<u>16,570,433</u>	<u>13,337,010</u>

Included in the above is £1,795 relating to termination payments in 2023 (2022: £378,672).

5b

	2023	2022
The average number of persons, analysed by function, employed during the year was:		
Project management	567	455
Fundraising	26	21
Administration	35	29
	<u>628</u>	<u>505</u>

5c

	2023	2022
Employees whose emoluments for the year were £60,000 or more are shown in the following bands:		
£60,001 - £70,000	8	4
£70,001 - £80,000	3	5
£80,001 - £90,000	4	3
£90,001 - £100,000	3	4
£100,001 - £110,000	4	0
£120,001 - £130,000	0	1
£130,001 - £140,000	0	1
£140,001 - £150,000	3	0
£450,001 - £460,000	0	1

The pension contributions to pension schemes for the higher paid staff were £126,580 (2022: £87,420).

The total value of salary and benefits received by key management personnel in 2023 was £943,984 (2022: £1,183,356).

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 2023, £19,214 (2022: £6,629) 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 2023 £	Total 2022 £
Conservation Programme Area					
Africa	3,212,163	6,318,951	202,583	9,733,697	6,514,457
Asia Pacific	4,045,921	3,941,820	142,891	8,130,632	6,046,437
Americas & Caribbean	1,027,154	1,794,116	182,419	3,003,689	2,315,216
Eurasia	1,299,755	2,223,307	136,514	3,659,576	3,097,775
Cross-cutting Programmes	4,547,571	2,235,044	243,315	7,025,930	6,402,060
Other (incl. Foreign exchange (gain)/loss)	-	886,183	-	886,183	(1,396,356)
Programmatic Activities	14,132,564	17,399,421	907,722	32,439,707	22,979,589
Fundraising costs	1,517,914	-	3,069,807	4,587,721	3,161,365
Support & administration costs	2,933,714	-	1,913,913	4,847,627	4,262,474
Total costs	18,584,192	17,399,421	5,891,442	41,875,055	30,403,428

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

Included in Other costs of Programmatic Activities is £7.1m (2022: £6.2m) of funds sub-granted to third parties.

6b Analysis of Support Costs

	Programme Activities £	Fundraising costs £	Operations & Governance costs £	Total 2023 £	Total 2022 £
Office rent & services	75,768	-	592,765	668,533	607,534
Equipment Acquisition & Maintenance	72,591	91	4,344	77,026	42,800
Grants	62,720	-	5,000	67,720	255,455
Conference attendance & event costs	23,729	113,333	40,475	177,537	110,548
Printing, publications and media costs	5,323	1,667,344	83,124	1,755,791	1,249,383
Bank charges and interest	30,851	134,285	11,120	176,256	97,999
Depreciation	9,233	7,203	21,113	37,549	77,400
IT, telephony & office supplies	114,187	266,385	383,972	764,544	448,723
Travel & Subsistence	213,834	117,403	157,685	488,922	479,908
Audit, Legal & Professional fees	212,029	728,165	544,193	1,484,387	1,517,261
Other costs	87,457	35,598	70,122	193,177	76,624
Total support costs	907,722	3,069,807	1,913,913	5,891,442	4,963,635

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 2023	48,461	93,548	1,192,695	1,086,296	2,421,000
Additions	-	-	-	250,250	250,250
Disposals	-	-	(15,962)	(2,060)	(18,022)
At 31 December 2023	48,461	93,548	1,176,733	1,334,486	2,653,228
Depreciation					
At 1 January 2022	14,110	12,594	958	537,566	565,228
Charge for year	9,473	12,366	532	170,227	192,598
On disposals	-	-	(1,490)	(584)	(2,074)
At 31 December 2023	23,583	24,960	-	707,209	755,752
Net book value:					
At 31 December 2023	24,878	68,588	1,176,733	627,277	1,897,476
At 31 December 2022	34,351	80,954	1,191,737	548,730	1,855,772

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

	Software £	Total £
Cost:		
At 1 January 2023	568,464	568,464
Additions	159,554	159,554
Disposals	(161,678)	(161,678)
At 31 December 2023	566,340	566,340
Depreciation		
At 1 January 2023	522,751	522,751
Charge for year	27,856	27,856
On disposals	(157,600)	(157,600)
At 31 December 2023	393,007	393,007
Net book value:		
At 31 December 2023	173,333	173,333
At 31 December 2022	45,713	45,713

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

	2023	2022
	£	£
Movement during the year		
Market value as at 1 January	23,005,425	20,490,551
Net gains/(losses) during the year	9,006	(113,318)
Foreign exchange gains/(losses) during the year	(867,927)	2,072,757
Capital invested/(withdrawn) during the year	(1,214,126)	555,435
Total Investments	20,932,378	23,005,425

Investments are represented by:	2023	2022
	£	£
Fixed interest securities & equity shares	670,668	661,662
Cash deposit funds	15,126,725	16,941,072
Programme related investments	5,134,985	5,402,691
Total Investments held in the UK	20,932,378	23,005,425

The historic cost of investments as at 31 December 2023 was £20,892,437 (2022: £22,943,763).

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.

After the period end programme related investments included in the above totalling £4,375,118 were transferred to a partner for nil consideration.

9 Debtors

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	3,846,209	2,647,623	3,804,000	2,451,444
Amounts due from subsidiaries	-	-	522,250	1,136,730
Prepayments and accrued income	587,072	960,263	503,857	922,664
	4,433,281	3,607,886	4,830,107	4,510,838

All the above amounts fall due within one year.

10 Creditors

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	863,839	298,770	858,057	287,764
Amounts due to subsidiaries	-	-	-	664
Tax and social security	976,484	790,216	968,176	783,522
Accruals and deferred income	6,250,782	792,317	6,240,457	781,836
Other creditors	3,663	5,134	3,663	5,134
	8,094,768	1,886,437	8,070,353	1,858,920

Accruals and deferred income includes the following:

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Deferred income at 1st January	-	4,790	-	4,790
Income deferred in year	5,814,857	-	5,814,857	-
Amounts released from previous years	-	(4,790)	-	(4,790)
Deferred Income at 31st December	5,814,857	-	5,814,857	-

11 Provisions (all provisions are attributable to the charity)

	At	Provisions	Provisions	At
	01/01/2023	created /	utilised	31/12/2023
	£	(released)	£	£
Land taxes payable	17,686	-	-	17,686
	17,686	-	-	17,686

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	7,246,862	6,016,479	(8,919,643)	(431,192)	1,041,902	4,954,408
Designated funds	55,545	-	-	-	(276)	55,269
Total unrestricted funds	7,302,407	6,016,479	(8,919,643)	(431,192)	1,041,626	5,009,677
Endowment funds						
Rothiemurchus Bequest Fund	34,059	196	-	(448)	-	33,807
Whitley Animal Protection Trust	604,610	-	-	6,042	-	610,652
Total endowment funds	638,669	196	-	5,594	-	644,459
Restricted funds						
Africa	3,707,201	5,955,903	(9,532,223)	14,511	2,358,022	2,503,414
Americas & Caribbean	6,302,956	1,601,286	(2,575,413)	9,203	938,168	6,276,200
Asia-Pacific	5,449,171	7,982,086	(8,923,127)	7,020	825,018	5,340,168
Conservation Capacity and Leadership	2,353,738	1,972,976	(2,475,431)	829	(37,746)	1,814,366
Cross-cutting Programmes Development	427,106	102,577	(74,909)	1	-	454,775
Conservation Science and Design	2,770,545	6,156,615	(3,285,205)	366,364	(4,314,895)	1,693,424
Climate & Nature Linkages	69,633	20,548	(38,192)	1,528	-	53,517
Eurasia	2,494,564	3,397,511	(3,389,633)	(8,660)	485,564	2,979,346
Business & Nature	5,470	1,382,938	(1,215,612)	(1,715)	-	171,081
People & Nature	3,555	185,657	(161,057)	-	-	28,155
Regional Programmes Development	-	1,500,000	(398,427)	-	(981,208)	120,365
Other (incl Foreign Exchange) Revaluation	2,096,115	525,580	(886,183)	(293,544)	(314,549)	1,127,419
Total restricted funds	25,680,054	30,783,677	(32,955,412)	95,537	(1,041,626)	22,562,230
Total Funds	33,621,130	36,800,352	(41,875,055)	(330,061)	-	28,216,366

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 (2023: £144,453, 2022: £176,868), the Endangered Landscapes Programme (2023: £435,737, 2022: £362,269), and Defra, UK Government: Darwin Initiative (2023: £3,684,626, 2022: £2,009,027), Darwin Plus (2023: £202,319, 2022: £146,817), Illegal Wildlife Trade Challenge Fund (2023: £309,776, 2022: £609,630), and income received of £nil and expenditure of £13,115 in relation to the Biodiverse Landscapes Fund (BLF).

13 Analysis of Net Assets between Funds

	General Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£	£
Tangible Fixed Assets	93,466	-	1,804,010	-	1,897,476
Intangible Fixed Assets	173,333	-	-	-	173,333
Investments	5,066,149	-	15,221,770	644,459	20,932,378
Net current assets	(360,854)	55,269	5,536,450	-	5,230,865
Provisions	(17,686)	-	-	-	(17,686)
	<u>4,954,408</u>	<u>55,269</u>	<u>22,562,230</u>	<u>644,459</u>	<u>28,216,366</u>

14 Operating Lease Commitments

Annual commitments are as follows:

	2023	2022
	£	£
Land and buildings:		
Not later than one year	217,804	208,471
Later than one year and not later than five years	142,609	267,858
Later than five years	-	-
	<u>360,413</u>	<u>476,329</u>
Other operating leases:		
Not later than one year	73,520	71,874
Later than one year and not later than five years	62,811	122,960
Later than five years	-	-
	<u>136,331</u>	<u>194,834</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 member of family 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 Principe 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 also provides grants to The Mount Kenya Trust which has a mutual Trustee. Fauna & Flora provides grant funding to Chuilixi 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 has paid and received reimbursement of expenditure from OI Pejeta Ranching Ltd and ProPark Foundation. A member of Fauna & Flora's SLT is also a director of these organisations.

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

	2023	2022
	£	£
Grants received from related parties		
The Marcela Trust	430,000	150,000
Grants made to related parties		
Chuilexi Conservação Investimentos Limitada	1,143,042	1,192,285
Luambeze Investimentos Limitada	331,207	236,447
Príncipe Foundation	295,903	133,879
ProPark Foundation	-	1,000
The Mount Kenya Trust	114,214	-
Donations received from		
Trustees & Related parties	74,503	74,770
Reimbursement of expenditure from related parties		
ProPark Foundation	416	-
Lease & service fees		
OMC Investments Ltd	51,300	52,741
Amounts owing from subsidiary undertakings		
Fauna & Flora International Australia	18,316	(664)
Fauna & Flora International South Africa	36,572	41,544
Fauna & Flora International USA Inc	467,362	1,095,186

16 Cash Flow Information

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
a) Reconciliations of changes in resources to net inflow from operating activities				
Net incoming resources	(5,404,764)	3,479,781	(4,761,966)	3,968,665
Depreciation charge	220,454	209,255	215,127	206,401
(Gain)/loss on disposal of tangible and intangible fixed assets	19,580	-	19,580	-
Investment income (shown separately in (b) below)	(839,573)	(300,823)	(833,878)	(297,756)
(Increase)/decrease in debtors	(825,393)	(1,064,301)	(319,269)	(2,302,476)
Increase/(decrease) in creditors	6,208,331	289,002	6,211,433	279,899
Change in fixed asset investments valuation	(9,006)	90,799	(9,006)	90,799
Unrealised foreign exchange gains/(losses) on non-monetary assets	268,149	(650,193)	268,149	(511,898)
Unrealised foreign exchange gains/(losses) on monetary assets	778,749	(1,852,516)	674,716	(1,852,516)
Net cash inflow/(outflow) from operating activities	416,527	201,004	1,464,886	(418,882)
a) Gross cash flows				
<i>Returns on investment and servicing of finance:</i>				
Investment income received	839,573	300,823	833,878	297,756
<i>Capital expenditure and financial investment:</i>				
Payment to acquire tangible and intangible fixed assets	(409,804)	(433,220)	(388,634)	(433,220)
Payments to acquire fixed asset investments	-	(430,014)	-	(430,014)
	(409,804)	(863,234)	(388,634)	(863,234)

17 Summary income and expenditure account for the year ending 31 December 2023

	All income funds 2023	All income funds 2022
	£	£
Income	35,960,779	32,864,870
Gains/(losses) on investments	-	-
Interest and investment income	839,377	300,602
Gross income in the reporting period	36,800,156	33,165,472
Expenditure	41,990,256	29,390,212
Interest payable	-	-
Depreciation and charges for impairment of fixed assets	220,454	209,256
Total expenditure in the reporting period	42,210,710	29,599,468
Net income (expenditure) before tax for the reporting period	(5,410,554)	3,566,004
Tax payable	-	-
Net income (expenditure) for the financial year	(5,410,554)	3,566,004

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

				2023	2022
	Unrestricted	Restricted	Endowment	Total	Total
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	3,884,091	206,640	-	4,090,731	5,826,407
Charitable Activities	757,903	30,447,117	-	31,205,020	26,626,417
Investments	613,218	220,464	196	833,878	297,756
Other Trading Activities	3,264	420	-	3,684	2,234
Other	5,981	187,346	-	193,327	229,897
Total	5,264,457	31,061,987	196	36,326,640	32,982,711
Expenditure on:					
Raising funds	3,935,730	-	-	3,935,730	2,722,807
Charitable Activities	4,096,405	32,762,291	-	36,858,696	26,847,772
Total	8,032,135	32,762,291	-	40,794,426	29,570,579
Net gains/(losses) on investments	3,412	-	5,594	9,006	(90,799)
Net income/(expenditure)	(2,764,266)	(1,700,304)	5,790	(4,458,780)	3,321,333
Transfers between funds	1,041,626	(1,053,837)	-	(12,211)	(29,891)
Other gains/(losses)	(398,643)	107,668	-	(290,975)	677,223
Net movement in Funds	(2,121,283)	(2,646,473)	5,790	(4,761,966)	3,968,665
Total funds brought forward	5,152,422	25,434,850	638,668	31,225,940	27,257,275
Total funds carried forward	3,031,139	22,788,377	644,458	26,463,974	31,225,940

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	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
Business & Nature	205,076	1,231,735	(1,447,528)	384	15,803	5,470
People & Nature	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

20 Prior Year Funds Analysis Statement

	General Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total £
Tangible Fixed Assets	115,305	-	1,740,467	-	1,855,772
Intangible 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)
	7,246,862	55,545	25,680,054	638,669	33,621,130

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 USA.

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, Sommerschild II, Maputo, Moçambique	
Percentage Ownership / Control	100%	100%	100%	100%	100%	55%	75%
	£	£	£	£	£	£	£
Total Income	123,002	1,034,016	3,310	291,141	-	-	-
Costs	(117,297)	(1,555,518)	(1,279)	(345,349)	-	(1,031,561)	(402,944)
Net gains/(losses) on investments	-	-	-	-	-	-	-
Other gains/(losses)	(8,539)	(45,908)	(745)	-	-	-	-
Surplus / (deficit) for the year	(2,834)	(567,410)	1,286	(54,208)	-	(1,031,561)	(402,944)
Retained surplus brought forward	168,355	927,778	6,376	1,295,196	3,746,023	(4,555,765)	(2,264,200)
Retained surplus carried forward	165,521	360,368	7,662	1,240,988	3,746,023	(5,587,326)	(2,667,144)
Gross assets at 31 December 2023	186,606	847,363	44,234	1,243,006	3,746,023	665,170	422,549
Gross liabilities at 31 December 2023	(21,085)	(486,995)	(36,572)	(2,018)	-	(6,252,250)	(3,089,693)
Reserves at 31 December 2023	165,521	360,368	7,662	1,240,988	3,746,023	(5,587,080)	(2,667,144)

The Caribbean Alliance is a jointly controlled operation between Fauna & Flora and Re:Wild. The jointly controlled operation was created in 2021. The net expenditure of £58,348 (2022: £55,019) shown in the Statement of Financial Activities represents Fauna & Flora's share of the net expenditure of the jointly controlled operation for 2023.



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Fauna & Flora

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Registered Charity Number 1011102.
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Wales, Number 2677068

A registered 501(c) (3) non-profit organization;
EIN #81-3967095

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