

**TRAFFIC**

TRAFFIC FY22

**TRUSTEES'  
REPORT AND  
FINANCIAL  
STATEMENTS**



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### ABOUT US

TRAFFIC is a leading non-governmental organisation working globally on trade in wild animals and plants in the context of both biodiversity conservation and sustainable development.

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### PUBLISHED BY:

TRAFFIC International, Cambridge, United Kingdom.

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# MESSAGE FROM THE CHAIR OF TRUSTEES AND EXECUTIVE DIRECTOR

**TRAFFIC's year to the end of June 2022, covered by this report, has seen the successful delivery of an ambitious operational and programmatic agenda. As the global climate continues to be marked by uncertainty, we are pleased to report that TRAFFIC has exceeded the majority of its programme targets and effectively delivered on the priorities of the FY22 Workplan.**

In FY22, we have continued to adapt to the long-term challenges of the COVID-19 pandemic. TRAFFIC's engagement with governments and through various partnerships has helped to inform global action on the One Health agenda, recognising the essential relationship between human, animal and environmental health. We have analysed the relative risks posed by wildlife trade in zoonotic disease transmission and spill-over events, and defined new avenues of collaboration in many global fora. Most recently, TRAFFIC made an ambitious contribution to the CITES CoP19 in November as well as CBD CoP15 (Part II) where the Global Biodiversity Framework is to be finalised in December.

In addition to our global intergovernmental presence and activity, TRAFFIC continued its core business of responding to illegal wildlife trade and crime by providing leadership, insights, and tools to support and strengthen cooperative action by public and private sector stakeholders. As an example, we are developing tools to tackle cybercrime across different regions and TRAFFIC's global leadership and its targeted action in major consumer markets continue to improve demand reduction and other behaviour changes.

At the same time, it is pleasing to note that sustainable, legal trade in wildlife and wild products remains at the core of TRAFFIC's broad portfolio of work. Focus is being shifted to putting a stop to illegal harvest and to products entering trade in ways that

undermine sustainable practices and rob communities and national governments of wildlife resources and associated revenues. By increasing access to information, tools, and mechanisms designed to improve systems in place, TRAFFIC strives to facilitate legal and sustainable trade, and also, enhance the social, economic and environmental benefits that such trade can provide to communities.

The increasing emphasis on sustainable trade is also a key feature of the next TRAFFIC strategy to 2030. This strategy will be launched in early 2023 to guide TRAFFIC's work for the decade to come.

Operationally, TRAFFIC completed the registration of national entities in Tanzania and Belgium during the financial year, thus expanding our institutional presence. This is despite continued challenges in the wake of COVID-19, which has often delayed fieldwork and project start-up. Cost recovery has been affected in some areas as a result, and we have had to show considerable nimbleness not to lose staff or valuable activities. We are pleased to note that overall income and expenditure have both increased this year as we seek to diversify our income streams. Some organisational restructuring has also helped to redefine key areas of focus for the future.

These achievements are a direct result of the hard work, creativity, and impressive commitment of our staff in all parts of the organisation. We extend our sincere gratitude to them as well as to the partners, organisations and other stakeholders who support and enable our work. We also thank the Trustees for their steady navigation and our founding partners WWF and the IUCN for their continued collaboration. Finally, we would like to express our gratitude to the institutions and individuals who have provided funding support and put their trust in TRAFFIC's work and vision this year.



**MARK HALLE**  
Chair of the Board



**RICHARD SCOBEY**  
Executive Director



THE TRUSTEES, WHO ARE ALSO DIRECTORS OF THE CHARITABLE COMPANY, PRESENT THEIR ANNUAL REPORT (INCLUDING THE STRATEGIC REPORT) ON THE AFFAIRS OF THE CHARITY, TOGETHER WITH THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2022.

# INTRODUCTION

**The commercial use of wild animal and plant resources - "wildlife trade" - is an issue at the very heart of the tension between biodiversity conservation and human development. Human beings around the world directly depend on wild species as sources of food, medicines, construction materials, and many other items, as well as for income. Although the sometimes negative impact of this trade on the status and security of species and ecosystems is clear, the trade in wild species also makes a significant contribution to human wellbeing.**

TRAFFIC International (hereafter referred to as TRAFFIC) is a leading non-governmental organisation working globally to address biodiversity conservation and sustainable development priorities linked to the trade in wild species. TRAFFIC was established in 1976 by IUCN and WWF to respond to the growing threats posed by illegal wildlife trade and overexploitation. We have maintained our unique role as a global wildlife trade specialist, combining original research, sound and impartial analysis, and collaboration with a range of partners to reduce illegal wildlife trade and enhance benefits from sustainable and legal trade.

TRAFFIC delivered its work through a team of approximately 170 staff based in Asia, Africa, and Europe. TRAFFIC's global office, based in Cambridge, UK delivered global leadership, technical expertise, and support functions to the organisation. Our long-standing expertise, combined with an evidence-based and flexible approach to problem-solving, has given TRAFFIC a strong and respected reputation, allowing us to achieve an influence disproportionate to our size.

This report presents TRAFFIC's financial accounts and highlights some of our achievements during FY22 (July 2021 – June 2022). Our combination of original and in-depth research, targeted communications, and capacity building helped governments, businesses, other non-governmental organisations (NGOs) and individuals to take action in line with TRAFFIC's mission to ensure that wildlife trade is not a threat to the conservation of nature. To find out more about TRAFFIC's work, please visit [www.traffic.org](http://www.traffic.org).

## PROGRAMME OBJECTIVES AND FOCUS

The Charity's objects, set out in its Articles of Association, are to promote the conservation and protection of nature and natural resources worldwide through helping to ensure that trade in wild animals and plants is at sustainable levels and in accordance with domestic and international laws and agreements.

TRAFFIC's mission is to ensure that trade in wild plants and animals is not a threat to the conservation of nature. This mission is linked to a vision of a world where wildlife trade is managed in a way that maintains healthy wildlife populations and ecosystems; contributes to meeting human needs; supports local and national economies; and helps motivate commitments to conserve wild species and habitats.

To further its mission and Charity objects, TRAFFIC supports the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and other international agreements

and national-level wildlife trade controls. TRAFFIC also supports wider public and private sector efforts to eliminate illegal wildlife trade and promote sustainable management and trade of fisheries, timber, non-timber forest products, and other wild-sourced commodities.

TRAFFIC informs, promotes, facilitates, and otherwise supports action to address wildlife trade issues in wildlife trade hotspots worldwide, including producer, trading and consumer countries. TRAFFIC's work is based on a multi-pronged approach created to ensure effective multilateral intervention through cooperation and strengthen the capacity of people and institutions responsible for designing and implementing regional/national regulations. This focus is balanced with work to inform and improve business practices (especially around sourcing of wild products) as well as influence the behaviour and purchasing of consumers related to markets for wild animals, plants, and related products.



**IMPROVING BUSINESS PRACTICES:  
SOURCING**



**MAKING LAWS WORK: REGULATION**



**SHAPING MARKETS: PURCHASING**



**ENSURING EFFECTIVE MULTILATERAL  
INTERVENTION: COOPERATION**

TRAFFIC's FY22 work plan focused on two priority workstreams: 1) Approaches and action to enhance responses to wildlife crime and illegal trade; and 2) Approaches and action to enhance systems for sustainable, legal wildlife trade. Many projects combined

elements of work under both workstreams, reflecting the importance of reducing illegal trade to achieve sustainable, legal trade in wildlife resources and the potential for sustainable incomes from legal trade to dissuade illegal activities.

## ACTION TO ENHANCE SYSTEMS FOR SUSTAINABLE, LEGAL WILDLIFE TRADE

Work is focused on enhancing benefits from sustainable and legal trade in wildlife resources by increasing incentives and pathways for businesses, communities and consumers to engage in responsible trade practices

## ENHANCING RESPONSES TO WILDLIFE CRIME AND ILLEGAL TRADE

Our work is focused on achieving a sustained reduction in illegal wildlife trade by increasing the risks and reducing the rewards associated with trading in wildlife contraband, thereby reducing the criminal motivation and engagement in the illicit trade that is driving the poaching crisis.

The design and delivery of work under these two workstreams were underpinned by a broader programme of strategic research and analysis to produce guidance on wildlife

trade issues. Targeted communications, tools and training were used to inform, engage and support positive actions by stakeholders.

## EVIDENCE TO INFLUENCE APPROACH

### RESEARCH

Market monitoring  
Legislative reviews  
Behavioural insights  
Investigations

01

### ANALYSIS

Data mapping  
Information systems  
Applying context  
Academic insights

02

### GUIDANCE

Early warning  
Threat assessments  
Setting standards  
Regulatory design

03

### ENGAGEMENT

Enforcement support  
Policy advice  
Communications  
Training

04



## PROGRAMME DELIVERY - ACTIVITIES AND HIGHLIGHTS

In the wake of the COVID-19 pandemic and its unprecedented consequences, TRAFFIC embarked upon a new financial year in a climate filled with uncertainty. Political interest in wildlife trade issues was even more evident than it had been before, fueled by the strong perceived link to the pandemic. TRAFFIC played a critical role in helping national governments strengthen existing policies and legislation to face this new threat while also developing action plans to effectively implement the One Health approach, established by the World Health Organization (WHO) to address human, animal, and environmental health.

In the private sector, disruptions of traditional transport, logistical, and supply chains due

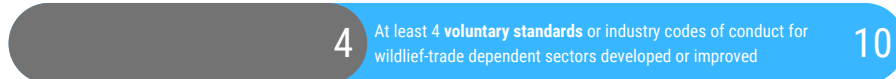
to economic lockdowns saw new modalities evolve and a variety of responses from businesses and customers to these changes in the evolution of existing or new supply chains. TRAFFIC was well-placed to monitor and analyse these changes in supply chains and worked with stakeholders to implement responses.

An overview of all TRAFFIC's Programme Results is shown on the following page. The numbers in grey represent the Programme Results targets for 2022, and those in colour represent the total achieved by the end of FY22.

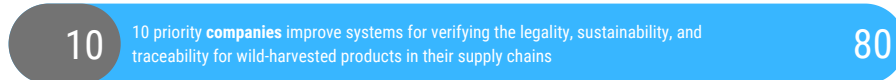
**RESULT 1.1**



**RESULT 1.2**



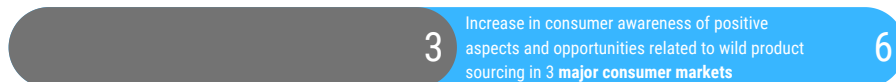
**RESULT 1.3**



**RESULT 1.4**



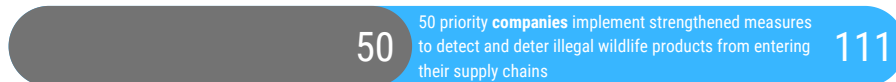
**RESULT 1.5**



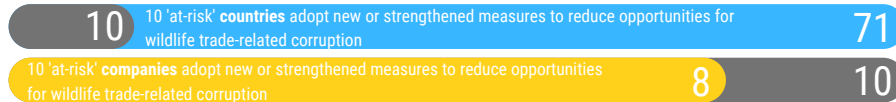
(Baselines for Result 1.5 were infeasible to measure. The figure above is a proxy indicator. Instead of measuring increase in consumer awareness, the number of major consumer markets reached by TRAFFIC awareness raising initiatives was measured)



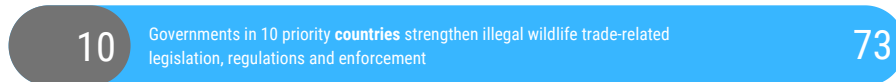
**RESULT 2.1**



**RESULT 2.2**



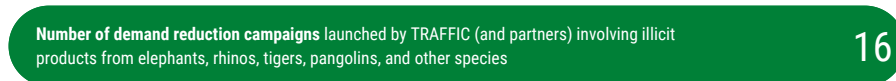
**RESULT 2.3**



**RESULT 2.4**



**RESULT 2.5** Demand for illicit products from **elephants, rhinos, tigers, and pangolins** reduced by at least one-third in 3 **countries**



(Baselines for Result 2.5 were infeasible to measure. The figure above is a proxy indicator. Demand reduction was measured for each campaign individually)



A selection of programme highlights during FY22 is provided below, detailing our achievements delivered within each of the two workstreams and some which have a cross-cutting impact. Work was typically delivered in partnership with other organisations, including

government agencies, intergovernmental and civil society organisations, and businesses. In many cases, it builds on efforts that have gained momentum and increased impact over multiple years.

## ENHANCING RESPONSES TO WILDLIFE CRIME AND ILLEGAL TRADE

Government and private sector efforts to eliminate illegal wildlife trade have grown in scale and sophistication over the past decade. Inevitably, wildlife traffickers continually adopt new techniques to avoid detection, requiring governments, international agencies, businesses, and consumers worldwide to redouble individual and collective efforts to

tackle wildlife crime. TRAFFIC remained at the forefront of these efforts, focusing on providing leadership, insights and tools supporting and strengthening co-operative action by public and private sector stakeholders. Examples of achievements to which TRAFFIC contributed during the year include the following.

### KEEPING INTERNATIONAL INTER-AGENCY ENFORCEMENT INFO FLOWING AND AIDING WILDLIFE CRIME PROSECUTIONS

Trade in Wildlife Information eXchanges (TWIX) are regional inter-agency platforms enabling public officials to share information on wildlife seizures, smuggling routes, modus operandi, and other illegal wildlife trade (IWT) relevant information over a secure mailing list. They also facilitate access to resources such as legislation and guidance, needed by the public sector users. TRAFFIC has managed and supported the TWIX systems since 2005 when the first TWIX was developed in Europe. As of June 2022, EU-TWIX had approximately 1300 users from 39 different European countries and over 81,000 seizure records. Communications facilitated by EU-TWIX supported/triggered eight Europol investigations from July 2021 – June 2022. Following the success in Europe, TWIX systems have been replicated in Central (AFRICA-TWIX), Southern (SADC-TWIX), and Eastern Africa (EA-TWIX). Plans to scope potential expansion for West Africa and the ASEAN region are also underway.

TRAFFIC has organised **training sessions for enforcement officers and prosecutors**, such as the online illegal wildlife trade workshop with the Ministry of Forestry and Wildlife (MINFOF) in Cameroon. This workshop led to

the inclusion of online wildlife-crime-related modifications to a draft wildlife legislation at the National Assembly. In December 2021, the Kisumu Resident Magistrate's Court in Tanzania re-sentenced the leader of one of Africa's biggest ivory smuggling rings, 'the Ivory Queen,' and her accomplices to 15 years of imprisonment for their role in trafficking ivory worth over USD 5.5 million. The prosecutors were state attorneys who had attended and then delivered TRAFFIC's training on countering IWT over several years.

TRAFFIC facilitated the establishment of a **Wildlife and Environmental Crimes Prosecutors Forum (WEPF)**, a regional forum of the East African Association of Prosecutors (EAAP). Through the WEPF, the EAAP conference was held in September 2021. Six resolutions were passed regarding improved collaborations among the prosecuting authorities against transnational wildlife crimes and harmonisation of laws on investigating and prosecuting wildlife crimes. Since the Conference, five countries' prosecutors have joined the EAAP, bringing the total member countries to 11. Subsequently, TRAFFIC supported capacity-building for [35 prosecutors](#)

[from the EAAP member countries](#) on asset recovery, money laundering, and regional collaboration to prosecute transnational crimes. As a result, the EAAP member countries pledged to deepen their cooperation on this issue.

Further highlighting the importance of effective wildlife crime prosecutions, TRAFFIC produced a report in collaboration with the Targeting Natural Resource Corruption (TNRC) programme on [Identifying Corruption by Reviewing Wildlife Crime Court Cases in Southern Africa](#).

Building on the ongoing work to understand **environmental crimes convergence** in Indonesia and to provide helpful information on conservation crimes to law enforcement officials, data from multiple sources related to the convergences of different areas of crime in Viet Nam have been collected since May 2022. This database will be analysed and spatially mapped to improve monitoring and prosecution of the illicit activities of a variety of different actors. Interviews were conducted with law enforcement agencies and other stakeholders, forming the framework for replication in Brazil, Cameroon and Viet Nam.



Technical Committee Meeting of the EAAP, March 2022

## FINANCIAL SECTOR ENGAGEMENT

TRAFFIC's work to target the financial flows that motivate and facilitate the illegal wildlife trade has delivered a range of successes.

In **South Africa**, TRAFFIC's [Case Digest on financial flows and payment mechanisms behind wildlife and forest crime](#) has been routinely cited as a critical document for private and public sector stakeholders. It was a central reference document used in the design and focus of the South African Anti-Money Laundering Integrated Task Force (SAMLIT) and assisted financial institutions internally with refining their intelligence systems and algorithms to identify suspicious transactions. TRAFFIC and the Association of Certified Anti-Money Laundering Specialists (ACAMS) continue to engage financial investigative units

(FIUs) through their [online training platform](#) that has been used by a total of 10,000 private sector financial institution staff since its launch in 2020.

TRAFFIC worked with the UK government to launch a Chinese version of the IWT financial toolkit on World Wildlife Day, 3 March 2022, along with an English and Arabic version. The ACAMS -TRAFFIC IWT Certificate was also developed in Chinese, including lecture presentations, reading materials, speech scripts, course videos, and exam questions. TRAFFIC also engaged Standard Chartered Bank in China to initiate enhanced due diligence investigation into clients who might directly/indirectly be involved in IWT.

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## TRANSPORT SECTOR ACTION BEARING RESULTS

Illegal timber, ivory, and other types of wildlife contraband are often concealed in shipping containers and smuggled by sea for offloading and sale in foreign ports. Traffickers exploit the large scale of maritime shipping to circumvent customs, CITES, and other trade controls. Similarly, air transportation and courier/logistics companies are also vulnerable to this exploitation. TRAFFIC has been working with the transport sector to mitigate this risk for several years.

The final impact report of the six-year-long Reducing Opportunities for Unlawful Transport of Endangered Species (ROUTES) Partnership programme (and collaboration between TRAFFIC, WWF, and other partners) was published in January 2022. This innovative partnership of transport and logistics companies, government agencies, development groups, law enforcement, conservation organisations and donors

was developed to disrupt wildlife trafficking activities. It achieved impacts in knowledge generation, training, tools, and inspiration. The partnership has yielded lasting impacts on stakeholders within the aviation industry, with several airlines investing time and effort to train trainers and adapt their IWT policies in line with best practice recommendations from TRAFFIC and partners.

TRAFFIC – through the ROUTES Partnership - supported Airports Council International (ACI) and the International Air Transport Association (IATA) to put forward a proposal to **the International Civil Aviation Organization (ICAO)** to adopt a recommended practice on wildlife trafficking, which the Facilitation Panel unanimously endorsed. In May, the practice was formally adopted by the ICAO Council (effective on 18 July 2022). This is the first time that IWT has been addressed at this policy level in the aviation industry.

***“Contracting States should ensure that procedures are in place to combat wildlife trafficking, including clear reporting systems and relevant competent authorities’ points of contact for airport and airline operators.”***

- The International Civil Aviation Organization (ICAO) Council

TRAFFIC, WWF, UNDP, and others have been working with the Government of Kenya to develop the Guidelines supporting the maritime sector and relevant agencies preventing wildlife trafficking, to be adopted by **the International Maritime Organisation**. At the IMO 46th Facilitation Panel in May 2022, the guidelines were reviewed and formally adopted – first time IWT has been addressed at this level in the maritime industry. Since then, Belgium has already integrated the guidelines into its national legislation.

Training and knowledge-sharing for transport sector stakeholders continued. In March 2022, 78 participants representing **Uganda’s transport sector institutions**, such as

Uganda’s Freight Forwarders Association, came together for a TRAFFIC-led workshop on ‘Countering Wildlife Trafficking and Other Illicit Trade through Uganda’s Dry Ports and Containerised Supply Chains’. In June 2022, over 40 representatives from the government and private sector attended the workshop on the ‘Authorised Economic Operator (AEO)’ programme.

In Viet Nam, TRAFFIC maintains regular communication with the **Vietnam Automobile Transportation Association (VATA)**. We plan future work with VATA and others to design strategic intervention plans to engage the transport sector and disrupt IWT within trade chains.

In Malaysia, TRAFFIC's worked with the postal sector on a series of [awareness campaigns and trainings at Malaysia's main postal hub \(Pos Malaysia International Hub\)](#). The trainings also developed in-house training capacity, and the training materials have been integrated into the company's online learning platform to carry on capacity-building for the future. Detection of parcels containing illegal wildlife and wildlife products has increased seven-fold since the campaign was implemented. Because of this positive result, the campaign is now being expanded from Peninsular Malaysia to Sabah and Sarawak to



Malaysia Pos frontliners test their knowledge during a training day

## BUILDING PRIVATE AND PUBLIC SECTOR EFFORTS TO FIGHT WILDLIFE CYBERCRIME

Since its launch by TRAFFIC, WWF and IFAW in 2018 [members of the Coalition to End Wildlife Trafficking Online](#) have blocked or removed **over 11.6 million posts/listings of illegal wildlife for sale**. Membership doubled from 21 companies to 47, with coverage extending to over 11 billion user accounts worldwide. Online user engagement and impressions on social media topped one billion.

In April 2022, Coalition member **TikTok**, released a [blog post](#) on their work to date with the Coalition. TikTok also launched a reporting pathway specifically for wildlife and a public service announcement to educate users about IWT. Nearly four hundred keywords and hashtags related to wildlife trafficking have been incorporated into block filters on their platform.

Coalition member **Huya**, launched the '[Protect Our Home Planet](#)' Campaign, partnering with TRAFFIC, IFAW, and the China Wildlife Conservation Association (CWCA). Huya has stated its aim to use its status and platform as a digital hub to promote wildlife conservation and reduce illegal online trade during the Year of the Tiger.

TRAFFIC and WWF established a regional Coalition hub for **Southeast Asia**, which has been actively monitoring online platforms through project activities in Southeast Asian countries (the Philippines, Indonesia and Malaysia) and the [Cyber Spotter program](#),



**No results found**

This phrase may be associated with the illegal trade of wildlife. TikTok is committed to keeping our community safe and is working to prevent wildlife trafficking from our platform. For more information, please view our **Community Guidelines**.

and leading the engagement with Lazada, a key e-commerce platform in the region. Coordination with Meta has resulted in the deactivation of 106 Facebook groups from the Philippines and 55 groups, and 16 user accounts from Indonesia with IWT activity, affecting hundreds of thousands of users.

TRAFFIC, alongside partners, is advising the formation of a Coalition Hub in **Latin America**. Engagement began with Mercado Libre, the

largest classifieds platform in the region, which is keen to collaborate through the Coalition. TRAFFIC will support the roll-out of the Coalition and broader activities in **Europe** by engaging with three EU-based online platforms, fostering collaboration between platforms and law enforcement agencies, and encouraging advances in automated software development.

TRAFFIC has organised dialogues about adapting the approach in **Africa**, noting that

many companies went bankrupt due to COVID or did not have the capacity to address IWT issues at this time. However, in **Central Africa**, TRAFFIC successfully engaged with Afribobo to commit to removing illegal wildlife products from its platform – the first Central African e-commerce company to take such action. A tailored Coalition strategy for Africa-based companies is currently underway.

## DRIVING NATIONAL ACTION TO REDUCE DEMAND FOR ILLEGAL PRODUCTS

TRAFFIC's global leadership and targeted approaches in major consumer markets maintained momentum for demand reduction and other behaviour change initiatives.

TRAFFIC's Situation Analysis on [Social and Behavioural Change Messaging on Wildlife Trade and Zoonotic Disease](#), published in December 2021, provided a benchmark synthesis of insights and lessons learned from social and behavioural change (SBC) efforts since the emergence of COVID-19. The analysis will guide development of related TRAFFIC SBC pilot projects and inform future collaborations, e.g. with USAID Stop the Spillover and USAID Reducing Demand for Wildlife.

As a result of TRAFFIC's support and activities in **Thailand**, consumers of illegal wild meat have successfully been encouraged to shift their attitudes and behaviour. During the reporting period, TRAFFIC concluded the second of two campaigns under the GEF6-supported work in Thailand.

CITES Guidance on Demand Reduction, drafted

by TRAFFIC, was fully endorsed by the 74th meeting of the CITES Standing Committee (SC) along with associated amendments to Resolution Conf. 17.4. The subsequent report prepared by the Secretariat ([CoP19 Doc 38](#)) recommends Parties adopt Resolution Conf 17.4 amendments, which include explicit mention of the Guidance and encourage its use.

At the global level, TRAFFIC successfully concluded a short-term engagement supporting the **World Bank-GEF Global Wildlife Program (GWP) Core Team to 'scale-up efforts to reduce demand for illegal species.'** In addition to advising on a 'Barriers Analysis' conducted through nineteen surveys and six follow-up qualitative interviews, TRAFFIC also led the delivery of a workshop to discuss findings. This event attracted fifty registrants from twenty-two organisations in twenty-one countries, and 100% of survey respondents rated the event as either 'excellent' (60%) or 'very good' (40%). The final 'Strategy' will be presented to the GWP Project Steering Committee in the next period.

## PRIORITY AREAS FOR WORK DURING FY23 WILL BE FOCUSED AROUND:

- Engaging and supporting preventative action by transport, logistics, e-commerce, social media, finance, and other companies
- Supporting uptake of tools and approaches that help undermine corruption in the natural resource sector
- Motivating, informing and supporting strengthened legislation and regulatory approaches
- Motivating, informing and supporting enforcement actions and prosecutions
- Informing, catalysing and supporting social and behavioural change interventions in the marketplace
- Informing and motivating inter-governmental policy interventions, evaluating progress and ensuring accountability.

# STRENGTHENING SYSTEMS FOR SUSTAINABLE, LEGAL TRADE IN WILDLIFE RESOURCES

Although the illegal wildlife trade attracts most of the headlines, in terms of the number of items in trade and sheer volumes, the majority of wildlife products in trade are from legal sources. This includes many common food products and household items. However, some products in legal trade are also harvested and traded illegally, or illegal products are fed into legitimate supply chains, creating complex grey areas. This undermines sustainable management practices and robs local

communities and national governments of wildlife resources and associated revenue. TRAFFIC projects, therefore, focus on increasing access to information, tools, and mechanisms designed to improve systems in place to facilitate legal, sustainable trade while simultaneously reducing opportunities for illegal trade. Examples of achievements to which TRAFFIC contributed during the year are the following.

## LEGAL AND TRACEABLE WOOD IN KEY SUPPLY CHAINS

Illegal and unsustainable timber trade threatens essential ecosystem services and sustainable human development; the industry needs to shift to legal, sustainable practices. TRAFFIC has been helping to catalyse and inform sustainable timber trade with a new [project](#) working in **China, Viet Nam, and the Congo Basin – a pivotal supply chain for tropical timber**.

In China, **four new timber importing and processing companies** have adopted and commenced implementation of the Code of Conduct on timber legality, created by the China Timber and Wood Product Distribution Association (CTWPDA) and supported by TRAFFIC. In total, **74 have adopted the Code** to date and **37 of these have verified its implementation** in FY22. TRAFFIC helped CTWPDA to update a compliance requirements guideline and corresponding checklist for the Code of Conduct.

Through similar work in **Viet Nam**, TRAFFIC is developing a Code of Conduct for importing timber enterprises of the Forest Products Association of Binh Dinh, one of the leading participants in the Viet Nam timber and timber products association (ViFOREST).

TRAFFIC has also started mapping **the financial sector in Viet Nam, Cameroon, and Congo** to underpin an implementation plan for improving best practice related to timber trade in the financial sector.

Strengthening understanding of timber legality for the sector, TRAFFIC updated national legality frameworks for timber trade in Cameroon and Congo, and finalised a report on the [Framework for Assessing Legality of Forestry Operations, Timber Processing and Trade in Tanzania](#).

## SHARKS TRADE: IDENTIFICATION AND TRACING CHALLENGES TACKLED

TRAFFIC's report, [Missing Sharks](#), launched in 2022, was well-received by the CITES Secretariat and the UN FAO for its potential to improve data collection and CITES implementation. The report highlighted CITES Parties which appear not to be meeting their obligations and should result in further scrutiny by the CITES Standing Committee.

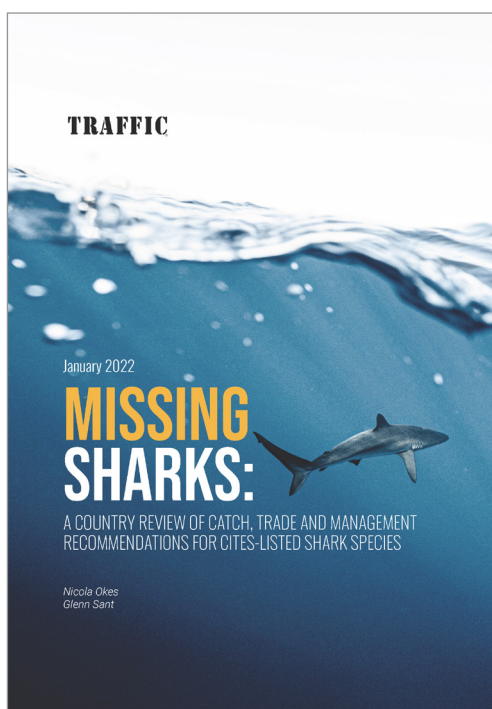
As a result, **the agenda documents for CITES CoP19 contain recommendations for further consideration of the findings of this work**.

The project [Assessing the risk of overexploitation of the most traded species of sharks and rays](#) (M-Risk) ended during the reporting period. This work initially looked at

designing a method for determining aquatic species in trade at risk of overexploitation. Some **countries have already been using it to assist with NDF development**, and the EU proposed it for the Convention on Migratory Species (CMS) MoU Sharks to be considered a vital way of determining 'Species of concern' for the consideration of listing.

Following the successful piloting of the technology in Australia, TRAFFIC launched SharkTrace, an innovative digital traceability tool that tags and tracks sharks from the point of capture through to point of consumption, and subsequently commenced the trial period in South Africa. The tool's user-friendly and cost-effective apps are available to fishing vessels, processing plants, transport companies, and others seeking to ensure transparency throughout the supply chain.

TRAFFIC has also delivered capacity building of front-line law enforcement officials in the South Africa to identify CITES-listed shark species in trade using TRAFFIC's novel 3D-printed replica fin toolkit. Complete fin sets



were also disseminated to Tanzania, Congo, and Mozambique. Over 75 institutions have downloaded the printer files to produce these 3D replica shark fins.

## INNOVATIONS FOR THE SUSTAINABLE WILD PLANT INDUSTRY

In close partnership with the FairWild Foundation, FAO, IUCN Species Survival Commission (SSC) Medicinal Plant Specialist Group, TRAFFIC helped expand industry and consumer awareness of wild sourcing and opportunities to improve outcomes for both plant species and producers.

[The WildCheck report](#), a reference for **risks and opportunities assessment of flagship wild-harvested plant ingredients**, was published in April with partners FAO and IUCN Medicinal Plant Specialist Group. The first of its kind, this report contains risk and opportunity profiles for 12 well-known wild ingredients in trade, the 'Wild Dozen', alongside a review of the state of wild plants trade.

The report has already shown early signs of influence: over **900 viewers of the launch webinar** co-hosted with the Sustainable Herbs Program. The report authors contributed to a [Human Rights Impact Assessment on Brazil nuts](#) conducted by Aldi Sud, which has since been published. This is the earliest

example of a major retailer highlighting how wild-harvesting of an ingredient can impact workers' rights.

FairWild Week 2022 took place from 20-24 June, promoting the sustainable use of wild plants and the WildCheck report to industry partners. **'Wild Plants Are Our Business'** was the [key message](#) from supporting industry participants. As a result, the engagement surrounding the week increased **significantly (x12.5 times) from the previous FairWild week; the reach on social media alone was >360,000**. Aiming at wider public engagement, TRAFFIC's partner Cambridge University Botanic Garden hosted a [wild plants event](#). The event encouraged finding wild plant ingredients in everyday products in March/April for the annual Cambridge Festival focusing on consumer education.

The pace of new FairWild registrations and certifications has continued to gain momentum. By June, **53 companies** were certified or registered in the scheme. These included **new certification sites in Honduras,**

**Ghana, and Burkina Faso**, thus further expanding the number of countries with certified operations to 17. The goal of achieving the [first FairWild certification in China](#) was met in and was formally communicated to industry stakeholders. A French cosmetics company's commitment to buy FairWild-certified Schisandra will contribute to the conservation of Panda habitat and community development and provide a new model for managing trade in this major source, consumer, and trading country. TRAFFIC also researched improved management of Pelargonium trade from South Africa, including ethnobotanical studies to support the establishment of trading systems that respect the rights of traditional knowledge holders and supply chain analysis in Europe, the leading consumer market.

Also significant to note is that the FairWild Foundation [concluded a recognition agreement](#) with Martin Bauer Group for the mabagrown® standard in the reporting period, which has now been formally communicated to industry stakeholders. This represents new and innovative approaches to auditing sustainability practices based on company standards and



is also anticipated to significantly expand the potential supply of FairWild-certified material to the market.

## INCREASING CAPACITY FOR SUSTAINABLE TRADE

TRAFFIC has continued to provide training and facilitate increased CITES implementation capacity for Parties (governments). This included training on how to make CITES' non-detriment (sustainability) findings for plant species in South Africa; advice on CITES implementation for sharks to CITES Parties in general and further support to six countries in Oceania; and guidance on sustainable management for a wider array of marine species during a CITES/FAO training workshop.

A series of consultations with Madagascar's Ministry of Environment, including the CITES Management Authority (MA), have been conducted by TRAFFIC. From this, a scoping mission on the feasibility of an eCITES permitting system was completed. TRAFFIC then supported the development of the eCITES blueprint, which the government and MA will use.

## PRIORITY AREAS FOR WORK DURING FY23 WILL BE FOCUSED AROUND:

- Developing and supporting management and regulation systems that facilitate responsible trade
- Supporting the development of good business practices and voluntary standards and certification systems
- Engaging and supporting responsible wildlife sourcing and trade practices by businesses
- Informing the design of, catalysing and supporting market behaviour change interventions
- Informing and motivating inter-governmental policy interventions that facilitate responsible trade



## CROSS-CUTTING HIGHLIGHTS

While most of the TRAFFIC's work fits into either workstreams, some activities have a cross-cutting impact. Much of TRAFFIC's work on zoonotic disease risks and

intergovernmental global policy engagement fall into this category. Below are some highlighted achievements in these areas.

### INFORMING DEBATE AND ACTION ON WILDLIFE TRADE AND DISEASE RISKS:

Concerns regarding potential risks to human health associated with wildlife markets and trade remained high. TRAFFIC continued to nurture partnerships with the health, veterinary science, and other sectors to develop a comprehensive approach to understanding and reducing potential risks. TRAFFIC engagement has helped to inform global action on One Health and the relative risks posed by wildlife trade in zoonotic disease transmission and spillover events in the following global fora and partnerships in FY22:

- **The World Organisation for Animal Health (WOAH) Ad-Hoc Group**, to finalise Guidelines on reducing the risk of disease spill-over events at markets and along wildlife supply chains;
- **The International Alliance Against Health Risks in Wildlife Trade**, to which TRAFFIC re-iterated its commitment;
- **The Collaborative Partnership on Sustainable Wildlife Management (CPW)**, by supporting the 3rd CPW Wildlife Forum and the 2022 Annual Meeting;
- **The Convention on Biological Diversity (CBD)**, supporting the Action Plan on Biodiversity and Health and input to the Subsidiary Body on Scientific, Technical, and Technological Advice (SBSTTA) debates on the development of Target 5 and 9 of the post-2020 Global Biodiversity Framework (GBF);
- **The CITES Standing Committee (SC) Working Group** on the *Role of CITES in reducing the risk of future zoonotic disease emergence associated with international wildlife trade*, where TRAFFIC supported the debate of a [working group report](#) at SC74, led to the [tabling of the final output](#) for CoP19;

- **The UN Food and Agriculture Organisation (FAO), Texas A&M University, and the University of Minnesota**, with which TRAFFIC contributed to content development for a One Health in-service training course for environmental professionals.

At the recommendation of TRAFFIC and other Pandemic Prevention Task Force members, Viet Nam's multi-agency One Health Partnership established a Technical Working Group on Wildlife and Pandemic Prevention, with inputs from China, Cameroon, and the US expected to yield positive policy outcomes. Due to changes in government staff and post-COVID priorities, the Working Group remained slightly dormant during the first half of 2022.



In **Tanzania**, TRAFFIC has commenced a set of supply chain management pilot interventions focused on the strengthened implementation of the Game Meat Selling Regulations (2020) in terms of legality, sustainability, and safety from zoonotic disease risk. To the latter point, parallel funding from the German development agency (GIZ) has allowed for hiring an animal health focal point into the TRAFFIC team, leading a disease risk analysis exercise over the next 12-18 months.

TRAFFIC's publication of a [Situation Analysis on Social and Behavioural Change Messaging on Wildlife Trade and Zoonotic Disease](#) and

a [Viet Nam wildlife trade chain analysis](#) have provided fundamental references for further partnership and development for rolling out social and behavioural change (SBC) pilots in both Tanzania and Viet Nam in FY23.

In **China**, the China Association of Traditional Chinese Medicine, with the China Wildlife Conservation Association, the National Forest and Grassland Administration, and other government partners, has drafted a **Risk Management Guide for the TCM industry with inputs from TRAFFIC**. The guide clarifies

the risks to legality, sustainability and safety associated with TCM ingredients procurement, trade, and use in China. China's central government also invited comments on a draft regulation on Measures for the Quarantine of Wild Animals. TRAFFIC provided detailed comments to the government on scope, forms of wildlife, range of diseases, agency accountability, and the practical application of these guidelines.

## GAINING DIRECT ATTENTION TO WILDLIFE TRADE IN GLOBAL POLICY FORA

Multi-lateral environmental and trade agreements underpin national policies, shaping the commitments of governments and influencing businesses and individuals towards sustainable wildlife trade and away from illegal wildlife trafficking. TRAFFIC continued to engage with Parties and other stakeholders of key inter-governmental trade and environmental agreements at the global and regional levels to present relevant research and data, analyse issues and options and find common solutions.

**UNEA/UNEP:** TRAFFIC provided input through statements and the NGO Major Group to the inter-sessional meetings of the United Nations Environment Assembly's (UNEA) Committee of Permanent Representatives in February 2022. As a member of this group, TRAFFIC also contributed to the extensive preparation of a statement for the [Stockholm Plus 50 meeting](#) in June, where UN member states came together to discuss issues of global environmental significance. In preparation for the **UNEA 5.2**, TRAFFIC also attended the **UNEP-accredited Major Groups and Stakeholders preparatory meeting**. Our contributions to UNEA 5.2 focused on the ongoing negotiations of the CBD Post-2020 GBF.

**CBD:** In October 2021, Parties to the first phase of CBD CoP15 adopted a high-level declaration providing much of the political momentum needed to support the implementation of the targets of the Post-2020 GBF. The Declaration was in line with TRAFFIC positions communicated during

the 3rd Meeting of the Open-Ended Working Group on the GBF. Subsequent engagement with the CBD Secretariat laid the ground for **TRAFFIC to lead collaborative development of the headline indicator for GBF Target 5 (on sustainable use of wild species)**. TRAFFIC then participated in the March CBD (SBSTTA-24, SBI-3 and WG2020-3) meetings in Geneva, Switzerland. These in-person negotiations provided opportunities to influence the headline indicator and the language of Targets 5 and 9 (among others). However, these meetings and the 4th OEWG meeting in June disagreed on the final text of targets. These discussions will be held in a new OEWG meeting in early December 2022, preceding the second phase of CBD CoP15.

**Regional and species-specific issues:** The 4th Asia Ministerial Conference on Tiger Conservation (AMC) held in January 2022 adopted the Kuala Lumpur Joint Statement. The Statement lists 14 commitments to address the continued threat to wild tigers in the region and set out a series of actions to ensure the recovery of wild tiger populations within their historical range. TRAFFIC contributed to the deliberations of the Conference, including through the moderation of a side event. As the Year of the Tiger began in February, a coalition of six top NGOs committed to a cooperative approach to save the iconic big cat, arguing that [ambition must increase and that funders must support collaborative efforts](#), contributing to the next phase of the **Global Tiger Initiative**. With TRAFFIC's support, EU Member States have agreed to adopt an EU Guidance Document to

restrict trade in captive-born and bred tigers. The intention is to ensure that the EU tiger trade is not contributing to the risk of live tigers and their parts and derivatives from captive-born and bred tigers entering legal and illegal trade.

Engagement on EU-Africa cooperation was also strengthened during this reporting period. TRAFFIC submitted **recommendations to the next EU Action Plan against Wildlife Trafficking** and published a [statement on the Corporate Sustainability Due Diligence Directive](#). These two policy opportunities will contribute to driving national action to reduce illicit wildlife trade. TRAFFIC collaborated with WWF and IUCN to input into the guidance on future EU wildlife-related funding in Eastern and Southern Africa.

In collaboration with WWF, TRAFFIC organised and delivered a **pan-African webinar in June that looked at the key outcome documents of the Forum on China-Africa Cooperation (FOCAC) Ministerial Conference** held in November 2021. The webinar drew the interest of several conservation organisations, such as the African Wildlife Foundation (AWF), the Pan African Climate Justice Alliance (PACJA), and ACBA. TRAFFIC and WWF commissioned a professional review of the key documents from the FOCAC Ministerial Conference to identify essential entry points for follow-up work.



## PROGRAMME COORDINATION AND LEADERSHIP

**The main activities of TRAFFIC's global office, based in Cambridge, fell within the following areas: strategic direction and leadership; programme development and evaluation; funding development;**

**programme delivery (covered in the preceding section); communications; and operations management.**

### STRATEGIC DIRECTION AND LEADERSHIP

Work during this period coincided with a critical programmatic development period for TRAFFIC. Staff took time out of their busy schedules to contribute to thematic briefing papers, which, along with internal and external stocktaking exercises and consultations, have been critical to taking lessons learned from the current programme cycle and guiding the design of TRAFFIC's Strategy to 2030.

TRAFFIC's Executive Director continues to serve on the Council of the Cambridge

Conservation Initiative (CCI), a unique collaboration between the University of Cambridge and nine leading internationally focused biodiversity conservation organisations clustered in and around Cambridge. TRAFFIC also supported CCI activities in other ways, for example giving lectures on CITES and social and behaviour change in conservation to students pursuing the CCI-affiliated MPhil in Conservation Leadership.

## PROGRAMME DEVELOPMENT AND EVALUATION

TRAFFIC's current Programme Strategy was finalised and approved by TRAFFIC's Board of Trustees in October 2017. The Strategy builds on four decades of specialised knowledge and experience while emphasising new learning, innovation, and expanded partnerships. It is designed to drive positive change in wildlife trade management in a rapidly evolving world of globalised commerce, connectivity, and geopolitical change. A monitoring and evaluation framework is used as the basis for assessing progress against the Strategy at the outcome (Results) level. Given the extraordinary circumstances of the COVID-19 pandemic, the Board of Trustees decided to extend the Strategy for another year, to the 30 June 2022.

TRAFFIC's Programme Strategy provided the overarching framework for TRAFFIC's work, with a more detailed annual work plan organised in two "workstreams" identifying priorities for the year.

Performance and outcomes were assessed at six-monthly intervals, with the year-end assessment reviewing overall progress as initially set out in the FY22 work plan. TRAFFIC has delivered effectively the priorities of the FY22 Workplan, with room for additional efforts to meet our ambitious targets. Delays in funding and some project activities due to residual COVID-19 restrictions are the main reasons for slow progress on particular approaches and adaptive management. Many of the planned achievements in the FY22 work plan will be carried over and built upon going forward. Emphasis will be placed on ensuring that adequate resourcing is available for the ambitious FY23 work plan.

## FUNDING DEVELOPMENT

TRAFFIC staff led or supported the development of over 70 wildlife trade-related funding proposals during FY22. The majority were developed in response to government calls for proposals such as the UK Illegal Wildlife Trade Challenge Fund and Darwin Initiative, notices of funding opportunities issued by the US Bureau of International Narcotics and Law Enforcement Affairs (INL), USAID, US Fish and Wildlife Service and German government aid agencies. These included several large-scale costed extensions to existing project contracts to further develop work and fund additional activities in Angola, Madagascar, and South Africa.

During the year, TRAFFIC has also invested in time to pursue efforts to secure funding for work in countries where there is not a permanent TRAFFIC presence or Programme Office, such as Nepal, the Philippines, Ethiopia, and the DRC. These opportunities present additional challenges due to working with local partners and mitigating risks associated with establishing new operational arrangements to carry out activities.

Efforts were made to pursue research new opportunities and build consortia under the EU Horizon Programme with one of the proposals focusing on pandemic prevention submitted (led by Swedish University of Agricultural Sciences (SLU)) being successful.

TRAFFIC upscaled efforts to seek funding from Charitable Trusts and Foundations during the year with approaches to new donors but also reigniting interest from those donors who have been dormant to TRAFFIC for some time. A high level of effort is required from the Programme and Project Development Teams for those funding sources which do not accept unsolicited applications where time is needed to build relations and have multiple conversations to find common interests or motivations.

In FY22, successful proposals have increased to strengthen conditions for legal, sustainable trade, resulting from developing these concepts and strong relationships with partners, such as IIED and Botanic Gardens Conservation International, during the

preceding year. These collaborations have proved fruitful, with TRAFFIC involved in several successful applications during the year.

Significant and much-needed funding was raised to sustain long-standing projects of Trade in Wildlife Information Exchange (TWIX) and ETIS platforms, as well as funds to support technical expertise on marine, timber, anticorruption, and combatting financial crime. During the final quarter of this financial year efforts were concentrated on seeking funding to support work underpinning TRAFFIC's inputs

to the CITES Conference of the Parties to be held in November 2022.

A new post for the Director of Development has been established. The position will be filled in FY23 to build on these foundations and to develop and roll out TRAFFIC's fundraising strategy in support of the new Strategy to 2030.

## COMMUNICATIONS

Significant strides made in the last 12 months in the way TRAFFIC communicates its evidence on its website are beginning to pave the way for increasing the organisation's impact.

The team successfully developed and launched a [Learning Centre](#) to house an array of training courses and tools for government, enforcement officials and other users. The benefit of this Learning Centre is that our trainings are now available as interactive tools for a variety of target audiences, and they can be adapted or developed at any time to respond to new information or data.

As an extension of exploring interactivity, the team collated TRAFFIC's marine work into a consolidated page for [World Oceans Day](#) where maps, text, photos, videos are displayed in an increasingly interactive way that promotes users to explore the content, not simply to view it. This opens the door to how we can display our evidence in future and tell the story of our research in more engaging ways. This early example from our [Cracking the Code](#) report demonstrates the potential to spotlight our recommendations and findings like never before.

Throughout the year, 19 reports were published and downloaded more than 5,600 times and included research on social and behaviour change approaches to zoonoses such as COVID-19 and Southeast Asia's online trade in birds among others. Our communications team also designed and published a high-level document outlining [TRAFFIC's recommendations on the post-2020 Global Biodiversity Framework](#) to support the organisation's policy work on the targets and indicator development.

The website now contains a series of important [policy](#) documents and published 1,126 news items in the last year. These news items were covered by [Forbes](#), [BBC](#), [The Independent](#), [Khaleej Times](#), [The Malay Mail](#) and [MSN India](#). Aside from promoting our research, TRAFFIC's communications team continues to routinely respond to media enquiries regarding an array of wildlife trade issues and pitch stories to help increase our sphere of influence, including supporting outlets with their story development – such as this [BBC Earth Youtube Channel series](#).

## OPERATIONS MANAGEMENT

As in recent years, TRAFFIC's global structure continues to evolve as the organisation grows and local legislative and administrative requirements change. With Board approval, TRAFFIC completed registration of national entities in Belgium and Tanzania during the financial year. Offices in China, Malaysia, and Viet Nam continued to strengthen their institutional presences and fully met their statutory requirements during the course of the year.

Other significant activities during FY22 included:

- Establishment of a new position, Senior Risk and Compliance Officer, creating more capacity to address Environment, Social, and Governance issues (ESG)
- Introduction of a more formalised external complaints mechanism via the organisation's website with public-facing information available in Chinese, English, French, Spanish and Vietnamese
- Updating of various policies including the Board-approved Risk Management Policy/ Risk Appetite statement and the senior management-approved IT Policy
- Finalisation of an external review of TRAFFIC's business model and cost recovery framework carried out by Moore Kingston Smith (MKS) presented to Board and senior management
- Improved cybersecurity resulting from the introduction of multi-factor authentication (MFA) across the organisation
- The trialling and background preparations for the launch of a new timesheet software package (Beebole) for introduction organisation-wide from 1 July 2022
- Increased skills development for senior managers through a management development programme and for line managers through an essential management skills training programme
- Facilitation of a flexible working policy and concurrent safe and effective return-to-the-office measures across all locations globally.

## PROJECT PORTFOLIO

Approximately 100 projects were active at some point during the financial year, with 71 projects active as of 30 June 2022. During the year, 42 new contracts or contract extensions were issued and 40 projects completed. Seventy-three funding proposals were submitted to various donors during the year and, at the time of reporting, 37 of the proposals submitted subsequently were confirmed or contracted.

The impact of COVID continued to make itself felt during FY22, with field work in several countries curtailed, project contracting and start-up activities delayed, and recruitment of project staff taking longer than anticipated. TRAFFIC also initiated work in several new locations where it did not have an institutional presence, which further impacted the start-up

phase for several projects. However, TRAFFIC continued to adaptively manage its project portfolio and to deliver high-quality outcomes. TRAFFIC again expresses its appreciation to many of its donors and implementing partners for their collaborative approach to developing effective responses to the pandemic environment.

As noted under the annual financial review, the various delays referenced above had an impact on cost recovery in several offices, most notably the Global office. TRAFFIC has strengthened its quarterly review of its project portfolio and has made a number of improvements to its forecasting tools to ensure that forecasting of the financial element of project implementation management is more robust.

## HUMAN RESOURCES

Human Resources (HR) directly supported 64 recruitments across the organisation during the year with 43 new starters in the organisation and 22 leavers processed during the period. This brings the average

number of staff employed by the charity to 168 Individuals, excluding staff at affiliated offices which make up an additional 20. Three volunteers contributed approximately 1,236 hours of work in the TRAFFIC Global office.

## PLANS FOR THE YEAR AHEAD

During the coming financial year, the Operations team will continue to develop its systems for monitoring of local compliance for registered offices in Belgium, China, Malaysia, Tanzania, and Viet Nam. The team will support the Executive Director and new Director of Funding Development in preparing an operational development plan and a funding development plan to underpin the new organisational Strategy to 2010. These efforts will be reinforced by management

responses to an organisation-wide Operations survey carried out in the first half of 2022. As part of its cybersecurity efforts, TRAFFIC will roll out MS Intune across the organisation to improve management of mobile devices. HR will complete a series of salary benchmarking exercises for the UK and other locations. Supporting logistical arrangements for TRAFFIC's delegation to the CITES Conference of the Parties in Panama in November 2022 will also be a significant focus.



# FINANCIAL REVIEW

**TRAFFIC has seen a growth in income and expenditure during the year. The organisation has been growing year on year for the last three years. In FY22, group income once again saw an increase from £10.1m to £11.4m, as a result of an increase in project**

**restricted funding. Group expenditure has also gone up from £9.6m to £10.4m. TRAFFIC's free reserves were £2.3m, an increase of £138k compared to the previous financial year, largely as a result of foreign exchange gains.**

## INCOME

During the year, TRAFFIC received income totalling £11.4m, an increase of £1.3m compared to the previous year. The percentage of income from Charitable Activities remained relatively stable and constituted 91% of total income (FY21 88%).

Unrestricted income for the year reduced from £1.2m to £1.1m, with the main movement being a £148k decrease in income from partners WWF and IUCN.

Restricted income in FY22 increased by £1.3m to £10.3m from £9m in the previous year. The increase was mainly due to a rise in income for projects funded via Government Agencies and partners WWF and IUCN of £576k and £844k respectively. £1m of income was also received under the NORAD (the Norwegian Agency for Development Cooperation) project which started in the previous year and which is due to end in December 2025. There were reductions in income from some other sources. However, the donor mix is similar to FY21 with the highest proportion being from Government Agency funding. Grants from this source tend to be larger and multi-year so they constitute a valuable source of income. However, TRAFFIC acknowledges the need to diversify its income

streams and this will form the basis of the funding strategy for the coming years.

One hundred and seven (107) projects brought in income during the year, an increase of four over the previous year. Despite the slight increase in project numbers, reliance on government-funded projects has continued this year. Out of the ten biggest projects, eight were funded by various US Government agencies and constituted 38% of income (FY21 36%).

One of TRAFFIC's management KPIs (Key Performance Indicators) for financial performance is that no single donor contributes more than 25% of total income. During the year, one donor (USAID) directly and indirectly contributed 31% of total project income, across ten projects. This is a slight decrease compared to last year where 34% of income was received directly and indirectly from USAID. These projects are embedded in different funding streams within USAID which lowers the overall risk factor. To mitigate potential risks further, TRAFFIC commits to expenditure related to these grants for one-year periods only.

## EXPENDITURE

Expenditure during FY22 was £10.4 which is £0.8m higher than in FY21. Of the FY22 expenditure, 98% related to expenditure on Charitable Activities and 2% on raising funds, ratio similar to previous year (FY21 97% and 3% respectively).

Unrestricted expenditure decreased by £525k compared to FY21. This represents a 34% drop and is attributable primarily to foreign exchange gains. FY22 saw unrestricted foreign exchange gains of £180K, largely due to revaluations of foreign currency bank accounts held in the UK and some element of

revaluations on consolidation. In FY21, there was a £373k unrestricted foreign exchange loss. The majority of TRAFFIC's income is received in foreign currencies, namely US Dollar, Euro and Swiss Franc. Where those funds are yet to be expended, the balances are held in foreign currency bank accounts. The fluctuations in currency rates during FY21, particularly in USD, which caused high level of foreign exchange losses, have partly reversed in FY22. TRAFFIC regularly reviews its foreign currency management to mitigate foreign exchange risk where possible and considers foreign exchange risk when setting its reserve policy.

## FUNDS

The net movement in group funds for the year was a surplus of £1m compared to a surplus of £565k in the previous year.

The net movement in unrestricted group funds was a surplus of £138k, as a result of the aforementioned foreign exchange gains.

Restricted fund expenditure increased by £1.3m to £9.4m. One of the contributing factors was a £0.7m spend under the NORAD project. Expenditure was also higher for two other large projects, RETTA (up £290K on FY21) and TRAPS (up £218K). Project spend is largely dependent on project implementation rates each year. The increase this year is consistent with the overall growth of the organisation and the increase in the restricted income.

Unrestricted funds held at the year-end were £2.3m. The net movement in group restricted funds was a surplus of £863k and restricted funds held at the year-end were £3.6m.

## RISK MANAGEMENT

The Trustees recognise their role in the management and administration of the Charity and that directorship carries legal responsibilities and duties including a responsibility to assess potential risks facing the Charity. The Trustees note that the major potential risks in the areas of governance and management, operations, and finance are reviewed on a periodic basis and that systems have been put in place to minimise these risks both in the UK and overseas.

The nature of TRAFFIC's conservation programme means that the bulk of funding

dispersed through TRAFFIC's UK office is subcontracted to TRAFFIC branch offices to implement conservation activities overseas. TRAFFIC has well-established guidelines on financial policies and procedures which are followed by TRAFFIC offices globally, including regular review of budgets, financial performance, and related financial management. In addition, TRAFFIC has an established monitoring and evaluation system in place which looks at overall programme delivery and individual project implementation against contracted project budgets and deliverables.

## KEY RISKS AND UNCERTAINTIES

### TRAFFIC's risk framework focuses on the following key risk areas:

- Strategic risks which influence TRAFFIC's long-term strategic objectives, including governance issues, partner relations, and stakeholders including donors and the public. The Senior Leadership Team meets on a bi-weekly basis to discuss such issues and the wider management have an annual week-long meeting covering areas of risk as well as the topic of risk management itself;
- Operational risks which arise from day-to-day issues that TRAFFIC faces as it delivers its conservation programme. These include areas such as project management, office facilities, and human resource management. To minimise these risks, Finance and Operations manuals have been produced, project steering groups are set up for major projects, staff undergo an induction process and appropriate training, and regular team meetings are held;
- Financial risks related to TRAFFIC's effective management and control of its finances including internal controls, monitoring of funding development, and the effects of external factors such as foreign exchange rates. TRAFFIC produces and reviews quarterly financial reports, as well as annual budgets and quarterly reforecasts, to allow potential financial risks to be identified on a timely basis. There is an up-to-date Finance Manual subject to regular review. Monies are kept in major donor currencies to minimise the effects of any exchange rate fluctuations;
- Knowledge management risks related to TRAFFIC's effective management and control of its knowledge resources, including communications materials, intellectual property rights, and system malfunctions. To minimise these risks, some controls include protocols for handling sensitive data, communications policies and regular backups of data;
- Compliance with laws and regulations related to issues such as health & safety, data protection, employment practices, safeguarding, and other regulatory issues. As well as employing appropriately professionally qualified staff we hold regular meetings with professional advisors both in the UK and in locations where we have offices overseas;
- External risks which may be beyond TRAFFIC's ability to influence, including changes in the physical environment, and in the global economic or political environment, including the high levels of inflation and the conflict in Ukraine seen in 2022. To minimise the effects of these risks to the extent possible, staff monitor analysis circulated in the charity community and more broadly and attend external specialist seminars to ensure knowledge in the Charity of possible external risks.

Any "high" risks identified, and the actions taken to mitigate them, are brought to the attention of the Board of Trustees. The Board's Operations Committee review the risk register on a bi-annual basis and the Board of Trustees on an annual basis. The Board reviewed and updated the organisation's overall risk policy in January 2022.

## SAFEGUARDING

TRAFFIC International takes very seriously its responsibility to protect people, including our staff, volunteers, partners, consultants, contractors, trustees and others affected by our work, from any harm that may result from coming into contact with our organisation.

As a wildlife conservation charity primarily involved in researching legal and illegal wildlife trade globally, and encouraging necessary action by governments, businesses, and others, TRAFFIC does not usually work directly with children or with adults who could be seen as at risk, nor do we carry out aid-funded relief work. Nevertheless, TRAFFIC employs around 170 staff globally and cooperates with a wide range of public and private sector partner organisations to carry out work related to people and their use of natural resources.

We recognise the importance of ensuring that our work does not have adverse social or environmental impacts at any level, and the need to incorporate these considerations both

into the design and implementation of our activities and into the conduct of our staff and implementing partners.

TRAFFIC is aware that it is bound by the laws of the UK in respect of conduct both at home and abroad. We are committed to acting professionally, fairly, and with integrity in our business dealings and relationships wherever we operate. This includes implementing and enforcing effective systems through a framework of policies including professional conduct, sensitive activity management, anti-bribery, and whistleblowing. TRAFFIC's safeguarding statement can be found on our website.

In 2022, TRAFFIC formalised its External Complaints mechanism via its web site with guidance notes issued in English, French, Spanish, Chinese and Vietnamese. No reportable issues were raised or identified during the financial year.

## ENVIRONMENTAL SUSTAINABILITY

TRAFFIC operates in 15 locations across five continents, managed from the global office in Cambridge, UK. TRAFFIC staff work under a variety of conditions in these strategic locations, from single individuals to larger groups, often hosted within an external host's office.

TRAFFIC is a key member of the Cambridge Conservation Initiative (CCI) including as an active participant in CCI's Sustainability Working Group with the 2020-2025 David Attenborough Building Sustainability Strategy and Environmental Sustainability Policy providing the basis for TRAFFIC's 2021 Environmental Sustainability Policy. Global application of the TRAFFIC policy, which includes a number of elements (carbon reduction and energy efficiency; purchasing and procurement; travel and transport; waste management; biodiversity and ecology; water use; and host collaboration and reporting), continues to progress slowly, both because of the ongoing impact of the COVID pandemic

and difficulties in capturing and consolidating consumption data from offices in different countries (including the UK) to establish baseline data.

CCI tenants in the David Attenborough Building (DAB) have set themselves the same carbon reduction target (absolute zero by 2048) as the University of Cambridge for Scope 1 and 2 emissions, which relate to energy purchased for the building. In FY22, the Cambridge office began offsetting for its energy consumption with 2.6 metric tonnes recorded (lighting and plugload consumption) offset at £26.

TRAFFIC and other CCI members are exploring ways to calculate Scope 3 carbon emissions generated indirectly by a range of operational requirements in the DAB, e.g. waste, water, procurement, travel and transport, and how to use carbon offsetting as an option to mitigate the building's carbon footprint. As options are identified and adopted by TRAFFIC's headquarters in the UK, they will be rolled

out to TRAFFIC offices in other locations as appropriate.

TRAFFIC already has a well-established carbon-offset programme for its business air travel, currently supporting an organisation called Carbon Tanzania as part of its carbon offset commitment. In FY22, TRAFFIC recorded £1100 in carbon offset, representing 110 tonnes of carbon compared to £30 (2.8tonnes) in FY 21, £2,832 (365 tonnes) in FY20, and £3,403 (439 tonnes) in FY19. The FY22 figures include data from TRAFFIC's

Global Office in the UK and overseas branch offices. This offsetting mechanism will be expanded to include other Scope 3 emissions as reliable data become available.

As COVID-restrictions relax globally and activities go on normalizing, TRAFFIC will continue to develop methods of working, including the use of new technologies, to promote lower impact activities and reduce its impact on the natural environment.

## INVESTMENT POLICY

Under the Articles of Association, the Charity has the power to make any investment the Trustees see fit. The investment policy, as approved by the Trustees on 16th February 2005, is that funds will be invested in cash, bank current accounts, and bank deposits.

The Charity currently holds no investments aside from its cash holdings. The Trustees will consider possible amendments to this investment policy on a periodic basis.

## RESERVES POLICY

TRAFFIC'S Trustees recognise the importance of establishing reserves to allow the Charity to respond to future opportunities and current global economic challenges, particularly for an organisation with levels of restricted funding significantly higher than unrestricted. The Trustees have set TRAFFIC's general reserve fund target based on the following range: the equivalent of four months of the Charity's planned annual Core expenditure to be maintained at all times and a maximum amount equivalent to six months of the Charity's planned annual core expenditure.

TRAFFIC routinely models various scenarios to help evaluate the level of reserves that should be put aside to protect against risks such as drops in income, unexpected

increases in costs, or, more positively, to allow the organisation to take advantage of new opportunities. This review was carried out in 2021 and will be carried out again in 2023 to ensure that the reserve target is still appropriate.

At the year-end, the group had free reserves of £2.3m, equivalent to over four months of planned FY23 core expenditure, before allocations to restricted projects. Free reserves are defined as unrestricted reserves less fixed assets.

Both the amount of free reserves held and the target itself are reviewed on a regular basis.

## FUNDRAISING

TRAFFIC does not actively fundraise from the public, although there is the facility to donate on the TRAFFIC website. TRAFFIC does not engage in face-to-face fundraising, telephone

fundraising, or direct mail campaigns. There were no licensed street collections in the reporting period. We do not use commercial participators.

All Trustees are aware of the CC20 guidance from the Charity Commission and any future fundraising will be conducted in line with CC20. TRAFFIC contributed to the Fundraising Regulator during the year in support of the Fundraising Code of Conduct.

There have been no formal complaints concerning our fundraising practice during the reporting period.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of TRAFFIC International for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 surplus or deficit of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP);

- 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## AUDITOR

### Each of the Trustees at the date of approval of this report confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- The Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware

of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

TRAFFIC was established in 1976 by the Species Survival Commission of IUCN (the International Union for Conservation of Nature), largely to support the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). CITES is an international agreement between more than 180 governments that aims to ensure international trade in specimens of wild animals and plants does not threaten their survival. Over its first two decades of operation, TRAFFIC developed as a network of offices supported by IUCN and WWF and operated as a joint conservation programme of these two international conservation organisations. TRAFFIC International was established in the UK and registered with the Charity Commission on 23rd July 1999 to provide a base for TRAFFIC's global co-ordinating office.

In 2017, a decision was made by WWF, IUCN and TRAFFIC International to consolidate governance and management of TRAFFIC operations worldwide under the UK Charity. New Articles of Association were adopted in June 2017, providing for an increased number of nine Trustees; up to three each appointed by WWF and IUCN as founder members, and up to another three independent Trustees. Subsequently, in June 2018, the Trustees agreed to merge five overseas offices into the UK charity as branches from 1st July 2018.

Since FY19, the TRAFFIC International accounts thus have incorporated Central

Africa, East Africa, Southern Africa, China, Southeast Asia, and Viet Nam as branch or subsidiary offices. With Board approval, a China representative office and a Malaysian company registered by guarantee were established in FY20. Registered offices, again with Board approval, were established in Belgium and Tanzania in FY22.

Affiliated offices in India, Japan, and the USA continue to operate as internal divisions of their respective WWF hosts and are not incorporated into the charity in a legal sense.

The Board delegates day-to-day management of the Charity to Richard Scobey, Executive Director and Chief Executive Officer, who appoints the Senior Leadership Team, who, for the purposes of regulatory reporting, are collectively the Key Management Personnel along with the Trustees. The Senior Leadership Team develops strategies and plans for the Board to scrutinise and approve. It subsequently monitors and reports on performance against targets.

As provided for under TRAFFIC International's Articles of Association, the Board has established an Operations Committee chaired by a Trustee with the delegated responsibility to review information on budgets, financial performance, organisational development and business risk and to provide advice and recommendations to TRAFFIC management and the Board of Trustees.

## TRUSTEES

The Trustees who served during the year, unless otherwise stated, were as follows:

- Mark Halle, Chair
- Jeremy Eppel
- Joshua Ginsberg (resigned July 2022)
- Ginette Hemley
- Aban Marker Kabraji
- Jonathan Hutton (appointed October 2021)
- Margaret Kinnaird (resigned October 2021)
- Jennifer Mohammed-Katerere (appointed October 2021)
- Jon Paul Rodriguez (resigned October 2021)
- Jane Smart
- Heather Sohl

Members of the Board of Trustees are directors for the purpose of company law and Trustees for the purpose of charity law. The

company is limited by guarantee. Therefore, no Trustee had any beneficial interest.

## APPOINTMENT OF TRUSTEES

The role of the Trustees is collectively, as a board, to ensure delivery of the Charity's objectives, set its strategic direction, and uphold its values. Trustees have a fundamental and legal obligation to act in the best interests of the Charity, and in accordance with the Charity's governing documents. The Trustees oversee the management and operation of the Charity subject to the provisions of the relevant acts (Charities Act 2011; Companies Act 2006 and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" second edition issued in January 2019) and the Memorandum and Articles of Association, and any directions given by special resolution. TRAFFIC's Trustees are drawn from within the broad umbrella of its partner organisations as well as the wider conservation community and bring together an extensive range of expertise in terms of programmatic, technical, financial and administrative skills. Terms of reference for

the Board of Trustees (Directors) describe the responsibilities of the board and the role of key officers.

TRAFFIC's conflict of interest policy notes that Trustees have a fundamental and legal obligation to act in the best interests of the Charity, and in accordance with the Charity's governing documents. Trustees who are employees of WWF and IUCN are further bound by the undertaking dated 17 September 1999 made on behalf of the two founding members of the Charity. This document, addressed to the Charity Commission, states on behalf of both organisations that TRAFFIC will function as an autonomous body and that neither WWF or IUCN will be able to define or restrict the activities of the Charity. Legally and professionally, Trustees therefore serve in a personal and voluntary capacity and not as representatives of their organisations.

## TRUSTEES' INDUCTION AND TRAINING

When an individual accepts an invitation to become a Trustee, as part of the induction process, he or she receives an initial induction pack and meets with a senior manager of TRAFFIC to review the contents of the induction pack and supplementary materials; review responsibilities of Trustees; review current financial situation and general funding sources; review TRAFFIC's organizational chart,

and the Charity's role in the larger TRAFFIC organisation; and review planned future projects and activities. They are regularly provided with financial and programmatic information as well as updates on relevant developments in the UK charity sector. Key documents are provided through a comprehensive governance manual.



## REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the Charity in charge of directing, controlling, and operating the Charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in either year. Details of Trustees' expenses and related party transactions are disclosed in Note 6 to the accounts. The Charity benchmarks remuneration of its Senior Leadership Team against comparable roles in other charities of a similar size and complexity,

within a specified pay band. Each member of the Senior Leadership Team receives an annual cost of living salary increase, which takes into account inflation, changes in national average earnings and pay awards elsewhere in the charity or public sector. The award is made subject to affordability and is paid at the same rate as applied to all other eligible staff in the Charity. Increases to the Executive Director's salary that are above the annual cost-of-living salary increase are reviewed and approved by the Board of Trustees.

## PUBLIC BENEFIT

TRAFFIC is a wildlife conservation charity whose vision is of a world where wildlife trade is managed in a way that maintains healthy wildlife populations and ecosystems; contributes to meeting human needs; supports local and national economies; and helps motivate commitments to conserve wild species and habitats.

The organisation's efforts are therefore focused not only on conserving biological diversity but also on protecting and maintaining the many "ecosystem goods and services" that are or may be threatened by

unsustainable or illegal wildlife trade.

In reviewing TRAFFIC's charitable objects and as part of planning and implementing our programme of work, the Trustees, have taken account of the Charity Commission's guidance on public benefit. The Trustees have considered how TRAFFIC's work will consistently contribute to the Charity's aims and objectives. TRAFFIC's main areas of charitable activity are detailed throughout this report.

**The Trustees' report (which incorporates the requirements of the Strategic Report) was approved by the board on 12 January 2023 and signed on its behalf by:**



**Mark Halle**  
Chair



# ADMINISTRATIVE INFORMATION

**TRUSTEES:**

Ginette Hemley  
Aban Marker Kabraji  
Jennifer Mohamed-Katerere  
Jeremy Eppel  
Joshua Ginsberg  
Mark Halle  
Jane Smart  
Heather Sohl  
Jon Hutton

**REGISTERED OFFICE:**

David Attenborough  
Building  
Pembroke Street  
Cambridge  
CB2 3QZ  
United Kingdom

**COMPANY SECRETARY:**

Mr R Scobey

**SOLICITORS:**

Mills and Reeve  
Botanic House  
98–100 Hills Rd  
Cambridge  
CB2 1PH

**EXECUTIVE DIRECTOR:**

Mr R Scobey

**COMPANY REGISTERED NUMBER:**

3785518

**STATUTORY AUDITOR:**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

**CHARITY REGISTERED NUMBER:**

1076722

**BANKERS:**

Barclays Bank  
Bene't Street  
Cambridge  
CB2 3PZ

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAFFIC INTERNATIONAL: YEAR ENDED 30 JUNE 2022

## OPINION

We have audited the financial statements of TRAFFIC International for the year ended 30 June 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 June 2022 and of the group's and parent charitable company's net movement in funds, including the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements

or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

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

## RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 30, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and

for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of Company and Charity Law applicable in England and Wales, and overseas branches and subsidiaries complying with local legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll taxes, and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting

of inappropriate journal entries and the manipulation of accounting judgements and estimates, including the recognition of income at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of Trustee meetings during the year;
- Identifying and testing journals, in particular journal entries posted around the year-end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

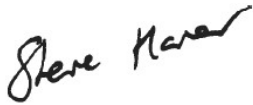
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

## USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

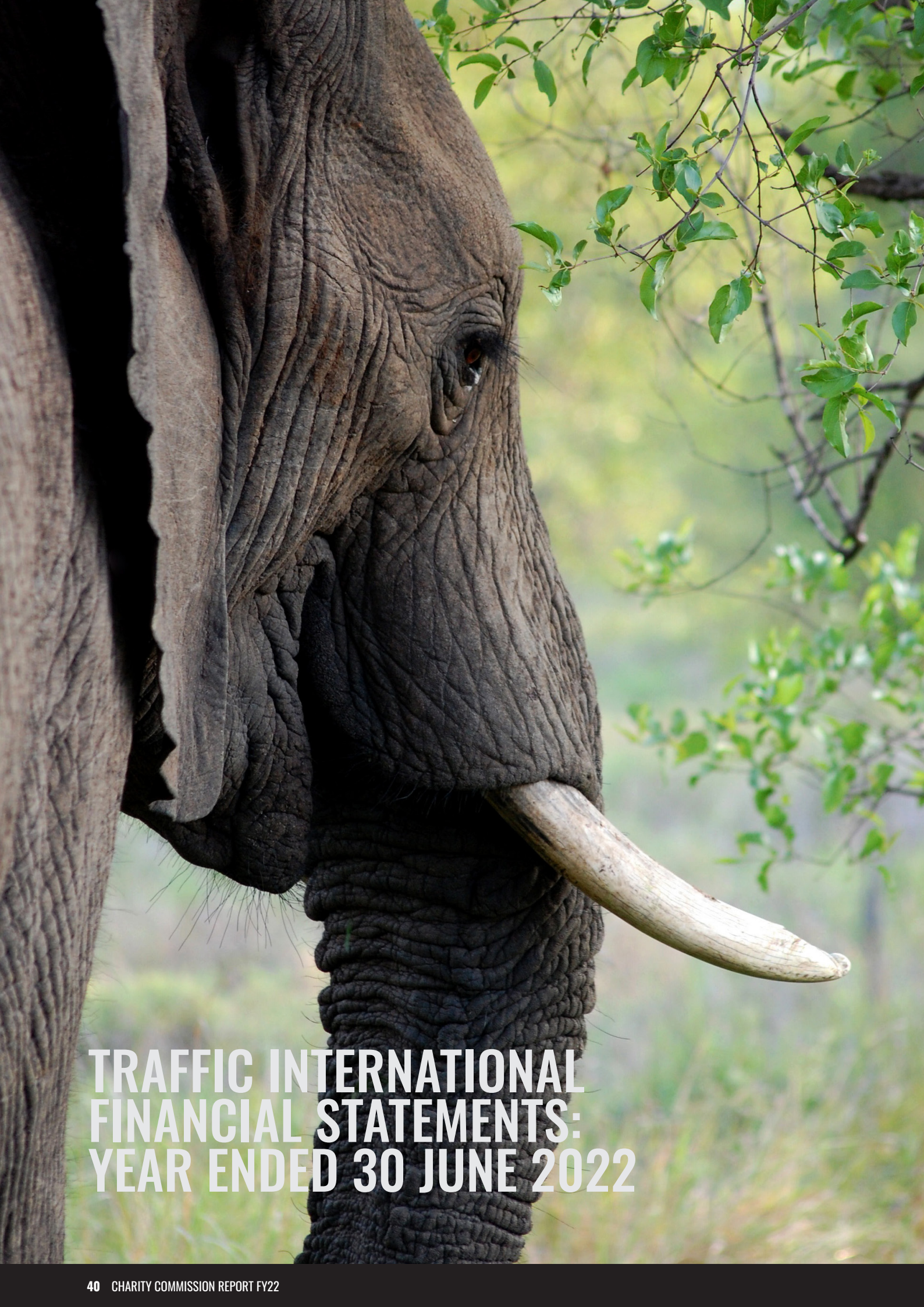
extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP,  
Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date: 27 February 2023



**TRAFFIC INTERNATIONAL  
FINANCIAL STATEMENTS:  
YEAR ENDED 30 JUNE 2022**



**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT:  
YEAR ENDED 30 JUNE 2022**

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
<b>Income from:</b>					
Donations		1,045,681	-	1,045,681	1,158,062
Charitable activities		31,461	10,275,280	10,306,741	8,951,114
Investments		4	102	106	1,823
Other		5,872	2,814	8,686	6,318
<b>Total</b>	5	<u>1,083,018</u>	<u>10,278,196</u>	<u>11,361,214</u>	<u>10,117,317</u>
<b>Expenditure on:</b>					
Raising funds – grant and contract proposal development		220,661	-	220,661	264,844
Charitable activities					
Red stream		590,490	6,885,026	7,475,516	5,876,024
Green stream		124,269	1,448,964	1,573,233	865,894
Mixed		86,151	1,004,503	1,090,653	2,545,959
Total charitable activity expenditure		<u>800,910</u>	<u>9,338,492</u>	<u>10,139,402</u>	<u>9,287,877</u>
<b>Total</b>	6	<u>1,021,571</u>	<u>9,338,492</u>	<u>10,360,063</u>	<u>9,552,721</u>
<b>Net income/(expenditure)</b>		61,447	939,704	1,001,151	564,596
<b>Transfers between funds</b>		76,581	(76,581)	-	-
<b>Net movement in funds</b>		<u>138,028</u>	<u>863,123</u>	<u>1,001,151</u>	<u>564,596</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		2,183,791	2,733,401	4,917,192	4,352,596
<b>Total funds carried forward</b>		<u>2,321,819</u>	<u>3,596,524</u>	<u>5,918,343</u>	<u>4,917,192</u>

All activities in both years arise from continuing activities. There were no other recognised gains or losses other than those shown in the statement above and the net income for the year. The notes on pages 44 to 65 form an integral part of these financial statements.

Full comparative figures for the year ended 30 June 2021 are shown in note 20.

## BALANCE SHEETS: AS AT 30 JUNE 2022

	Notes	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
<b>Fixed Assets</b>					
Intangible fixed assets	10	3,192	3,071	9,724	9,458
Tangible fixed assets	11	43,584	39,119	52,112	44,100
		<u>46,776</u>	<u>42,190</u>	<u>61,836</u>	<u>53,558</u>
<b>Current Assets</b>					
Debtors	12	5,736,739	5,542,931	4,469,180	4,421,261
Cash at bank and in hand		3,767,654	3,566,759	2,901,180	2,820,803
		<u>9,504,393</u>	<u>9,109,690</u>	<u>7,370,360</u>	<u>7,242,064</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	3,632,826	3,505,809	2,515,004	2,478,302
		<u>5,871,567</u>	<u>5,603,881</u>	<u>4,855,356</u>	<u>4,763,762</u>
<b>Net current assets</b>					
		<u>5,918,343</u>	<u>5,646,071</u>	<u>4,917,192</u>	<u>4,817,320</u>
<b>Total assets less current liabilities being net assets</b>					
		<u>5,918,343</u>	<u>5,646,071</u>	<u>4,917,192</u>	<u>4,817,320</u>
<b>The funds of the Charity</b>					
Restricted funds		3,596,524	3,601,405	2,733,401	2,381,026
Unrestricted		2,321,819	2,044,666	2,183,791	2,436,294
		<u>5,918,343</u>	<u>5,646,071</u>	<u>4,917,192</u>	<u>4,817,320</u>
<b>Total Charity funds</b>	16	<u>5,918,343</u>	<u>5,646,071</u>	<u>4,917,192</u>	<u>4,817,320</u>

The surplus of the Charity before consolidation was £828,751 (2021: £759,140). Further details are presented in note 3.

The financial statements of TRAFFIC International (company number 3785518) were approved by the Board of Trustees and authorised for issue on 12 January 2023 and signed on its behalf by:



**Mark Halle**  
Chair

The notes on pages 44 to 65 form an integral part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT: YEAR ENDED 30 JUNE 2022

	2022 Total £	2021 Total £
<b>Cash flows from operating activities:</b>		
Net cash flows from operating activities	892,636	(313,959)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	106	1,823
Transfer of assets	-	-
Purchase of fixed assets	(26,269)	(26,843)
<b>Net cash outflow from investing activities</b>	<u>(26,163)</u>	<u>(25,020)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>866,474</u>	<u>(338,979)</u>
Cash and cash equivalents at 1 July 2021	<u>2,901,180</u>	<u>3,240,159</u>
<b>Cash and cash equivalents at 30 June 2022</b>	<u>3,767,654</u>	<u>2,901,180</u>
<b>Reconciliation of net cash flows from operating activities:</b>		
Net income	1,001,151	564,596
Depreciation and amortisation	40,848	64,184
Loss on fixed asset disposal	481	-
Investment income	(106)	(1,823)
(Increase)/decrease in debtors	(1,267,558)	(163,110)
Increase/(decrease) in creditors	1,117,821	(777,806)
Net cash flows from operating activities	<u>892,636</u>	<u>(313,959)</u>

The notes on pages 34 to 55 form an integral part of these financial statements.  
Cash and cash equivalents are represented by cash at bank and in hand.

## NOTES TO THE ACCOUNTS: YEAR ENDED 30 JUNE 2022

### 1. Accounting Policies

TRAFFIC International is a company limited by guarantee and registered in England and Wales (3785518), not having a share capital, and as a Registered Charity with the Charity Commission for England and Wales (1076722). The Charity is not liable to corporation tax on its charitable activities and further details are shown above within the Reference and Administrative details on page 35.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Charity's financial statements.

**a) Accounting conventions**

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (Second Edition effective 1 January 2020)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and the Companies Act 2006. The Charity meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in Pounds Sterling rounded to the nearest Pound.

**b) Going concern**

The Trustees are reasonably confident that there are no material uncertainties in TRAFFIC's ability to continue as a going concern and the Group is well placed to manage its business risks successfully. TRAFFIC regularly monitors its pipeline of projects to ensure its conservation objectives and operational needs are met. The Group has significant cash resources and a significant level of net assets. Accordingly, the Trustees continue to adopt the going concern basis. In carrying out this assessment, the Group has also considered the impact of the recent developments in the world and the related political and economic uncertainty.

**c) Consolidation**

These financial statements consolidate the results of TRAFFIC International Southeast Asia, TRAFFIC International East Africa and TRAFFIC International Europe on a line-by-line basis. TRAFFIC International Southeast Asia is incorporated in Malaysia, East Africa in Tanzania and Europe in Belgium. Transactions and balances between charitable company and its subsidiaries have been eliminated from the consolidated financial statements. There are no significant differences between the accounting policies of the parent charitable company and its subsidiaries. In addition to the subsidiary undertakings, the charitable company has a number of branches which are treated as being part of the results of the charitable company in line with section 25 of the Statement of Recommended Practice. As permitted by Section 408 of Companies Act 2006, no separate Statement of Financial Activities for the Charity has been presented. However, the results of the Charity before consolidation are summarised in note 3.

**d) Income**

Income is recognised and included in the statement of financial activities when the Charity has entitlement to the income, it is probable that the income will be received, and the amount can be reliably measured. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

**e) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. VAT cannot be recovered and is reported as part of the expenditure to which it relates.

**Costs of raising funds:**

These represent costs of internal allocations for staff involvement in implementation of the Charity's funding strategy, donor liaisons and assistance with proposal development and submission.

**Charitable activities:**

This includes expenditure incurred in the fulfilment of the objectives of the charitable company including allocated overheads.

**Support costs:**

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. Support costs are allocated on a pro-rata basis according to the total cost of activities undertaken directly and grant funding of activities.

**Governance costs:**

This includes expenditure incurred in the general running and administering of the charitable company. These costs include external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements.

**f) Tangible fixed assets**

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives of three years on a straight-line basis. The current capitalisation policy is £400.

Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

**g) Intangible fixed assets**

Intangible assets are shown at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis to allocate the assets value evenly over a three-year period. The current capitalisation threshold is £400.

Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

**h) Funds**

The Charity records two categories of income—unrestricted and restricted funds.

**Unrestricted funds**

Unrestricted funds can be used for any purpose approved by the Trustees within the objects of the Charity. Funds that are received without external restriction, and for use in any of the Charity's activities including operational and establishment costs are treated as unrestricted funds and may be designated by the Trustees for particular purposes as deemed appropriate.

**Restricted funds**

Resources are allocated to restricted funds according to the limitations on their use specified by the donors or other providers.

Restricted funds are allocated to specific activities and outputs usually under the terms of a project contract accompanying the grant. Detailed accounts are maintained for restricted projects including income, expenditure and fund balances by donor. The majority of projects are short-term in nature with grants being expended between one and five years. Deficits within restricted project funds which occur when income is not entitled to be recognised in the current financial period are carried forward to the next period. Where further funding is not anticipated, a transfer is made from unrestricted funds to cover the deficit.

The Charity does not have any endowment funds.

**i) Cash and cash equivalents**

Cash at bank and in hand includes interest and non-interest-bearing accounts which are highly liquid.

**j) Employee benefits – Pensions**

The Charity operates a defined contribution scheme, the assets of which are held separately from those of the Charity. The Charity's contributions are charged to expenditure in the year they are incurred.

**k) Foreign exchange**

Transactions denominated in foreign currencies are recorded at the daily rate of exchange. Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the year end. Gains and losses on re-translation are dealt with as part of the deficit or surplus on ordinary activities for the financial year.

**l) Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**m) Financial instruments**

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash 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. Creditors and provisions are recognised where the Charity 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.

**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing 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 both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

### 3. Result of the charity

	2022	2021
	£	£
<b>Income</b>		
Donations	997,364	1,101,829
Charitable activities	9,995,669	8,838,625
Other income	14,016	3,071
	<b>11,007,049</b>	<b>9,943,525</b>
<b>Expenditure</b>		
Charitable activities and raising funds	10,178,298	9,184,385
Funds transferred to subsidiary undertaking	-	-
	<b>10,178,298</b>	<b>9,184,385</b>
Net income	<b>828,751</b>	<b>759,140</b>
Funds brought forward	<b>4,817,320</b>	<b>4,058,180</b>
<b>Funds carried forward</b>	<b>5,646,071</b>	<b>4,817,320</b>

### 4. Result of subsidiary undertakings

TRAFFIC International Southeast Asia is a company incorporated in Malaysia and is a wholly owned subsidiary of TRAFFIC International. It was incorporated in January 2021 and carries out the activities of the charity in the region. Prior to incorporation, the activities in the region were run as a branch of TRAFFIC International. On 1 February 2021, the activities and net assets of the branch were transferred to the new company. The results have been included in these financial statements from that date, a summary of which is provided below.

	2022	2021
	£	£
<b>Income</b>		
Funds transferred from parent undertaking	-	-
Charitable activities	749,068	564,921
	<b>749,068</b>	<b>564,921</b>
<b>Expenditure</b>		
Charitable activities	681,891	773,854
	<b>681,891</b>	<b>773,854</b>
Net income	<b>67,177</b>	<b>(208,933)</b>
Funds brought forward	85,484	294,417
<b>Funds carried forward</b>	<b>152,661</b>	<b>85,484</b>
<b>Funds</b>		
Total assets	187,298	109,697
Total liabilities	(34,637)	(24,213)
	<b>152,661</b>	<b>85,484</b>

TRAFFIC International East Africa is a company incorporated in Tanzania and is a wholly owned subsidiary of TRAFFIC International. It was incorporated in December 2021 and carries out the activities of the charity in the region. Prior to incorporation, the activities in the region were run as a branch of TRAFFIC International. On 1 January 2022, the activities and net assets of the branch were transferred to the new company. The results have been included in these financial statements from that date, a summary of which is provided below.

	2022 £
<b>Income</b>	
Funds transferred from parent undertaking	(8,859)
Charitable activities	383,835
	<u>374,976</u>
<b>Expenditure</b>	
Charitable activities	324,771
	<u>324,771</u>
Net income	50,205
Funds brought forward	-
<b>Funds carried forward</b>	<u>50,205</u>
<b>Funds</b>	
Total assets	236,992
Total liabilities	(186,787)
	<u>50,205</u>

TRAFFIC International Europe is a company incorporated in Belgium and is a wholly owned subsidiary of TRAFFIC International. It was incorporated in December 2021 and carries out the activities of the charity in the region. Prior to incorporation, the activities in the region were run by TRAFFIC International.

	2022 £
<b>Expenditure</b>	
Charitable activities	19,692
	<u>19,692</u>
Net income	(19,692)
Funds brought forward	-
<b>Funds carried forward</b>	<u>(19,692)</u>
<b>Funds</b>	
Total assets	-
Total liabilities	(19,692)
	<u>(19,692)</u>



## 5. Income

All of TRAFFIC International's activity relates to ensuring that trade in wild plants and animals is not a threat to the conservation of nature.

	Unrestricted £	Restricted £	2022 Total £
<b>Donations</b>			
IUCN, WWF & other TRAFFIC entities	1,005,252	-	1,005,252
Corporate and Individuals	40,430	-	40,430
	<u>1,045,682</u>	<u>-</u>	<u>1,045,682</u>
<b>Charitable activities</b>			
IUCN, WWF & other TRAFFIC entities	12,171	2,099,714	2,111,885
Governments	10,000	5,938,636	5,948,636
Multilaterals	-	841,933	841,933
Foundations and charities	9,290	1,381,387	1,390,677
Corporate and Individuals	-	13,712	13,712
	<u>10,701</u>	<u>10,275,382</u>	<u>10,306,843</u>
<b>Other income</b>	5,855	2,540	8,395
<b>Bank interest</b>	20	274	294
	<u>1,083,018</u>	<u>10,278,196</u>	<u>11,361,214</u>

## 2021 Comparative

	Unrestricted £	Restricted £	2021 Total £
<b>Donations</b>			
IUCN, WWF & other TRAFFIC entities	1,109,129	-	1,109,129
Corporate and Individuals	26,433	22,500	48,933
	<u>1,135,562</u>	<u>22,500</u>	<u>1,158,062</u>
<b>Charitable activities</b>			
IUCN, WWF & other TRAFFIC entities	6,233	1,262,465	1,268,698
Governments	886	5,362,357	5,363,343
Multilaterals	-	551,124	551,124
Foundations and charities	3,317	1,620,482	1,623,799
Corporate and Individuals	265	143,985	144,250
	<u>10,701</u>	<u>8,940,413</u>	<u>8,951,114</u>
<b>Other income</b>	5,751	567	6,318
<b>Bank interest</b>	2,920	(1,097)	1,823
	<u>1,154,934</u>	<u>8,962,383</u>	<u>10,117,317</u>

## 6. Expenditure

All of TRAFFIC International's activity relates to ensuring that trade in wild plants and animals is not a threat to the conservation of nature.

	Direct costs £	Support costs £	2022 Total £
Costs of raising funds	-	220,661	220,661
Charitable activities			
Addressing Wildlife crime & illegal trade	6,399,141	1,076,375	7,475,516
Sustainable legal trade	1,346,708	226,525	1,573,233
Mixed stream	933,613	157,040	1,090,653
	<u>8,679,463</u>	<u>1,459,939</u>	<u>10,139,402</u>
	<u>8,679,463</u>	<u>1,680,600</u>	<u>10,360,063</u>

## 2021 Comparative

	Direct costs £	Support costs £	2021 Total £
Costs of raising funds	-	264,84	264,844
Charitable activities			
Addressing Wildlife crime & illegal trade	5,015,159	860,864	5,876,023
Sustainable legal trade	739,037	126,857	865,894
Mixed stream	2,172,965	372,995	2,545,960
	<u>7,927,161</u>	<u>1,360,716</u>	<u>9,287,877</u>
	<u>7,927,161</u>	<u>1,625,560</u>	<u>9,552,721</u>

## Analysis of expenditure:

	Unrestricted £	Restricted £	2022 Total £
<b>Costs of raising funds</b>			
Staff costs	191,867	-	191,867
Operational	4,824	-	4,824
Establishment	18,706	-	18,706
Travel	1,809	-	1,809
Depreciation	1,307	-	1,307
Foreign exchange gain	(5,583)	-	(5,583)
Governance	7,731	-	7,731
	<u>220,661</u>	<u>-</u>	<u>220,661</u>
<b>Charitable activities</b>			
Staff costs	441,778	5,412,644	5,854,422
Operational	147,187	1,793,882	1,941,069
Establishment	570,788	258,840	829,628
Professional fees	-	16,350	16,350
Project sub-contracts	7,500	871,777	879,277
Travel	55,192	391,740	446,932
Depreciation and amortisation	40,855	-	40,855
Transfer of costs to projects	(533,704)	533,704	-
Foreign exchange (gain)/loss	(170,357)	59,555	(110,802)
Governance	241,671	-	241,671
	<u>800,910</u>	<u>9,338,492</u>	<u>10,139,402</u>
<b>Total expenditure</b>	<u>1,021,571</u>	<u>9,338,492</u>	<u>10,360,063</u>

## Analysis of expenditure:

	Unrestricted £	Restricted £	2021 Total £
<b>Costs of raising funds</b>			
Staff costs	210,368	-	210,368
Operational	6,373	-	6,373
Establishment	20,300	-	20,300
Travel	1,657	-	1,657
Depreciation and amortisation	2,471	-	2,471
Foreign exchange gain	15,313	-	15,313
Governance	8,362	-	8,362
	<u>264,844</u>	<u>-</u>	<u>264,844</u>
<b>Charitable activities</b>			
Staff costs	447,432	4,681,175	5,128,607
Operational	155,373	1,344,506	1,499,879
Establishment	494,907	271,515	766,422
Professional fees	0	17,668	17,668
Project sub-contracts	0	895,736	895,736
Travel	40,402	244,007	284,409
Depreciation and amortisation	61,713	0	61,713
Transfer of costs to projects	(499,962)	499,962	0
Foreign exchange loss/(gain)	373,331	51,281	424,612
Governance	208,831	0	208,831
	<u>1,282,027</u>	<u>8,005,850</u>	<u>9,287,877</u>
<b>Total expenditure</b>	<u>1,546,871</u>	<u>8,005,850</u>	<u>9,552,721</u>

## 7. Support costs

	Support £	Governance £	2022 £
Professional fees	-	69,411	69,411
Auditor's remuneration	-	7,142	7,142
Other audits	-	15,157	15,157
Staff costs	1,255,634	142,972	1,398,606
Operational	-	3,594	3,594
Establishment costs	162,627	13,939	176,566
Travel	12,937	1,348	14,285
Foreign exchange gain	-	(4,160)	(4,160)
Total	1,431,197	249,403	1,680,600

### 2021 Comparative

	Support £	Governance £	2021 £
Professional fees	-	36,641	36,641
Auditor's remuneration	-	14,308	14,308
Other audits	-	15,157	15,157
Staff costs	1,229,988	125,128	1,355,116
Operational	-	3,791	3,791
Establishment costs	167,848	12,075	179,923
Travel	10,529	986	11,515
Foreign exchange gain	-	9,109	9,109
Total	1,408,365	217,195	1,625,560

Support costs are allocated on a pro-rata basis according to the total cost of activities undertaken directly and grant funding of activities. Fees payable to the Charity's auditor are for the audit of the charity's annual financial statements.

## 8. Employee and Trustee Information

	2022	2021
	£	£
a) Staff costs:		
Wages and salaries	4,815,124	4,331,590
Social security costs	704,177	512,482
Pension costs	473,111	468,050
Other benefits	72,549	63,774
Other staff costs	124,300	88,208
	<u>6,189,261</u>	<u>5,464,104</u>

Other staff costs include an accrual for untaken annual leave outstanding at the year end, in line with the requirements of FRS102.

	2022	2021
b) The average number of persons, employed during the year was:		
Management and Administration	74	63
Programme and Research	95	90
	<u>169</u>	<u>153</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties. Five trustees received payments for expenses during 2022 totalling £6,292 (2021 – £nil).

	2022	2021
c) Employees with emoluments (emoluments include salaries and taxable benefits, but not employer pension costs or employer's national insurance) over £60,000 were:		
£60,001 – £70,000	3	3
£70,001 – £80,000	5	4
£80,001 – £90,000	-	1
£90,001 – £100,000	2	-
£110,001 – £120,000	1	1
	<u>11</u>	<u>9</u>

### d) Senior leadership team

Total remuneration of the Key Management Personnel (the Trustees with the Senior Leadership Team comprising the Executive Director and other senior managers), including pension contributions excluding social security costs, was £772,426 (2021: £666,990) for nine (2021: ten) staff members. No Trustees received nor waived any remuneration.

## 9. Employee benefits - Pension costs

The Charity's pension contributions are made to defined contribution schemes. The assets of the schemes are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £473,111 (2021: £468,051).

10. Intangible fixed assets

GROUP	Computer Software £
<b>Cost:</b>	
At 1 July 2021	94,624
Additions	-
At 30 June 2022	<u>94,624</u>
<b>Amortisation:</b>	
At 1 July 2021	84,900
Additions	6,532
At 30 June 2022	<u>91,432</u>
<b>Net book value:</b>	
At 30 June 2022	<u>3,192</u>
At 30 June 2021	<u>9,724</u>
CHARITY	Computer Software £
<b>Cost:</b>	
At 1 July 2021	94,175
Additions	-
At 30 June 2022	<u>94,175</u>
<b>Amortisation:</b>	
At 1 July 2021	84,717
Charge for year	6,387
At 30 June 2022	<u>91,104</u>
<b>Net book value:</b>	
At 30 June 2022	<u>3,071</u>
At 30 June 2021	<u>9,458</u>

## 11. Tangible fixed assets

GROUP	Leasehold improvements £	Fixtures & Fittings £	Vehicles £	Computer Equipment £	Total £
<b>Cost:</b>					
At 1 July 2021	10,861	51,553	55,208	177,875	295,497
Additions	-	6,891	-	19,378	26,269
Disposals	-	(3,514)	-	-	(3,514)
<b>At 30 June 2022</b>	<b>10,861</b>	<b>54,930</b>	<b>55,208</b>	<b>197,252</b>	<b>318,252</b>
<b>Depreciation:</b>					
At 1 July 2021	8,293	41,248	51,742	142,102	243,385
Charge for year	1,761	5,970	3,466	23,118	34,316
Released on disposals	-	(3,032)	-	-	(3,032)
<b>At 30 June 2022</b>	<b>10,054</b>	<b>44,186</b>	<b>55,208</b>	<b>165,220</b>	<b>274,669</b>
<b>Net book value:</b>					
At 30 June 2022	807	10,744	-	32,033	43,584
At 30 June 2021	2,568	10,305	3,466	35,773	52,112
<b>CHARITY</b>					
<b>Cost:</b>					
At 1 July 2021	-	30,841	55,208	167,823	253,872
Additions	-	5,317	-	18,100	23,416
<b>At 30 June 2022</b>	<b>-</b>	<b>36,158</b>	<b>55,208</b>	<b>185,923</b>	<b>277,288</b>
<b>Depreciation:</b>					
At 1 July 2021	-	21,271	51,742	136,759	209,772
Charge for year	-	5,365	3,466	19,566	28,397
<b>At 30 June 2022</b>	<b>-</b>	<b>26,636</b>	<b>55,208</b>	<b>156,325</b>	<b>238,179</b>
<b>Net book value:</b>					
At 30 June 2022	-	9,521	-	29,598	39,119
At 30 June 2021	-	9,570	3,466	31,064	44,100



### 12. Debtors: amounts falling within one year

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Trade debtors	479,036	450,312	213,039	212,577
Other debtors	83,041	17,066	67,155	24,400
Amounts held by hosts	326,749	271,903	362,686	362,686
Prepayments	99,188	76,687	40,846	36,550
Accrued income	4,748,726	4,726,963	3,785,454	3,785,048
	<u>5,736,739</u>	<u>5,542,931</u>	<u>4,469,180</u>	<u>4,421,261</u>

Amounts held by host relates to cash amounts held by hosts on behalf of branches.

### 13. Creditors: falling due within one year

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Trade creditors	207,169	164,963	158,230	150,313
Other creditors	87,539	85,329	50,642	20,109
Accruals	1,205,412	1,007,361	1,464,608	1,437,237
Salary and tax creditors	32,765	19,352	32,408	23,070
Amounts owed to hosts	169,798	169,798	235,932	235,932
Amounts owed to subsidiary undertakings	-	144,116	-	38,457
Deferred income	1,930,142	1,914,892	573,184	573,184
	<u>3,632,825</u>	<u>3,505,810</u>	<u>2,515,004</u>	<u>2,478,302</u>

Amounts owed to hosts relate to cash balances owed to hosts by branches.

### 14. Deferred income

	2022 Total £	2021 Total £
Balance at the beginning of the year	573,184	849,826
Amount released to income in the year	(573,184)	(849,826)
Amount deferred in the year	1,930,142	573,184
Balance at the end of the year	<u>1,930,142</u>	<u>573,184</u>

Deferred income represents income received from donors in advance of contracted activity.

## 15. Analysis of charitable funds

	1 July 2021 £	Income £	Expenditure £	Transfers £	30 June 2022 £
<b>Unrestricted funds</b>	2,183,791	1,083,018	(1,021,571)	76,581	2,321,819
<b>Restricted funds</b>					
<b>Major projects:</b>					
Leveraging legality along China's timber supply to reduce deforestation	183,799	1,040,985	(689,892)	-	534,892
WTRAPS	548,826	572,857	(475,515)	(34,647)	611,522
Law Enforcement in Madagascar: a United Response to Combating Wildlife Crime	37,475	422,300	(345,883)	-	111,708
OES Crime Convergence Indonesia	13,498	411,448	(341,731)	-	83,215
Strengthening Law Enforcement Capacity and Collaboration to Combat the Illegal Wildlife Trade in Cameroon	75,201	394,312	(331,684)	-	137,829
WABiLED	-	385,658	(55,989)	-	329,669
Saving Threatened Wildlife	-	383,829	(143,836)	-	239,994
Reducing Trade Threats to Wild Species and Ecosystems Through Strengthened Knowledge in Africa	190,503	335,026	(437,707)	(24,636)	63,185
Strengthening Wildlife Law Enforcement	-	332,472	(160,156)	-	172,316
Combatting Illegal Wildlife Trade, focusing on Ivory, Rhino Horn, Tiger and Pangolin in Thailand	91,154	217,630	(423,470)	-	(114,687)
The Combating Wildlife Crime Project	423,467	215,845	(368,476)	-	270,836
Demand reduction, Enforcement and policies supporting The conservation of Elephants and Rhinos	-	140,423	(106,797)	(7,162)	26,464
Countering Wildlife Trafficking in Angola	165,619	124,470	(188,009)	-	102,080
South Africa Wildlife Investigator Mentoring Scheme	266,688	77,036	(395,368)	-	(51,644)
Postcode Lottery TRACE	248,205	50,037	(107,101)	-	191,141
CONNECT	92,937	41,544	(320,125)	-	(185,644)
	2,335,187	5,145,872	(4,891,740)	(66,445)	2,522,874
Other projects	398,214	5,132,324	(4,446,752)	(10,136)	1,073,649
	2,733,401	10,278,196	(9,338,492)	(76,581)	3,596,524
<b>Total funds</b>	4,917,192	11,361,214	(10,360,063)	-	5,918,343

During the year transfers of £76,581 were made from restricted to unrestricted funds. They were related to the write off of foreign exchange variances as well as small surpluses allowed by donors.

### **Leveraging legality along China's timber supply to reduce deforestation**

*Funded by Norwegian Agency for Development Cooperation*

The project leverages China's and Vietnam's significant market role in the timber supply chain from source countries in the Congo Basin, to reduce unsustainable forestry operations and illegal timber trade. Along the supply chain, knowledge products, work with the financial sector and support for communication between agencies will increase detection and investigation, further deterring illegality.

### **Wildlife Trafficking, Response, Assessment and Priority Setting (Wildlife TRAPS) Project**

*Funded by USAID (United States Agency for International Development) via IUCN*

TRAFFIC, in collaboration with IUCN, has devised the Wildlife TRAPS (Wildlife Trafficking, Response, Assessment, and Priority Setting Project) to develop and deliver a suite of ground-breaking partnerships and pioneering approaches to tackle wildlife crime between Africa and Asia. Wildlife TRAPS is building a collective understanding of the true character and scale of the response required through a series of targeted trade assessments looking at specific species and geographic regions.

### **Law Enforcement in Madagascar: a United Response to Combatting Wildlife Crime (LEMUR.CWC)**

*Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)*

The goal of LEMUR CWC is to reduce poaching and trafficking of endangered wildlife in Sub-Saharan Africa, with a focus on Madagascar. Progress towards this goal will be achieved through the delivery on three of the four Objectives articulated by the Bureau of International Narcotics and Law Enforcement Affairs (INL), namely: Objective 1: Build interdiction, investigative, and enforcement capacity to stop the transit of protected wildlife; Objective 2: Enhance prosecutorial and judicial capacity to successfully prosecute those illegally transiting wildlife products with adequate sentencing; and Objective 3: Encourage increased cross-border cooperation with neighbouring or source countries to more effectively combat wildlife trafficking.

### **OES Crime Convergence Indonesia**

*Funded by the U.S. Department of State's Bureau of Oceans and International Environmental and Scientific Affairs (OES)*

The project aims to identify, analyse, and map the illicit networks associated with conservation crimes and understand the links, where they may exist, between the different trafficking networks associated with conservation crimes in Indonesia, Vietnam, Cameroon and Brazil.

### **Strengthening Law Enforcement Capacity and Collaboration to Combat Illegal Wildlife Trade in Cameroon**

*Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)*

The project addresses INL Sub-Objectives 3.1 – 3.4, and supports Cameroon's efforts to reduce illegal wildlife trafficking by building capacity of wildlife law enforcement officials and judiciary across all sectors, improving communication and coordination skills between the different agencies, both nationally and cross-border. Combined, these efforts will result in a greater number of interdictions, prosecutions and successful, deterrent convictions.

### **WABiLED**

*Funded by USAID (United States Agency for International Development) via Tetra Tech*

The purpose of this project is to assist Tetra Tech ARD with the implementation of the West Africa Biodiversity and Low Emissions Development (WABiLED) Activity goal to strengthen the capacity of national and regional networks and institutions to enforce and prosecute wildlife trafficking laws; improve regional and transboundary cooperation and conservation strategies that include private sector partnerships and incorporate best practices for sustainable natural resource management (NRM); and improve capacity for economic planning and development of LED strategies including REDD+.

### **Saving Threatened Wildlife**

*Funded by USAID (United States Agency for International Development)*

The objectives of this project are to engage and develop political and local champions to address illegal wildlife trafficking in Vietnam, strengthen law enforcement, and reduce consumer demand of illegal wildlife products. These objectives are intended to contribute to higher level outcomes of increased arrests and prosecutions for illegal wildlife trafficking and reduced consumer demand for illegal wildlife products. The primary biodiversity targets include: African rhinos, African and Asian elephants, pangolins and big cats that are commonly trafficked and traded from abroad into Vietnam. In addition, the

project includes wildlife species that are regularly poached and traded domestically and internationally such as primates, muntjacs, and big cats.

### **Strengthening Wildlife Law Enforcement**

*Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)*

The purpose of this project is to address law enforcement capacity shortfalls in East Africa by institutionalising training and providing online resources for critical law enforcement authorities to better address illegal wildlife trade.

### **Reducing Trade threats in Africa's wild species and ecosystem**

*Funded by the ARCADIA Foundation*

The purpose of the project is to strengthen actions to conserve and protect wildlife populations, areas of high biodiversity, and communities in Africa threatened by illegal and unsustainable wildlife trade, with a focus on trade to Asia. Building on the successes in the first phase of the ReTTA project, ReTTA Phase II expands the data gathering and analysis of vital wildlife trade knowledge by ourselves, partners and governments on the African continent and following primary trafficking routes into Asia promotes evidence-based solutions with those best placed to take remedial action. The project will continue to develop and promote some of the potentially game-changing solutions that were initiated in the first phase of the project.

### **Combatting Illegal Wildlife Trade, focusing on Ivory, Rhino Horn, Tiger and Pangolin in Thailand**

*Funded by United Nations Development Programme*

The Project Objective is to reduce the trafficking of wildlife (focusing on elephant ivory, rhinoceros horn, tiger and pangolins) in Thailand through enhanced enforcement capacity and collaboration and targeted behaviour change campaigns. To achieve this objective, the project will utilize four strategies or Project Components as follows: Component 1: Improved Cooperation, Coordination and Information Exchange, Component 2: Enhanced Enforcement and Prosecution Capacity, Component 3: Reduced demand for illegal wildlife products and targeted awareness actions to support law enforcement and Component 4: Knowledge Management, Monitoring and Evaluation and Gender Mainstreaming.

### **The Combating Wildlife Crime Project (CWCP)**

*Funded by USAID (United States Agency for International Development)*

This project seeks to counter growing threats from transnational wildlife crime to globally important populations of rhino and elephant found in Angola, Botswana, Namibia, Zambia and Zimbabwe. CWCP is a multi-country, multi-partner initiative being implemented by a Consortium of 14 organisations, with WWF in Namibia providing the lead management and co-ordination role. The project is fostering improved knowledge on wildlife crime dynamics and impacts, and enhanced sharing of related information and data among law enforcement agencies, civil society, and the private sector within and among countries.

### **Demand reduction, Enforcement and policies supporting The conservation of Elephants and Rhinos - DETER**

*Funded by the German Agency for International Cooperation (GIZ)*

The goal of the project is to support elephant, rhino, and pangolin conservation by driving demand reduction, improved enforcement and increased political will to stop the illegal trade in wildlife products. This will be achieved through reducing consumer demand for elephant and rhino products in China and Viet Nam through providing leadership on demand reduction strategies and engaging key stakeholders to maximise the influence of interventions. The project will also support enforcement against IWT activities in China, selected neighbouring countries, and African countries through capacity building, trans-continental collaboration and improved communications. An enabling policy environment in Africa and China will be supported to facilitate these actions.

### **Countering Wildlife Trafficking in Angola**

*Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)*

The goal of this project is to reduce poaching and trafficking of endangered wildlife in Sub-Saharan Africa, with a particular focus on Angola. Progress towards this goal will be achieved through delivering on three of the four Objectives articulated by the Bureau of International Narcotics and Law Enforcement Affairs (INL), namely: Objective 1: Build interdiction, investigative, and enforcement capacity to stop the transit of protected wildlife; Objective 2: Enhance prosecutorial and judicial capacity to successfully prosecute those illegally transiting wildlife products with adequate sentencing; and Objective 4: Encourage increased cross-border cooperation with neighbouring or source countries to more effectively combat wildlife trafficking.

### **South Africa Wildlife Investigator Mentoring Scheme**

*Funded by the U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL)*

The Goal of this project is to reduce poaching and trafficking of endangered wildlife in Sub-Saharan Africa, with a particular focus on South Africa. Progress towards this goal will be achieved through the delivery of Objective 1 as identified for South Africa by INL: "Build interdiction, investigative and enforcement capacity of junior wildlife investigators to stop the poaching and transit of protected wildlife".

### **Tackling the Illegal Wildlife Trade through developing forensic capacity in Southern Africa**

*Funded by the Postcode Animal Trust*

The project aims to strengthen our activities relating to reducing illegal wildlife trade in Southern Africa, specifically through the development of wildlife forensic capacity to enhance wildlife law enforcement. The overall goal is to ensure that access to forensic science is available to support wildlife law enforcement in Malawi, Zambia, and Zimbabwe.

### **CONNECT**

*Funded by USAID (United States Agency for International Development) via IUCN*

The Conserving Natural Capital and Enhancing Collaborative Management of Transboundary Resources in East Africa (CONNECT) project aims to 1) strengthen regional policy dialogue, learning and decision-making on management of transboundary resources, 2) Improve sustainable management of key transboundary landscapes, 3) increase awareness of the economic and intrinsic value of living wildlife, 4) reduce demand for illicit wildlife products, and 5) improve regional and bilateral collaboration on enforcement and prosecution.

*Analysis of charitable funds for the year ended 30 June 2021:*

	1 July 2020	Income	Expenditure	Transfers	30 June 2021
	£	£	£	£	£
<b>Unrestricted funds</b>	2,435,496	1,154,934	(1,546,871)	140,232	2,183,791
<b>Restricted funds</b>					
<b>Major projects:</b>					
ROUTES	(275,935)	1,070,276	(697,512)	-	96,829
WTRAPS	-	806,972	(258,146)	-	548,826
Partnership against Poaching and Illegal Wildlife Trade	(367,394)	427,188	(255,099)	-	(195,305)
South Africa Wildlife Investigator Mentoring Scheme	-	368,941	(102,253)	-	266,688
Reducing Trade threats in Africa's wild species and ecosystem through Strengthened Knowledge in Africa	-	338,141	(147,638)	-	190,503
Countering Wildlife Trafficking in Angola	154,088	291,939	(280,408)	-	165,619
Combatting Illegal Wildlife Trade, focusing on Ivory, Rhino Horn, Tiger and Pangolin in Thailand	27,750	289,164	(225,760)	-	91,154
Reinforcing Chinese Government and industry action to reduce illegal timber exports from Cameroon, Republic of Congo, Vietnam and other transit countries. Phase II	200,889	278,673	(466,561)	-	13,001
Law Enforcement in Madagascar: a United Response to Combatting Wildlife Crime	-	271,684	(236,393)	-	35,291
Strengthening Law Enforcement Capacity and Collaboration to Combat Illegal Wildlife Trade in Cameroon	-	268,245	(193,044)	-	75,201
Leveraging legality along China's timber supply to reduce deforestation	-	263,462	(79,663)	-	183,799
The Combating Wildlife Crime Project	510,580	261,013	(348,127)	-	423,466
Minimising the Illegal Killing of Elephants and other Endangered Species (MIKES)	2,094	79,147	(90,052)	-	(8,811)
Demand-reduction strategies to combat illegal trade in CITES-listed species	-	10,540	(8,293)	-	2,247
Big Cat Trade Study	-	13,539	-	-	13,539
UNDP Biodiversity Management Plan	-	10,918	(37,684)	-	(26,766)
	252,072	5,049,842	(3,426,634)	-	1,875,281
Other projects	1,665,028	3,912,541	(4,579,217)	(140,232)	858,120
	1,197,100	8,962,383	(8,005,850)	(140,232)	2,733,401
<b>Total funds</b>	4,352,596	10,117,317	(9,552,721)	-	4,917,192

16. Allocation of net assets between funds

Group	Restricted funds £	Unrestricted funds £	2022 Total £
Fixed assets	-	46,776	46,776
Current assets	6,639,761	2,864,632	9,504,393
Current liabilities	(3,043,237)	(589,589)	(3,632,826)
<b>Total funds</b>	<b>3,596,524</b>	<b>2,321,819</b>	<b>5,918,343</b>

Charity	Restricted funds £	Unrestricted funds £	2022 Total £
Fixed assets	-	42,190	42,190
Current assets	6,652,373	2,457,318	9,109,691
Current liabilities	(3,050,968)	(454,842)	(3,505,810)
<b>Total funds</b>	<b>3,601,405</b>	<b>2,044,666</b>	<b>5,646,071</b>

2021 Comparative Group	Restricted funds £	Unrestricted funds £	2021 Total £
Fixed assets	-	61,836	61,836
Current assets	4,957,926	2,412,434	7,370,360
Current liabilities	(2,224,525)	(290,479)	(2,515,004)
<b>Total funds</b>	<b>2,733,401</b>	<b>2,183,791</b>	<b>4,917,192</b>

2021 Comparative Charity	Restricted funds £	Unrestricted funds £	2021 Total £
Fixed assets	-	53,558	53,558
Current assets	4,622,438	4,622,438	7,242,064
Current liabilities	(2,241,412)	(2,241,412)	(2,478,302)
<b>Total funds</b>	<b>2,381,026</b>	<b>2,436,294</b>	<b>4,817,320</b>

### 17. Operating leases

At 30 June 2021 the Charity had total commitments under non-cancellable operating leases as set out below:

	<b>Group 2022 £</b>	<b>Charity 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2021 £</b>
	<b>Land &amp; Buildings</b>	<b>Land &amp; Buildings</b>	<b>Land &amp; Buildings</b>	<b>Land &amp; Buildings</b>
<b>Payment due:</b>				
Within one year	87,496	58,663	95,491	45,930
Within two to five years	93,077	93,077	148,653	123,873
	<u>180,573</u>	<u>151,740</u>	<u>244,144</u>	<u>169,803</u>

### 18. Related party transactions

The following transactions took place between the TRAFFIC International and its wholly owned subsidiaries - TRAFFIC International Southeast Asia, TRAFFIC International Tanzania and TRAFFIC International Europe:

Transfer of project income of £1,069,522 (2021: £735,599) and core income of £79,403 (2021: £77,937) from the parent undertaking to the subsidiary.

Service support charges of £57,934 (2021: £50,635) were made by the parent undertaking to the subsidiary.

Grants of £nil (2021: £51,608) were transferred from the subsidiary to the parent undertaking.

At the year end, the parent undertaking owed £31,569 (2020: £28,218) to the subsidiary undertakings.

There were no other related party transactions in the current or previous year.

### 19. Taxation

The Charity is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.



20. Comparative Statement of Financial Activities (Year ended 30 June 2021)

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £
<b>Income from:</b>				
Donations		1,135,562	22,500	1,158,062
Charitable activities		10,701	8,940,413	8,951,114
Investments		2,920	(1,097)	1,823
Other		5,751	567	6,318
<b>Total</b>	5	<u>1,154,934</u>	<u>8,962,383</u>	<u>10,117,317</u>
<b>Expenditure on:</b>				
Raising funds – grant and contract proposal development		264,844	-	264,844
Charitable activities				
Red stream		811,081	5,064,943	5,876,024
Green stream		119,521	746,373	865,894
Mixed		351,425	2,194,534	2,545,959
Total charitable activity expenditure		<u>1,282,027</u>	<u>8,005,850</u>	<u>9,287,877</u>
<b>Total</b>	6	<u>1,546,871</u>	<u>8,005,850</u>	<u>9,552,721</u>
<b>Net income/(expenditure)</b>		(391,937)	956,533	564,596
<b>Transfers between funds</b>		140,232	(140,232)	-
<b>Net movement in funds</b>		<u>(251,705)</u>	<u>816,301</u>	<u>564,596</u>
<b>Reconciliation of funds:</b>				
Total funds brought forward		2,435,496	1,917,100	4,352,596
<b>Total funds carried forward</b>		<u>2,183,791</u>	<u>2,733,401</u>	<u>4,917,192</u>

JANUARY 2023

WORKING TO ENSURE THE TRADE IN  
WILD PLANTS AND ANIMALS IS NOT  
A THREAT TO THE CONSERVATION  
OF NATURE

**TRAFFIC**

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