



TRAFFIC

the wildlife trade monitoring network

December 2019

TRUSTEES' REPORT

**AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2019**

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.

TRAFFIC's mission is to ensure that trade in wild plants and animals is not a threat to the conservation of nature.

TRAFFIC's 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.

TRAFFIC International is a UK Registered Charity No. 1076722, Registered Limited Company No. 3785518

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TRAFFIC
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TRAFFIC International Trustees' report and financial statements for the year ended 30 June 2019

Table of Contents

Trustees' report, including Strategic Report	2
Administrative information	22
Independent auditor's report	23
Financial statements	26



White Rhinos
Photo: David David Stang

Trustees' report: year ended 30 June 2019

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 2019.

Introduction

The commercial use of wild animal and plant resources, more simply "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. Although history paints a justifiably negative picture of the impact of this trade on the status and security of species and ecosystems, there is no ignoring the critical contribution that trade in wild species has made—and still makes—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 wide range of partners toward ensuring that wildlife trade is not a threat to the conservation of nature. TRAFFIC works closely with our founding organisations, WWF and IUCN, making a critical contribution to achievement of their conservation goals through a unique partnership that complements and engages the considerable strengths of each of these two major global conservation organisations.

TRAFFIC delivered its work through a team of approximately 120 staff based in Asia, Africa, and Europe. Global leadership, technical expertise and support functions to the organisation as a whole were delivered through TRAFFIC's global office, which is based in Cambridge, UK. Our long-standing expertise, combined with an evidence-based and flexible approach to problem-solving, has given TRAFFIC a strong and respected reputation in an often contentious and fractious field, allowing us to have an influence disproportionate to our size.

This report presents TRAFFIC's financial accounts and highlights some of our achievements during the past year. Our combination of original and in-depth research, targeted communications and capacity building is helping governments, businesses, other non-governmental organisations (NGOs) and individuals around the world to ensure that wildlife trade is not a threat to the conservation of nature. To find out more about TRAFFIC's work and the difference we are making, please visit our website at www.traffic.org.

Programme objectives and focus

The Charity's objectives, as recorded in its Memorandum and 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 wider **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.

In furtherance of its mission and Charity objectives, TRAFFIC supports implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and other international agreements, national level wildlife trade controls, and wider efforts to promote sustainable management and trade of fisheries, timber and other wild-sourced commodities in trade.

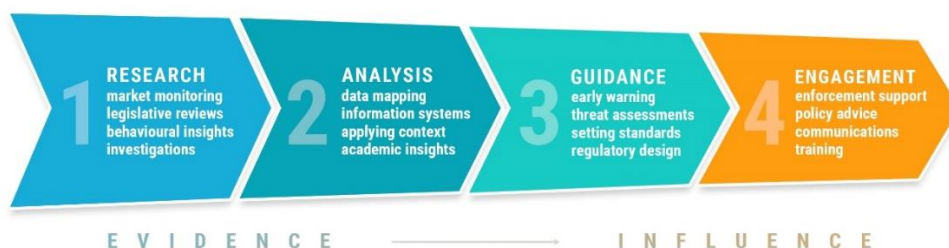
Trustees' report: year ended 30 June 2019

TRAFFIC informs, promotes, facilitates and otherwise supports action to address wildlife trade issues in key wildlife trade "hotspots" around the world, including producer, trading and consumer countries. TRAFFIC's work is based on a multi-pronged approach to achieving its mission and wider vision, designed to inform and strengthen the capacity of people and institutions responsible for defining and implementing international, regional and national policies and regulations. This focus is balanced with work to inform and influence the behaviour of businesses and individual consumers as these relate to trade in wild animals and plants.

TRAFFIC's FY19 work plan focused around two priority workstreams: Approaches and action to enhance responses to wildlife crime and illegal trade; and 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 in order to achieve sustainable, legal trade in wildlife resources.



The design and delivery of these two workstreams were underpinned and informed by a broader programme of strategic research and analysis to produce guidance on a wide range of wildlife trade issues, achieving influence through targeted communications, tools and training.



Programme delivery - activities and highlights

TRAFFIC continued to play a unique and leading role as a global wildlife trade specialist. TRAFFIC staff around the world carried out research, investigations and analysis to compile evidence used to catalyse action by governments, businesses and individuals. TRAFFIC's team worked in and connected across some of the world's most critical wildlife trade hotspots to identify and help address both biodiversity conservation and sustainable development challenges and opportunities linked to trade in wild species.

Effective collaboration was fundamental to TRAFFIC's programme delivery. TRAFFIC partnered with a wide range of organisations and individuals, enhancing the quality, traction and reach of our work. In addition to our founding partners IUCN and WWF, TRAFFIC worked with a wide range of other institutions from conservation, development and other sectors. This included a diverse spread of government agencies in source, transit and consumer countries, and inter-governmental organisations such as CITES, the Convention on Biological Diversity, the World Customs Organization and the UN Office on Drugs and Crime (UNODC). TRAFFIC also worked with a wide range

Trustees' report: year ended 30 June 2019

of businesses who are engaged in wildlife trade in some way, from those sourcing, using and selling wildlife products, such as medicinal and herbal product companies, to those facilitating wildlife trade such as e-commerce and transport companies.

Highlights of programme delivery during FY19 are provided below.

Enhancing responses to wildlife crime and illegal trade

The trafficking of wildlife products such as elephant ivory, rhino horn, pangolin scales and rare tortoises is causing unprecedented declines in some of the world's most charismatic, as well as some lesser-known, wildlife species. TRAFFIC remained at the forefront of efforts to strengthen action on illegal trade, working in collaboration with a wide range of other NGO, government and private sector partners.

Examples of achievements to which TRAFFIC contributed during the year include:

Expanding efforts to reduce demand for rhino horn in Viet Nam and sharing lessons learned: The TRAFFIC-led Chi (Strength of Will) Initiative, a programme to drive down consumer demand for rhino horn in Viet Nam, entered a new phase during the year. Initially focusing on the status-driven use of rhino horn in Viet Nam, the initiative was expanded to also tackle other drivers of rhino horn use. Demand reduction efforts were strengthened through a new partnership with the National Assembly of Vietnam, including high level discussions, recommendations, and consultations on wildlife conservation-related issues to inform more effective demand reduction campaigns and programmes. Collaboration with the Vietnam Chamber of Commerce and Industry provided access to the main consumer audience in the Central Highlands region, while the Quang Ninh Business Association helped establish a foothold into the Quang Ninh province, a key transboundary wildlife trafficking hotspot between Viet Nam and China.

The World Social Marketing Conference—the premier global conference on the science of behaviour change—provided a major opportunity to showcase and share this work, and for these efforts to be recognised by other professionals in the field. TRAFFIC's paper sharing case study information on the Chi Initiative was awarded "Highly Commended" status by the Conference's international peer review panel. TRAFFIC's was the only case study to receive this recognition, a particularly exceptional achievement given that the conference received 400+ peer-reviewed submissions. TRAFFIC also launched two Good Practice Guidelines, *Designing Effective Messages* and *Choosing the Right Messenger* during the conference, with the launch timed to coincide with World Environment Day (5 June).

Informing, supporting and reinforcing efforts to end illegal ivory trade: TRAFFIC research and communications informed national and international efforts to end illegal ivory trade. Signs that these efforts are yielding results include significant declines in the online offer for sale of elephant ivory in China, and the cessation of sales of elephant ivory by shops in China previously authorized to sell it. These declines, observed in 2018, demonstrate the significant positive effects of China's elephant ivory trade ban, which came into force on 31 December 2017. Surveys in the six months following the ban found that the number of unlicensed shops in China offering ivory for sale fell by nearly a third when compared to a similar survey conducted in 2017. However, the number of ivory items displayed in unlicensed shops increased by 22%, indicating that demand persists and additional enforcement efforts are needed.

Reducing illegal online trade in wildlife: The Coalition to End Wildlife Trafficking Online celebrated its first anniversary in March 2019, with membership growing to over 30 companies, supported through a partnership between TRAFFIC, WWF and IFAW. The Coalition includes some of the world's largest e-commerce and social media companies, including Alibaba, Baidu, eBay, Facebook, Google, Instagram, Mall for Africa, Microsoft, and Tencent. New members in FY19 include Sina Weibo, a Chinese microblogging and social network site with over 445 million active monthly users, Leboncoin, France's leading classifieds portal, and OLX, a global online

Trustees' report: year ended 30 June 2019

marketplace with over 350 million users per month with operations in over 35 countries. Members have pledged to work together to reduce wildlife trafficking online by 80% by 2020.

Engaging the finance sector in the fight against wildlife trafficking: Over 20 international finance institutions formally committed to take action to disrupt financial flows linked to wildlife trafficking by joining the United for Wildlife Financial Task Force on Illegal Wildlife Trade. Formation of the Task Force was announced during the London Conference on Illegal Wildlife Trade. Action by the finance sector, including global banks such as Barclays, HSBC and Bank of America, will help identify and reduce avenues for money laundering and corrupt practices associated with illegal wildlife trade, strengthen law enforcement efforts by helping identify perpetrators, and support asset seizures in the case of convictions. TRAFFIC, a founding member of the Task Force, played a critical role in its development. Support for the initiative included provision of routine information packages, trade analyses, and development of typologies to help Task Force members target their resources.

Making it harder to transport wildlife contraband by air: The Reducing Opportunities for Unlawful Transport of Endangered Species (ROUTES) Partnership, which is led by TRAFFIC, remained a critical platform and springboard for action to reduce transport of wildlife contraband by air. This included significant steps by the Airports Council International (ACI), a member of the ROUTES core team, through its European wing. ACI Europe, which represents over 500 airports in 45 countries, incorporated recommendations for airport action against wildlife trafficking in the *ACI Europe: Sustainability Strategy for Airports*. The Strategy recommends that member airports raise awareness among airport employees and passengers; deliver trainings; and take additional actions including committing to the United for Wildlife (UfW) Transport Taskforce Buckingham Palace Declaration. The Airlines Association of Southern Africa implemented a communications strategy, developed by ROUTES, to raise awareness of wildlife trafficking among its 19-member airlines, which resulted in additional airlines taking similar communications-related actions and approaching ROUTES for information.

The International Air Transport Association (IATA), with over 290 member businesses, is also a ROUTES core team member. Thanks to TRAFFIC and ROUTES partners, the IATA Environmental Assessment Programme now includes a mechanism to independently measure and audit progress toward delivering on anti-trafficking commitments made under the UfW Transport Taskforce Buckingham Palace Declaration on illegal wildlife trade. The audit and related certification provide formal, industry-wide recognition of airlines' efforts against wildlife trafficking. Qatar Airways was the first to be certified, with additional airlines expected to follow in the coming months.

Training workshops for airport and airline personnel at key trafficking hubs reached approximately 200 staff, including in-house trainers, and continued to deliver high marks. For example, approximately 90% of trainees at workshops in Hong Kong and Changi Airports said they could identify a wildlife trafficker following the workshops, compared to less than 10% pre-training. Training was also made more widely available through a suite of online learning tools launched in January. These include role specific e-modules targeting cabin crew, ground handlers and four other key roles identified by industry. A growing number of companies have now incorporated wildlife trafficking prevention into their training programmes, reaching thousands of staff in critical locations each year.

Expanding government and private sector commitments to tackle wildlife trafficking: TRAFFIC worked closely with the UK government on preparations and planning for the London Conference on illegal wildlife trade, which took place in October 2018 and was attended by representatives of over 60 governments. Where the previous Conferences focused on traditional approaches to tackling wildlife crime (primarily through legal frameworks and law enforcement), TRAFFIC was successful in encouraging that the 2018 Conference focused on addressing the strategic and systemic problems that are driving illegal wildlife trade. This included the problem of growing consumer demand for illegal wildlife products. TRAFFIC advised Defra on related demand reduction approaches, with the TRAFFIC-led analysis *Reducing demand for illegal wildlife products*, commissioned by Defra, launched shortly before the meeting. The final conference Declaration emphasized this and other issues, including financial crime linked to wildlife crime, wildlife-related cybercrime, and the importance of greater engagement by the private sector. Defra also established a Demand Reduction Consortium of Specialists to support implementation of the

Trustees' report: year ended 30 June 2019

commitments. TRAFFIC is a member of the Consortium and contributed to its first event, an expert workshop convened in Hanoi, Viet Nam.

Facilitating stronger multi-country enforcement cooperation: TRAFFIC continued working closely with EU agencies and member States to support implementation of the EU Wildlife Trade Regulations, EU Action Plan Against Wildlife Trafficking, and other measures. A central component of this support was management of EU-TWIX (EU-Trade in Wildlife Information eXchange), a unique government-only communications platform and seizures database. EU-TWIX membership continued to grow, with nearly 1,200 officials from 39 European countries connected as of the end of June 2019. Approximately 450 messages were exchanged over the TWIX mailing list during the year. Enforcement actions supported through EU-TWIX exchanges included seizures of pangolin scales and shark products. AFRICA-TWIX, a Central African platform modelled on EU-TWIX and managed by TRAFFIC, grew to 130+ members in six Central African countries, with the newest member, Chad, joining in January, and Rwanda expected to join by the end of 2019. Eleven Southern African Development Community (SADC) countries endorsed and joined SADC-TWIX, developed by TRAFFIC. Launched in May 2019, SADC-TWIX already includes 400 law enforcement officials.

Supporting enforcement agency identification and responses to suspect wildlife trade: TRAFFIC used its market monitoring, wider research and related analysis to help inform government efforts to enforce wildlife trade controls. This included publication of reports drawing attention to species in illegal trade such as otters, associated trade routes and markets, for example in relation to ivory, pangolins, caviar, live birds and tortoises. Actionable information was provided to government agencies to support their efforts to crack down on wildlife crime in multiple countries, contributing to seizures of ivory and other illegal wildlife. Government personnel were also provided training in a variety of related topics, for example use of forensics approaches in investigating wildlife crimes.

Strengthening prosecution of wildlife crimes in East and Southern Africa: Responding to the low prosecution and conviction rate of suspected wildlife traffickers, TRAFFIC expanded efforts to increase the knowledge and skillsets of prosecutors, magistrates and judges likely to prosecute or hear wildlife crime cases. This work was informed by ongoing monitoring of active court cases, which will also support assessment of training effectiveness.

With the Tanzania National Prosecutions Service, TRAFFIC co-designed an initiative to create a government Centre of Excellence dedicated to strengthening prosecution of wildlife crime and related offences in Tanzania. The initiative has high-level government support. TRAFFIC also worked to help secure funding to establish the Centre, which will encompass a training facility and programme. TRAFFIC also co-developed and launched an e-learning course on wildlife crime for Tanzania's judiciary with the IUCN Environmental Law Centre, UNITAR and government officials. With Uganda's Ministry of Tourism, Wildlife and Antiquities and the Natural Resource Conservation Network, TRAFFIC co-organised the National Stakeholders' Forum on Wildlife and Forest Crimes. The Forum had a specific focus on identifying the needs and priorities of Uganda's judiciary and prosecution sectors to curb wildlife crime.

In the UK, TRAFFIC continued to provide information and advice to the UK's National Wildlife Crime Unit (NWCU) and co-ordinated the UK Partnership for Action Against Wildlife Crime Forensic Working Group. TRAFFIC also participated in the NWCU's Cyber Enabled Wildlife Crime Priority Delivery Group, which facilitates collaboration between government, NGOs and civil society organisations to deliver a joined up, cohesive, pro-active approach to identifying and tackling cyber enabled wildlife crime.

Sharing experience and lessons learned to influence wider behaviour change approaches: Over 100 behaviour change experts and practitioners from 60 organisations in 21 countries, shared experiences and honed their skills during the 2nd three-day International Conference on Revisiting Efforts to Reduce Demand for illegal wildlife products held in Bangkok in November 2018. This event, organised by TRAFFIC, was the largest to date on the topic and aimed to enhance collaboration and deepen impact across the sector. Over 90% of participants reported in a post-event evaluation that they had achieved their objectives, that the content was useful/applicable to their

Trustees' report: year ended 30 June 2019

own work, and that they had been inspired to act and to champion behavioural change approaches. Membership of the related Social and Behaviour Change Communication (SBCC) Community of Practice expanded to over 300 members. The associated community website www.changewildlifeconsumers.org was substantially upgraded to include new resources and functionality including a WorkSpace function; Expert Directory; consumer research raw data repository; and enhanced resource filters.

On request from CITES, TRAFFIC assessed demand reduction efforts undertaken since 2014. The resulting findings and recommendations were considered at a CITES expert group meeting in Bangkok (Chaired by Thailand's CITES Management Authority, and attended by 13 Parties in addition to international observers), and the final document was used as the basis for the CITES Secretariat's recommendations, on behalf of the CITES Standing Committee, to CITES CoP18 for adoption. Language used by the CITES Secretariat in their report emphasised a key TRAFFIC message based on work to date, i.e.: "It is critical that Parties understand the difference between well-targeted demand reduction strategies through behaviour change and mass campaigns to raise awareness of the plight of endangered species and the various negative impacts of poaching and wildlife trafficking. Although both approaches have their merits, the former is more imperative in order to address the urgent needs".

Priority areas for work during FY20 will be focused around:

- Engaging and supporting preventative action by transport, internet, 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 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 illegal wildlife trade gets most of the headlines, the majority of wildlife products in trade are from legal sources. This includes a wide variety of items used in households around the world, including timber and other wood products, fisheries products, a wide variety of herbs and spices, shells, reptile skins and other decorative and fashion items, and live plants and animals. Major industries, e.g. the pharmaceutical and beverage industries, also rely on wild-sourced ingredients, including unique plant compounds with pharmacological properties, gums and resins.

TRAFFIC's work during the year focused on improving and promoting systems to ensure that trade in wildlife products was maintained within sustainable levels and adhered to national and international trade rules. This included drawing attention to the importance of wild plant harvest and trade to local communities as well as to final consumers, and strengthening benefit flows to producers of medicinal and aromatic plant ingredients in particular.

Examples of achievements to which TRAFFIC contributed during FY19 include:

Supporting the transition to well-managed trade in CITES medicinals from Nepal: Trade in Jatamansi and other wild-harvested medicinal plants from the Himalayas dates back thousands of years. However, overharvest of this species in parts of Nepal and poorly managed trade threaten wild populations and collector incomes alike. This is set to change, however, thanks to support from the Darwin Initiative for a project to develop systems for sustainable, legal and equitable trade in Nepali Jatamansi. A high priority during the project's first year was support to government counterparts and processes to bring Nepal's harvest and trade controls in line with CITES requirements. Guidance led to the amendment of Nepal's 2017 *CITES Act* to correct an unintentional ban on exports of Appendix II species, and drafting of implementing regulations. TRAFFIC and partners also encouraged and supported Nepal's CITES Authorities to address information requests from the CITES Standing Committee on Jatamansi management and trade. Work was initiated at the field level, with eight Community Forest User Groups (1,400+ households) identified and engaged in project planning and implementation in northwestern Nepal. Several foreign companies committed to purchasing FairWild certified product once available.

Expanding business knowledge and action in the wild plant sector: TRAFFIC worked with the FairWild Foundation to expand industry engagement in developing sustainable, equitable supply chains for wild-sourced plant ingredients. The total number of companies involved in the trade in FairWild-certified ingredients from across producer, trading and manufacturing organisations grew to 30 as of the end of June. FairWild certified ingredients were being sourced from 11 countries, and products containing these ingredients were being sold in over 50. These numbers are expected to grow in FY20 as a result of outreach during FY19. Industry exposure to and interest in FairWild grew during Europe's largest organic trade fair, BioFach in Germany, where TRAFFIC co-hosted an exhibition booth and "business-to-business" matchmaking event.

TRAFFIC also redesigned the FairWild Foundation's website, which was launched during the third annual FairWild week (24-28 June 2019). The new design greatly improved the site's accessibility and functionality, with navigation and background information tailored to meet the needs of businesses and consumers. Unique visitors to the website increased ten-fold immediately following the launch (to 1,900 unique page views/week).

As well as the successes above, it is important to note that in some cases trade has yet to shift onto a more sustainable, legal footing in response to work by TRAFFIC and others. Poaching and illegal trade in South African abalone to lucrative markets in East Asia has remained at high levels despite research, advice and support to government agencies in South Africa and Hong Kong and parallel work with the private sector to establish channels for legal trade. The ongoing illegal trade undermines legitimate fisheries and trade and is also linked to wider criminal activities in South Africa.

There have been some encouraging developments, however. The South African government has seized numerous abalone shipments and made related arrests. South Africa's National Regulator for Compulsory Specifications

Trustees' report: year ended 30 June 2019

(NRCS) has committed to requiring all exports of dried abalone to be accompanied by a health certificate verifying that abalone has been legally sourced, dried in accordance with approved procedures, and is otherwise safe for human health. These certificates are in line with TRAFFIC recommendations and also respond to China's new import controls for selected aquatic products taking effect in October 2019. Once in place, the new rules will make it far easier for Hong Kong and China importers and government agencies to differentiate between legal and illegal product, and to intercept illegal shipments at the border. Dialogue between industry stakeholders in South Africa and Hong Kong has also been increased to facilitate awareness and support for developing traceable, legal trade channels. While it seems likely that significant poaching and illegal trade will continue in the short term, there is a strong hope that phytosanitary controls coupled with other measures will reinforce wildlife trade controls and help bring an end to abalone smuggling in future.

Putting wildlife management, use and trade on the post 2020 biodiversity agenda: As a key partner of the Collaborative Partnership on Sustainable Wildlife Management (CPW), TRAFFIC helped co-organise the 2nd CPW Wildlife Forum with the overarching theme "Sustainable Use for Conservation and Livelihoods." This full-day side-event at the 14th meeting of the Conference of the Parties (CoP) to the Convention on Biological Diversity (CBD), was attended by over 170 participants from various sectors, representing governments and NGOs, Indigenous Peoples and Local Communities (IPLCs), youth, practitioners, and businesses. The CBD CoP subsequently unanimously adopted Decision 14/7 on "Sustainable Wildlife Management," which includes voluntary guidance for a sustainable wild meat sector. Discussions during a Consultative Workshop on Sustainable Wildlife Management Beyond 2020 (June, Cambridge), focused on ways to incorporate sustainable wildlife management within the Post-2020 Global Biodiversity Framework (GBF). The workshop, which was hosted by TRAFFIC on behalf of and with other CPW partners and the Cambridge Conservation Initiative, responded directly to CBD Decision 14/34 on comprehensive and participatory processes for GBF preparation. Ways to integrate the narrative of "wildlife use and trade into prevailing economic narratives, e.g. linked to creating a 'circular economy' and "natural capital," were considered, and preliminary language for GBF targets proposed. Meeting results will be used to inform future CITES and CBD discussions on the GBF.

Priority areas for work during FY20 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

Integrated approaches to stop trafficking and support legal trade

Many wildlife products in trade that are available from legal, sustainable sources are also harvested and traded illegally. Illegal harvest and trade of species for which some trade is allowed undermines sustainable management practices and robs local communities and national governments of wildlife resources and associated revenue. TRAFFIC's work during the year was therefore also focused on increasing access to information, tools and systems designed to reduce opportunities for illegal trade while simultaneously improving systems in place to facilitate legal, sustainable trade.

Informing international wildlife trade policy discussions and decisions: A critical focus of TRAFFIC's work during the year was linked to informing discussions and decisions in the lead up to and during the 18th meeting of the

Trustees' report: year ended 30 June 2019

Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES CoP18).

TRAFFIC research, analysis and communications helped shape numerous recommendations coming out of the CITES Animals, Plants and Standing Committee meetings for consideration during CITES CoP18. Areas addressed for which resolutions and/or decisions were expected at CoP18 included controls on trade in European and other eels (*Anguilla* spp.) and precious corals, management of trade in captive-bred animals and in plant parts and products, trade in medicinal plants, traceability, NDFs, legal acquisition findings. The importance of sustainable management and working with local communities was reinforced during the fourth "CITES and Livelihoods" international workshop, pushing this issue higher up the CITES agenda.

With IUCN, TRAFFIC produced and published the IUCN/TRAFFIC Analyses of CITES Listing Proposals, providing in-depth but concise reviews and assessments of proposals to change the CITES protection status of 57 taxa. The Analyses are widely respected and used by governments as an objective source of information on the status of species in trade and the merits of related CITES proposals. TRAFFIC and IUCN published the Analyses in less than three months from the date that amendment proposals were submitted to the Secretariat, ensuring sufficient time for their consideration in advance of CITES CoP18.

Other TRAFFIC research and analysis published during the year were also critical to discussions and decisions surrounding a wide range of CITES agenda items, including Elephant Trade Information System (ETIS) analysis of illegal ivory trade, analysis of illegal trade in rhino horn with IUCN, an analysis and recommendations to CITES Parties on the potential for voluntary certification systems to support CITES implementation produced in collaboration with the German Agency for Nature Conservation; and the report of the Consultative Workshop on Sustainable Wildlife Management Beyond 2020 (see above).

The tragic terrorist attacks in Sri Lanka resulted in the delay and relocation of CITES CoP18 from May in Sri Lanka to August in Geneva. This delay required significant rescheduling of activities, deliverables and achievements due for delivery by the end of the fiscal year.

Strengthening systems for achieving sustainable, legal timber trade and reducing illegality: Work on timber trade followed a "twin-track" approach. Governments and businesses were encouraged and helped to strengthen mechanisms for improving traceability and legality of timber in trade, and to detect and respond to illegal trade. This included the launch in November 2018 of a second phase of work focusing on trade involving Cameroon, Congo, China and Viet Nam funded by the Department for International Development through the Forest Governance, Markets and Climate programme. The work builds on successful engagement with government, business and civil society actors in Cameroon and China, including the development of an industry code of conduct to help ensure that timber in trade is from legal sources.

Meetings with government, business and civil society in Congo set the stage for multi-stakeholder work and included preparations for delegates from the Congo and counterparts in Cameroon to attend the 9th China Global Wood Trade Conference. TRAFFIC began applying lessons learned in the Congo Basin and China to supporting Viet Nam's Forest Protection and Customs Departments to draft and implement the Vietnam Timber Legality Assurance System and timber legality guidelines in the wake of Viet Nam's adoption of the FLEGT Voluntary Partnership Agreement with the European Union and lay the groundwork for sustainable timber trade.

The World Customs Organization (WCO) Guidelines for Verifying Timber Legality to Customs, developed by TRAFFIC and WCO with support from the International Tropical Timber Organization (ITTO), were presented to Customs staff from 11 Asian and African countries during an Asia-Africa workshop on "Combating Smuggling of Endangered Species" in Suzhou, China. The Guidelines were also introduced to Customs officers from around the world during the 38th WCO Customs Enforcement Committee meeting, and shared with the WCO-UNODC Container Control Programme for use in timber legality trainings including China and Viet Nam in Asia. Customs officers in

Trustees' report: year ended 30 June 2019

Malaysia were trained in using the Guidelines, with the training modules developed to be refined and expanded for wider use based on feedback received.

Programme co-ordination 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

TRAFFIC's Senior Leadership Team (SLT) supervised and co-ordinated TRAFFIC's programme delivery and related fundraising, monitoring and evaluation functions, helping maintain the strategic focus within and across different elements of the programme and workplan. This included establishment of a Programme Co-ordination Team (PCT) bringing together staff leading and co-ordinating work under TRAFFIC's two workstreams with staff leading cross-programme research, policy, behaviour change and communications efforts. The PCT regularly reviewed programme delivery, advised on programme direction and oversaw development of TRAFFIC's FY20 work plan among other responsibilities. A Business Resources Team was also established to promote connectivity between TRAFFIC's programme strategy, organisational development plan, and business model, ensuring the integration of business considerations into TRAFFIC decision-making at every level.

SLT and PCT members also advised on and/or co-ordinated inputs into international meetings and policy processes including the 14th meeting of the Conference of the Parties to the Convention on Biological Diversity, CITES Animals, Plants and Standing Committee meetings and preparations for CITES CoP18, and the London Conference on Illegal Wildlife Trade.

Leadership and guidance was also provided for management of existing partnerships such as ROUTES (Reducing Opportunities for Unlawful Transport of Endangered Species) and the Social and Behavioural Change Community of Practice, and entering into new collaborations. Strategic guidance was similarly provided with regard to engagement with the private sector, including growing collaboration with the e-commerce, social media, transport, logistics and finance sectors, and ongoing collaboration with the herbal product sector.

TRAFFIC's Executive Director served 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 a lecture on CITES to students pursuing the CCI-affiliated MPhil in Conservation Leadership and co-convening the CCI Behaviour Change group.

Programme development and evaluation

TRAFFIC's Programme Strategy to 2020 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 geo-political change. A monitoring and evaluation framework is used as the basis for assessing progress against the Strategy at the outcome (Results) level.

Work during FY19 was developed and delivered in line with TRAFFIC's FY19 work plan, which was organised according to the two "workstreams" mentioned above (one focused on enhancing responses to wildlife crime and illegal trade, and the other on enhancing systems for sustainable, legal wildlife trade). Performance and outcomes were assessed at six-monthly intervals, with a particular emphasis on identifying TRAFFIC's contributions to changes in wildlife trade policy and practice by governments and the private sector. Areas of work that excelled, for example creation of Trade in Wildlife Information eXchanges (TWIXs), efforts to expand engagement of the e-commerce and transport sectors in the fight against wildlife trafficking, were noted and used as a platform for replicating successful approaches, for example through creation of a new TWIX in southern Africa and

Trustees' report: year ended 30 June 2019

engagement with the finance sector. Areas of programme delivery that fell short of the ambition expressed in the FY19 work plan were also noted. In most cases slower than anticipated delivery related to a gap in funding availability, for example in relation to taking forward work to strengthen government capacity to manage stockpiles of endangered species products. As noted above, the delay of CITES CoP18 also delayed delivery of some outputs and activities. In these and other cases TRAFFIC used an “adaptive management” approach to work planning and delivery, speaking regularly with partners and relevant stakeholder groups to maintain the positive environment and momentum for taking work forward when resources are secured.

Funding development

Staff in TRAFFIC led and/or supported the development of over 70 wildlife-trade related funding proposals during the year. TRAFFIC actively sought opportunities for complementarity and synergies in donor approaches with partner organisations, with a view to maximising synergies and impacts.

The majority of these proposals 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), and US Fish and Wildlife Service, and the European Commission. As in the previous year, a relatively large number of US government funding opportunities for work on wildlife trafficking issues were issued, in particularly by INL, for which TRAFFIC produced eight proposals within a six-month period. These funding opportunities were welcomed but responding to them within a short timeframe understandably placed an additional load on development, programme and operations staff. A consultant was hired to support proposal development, helping streamline the INL proposal development process and strengthening individual proposals.

Linked to the above, significant funding was raised to deliver specific programmatic priorities, particularly government funding for work to address illegal wildlife trade. There were fewer major funding opportunities and/or successes for work to strengthen conditions for legal, sustainable trade, although success was achieved in bringing together smaller grants contributing to larger packages of work, for example in relation to trade in liquorice. Strengthening identification of new funding sources for work on sustainable, legal trade remains a high priority going forward. Related communications initiatives, for example through annual FairWild Weeks, will help expand awareness of the importance of this aspect of conservation and TRAFFIC's work.

TRAFFIC expanded use of the new website format and other communications channels to encourage and enable individuals who support TRAFFIC's work to more easily contribute towards it. Time was also invested in cultivating relationships with organisations that may be in a position to provide core funding support in future.

Communications

Effectively communicating evidence-led, targeted and reliable research, analysis and insight on myriad issues concerning wildlife trade and sustainable development is at the heart of TRAFFIC's work. During FY19 TRAFFIC produced a wide range of publications and other information materials to inform and support wildlife-trade related discussions and actions by governments, businesses and civil society.

Over 70 reports, briefing papers and studies were published during the year, all of which were made freely available for downloading from TRAFFIC's website along with previously published materials in a web-based publications library. TRAFFIC's publications provided in depth insights on high profile wildlife trade issues, for example illegal trade in ivory and wildlife trade related “cybercrime.” Reports also provided guidance to the wider conservation community, for example on designing messaging approaches to reduce demand for illegal wildlife products. Two issues of the *TRAFFIC Bulletin*, the only journal dedicated to wildlife trade issues, were published, featuring in depth trade analyses and shorter news pieces. Topics covered included trade in reptiles, ivory, and use of animal parts in traditional medicine. The regular “Seizures and Prosecutions section” highlighted examples of successful action on wildlife crime, with a compendium on all seizures and prosecutions reported since 1997 also made available for download.

Trustees' report: year ended 30 June 2019

TRAFFIC launched a fully re-designed website in early FY19. The new website takes advantage of updated technology to make it easier for the wide range of constituencies interested in wildlife trade and related issues to find the information they are looking for. This includes information on TRAFFIC itself—including organisational priorities, approach, structure and partnerships, as well as overviews of key wildlife trade issues. Key sections of content were translated into Vietnamese to make it more accessible to readers in Viet Nam, a major market for wildlife products, including endangered species products such as rhino horn.

News items on TRAFFIC's work and other wildlife trade issues was also communicated via the website. Some 98 news items were added during the year, drawing attention to TRAFFIC research findings and reports, events such as the London Conference on Illegal Wildlife Trade, successful wildlife enforcement actions, and other topics.

TRAFFIC's news items and reports were frequently cited by national and international media outlets such as the BBC, Reuters UK, Washington Post, Associated Press, Newsweek and Al Jazeera.

TRAFFIC's communications team also regularly responded to questions from members of the press regarding a wide range of wildlife trade issues, and to questions from members of the wider public.

Operations management

In June 2018, TRAFFIC's Board approved the transfer of five field offices into the UK Charity. These offices included Cameroon, Malaysia, South Africa, Tanzania, and Viet Nam from 1 July 2018. The Board also approved the local legal registration of TRAFFIC offices in China and Malaysia.

FY19 saw the inclusion of accounts from the above five offices into the UK charity accounts as branches and saw the submission of registration applications in China and Malaysia. A significant area of work during the year therefore involved the transfer process itself as well as preparations for the first statutory audit and project- or donor-specific audits under the new governance arrangements. Registration applications were submitted in both China and Malaysia prior to 30 June 2019. It is anticipated that registration in China and Malaysia will be completed by the end of CY19 or early in CY20. After registration, the China office will also be merged into the UK Charity.

Other significant activities during FY19 included:

- Supporting the operations of various governance structures including the Board, the Operations Committee, the Senior Leadership Team, the International Management Team, the Programme Coordination Team, and various task teams.
- Established a Business and Resources Team (BRT) which meets monthly to review operational issues, including organisational KPIs, and to formulate recommendations to senior management.
- Managed migration of data and services over to a new IT infrastructure.
- Finalised the Delegation of Management Authority (DOMA) to complement the Board's delegation of authority to the Executive Director.
- Produced or updated various policies including the organisation's IT policy, Remuneration policy, Whistleblowing policy, Reserves policy, and safeguarding policies.

Thirty-nine new projects were contracted during the financial year and 21 projects were completed bringing the number of active projects (including network core projects) administered via TRAFFIC International to 64 at year-end. A total of 24 financial and 16 technical reports submitted to donors as part of the year-end process in addition to internal financial reports for project management purposes. Seventy-nine funding proposals were submitted to various donors over the course of the year.

Trustees' report: year ended 30 June 2019

Human Resources (HR) supported 17 recruitments across the organisation during the year with 25 new starters in the organisation and 12 leavers processed during the period. This brings the average number of staff employed by the charity to 118 Individuals. Nine volunteers contributed approximately 2,000 hours of work in the TRAFFIC Global office. Volunteers provided communications support and support to programmatic work, particularly data entry and trade data analysis support.

TRAFFIC works toward being an environmentally responsible organisation through various mechanisms including through its procurement policies, particularly related to IT, waste and energy management, and carbon emissions. In FY19, TRAFFIC contributed to an organisation called Carbon Tanzania as part of its carbon offset commitment.

Plans for the year ahead

Ongoing efforts to ensure branch office compliance with UK statutory requirements and to improve internal management systems will continue to be a major focus for the Operations team. Planned activities include:

- Support updating of the organisation's business plan in line with its new governance structures
- Produce an information management security plan and tighten cybersecurity measures
- Continue to improve financial processes across the programme offices
- Implement the UK's 'Making Tax Digital' system
- Assess TRAFFIC's cost recovery system as part of business planning
- Roll out TRAFFIC's Project Online system to field offices
- Finalise a number of guidance documents including a Global HR policies and procedures manual and a similar manual for project management and administration
- Continue to support registration of branch offices in China and Malaysia



Financial review

TRAFFIC has seen both its income and expenditure increase during the year. As at 1 July 2018, five TRAFFIC offices were merged into TRAFFIC International with £2.4m of assets being brought into the charity. The year has seen a continuation in the rise of the amount of income being received from governments as well as an increase in income received from charitable foundations.

Trustees' report: year ended 30 June 2019

Income

At the beginning of the year the transfer of five overseas programme offices brought into the charity net assets totalling £2.42m, mainly consisting of bank accounts and cash balances held on our behalf by hosting organisations (where offices have no legal identity in-country). Of this amount, £1.13m are unrestricted assets and £1.29m relate to restricted projects.

During the year, TRAFFIC received income (excluding the transfer of merged assets) totalling £11.09m, an increase of £1.93m compared to the previous year. The percentage of income that originates from Charitable Activities has continued to rise, constituting 87% of total income this year compared with 85% in the previous year. As the merged offices were largely funded by TRAFFIC International prior to transfer, the increase in income is mainly due to an increase in restricted projects rather than as a result of the transfer.

Unrestricted income (excluding the transfer of merged assets) for the year totalled £1.42m compared to £1.11m in FY18, an increase of £314k. The main reason for the increase was funds that have previously been accounted for as restricted pass-through funds are now categorised as unrestricted donations being received in respect of the branches' activities which have been transferred in. These totalled £281k in FY19 and £434k in FY18. Most other unrestricted income streams remained relatively constant during the year.

Restricted income (excluding the transfer of merged assets) in FY19 increased by £1.61m (+20% from FY18) to £9.67m. The increase is partly due to an increase in the number of projects funded by Foundations and Charities which resulted in an increase of income of £861k compared to the previous year. This included a project to develop forensic capacity in Southern Africa funded by the Postcode Animal Trust and four new projects funded by Save the Rhino International.

In addition, the profile of income sources has continued to move towards an increased amount of Government Agency funding with income received directly from governments rising to 41% of total income (compared to 39% in the previous year and an increase of £803k) and combined income from governments received directly and via a third party being 67% of total income (compared to 61% in the previous year). This is a continuation of a strategy over recent years to focus on Government Agency funding sources (with TRAFFIC both as the prime recipient and as a sub-recipient) as these grants tend to be larger and multi-year. In addition, this year saw an increase in income received from foundations and, to a lesser extent, corporations.

This is further illustrated when considering that, of the 94 projects that brought in income during the year, two government-funded projects contributed 31% of the total project income: Wildlife TRAPs, a USAID-funded project (subcontracted to TRAFFIC by IUCN) and Reducing Opportunities for Unlawful Transport of Endangered Species (ROUTES), also a USAID-funded project (contracted directly with TRAFFIC). These projects are described in more detail in Note 13 of the accounts.

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 43% of total project income, across six projects. These projects are embedded in different funding streams within USAID which lowers the overall risk factor. To further mitigate potential risks, TRAFFIC commits to expenditure related to these grants for one-year periods only and has regular meetings with USAID to discuss future funding projections.

Expenditure

Expenditure during FY19 rose slightly by £211k compared to FY18 to £10.47m, despite a decrease in unrestricted expenditure. Of the FY19 expenditure, 99% related to expenditure on Charitable Activities and 1% on raising funds.

Unrestricted expenditure decreased by £147k compared to FY18. This was due to an increase in core foreign exchange gains of £120k (a gain of £83k in FY19 compared with a loss of £37k in FY18). Unrestricted staff costs

Trustees' report: year ended 30 June 2019

have reduced by £39k despite the additional core staff resulting from the transfer of branch offices, as a higher proportion of core staff costs have been allocated to restricted projects during the year. Other unrestricted costs have remained largely constant.

Restricted fund expenditure increased by only £357k to £9.41m despite the inclusion of five new offices. Prior to FY19 the newly merged TRAFFIC offices were largely funded by project sub-agreements from TRAFFIC International which are now replaced by the actual costs of the programme offices. Therefore, in FY19 the amount of sub-agreement payments have decreased by £3.14m since FY18 to be replaced by increased staff and operational costs of £3.15m.

Funds

The net movement in funds for the year was a surplus of £3.04m, £2.42m of which was due to the transfer of branch offices of the new offices and £621k was an operational surplus; this is compared to a deficit of £1.10m in the previous year.

The net movement in unrestricted funds was a surplus of £1.46m, £1.13m of which was because of assets transferred into the charity as a result of the transfer of branch offices and £331k was an operational surplus, largely due to the aforementioned foreign exchange movements. Unrestricted funds held at the year-end were £2.42m.

The net movement in restricted funds was a surplus of £1.58m, £1.29m being as a result of merged project assets and £290k being an operational surplus.

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 is subcontracted to other TRAFFIC network 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;

Trustees' report: year ended 30 June 2019

- 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 and other regulatory issues. As well as employing appropriately professionally qualified staff we hold regular meetings with professional advisors;
- 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. To minimise the effects of these risks, staff attend external training 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.

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 16 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.

At the year-end, the Charity had free reserves (being unrestricted funds excluding those represented by fixed assets) of £2.29m, equivalent to six months of FY19 core expenditure, before allocations to restricted projects. Free reserves are defined as unrestricted reserves less fixed assets.

Both progress towards the target 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.

Trustees' report: year ended 30 June 2019

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 of the surplus or deficit of the charitable company 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 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.

Trustees' report: year ended 30 June 2019

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



Scalloped Hammerhead. Photo: Mike Bryant

Structure, governance and management

TRAFFIC International was established in the UK and registered with the Charity Commission on 23 July 1999. During the reporting period, TRAFFIC International's Global office co-ordinated activities in Africa, Asia, Europe and the Americas as well as implementing a wide range of projects in its own right. As part of its co-ordinating function, key areas of focus for the Global office include **governance, management, institutional development and communications**.

TRAFFIC was established in 1976 by the Species Survival Commission of IUCN (the International Union for the 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 183 governments that aims to ensure international trade in specimens of wild animals and plants does not threaten their survival. Throughout the 1980s, the conservation organisation WWF played a vital role in expanding TRAFFIC's work and reach. This led to a restructuring of TRAFFIC in 1990 as a joint conservation programme of WWF and IUCN, and, in 1999, to the establishment of TRAFFIC International as a Registered Charity in the UK to lead and co-ordinate the work of the TRAFFIC network.

At the end of FY17, a decision was made to begin a process to consolidate governance through the UK Charity, under new Articles of Association (adopted 22 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. After an extensive due diligence process, at a meeting of the Board held in June 2018, the Trustees agreed to merge five overseas offices into the UK charity as hosted branches from 1 July 2018.

The TRAFFIC International FY19 accounts thus incorporate Central Africa, East Africa, Southern Africa, Southeast Asia, and Viet Nam. During FY19, the Trustees approved proposals to register TRAFFIC representative offices in

Trustees' report: year ended 30 June 2019

China and Malaysia. It is anticipated that these registrations will be completed in FY20. Affiliated offices in China, 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 Steven Broad, 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](#)
- [Ginette Hemley](#)
- [Margaret Kinnaird](#)
- [Lin Li](#) (resigned 25 October 2018)
- [Aimé Nianogo](#)
- [Jon Paul Rodriguez](#)
- [Jane Smart](#)
- [Heather Sohl](#) (appointed 21 February 2019)

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" issued in January 2015) 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) (2006) describe the responsibilities of the board and the role of key officers.

TRAFFIC's conflict of interest policy (2006) 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' report: year ended 30 June 2019

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 network; 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.

With the establishment of an expanded Board at the start of FY18, an extended induction session was provided to all Trustees at their first meeting in October 2017. The induction involved senior TRAFFIC staff as well as representatives from TRAFFIC's statutory auditors and solicitors. Key documents were 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 was approved by the board on 10 December 2019 and signed on its behalf by:



Mark Halle
Chair

Administrative information

Trustees:	Ginette Hemley Margaret Kinnaird Jon Paul Rodriguez Aimé Nianogo Jeremy Eppel Joshua Ginsberg Mark Halle Jane Smart Heather Sohl	Registered office:	David Attenborough Building Pembroke Street Cambridge CB2 3QZ United Kingdom
Company Secretary:	Mr S R Broad	Solicitors:	Mills and Reeve Botanic House 98–100 Hills Rd Cambridge CB2 1PH
Executive Director:	Mr S R Broad	Statutory auditor:	Deloitte LLP 1 Station Square Cambridge CB1 2GA
Company registered number:	3785518	Bankers:	Barclays Bank Bene't Street Cambridge CB2 3PZ
Charity registered number:	1076722		

Independent auditor's report to the members of TRAFFIC International: year ended 30 June 2019

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Traffic International (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities;
- the balance sheet
- the cash flow statement; and
- the related notes 1 to 17.

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).

Basis for opinion

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

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the

Independent auditor's report to the members of TRAFFIC International: year ended 30 June 2019

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 respect of these matters.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report to the members of TRAFFIC International: year ended 30 June 2019

Report on other legal and regulatory requirements

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.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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.



Sarah Anderson FCCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom
12 December 2019

TRAFFIC International
Financial Statements:
year ended 30 June 2019

Statement of financial activities

Incorporating an income and expenditure account: year ended 30 June 2019

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Income from:					
Donations		1,367,453	13,812	1,381,265	1,357,780
Charitable activities		37,950	9,648,328	9,686,278	7,792,340
Investments		967	6,035	7,002	10,221
Funds acquired with branch transfers		1,127,429	1,290,650	2,418,079	-
Other		14,447	399	14,846	670
Total	3	<u>2,548,246</u>	<u>10,959,224</u>	<u>13,507,470</u>	<u>9,161,011</u>
Expenditure on:					
Raising funds – grant and contract proposal development		155,706	-	155,706	198,235
Charitable activities					
Red stream		566,391	5,897,934	6,464,325	6,739,657
Green stream		57,914	603,065	660,979	704,143
Mixed		279,254	2,907,927	3,187,181	2,615,390
Total charitable activity expenditure		<u>903,559</u>	<u>9,408,926</u>	<u>10,312,485</u>	<u>10,059,190</u>
Total	4	<u>1,059,265</u>	<u>9,408,926</u>	<u>10,468,191</u>	<u>10,257,425</u>
Net income/(expenditure)		1,488,981	1,550,298	3,039,279	(1,096,414)
Transfers between funds		(30,106)	30,106	-	-
Net movement in funds		<u>1,458,875</u>	<u>1,580,404</u>	<u>3,039,279</u>	<u>(1,096,414)</u>
Reconciliation of funds:					
Total funds brought forward		964,935	532,963	1,497,898	2,594,312
Total funds carried forward		<u>2,423,810</u>	<u>2,113,367</u>	<u>4,537,177</u>	<u>1,497,898</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 30 to 48 form an integral part of these financial statements.

Balance sheet: as at 30 June 2019

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Fixed Assets					
Intangible fixed assets	8	25,225	-	25,225	29,298
Tangible fixed assets	9	108,132	-	108,132	69,611
		<u>133,357</u>	<u>-</u>	<u>133,357</u>	<u>98,909</u>
Current Assets					
Debtors	10	1,903,052	3,684,346	5,587,398	2,788,388
Cash at bank and in hand		1,630,015	2,026,694	3,656,709	3,268,990
		<u>3,533,067</u>	<u>5,711,040</u>	<u>9,244,107</u>	<u>6,057,378</u>
Liabilities					
Creditors: amounts falling due within one year	11	1,242,614	3,597,673	4,840,287	4,658,389
		<u>2,290,453</u>	<u>2,113,367</u>	<u>4,403,820</u>	<u>1,398,989</u>
Net current assets					
		<u>2,290,453</u>	<u>2,113,367</u>	<u>4,403,820</u>	<u>1,398,989</u>
Total assets less current liabilities being net assets					
		<u>2,423,810</u>	<u>2,113,367</u>	<u>4,537,177</u>	<u>1,497,898</u>
The funds of the Charity					
Restricted funds		-	2,113,367	2,113,367	532,963
Unrestricted		2,423,810	-	2,423,810	964,935
		<u>2,423,810</u>	<u>2,113,367</u>	<u>4,537,177</u>	<u>1,497,898</u>
Total Charity funds					
		<u>2,423,810</u>	<u>2,113,367</u>	<u>4,537,177</u>	<u>1,497,898</u>

The financial statements of TRAFFIC International (company number 3785518) on pages 27 to 48 were approved by the Board of Trustees and authorised for issue on 10 December 2019 and signed on its behalf by:



Mark Halle
Chair

The notes on pages 30 to 48 form an integral part of these financial statements.

Cash Flow Statement: year ended 30 June 2019

	2019 Total £	2018 Total £
Cash flows from operating activities:		
Net cash flows from operating activities	502,193	876,185
Cash flows from investing activities:		
Dividends, interest and rents from investments	7,002	10,221
Transfer of assets	(69,288)	-
Purchase of fixed assets	(52,188)	(79,995)
Net cash outflow from investing activities	<u>(114,474)</u>	<u>(69,774)</u>
Net increase in cash and cash equivalents	<u>387,719</u>	<u>806,411</u>
Cash and cash equivalents at 1 July 2018	3,268,990	2,462,579
Cash and cash equivalents at 30 June 2019	<u>3,656,709</u>	<u>3,268,990</u>
Reconciliation of net cash flows from operating activities:		
Net income/(expenditure)	3,039,279	(1,096,414)
Depreciation	87,027	28,510
Investment income	(7,002)	(10,221)
Increase in debtors	(2,799,010)	(593,873)
Increase in creditors	181,899	2,548,183
Net cash flows from operating activities	<u>502,193</u>	<u>876,185</u>

The notes on pages 30 to 48 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 2019

1. Accounting Policies

TRAFFIC International is a company limited by guarantee (3785518), not having a share capital, and as a Registered Charity (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 22.

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 (SORP 2015)" 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 2016; and the Companies Act 2006. The Charity meets the definition of a public benefit entity under FRS 102.

b) **Going concern**

The Trustees have a reasonable expectation that the Charity will continue in operational existence for the foreseeable future and the Charity 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 Charity has significant cash resources and a significant level of net assets. Accordingly, the Trustees continue to adopt the going concern basis.

c) **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.

d) **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. During the year the fundraiser position was vacant.

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.

Notes to the Accounts: year ended 30 June 2019

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.

e) 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.

f) 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.

g) 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.

h) Cash and cash equivalents

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

i) 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.

Notes to the Accounts: year ended 30 June 2019

j) 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.

k) Hire purchase agreements

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Statement of Financial Activities over the period of the lease. There are currently no such assets.

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.

Notes to the Accounts: year ended 30 June 2019

3. 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 £	2019 Total £
Donations			
IUCN, WWF & other TRAFFIC entities	1,339,386	10,000	1,349,386
Corporate and Individuals	28,067	3,812	31,879
	<u>1,367,453</u>	<u>13,812</u>	<u>1,381,265</u>
Charitable activities			
IUCN, WWF & other TRAFFIC entities	31,773	2,820,538	2,852,311
Governments	-	3,944,861	3,944,861
Multilaterals	1,328	354,694	356,022
Foundations and charities	4,849	1,743,107	1,747,956
Corporate and Individuals	-	785,128	785,128
	<u>37,950</u>	<u>9,648,328</u>	<u>9,686,278</u>
Other income	14,447	399	14,846
Bank interest	967	6,035	7,002
Funds acquired with branch transfers	1,127,429	1,290,650	2,418,079
	<u>2,548,246</u>	<u>10,959,224</u>	<u>13,507,470</u>

Funds acquired with branch transfers are a one-off transfer as a result of the inclusion of accounts from five branch offices into the UK charity accounts. In June 2018, TRAFFIC's Board approved the transfer of five field offices into the UK Charity. As of 1 July 2018, branch offices located in Cameroon, Malaysia, South Africa, Tanzania, and Viet Nam were transferred into the charity. Funds acquired as a result of this transfer included £168,944 of cash in hand and £2,249,135 of other net assets.

	Unrestricted £	Restricted £	2018 Total £
Donations			
IUCN, WWF & other TRAFFIC entities	913,176	-	913,176
Corporate and Individuals	8,309	2,039	10,348
Pass through income	-	434,257	434,257
	<u>921,485</u>	<u>436,296</u>	<u>1,357,781</u>
Charitable activities			
IUCN, WWF & other TRAFFIC entities	174,610	2,675,304	2,849,914
Governments	-	3,534,678	3,534,678
Multilaterals	1,790	363,871	365,661
Foundations and charities	-	493,885	493,885
Corporate and Individuals	800	547,401	548,201
	<u>177,200</u>	<u>7,615,139</u>	<u>7,792,339</u>
Other income	670	-	670
Bank interest	7,362	2,859	10,221
	<u>1,106,717</u>	<u>8,054,294</u>	<u>9,161,011</u>

Notes to the Accounts: year ended 30 June 2019

Pass through income are funds received from WWF offices that are to be passed onto branch offices in the TRAFFIC network. During 2019 pass-through funds were categorised as unrestricted donations being received in respect of the branches' activities which have been transferred in.

	2019	2018
	£	£
Belgium - Ministry of Environment	-	17,354
Belgium - CITES Management Authority	-	41,589
Croatia - Ministry of Environment and Energy	1,765	2,645
European Union	350,040	224,339
Finland - Ministry of Environment	-	2,633
Germany - BfN	111,329	49,560
Germany – BMU	8,877	-
Germany - GIZ	735,459	422,123
Latvia – Ministry of Environmental Protection and Regional Development	2,599	-
Malaysia – UK High Commission	25,009	-
Netherlands – Ministry of Agriculture, Nature and Food Quality	90,141	-
Netherlands - Ministry of Economic Affairs	26,588	26,713
Poland - Ministry of Environment	-	1,509
Spain - Secretaría de Estado de Comercio	-	3,947
Swiss CITES MA (FSVO) Federal Food Safety and Veterinary Office	-	7,384
Taiwan – Council of Agriculture	29,901	-
UK - DEFRA (formerly DETR)	307,581	229,544
UK – DfID	318,100	393,018
US - International Narcotics and Law Enforcement Affairs	436,136	585,197
US - USAID	1,448,697	1,483,107
US - USFWS	52,639	44,016
	<u>3,944,861</u>	<u>3,534,678</u>

Notes to the Accounts: year ended 30 June 2019

Government grants have been received from the UK and other governments to fund TRAFFIC International's conservation projects. Details of large grants received from governments are included in note 13.

4. 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 £	2019 Total £
Costs of raising funds	-	155,706	155,706
Charitable activities			
Addressing Wildlife crime & illegal trade	5,579,279	885,046	6,464,325
Sustainable legal trade	570,482	90,496	660,979
Mixed stream	2,750,817	436,365	3,187,182
	<u>8,900,578</u>	<u>1,411,907</u>	<u>10,312,485</u>
	<u>8,900,578</u>	<u>1,567,613</u>	<u>10,468,191</u>

	Direct costs £	Support costs £	2018 Total £
Costs of raising funds	-	198,235	198,235
Charitable activities			
Addressing Wildlife crime & illegal trade	6,073,572	666,085	6,739,657
Sustainable legal trade	634,552	69,591	704,143
Mixed stream	2,356,909	258,481	2,615,390
	<u>9,065,033</u>	<u>994,157</u>	<u>10,059,190</u>
	<u>9,065,033</u>	<u>1,192,392</u>	<u>10,257,425</u>

Notes to the Accounts: year ended 30 June 2019

Analysis of expenditure:

	Unrestricted £	Restricted £	2019 Total £
Costs of raising funds			
Staff costs	130,275	-	130,275
Operational	3,516	-	3,516
Establishment	13,771	-	13,771
Travel	3,275	-	3,275
Depreciation	2,192	-	2,192
Foreign exchange gain	(2,306)	-	(2,306)
Governance	4,983	-	4,983
	<u>155,706</u>	<u>-</u>	<u>155,706</u>
Charitable activities			
Staff costs	562,239	3,906,217	4,468,456
Operational	120,610	1,710,523	1,831,133
Establishment	472,362	131,880	604,242
Professional fees	-	1,966	1,966
Project sub-contracts	-	2,493,446	2,493,446
Travel	112,341	672,103	784,444
Depreciation	77,218	-	77,218
Transfer of costs to projects	(537,610)	537,610	-
Foreign exchange gain	(79,110)	(44,819)	(123,929)
Governance	175,509	-	175,509
	<u>903,559</u>	<u>9,408,926</u>	<u>10,312,485</u>
Total expenditure	<u>1,059,265</u>	<u>9,408,926</u>	<u>10,468,191</u>

Notes to the Accounts: year ended 30 June 2019

Analysis of expenditure:

	Unrestricted £	Restricted £	2018 Total £
Costs of raising funds			
Staff costs	129,322	-	129,322
Operational	6,656	-	6,656
Establishment	7,163	-	7,163
Travel	18,854	-	18,854
Depreciation	4,648	-	4,648
Foreign exchange loss	5,582	-	5,582
Governance	26,010	-	26,010
	<u>198,235</u>	<u>-</u>	<u>198,235</u>
Charitable activities			
Staff costs	623,311	1,753,919	2,377,230
Operational	32,080	715,634	747,714
Establishment	34,527	256,190	290,717
Professional fees	-	64	64
Project sub-contracts	28,732	5,604,672	5,633,404
Transfer to network offices	-	434,288	434,288
Travel	90,873	244,342	335,215
Depreciation	25,968	-	25,968
Foreign exchange loss	26,903	42,370	69,273
Governance	145,317	-	145,317
	<u>1,007,711</u>	<u>9,051,479</u>	<u>10,059,190</u>
Total expenditure	<u>1,205,946</u>	<u>9,051,479</u>	<u>10,257,425</u>

Notes to the Accounts: year ended 30 June 2019

5. Support costs

	Support £	Governance £	2019 £
Professional fees	-	27,154	27,154
Auditor's remuneration	-	16,463	16,463
Staff costs	1,217,523	120,052	1,337,575
Operational	-	3,240	3,240
Establishment costs	139,766	12,691	152,457
Travel	29,831	3,018	32,849
Foreign exchange gain	-	(2,125)	(2,125)
	<u>1,387,120</u>	<u>180,493</u>	<u>1,567,613</u>

	Support £	Governance £	2018 £
Professional fees	-	18,946	18,946
Auditor's remuneration	-	23,820	23,820
Staff costs	686,653	99,213	785,866
Operational	-	5,106	5,106
Establishment costs	224,684	5,496	230,180
Travel	109,728	14,464	124,192
Foreign exchange loss	-	4,282	4,282
	<u>1,021,065</u>	<u>171,327</u>	<u>1,192,392</u>

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.

Notes to the Accounts: year ended 30 June 2019

6. Employee and Trustee Information

	2019 £	2018 £
a) Staff costs:		
Wages and salaries	3,807,205	1,998,433
Social security costs	339,052	226,207
Pension costs	400,854	288,469
Other benefits	88,367	25,536
Other staff costs	83,305	30,690
	<u>4,718,783</u>	<u>2,569,335</u>

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

	2019	2018
b) The average number of persons, employed during the year was:		
Management and Administration	46	29
Programme and Research	72	21
	<u>118</u>	<u>50</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties. Seven Trustees received payments for expenses during 2019 of £4,634 (2018 – £13,435).

	2019	2018
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	2	-
£70,001 – £80,000	4	2
£80,001 – £90,000	2	2
£90,001 – £100,000	1	1
£100,001 – £110,000	-	-
£110,001 – £120,000	1	1
	<u>10</u>	<u>6</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 Directors), including pension contributions excluding social security costs, was £574,301 (2018: £459,250) for seven (2018: five) staff members. No Trustees received nor waived any remuneration.

7. Employee benefits - Pension costs

The Charity contributes to twelve defined contribution pension 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 £400,854 (2018: £288,469).

Notes to the Accounts: year ended 30 June 2019

8. Intangible fixed assets

	Computer Software £
Cost:	
At 1 July 2018	61,755
Additions	16,983
At 30 June 2019	<u>78,738</u>
Depreciation:	
At 1 July 2018	32,457
Charge for year	21,056
At 30 June 2019	<u>53,513</u>
Net book value:	
At 30 June 2019	<u>25,225</u>
At 30 June 2018	<u>29,298</u>

9. Tangible fixed assets

	Leasehold improvements £	Fixtures & Fittings £	Vehicles £	Computer Equipment £	Total £
Cost:					
At 1 July 2018	-	1,741	-	117,414	119,155
Additions	-	14,061	-	21,144	35,205
Disposals	(7,327)	-	-	-	(7,327)
Transfers in	18,188	22,598	55,208	6,227	102,221
At 30 June 2019	<u>10,861</u>	<u>38,400</u>	<u>55,208</u>	<u>144,785</u>	<u>249,254</u>
Depreciation:					
At 1 July 2018	-	550	-	48,994	49,544
Charge for year	6,694	14,312	10,972	33,993	65,971
Disposals	(7,327)	-	-	-	(7,327)
Transfers in	5,293	10,271	13,796	3,574	32,934
At 30 June 2019	<u>4,660</u>	<u>25,133</u>	<u>24,768</u>	<u>86,561</u>	<u>141,122</u>
Net book value:					
At 30 June 2019	<u>6,201</u>	<u>13,267</u>	<u>30,440</u>	<u>58,224</u>	<u>108,132</u>
At 30 June 2018	<u>-</u>	<u>1,191</u>	<u>-</u>	<u>68,420</u>	<u>69,611</u>

Notes to the Accounts: year ended 30 June 2019

10. Debtors: amounts falling within one year

	Unrestricted	Restricted	2019 Total
	£	£	£
Trade debtors	64,431	224,059	288,490
Other debtors	54,957	10,099	65,056
Amounts held by hosts	1,645,665	19,078	1,664,743
Prepayments	44,205	34,108	78,313
Accrued income	93,794	3,397,002	3,490,796
	<u>1,903,052</u>	<u>3,684,346</u>	<u>5,587,398</u>

	Unrestricted	Restricted	2018 Total
	£	£	£
Trade debtors	22,576	2,424,122	2,446,698
Other debtors	90,390	157,255	247,645
Prepayments	44,918	-	44,918
Accrued income	22,542	26,585	49,127
	<u>180,426</u>	<u>2,607,962</u>	<u>2,788,388</u>

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

Notes to the Accounts: year ended 30 June 2019

11. Creditors: falling due within one year

	Unrestricted	Restricted	2019 Total
	£	£	£
Trade creditors	111,081	360,040	471,121
Other creditors	10,754	-	10,754
Accruals	312,545	2,148,286	2,460,831
Salary and tax creditors	8,645	10,116	18,761
Amounts owed to hosts	799,589	326,914	1,125,903
Deferred income	-	752,917	752,917
	<u>1,242,614</u>	<u>3,597,673</u>	<u>4,840,287</u>

	Unrestricted	Restricted	2018 Total
	£	£	£
Trade creditors	99,250	505,378	604,628
Other creditors	129,639	-	129,639
Accruals	121,404	2,861,551	2,982,955
Deferred income	-	941,167	941,167
	<u>350,293</u>	<u>4,308,096</u>	<u>4,658,389</u>

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

12. Deferred income

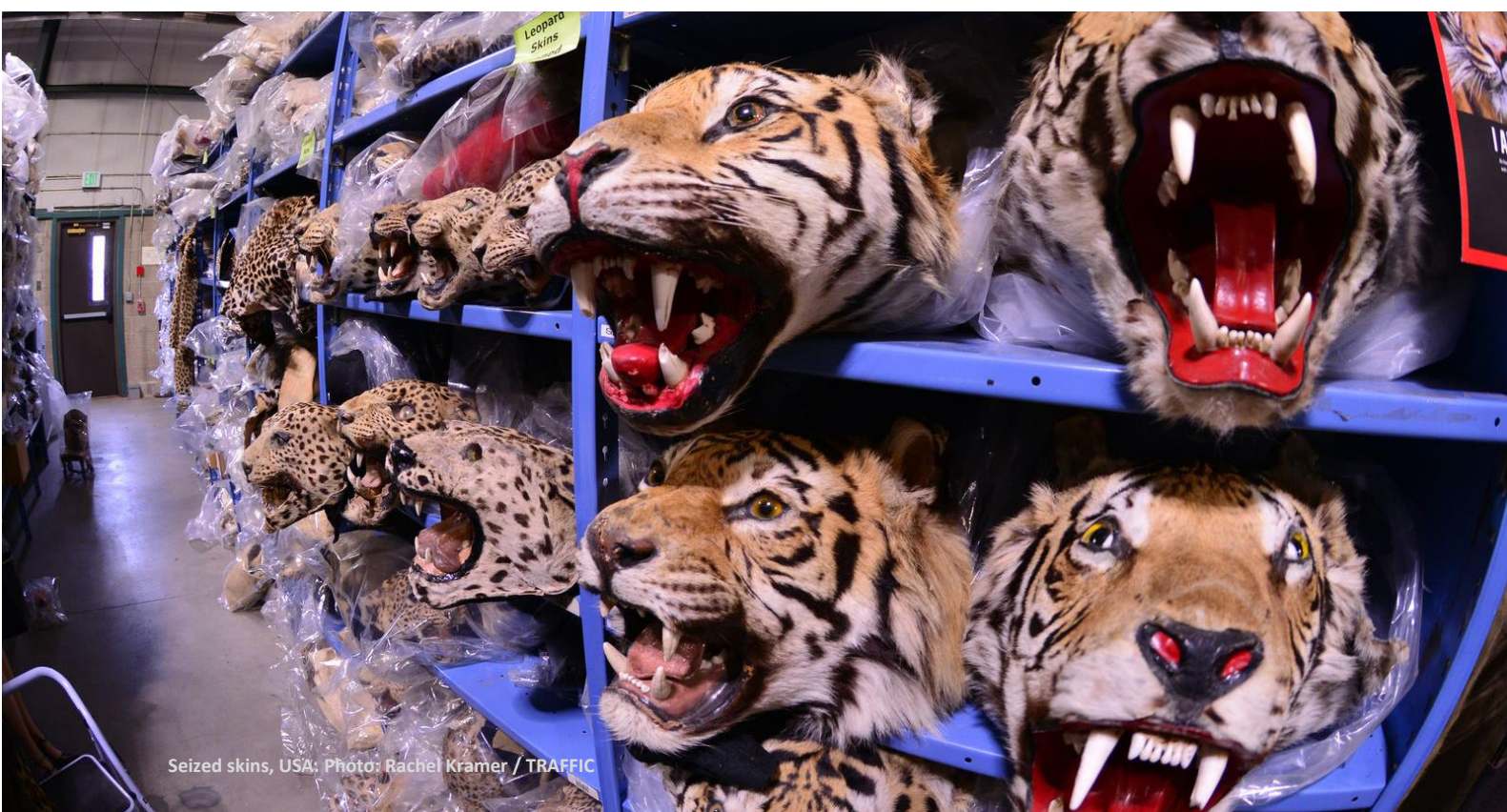
	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
Balance at the beginning of the year	-	941,167	941,167	399,485
Amount released to income in the year	-	(941,167)	(941,167)	(399,485)
Amount deferred in the year	-	752,917	752,917	941,167
Balance at the end of the year	<u>-</u>	<u>752,917</u>	<u>752,917</u>	<u>941,167</u>

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

Notes to the Accounts: year ended 30 June 2019

13. Analysis of charitable funds

	1 July 2018	Income	Funds acquired with branch transfers	Expenditure	Transfers	30 June 2019
	£	£	£	£	£	£
Unrestricted funds	964,935	1,420,817	1,127,429	(1,059,265)	(30,106)	2,423,810
Restricted funds						
Major projects:						
Wildlife Trafficking, Response, Assessment and Priority setting	(81,639)	1,591,870	154,691	(1,567,132)	-	97,790
ROUTES	(355,620)	1,392,561	(41,692)	(2,124,106)	-	(1,128,857)
Reducing Trade threats in Africa's wild species and ecosystem	504,886	581,894	555,084	(617,053)	-	1,240,811
The Combating Wildlife Crime Project	384,026	427,962	180,997	(325,008)	-	667,977
Saving species	(105,380)	271,131	-	(19,908)	-	145,843
Wildlife DNA Forensics and Seizure Training	(74,140)	388,833	3,917	(262,474)	-	56,136
Partnership against Poaching and Illegal Wildlife Trade	(144,189)	735,459	(49,368)	(743,216)	-	(201,314)
China's Champions of Change	(214,776)	390,114	-	(2,707)	-	172,631
Developing Forensic Capacity in Southern Africa	(114,285)	187,434	-	(7,578)	-	65,571
Wildlife in Asia	55,931	447,258	-	(336,639)	-	166,550
Succeeding with CITES: Sustainable and equitable Jatamansi trade from Nepal	-	191,895	-	(120,709)	-	71,186
Contributions to mitigate Illegal Wildlife Trade in the Francophone parts of the world – Phase II	-	165,753	-	(99,438)	-	66,315
Reinforcing Chinese Government and industry action to reduce illegal timber exports from Cameroon, Republic of Congo, Vietnam and other transit countries. Phase II	-	313,629	-	(161,509)	-	152,120
	(145,186)	7,085,793	803,629	(6,387,477)	-	1,356,759
Other projects	678,149	2,582,781	487,021	(3,021,449)	30,106	756,608
	532,963	9,668,574	1,290,650	(9,408,926)	30,106	2,113,367
Total funds	1,497,898	11,089,391	2,418,079	(10,468,191)	-	4,537,177



Seized skins, USA. Photo: Rachel Kramer / TRAFFIC

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.

ROUTES (Reducing Opportunities for Unlawful Transport of Endangered Species)

Funded by USAID (United States Agency for International Development)

ROUTES is an innovative and transformational partnership that brings together international conservation organizations, donors, government, and the transportation and logistics industry for a multi-year collaborative programme to combat illegal wildlife trafficking internationally. Core Team members include the U.S. Agency for International Development, Center for Advanced Defense Studies, Freeland, International Air Transport Association, TRAFFIC, U.S. Department of Homeland Security, U.S. Department of State, U.S. Fish and Wildlife Service and WWF.

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. The funds are being used to strengthen the global knowledge base underpinning work to reduce illegal and unsustainable trade. It is also supporting innovation and scaling up of successful approaches and strengthening synergies between the work of TRAFFIC and that of others pursuing similar outcomes.

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.

Saving Species

Funded by USAID (United States Agency for International Development)

This project aims to reduce consumer demand for and consumption of illegal wildlife and wildlife products, strengthen wildlife law enforcement and prosecution, and improve and harmonize the legal framework for wildlife crime. Under the management of TetraTech ARD, TRAFFIC is leading the project's demand reduction, and social and behaviour change communication (SBCC) work focusing on pangolin, elephant and rhino.

Wildlife DNA Forensics and Seizure Training

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

TRAFFIC, in collaboration with TRACE, are working together on this project to ensure that enforcement and scientific communities more effectively realize the potential of wildlife DNA forensics. The project aims to maximize the capacity of national agencies to collect, analyse and report on wildlife DNA evidence, either in-country or through facilitated international service provision to obtain relevant intelligence to investigations in such a way that evidence is admissible in court.

DETER Phase IV - Partnership against Poaching and Illegal Wildlife Trade (Ivory and Rhino-Horn)

Funded by GIZ (Gesellschaft für Internationale Zusammenarbeit)

This project aims to combat poaching and illegal wildlife trade through demand reduction in Asia and law enforcement in Africa. In China, TRAFFIC are working with the Chinese Government and private sector to implement efforts to combat illegal wildlife trade (IWT) through the reduction of supply and demand for illegal wildlife products in China and Africa, by: engaging targeted business and opinion leaders in China; raising awareness of Chinese citizens living and working in, or visiting Africa about IWT; and supporting China-Africa co-operation against IWT. In Africa, the reduction of illegal wildlife trade is supported through improved information-sharing by law enforcement through the Trade in Wildlife Information eXchange (TWIX) systems and supporting national, regional and international policy fora of IWT relevance.

China's Champions of Change: Addressing the Demand for Illegal Wildlife Products

Funded by the European Commission

Implemented by TRAFFIC in China, WWF and ZSL, this project supports the action of China to reduce demand for endangered species products linked to Chinese consumers, particularly pangolin, and promotes responsible consumption of endangered species, especially rosewood species, thereby contributing to reduced trafficking and implementation of the EU Action Plan against Wildlife trafficking.

Developing Forensic Capacity in Southern Africa

Funded by the Postcode Animal Trust

This project aims to tackle illegal wildlife trade through the development of wildlife forensic capacity in Southern Africa. TRAFFIC, in collaboration with TRACE Wildlife Forensics, work together to achieve this objective by providing training to enforcement officers and increasing access to forensic science to support law enforcement in Zimbabwe, Zambia and Malawi.

Wildlife Asia

Funded by USAID (United States Agency for International Development)

This project aims to reduce the level of consumer demand for wildlife parts and products in China, Thailand and Viet Nam, through the use of targeted Social and Behaviour Change Communication (SBCC) methodologies. Under the management and coordination of RTI International, the project will use TRAFFIC's SBCC framework to enhance an enabling environment, change social norms, and motivate target audiences (consumers and potential consumers) to change attitudes and behaviours that will decrease demand for wildlife parts and products.

Succeeding with CITES: Sustainable and equitable Jatamansi trade from Nepal

Funded by the UK Government's Darwin Initiative

This project will facilitate the change in legislative context of Nepal to enable sustainable and legal trade in CITES-listed species. It will deliver a locally-appropriate market-based model for sustainable and equitable Jatamansi (*Nardostachys grandiflora*) trade from Nepal, supporting CITES and CBD commitments and addressing the combined threats to local incomes and healthcare of biodiversity loss, habitat degradation and declining access to natural resources linked to overharvest of medicinal species.

Contributions to mitigate Illegal Wildlife Trade in the Francophone parts of the world – Phase II

Funded by WWF France

This project aims to support decision-makers in Africa mandated to enforcing wildlife laws and ensuring that the current levels of interest amongst the wildlife enforcement community in Africa will become consolidated into an effective and lasting operation through the practical application of AFRICA-TWIX and SADC-TWIX.

Reinforcing Chinese Government and industry action to reduce illegal timber exports from Cameroon, Republic of Congo, Viet Nam and other transit countries. Phase II

Funded by DFID (Department for International Development) via KPMG

This project is designed to achieve increased legal compliance with timber harvest and trade controls along the supply chain from Central African countries and Viet Nam to China and the European Union (EU). Cameroon and Republic of Congo have signed Voluntary Partnership Agreements (VPA) and Viet Nam is negotiating a VPA with the EU, with project countries agreeing VPA legality definitions. Project outputs combine delivery of legality training tools and materials based on VPA legality definitions to strengthen monitoring to combat illegal timber trade, especially by Customs; and strengthening of China's timber legality standards for industry.

Notes to the Accounts: year ended 30 June 2019

Analysis of charitable funds for the year ended 30 June 2018:

	1 July 2017 £	Income £	Expenditure £	Transfers £	30 June 2018 £
Unrestricted funds	1,057,782	1,106,717	(1,205,946)	6,382	964,935
Restricted funds					
Major projects:					
Wildlife Trafficking, Response, Assessment and Priority setting	222,254	1,387,147	(1,691,040)	-	(81,639)
Wildlife Crime Initiative	257,916	-	(257,343)	-	573
Cutting Wildlife Trafficking Off at the Source	436,081	81,898	(253,723)	-	264,256
ROUTES	38,690	1,429,688	(1,823,998)	-	(355,620)
Reduce illegal timber in supply chains Cameroon to China	(4,741)	393,018	(387,392)	-	885
Reducing Trade threats in Africa's wild species and ecosystem	288,519	572,151	(355,784)	-	504,886
The Combating Wildlife Crime Project	(1,398)	444,462	(59,038)	-	384,026
Combatting global wildlife cybercrime	35,536	155,276	(214,505)	-	(23,693)
Indonesia from Market to Courtroom	-	225,838	(167,712)	-	58,126
Wildlife DNA Forensics and Seizure Training	-	277,725	(351,865)	-	(74,140)
Partnership against Poaching and Illegal Wildlife Trade	-	447,512	(591,701)	-	(144,189)
China's Champions of Change	-	121,274	(336,050)	-	(214,776)
	1,272,857	5,535,989	(6,490,151)	-	318,695
Pass-through funds	-	434,257	(434,288)	-	(31)
Other projects	263,673	2,084,048	(2,127,040)	(6,382)	214,299
	1,536,530	8,054,294	(9,051,479)	(6,382)	532,963
Total funds	2,594,312	9,161,011	(10,257,425)	-	1,497,898

14. Operating leases

At 30 June 2019 the Charity had total commitments under non-cancellable operating leases as set out below:

	2019 £	2018 £
	Land & Buildings	Land & Buildings
Payment due:		
Within one year	86,091	34,660
Within two to five years	190,587	139,521
After five years	39,802	86,058
	<u>316,480</u>	<u>260,239</u>

Notes to the Accounts: year ended 30 June 2019

15. Related party transactions

In accordance with FRS 102, there are no related party transaction to disclose for 2019 (2018: none).

16. Taxation

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

17. Comparative balance sheet

	Unrestricted Funds £	Restricted Funds £	2018 Total £
Fixed Assets			
Intangible fixed assets	29,298	-	29,298
Tangible fixed assets	69,611	-	69,611
	<hr/> 98,909	<hr/> -	<hr/> 98,909
Current Assets			
Debtors	180,426	2,607,962	2,788,388
Cash at bank and in hand	1,035,893	2,233,097	3,268,990
	<hr/> 1,216,319	<hr/> 4,841,059	<hr/> 6,057,378
Liabilities			
Creditors: amounts falling due within one year	350,293	4,308,096	4,658,389
	<hr/> 866,026	<hr/> 532,963	<hr/> 1,398,989
Net current assets			
	<hr/> 964,935	<hr/> 532,963	<hr/> 1,497,898
Total assets less current liabilities being net assets	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
The funds of the Charity			
Restricted funds	-	532,963	532,963
Unrestricted	964,935	-	964,935
	<hr/> 964,935	<hr/> 532,963	<hr/> 1,497,898
Total Charity funds	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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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TRAFFIC
the wildlife trade monitoring network

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