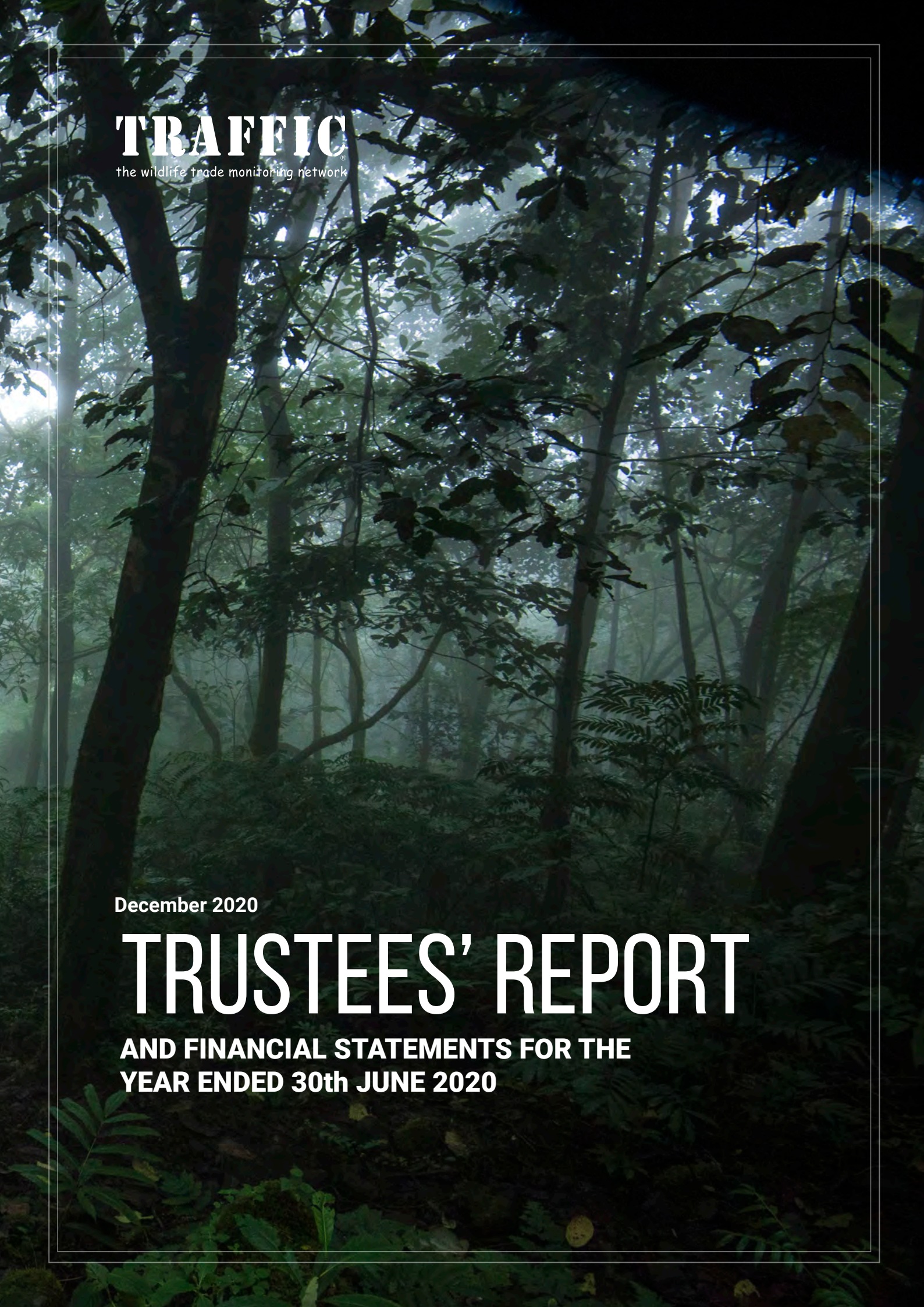




TRAFFIC

the wildlife trade monitoring network

December 2020

TRUSTEES' REPORT

**AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30th JUNE 2020**

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

Cover photo:
Andrew Walmsley/TRAFFIC

TRAFFIC
the wildlife trade monitoring network

TRAFFIC International Trustees' report and financial statements for the year ended 30th June 2020

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African Elephant
Photo: Tom Milliken

Message from the Chair of Trustees and Executive Director

TRAFFIC's year to the end of June 2020, covered by this report, took a surprising and often challenging course as a result of external events, particularly the COVID-19 pandemic. Nevertheless, we are happy to report that our activities remained on track and overall the organisation has proven itself institutionally robust.

As explained in our last annual report, a wide range of TRAFFIC's activities during that year were designed to inform and influence the outcomes of a major inter-governmental conference planned to take place in Sri Lanka in May 2019. Sadly, that meeting of the member countries of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES CoP18) had to be postponed as a result of the Easter Sunday terrorist attacks in Sri Lanka. The rescheduled event took place in August 2019 in Switzerland and formed an important focus for the opening months of the year reported here. Overall TRAFFIC adapted well to this first unexpected change to our working environment, which began a theme for the rest of the year.

TRAFFIC headed into 2020 with big ambition to play an important role in shaping wildlife trade-related aspects of a new global ambition for conservation policy and action during what had been billed the "super year" for nature. A series of major international events were anticipated, where among other things, new global targets for biodiversity conservation action were expected to be negotiated and agreed by world governments. TRAFFIC's experience and knowledge of the impacts of commercially-driven over-exploitation of nature and potential remedies have great potential to help shape that ambition. However, like so many other things anticipated for 2020, the inter-governmental processes to shape future conservation ambition ground to a near halt as the COVID-19 pandemic struck.

Though of course presenting major practical challenges for our work during the first half of 2020, the pandemic also shone a very bright spotlight on the subject at the heart of TRAFFIC's purpose. Despite uncertainty about the precise origins of COVID-19, from the earliest reports of the disease's emergence, there has been a strong suspicion of a wild animal source and spillover via wildlife trade. As should be clear from this annual report, TRAFFIC responded quickly, making links with zoonotic disease experts and helping to drive new thinking about responses that might identify and reduce health risks from wildlife trade. At the same time, TRAFFIC adapted its work overall to the altered reality of restricted travel and home working, with expansion of remote connectivity and convening, and greater emphasis on monitoring the virtual marketplaces to which both legal and illegal traders increasingly migrated.

Overall, despite the overwhelming influence of unpredictable global events, TRAFFIC continued to both drive forward its existing commitments to address wildlife trade impacts on nature and livelihoods during the year and also addressed new demands to focus on associated risks of emerging diseases linked to such commerce. The organisation continued effectively to manage a diverse range of project activities and achieved another year of overall growth in the resources it managed. We also concluded registration of two offices in China and Malaysia that will greatly strengthen our local capacity in key wildlife trade hotspots.

These achievements are a testament to the energy, diligence, and creativity of staff across the organisation, who have shown amazing resilience individually and as a global team in working through these complicated times. We extend our appreciation and sincere thanks to them all, alongside our gratitude to the Trustees for their strategic guidance and oversight and our founder partners IUCN and WWF, with whom collaboration continues to go from strength to strength. Finally, we'd like to express enormous thanks for the partnership and trust exhibited by the many institutions and individuals who provided funding support to TRAFFIC's work during the year.

Mark Halle and Steven Broad

Trustees' report: year ended 30th June 2020

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 30th June 2020.

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 delivered its work through a team of approximately 130 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 objects, set out in its Articles of Association, are to promote the conservation and protection of nature and natural resources worldwide through helping to ensure that trade in wild animals and plants is at sustainable levels and in accordance with domestic and international laws and agreements.

TRAFFIC's **mission** is to ensure that trade in wild plants and animals is not a threat to the conservation of nature. This mission is linked to a 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 public and private sector efforts to promote sustainable management and trade of fisheries, timber, non-timber forest products, and other wild-sourced commodities in trade.

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

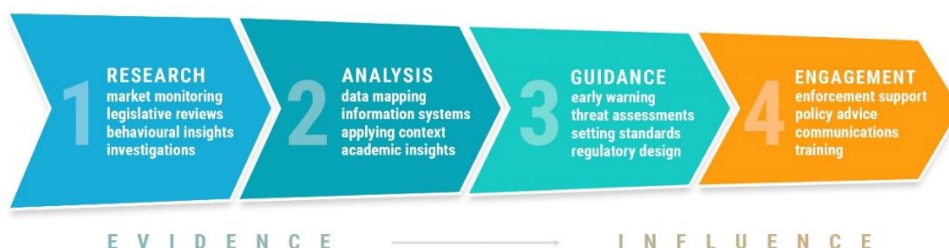
Trustees' report: year ended 30th June 2020

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 FY20 work plan focused around two priority workstreams: Approaches and action to enhance responses to wildlife crime and illegal trade ("red" stream); and Approaches and action to enhance systems for sustainable, legal wildlife trade ("green" stream). 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.



As discussed in more detail below, FY20 work plan priorities and delivery were significantly impacted by the COVID-19 pandemic.

Programme delivery—activities and highlights

Calendar year 2020 was anticipated as a "super year" for shaping and driving forward conservation policy and action on behalf of people and the planet. Governments were set to agree on the post-2020 Global Biodiversity Framework (GBF) during the 15th meeting of the Conference of Parties to the Convention on Biological Diversity (CBD CoP15) planned for October, setting out the scope and ambition for the global biodiversity agenda for the next 30 years. TRAFFIC's work during FY20 was designed to lay the groundwork for these and other critical decisions, for example during the IUCN World Conservation Congress, originally scheduled for June while TRAFFIC's support for implementation of critical decisions made during the 18th meeting of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES CoP18) would have been moved forward during meetings in July.

Instead, 2020 became the year of COVID-19, impacting individuals and institutions the world over, TRAFFIC included. International events were postponed, physical market monitoring became impossible, in-person meetings and workshops were suspended, and staff around the world shifted to working from home. The

Trustees' report: year ended 30th June 2020

pandemic had particular relevance for TRAFFIC's work: the potential link between the outbreak and wildlife sold at a market in Wuhan, China threw a spotlight on wildlife trade and its potential as a route for zoonotic disease transmission to humans.

As discussed later, TRAFFIC's response to the pandemic was immediate, science-based, and multi-faceted. It was delivered alongside rather than displacing other work planned, representing a significant scaling up of activity under difficult circumstances. Although some work had to be postponed, many of the activities that could not go forward as planned, e.g. physical meetings, were modified to take place online instead.

Highlights of programme delivery during FY20 are provided below. They include COVID-19 specific work as well as achievements delivered as originally prioritised. Work was typically delivered in partnership with other organisations including a wide range of government agencies, intergovernmental and civil society organisations, and businesses, and in many cases built on efforts that have been gaining momentum and growing in impact over multiple years.

Enhancing responses to wildlife crime and illegal trade

Efforts to crack down on illegal trade in ivory, rhino horn, timber, rare parrots and a vast array of other wildlife and wildlife products have grown in scale and sophistication over the past decade. Unfortunately, wildlife traffickers are continually adopting new techniques to avoid detection, requiring governments, businesses and consumers to redouble individual and collective efforts to tackle wildlife crime. TRAFFIC remained at the forefront of these efforts, with a particular focus on providing leadership, insights and tools supporting and strengthening co-operative action by public and private sector stakeholders.

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

Increasing obstacles to shipping wildlife contraband: Freight forwarders play a critical role in facilitating international trade and are key partners in the fight against wildlife trafficking. The International Federation of Freight Forwarders Associations (FIATA) made major strides towards this end. With TRAFFIC, FIATA co-developed and launched a Prevention of Wildlife Trafficking e-course during the FIATA World Congress. This free online course, accessible through the FIATA Logistics Academy website, received widespread coverage in specialist press including the FIATA Review (circulated to 6,500 freight forwarding companies). Around 130 companies from 55 countries, including the UK, had already registered for the course by the end of June. Initially available in English, the course has been translated into Spanish, Portuguese, and Chinese, with French, Russian and Arabic translations nearing completion. Collaborations were strengthened further through a TRAFFIC-FIATA Memorandum of Understanding to take forward awareness and capacity building efforts to counter wildlife trafficking.

"Clipping the wings" of wildlife traffickers: Airlines and airports serving destinations around the world stepped up efforts to detect and deter would be smugglers from transporting illegal wildlife products via air. Actions were supported by the TRAFFIC-led USAID Reducing Opportunities for Unlawful Transport of Endangered Species (ROUTES) Partnership. Steps taken by three airlines were assessed through an Illegal Wildlife Trade module of the International Air Transport Association (IATA) Environmental Assessment (IEnvA) programme, to determine delivery of the United for Wildlife Transport Taskforce Buckingham Palace Declaration commitments. Completion of the assessment is enabled through resources developed by the ROUTES Partnership, including training material developed by TRAFFIC. South African Airways, a major carrier linking southern Africa to Asia, Europe and the Americas, was one of the first airlines to complete the assessment and has continued to raise the profile of wildlife trafficking with its staff. TRAFFIC worked with IATA to produce a wildlife trafficking prevention manual that will be available to all 290+ IATA member companies when finalised. Responding to the COVID-19 outbreak, the manual will be expanded to address links between wildlife trafficking and zoonotic disease risk prior to being finalised.

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Taking wildlife cybercriminals offline: Member companies of the Coalition to End Wildlife Trafficking Online, convened by a partnership of TRAFFIC, WWF and IFAW, have removed or blocked over 3.3 million listings for prohibited wildlife and wildlife products. These and other Coalition achievements were announced in March, when the Coalition celebrated its second anniversary, and shared in the report *Offline and In the Wild*. Coalition membership grew to 36 companies during the year, including Poshmark, a US e-commerce platform with 50 million active users, and Deine Tierwelt, a major German online pet retailer. Support to these and other members further scaled up efforts to detect and delete illegal wildlife listings and to inform and deter potential consumers. During the year staff provided training to hundreds of e-commerce and social media company staff to increase their capacity to detect suspect posts. In China, for example, TRAFFIC and local government authorities co-delivered training to over 500 staff from Bytedance, operator of Toutiao, Douyin and TikTok and one of China's largest internet companies (over 600 million users in China alone). TRAFFIC's online trade monitoring supported individual company actions, e.g. the removal of 557 of 600 Facebook posts, groups and Instagram profiles flagged during a 2019 study of online ivory trade in Indonesia, Thailand and Viet Nam. Information sharing with governments similarly supported investigations and enforcement actions.

Strengthening efforts to change the behaviour of wildlife product consumers: TRAFFIC provided leadership and tools for wildlife trade experts and the wider conservation community to strengthen demand reduction efforts. This was coupled with targeted outreach to drive down demand for rhino horn and other endangered species products. TRAFFIC's review of demand reduction initiatives by CITES Parties was endorsed and related recommendations were adopted during CITES CoP18. These included decisions to develop guidance and provide training on demand reduction and to assist CITES member governments in developing demand reduction strategies. This work will be supported by TRAFFIC.

Over 5,000 people accessed content from the Behaviour Change for Conservation online course, which was launched on World Wildlife Day (3rd March). The open-access course is designed for practitioners, social marketers, communicators, and anyone else using behaviour change approaches to achieve conservation goals. User feedback was extremely positive and included peer to peer recommendations for the course, e.g. from a UK Border Force staff member to the EU-TWIX mailing list.

Expanding demand reduction efforts in Viet Nam: The TRAFFIC-led Chi (Strength of Will) Initiative—designed to reduce demand for rhino horn and other illegal wildlife products in Viet Nam—entered its third phase. Two Public Service Announcements targeting Vietnamese businessmen—the main rhino horn consumers in Viet Nam—were launched in December 2019. One emphasised that strength and stamina result from hard work and perseverance, not consuming wildlife; and one that wildlife consumption is incompatible with international business practices. Communications materials promoting zero tolerance to consuming illegal wildlife more generally were displayed on trucks, passenger cars and in bus stations, and viewed by an estimated 1.9 million people per month.

TRAFFIC provided a Corporate Social Responsibility (CSR) Handbook, Chi microsite and Chi fan page to guide corporate demand reduction efforts. These were developed and shared in co-operation with the Vietnam Chamber of Commerce and Industry, Vietnam Central Buddhist Association, Vietnam Automobile Transportation Association, and the Hanoi Women Business Leaders Association, among others. Subsequent actions by businesses ranged from disseminating Chi and related demand reduction messaging to addressing wildlife trafficking in company CSR policies. These and related efforts will also benefit tigers, Vietnamese demand for which remains high, as reported in [Tiger Product Consumers, Suggested Demand Reduction Messaging](#).

There were positive signs that government commitments towards demand reduction efforts are growing, e.g. during the high-level dialogue "Strengthening legislation and communication to reduce demand for illegal wildlife products" co-convened by TRAFFIC, Viet Nam's Office of the National Assembly (ONA) and USAID. As noted by Pham Dinh Toan of the ONA following reference to new trade controls: "We hope that today's event will bring even more progress, including guidance for comprehensive, focused social and behavioural change communications strategies that will lead to a reduction in demand for illegal wildlife products."

Trustees' report: year ended 30th June 2020

Extending systems for international enforcement communications: Participation in **Trade in Wildlife Information eXchanges (TWIXs)** expanded, and significant progress was made with development of a TWIX for Eastern Africa, set to launch in August 2020.

The number of EU-TWIX users grew to approximately 1,300 government personnel representing all EU member States, the UK and 11 other European countries. EU-TWIX data were used to produce [An Overview of Seizures of CITES-listed Wildlife in the European Union January to December 2018](#) for the European Commission. Medicinal products, corals, and live animals were the most frequently seized items. Burundi joined the Central Africa focused AFRICA-TWIX, bringing the total number of participating COMIFAC countries to eight. Representatives from TRAFFIC, the Secretariat of the Commission on Central African Forests (COMIFAC) and all eight TWIX member countries met virtually to discuss progress to date and agree a strategy, road map and action plan. Membership of SADC-TWIX (Southern Africa), which entered its second year in April, held steady. TRAFFIC launched the SADC-TWIX website in January, providing users access to identification guides, training materials, legal texts and a centralised database of seizures to support regional enforcement efforts. On behalf of SADC-TWIX, TRAFFIC also hosted two webinars for regional enforcement staff: a seminar on WCO communication tools and the Customs Enforcement Network, led by the WCO Regional Intelligence Liaison Office (RILO) for East/Southern Africa; and a seminar on CITES and the International Coalition to Combat Wildlife Crime (ICWC), led by the CITES Secretariat. Plans for the August launch of Eastern Africa-TWIX were finalised, with three countries (Kenya, Tanzania, Uganda) nominating enforcement personnel to participate.

Trade in Wildlife Information eXchanges (TWIXs) are regional multi-government platforms enabling government personnel to share information on wildlife seizures, smuggling routes, modus operandi and other IWT-relevant information over a secure mailing list. A seizures database and an accompanying website, also secure, provides access to related resources, e.g. contact lists to facilitate direct communications (e.g. for sharing case-specific information), identification tools, and other references. The idea originated and the first TWIX was developed in Europe by TRAFFIC and Belgian government agencies in 2005. Following the success in Europe, TWIX systems have been replicated in Central and Southern Africa, and will soon be launched in Eastern Africa. TRAFFIC manages and supports the TWIX systems and individual users including through sharing news, facilitating communications, and undertaking seizure data analyses to illuminate trade patterns.

Using research, data and analyses to inform enforcement actions: Information and analyses provided to government agencies supported numerous successful investigations and enforcement actions leading to seizures of wildlife products and arrests of suspects. Seizures included a large number of rhino horns, ivory, tiger parts, pangolins, live birds, terrapins, and turtles. Enforcement agencies involved spanned the globe, with enforcement actions supported in Africa, East, South and Southeast Asia, and North America.

Demand for data collected, maintained and/or analysed by TRAFFIC increased and was increasingly appreciated by a variety of different stakeholder groups. Data on online wildlife trade was provided to EUROPOL to inform future enforcement efforts. EU-TWIX data contributed to analyses produced by the UN Office on Drugs and Crime (UNODC) for their World Wildlife Crime Report 2020, and OECD used EU-TWIX data in their analysis presented to an EU law enforcement meeting in Europe organised by OECD and the French gendarmerie (TRAFFIC also made a presentation on EU wildlife trade during this meeting). Open-source information from the Wildlife Trade Information System was used to create "Country Alert" documents covering seven African countries for sharing with national law enforcement agencies. Alerts highlight key areas of risk in international wildlife trade, modes of transport, methods of concealment, trade routes and major ports of entry and/or exit. TRAFFIC also produced trader profiles compiled from open access sources for use by financial institutions to screen clients for potential wildlife crime connections. TRAFFIC also continued to participate as a partner in the United for Wildlife Financial Taskforce.

Trustees' report: year ended 30th June 2020

Expanding access to illegal wildlife trade data: Access to data on illegal wildlife trade is critical to designing and assessing actions to prevent that trade. TRAFFIC and many other organisations use media reports and other “open source” data as one way to track seizures of illegal wildlife and related prosecutions. As of June 2020, TRAFFIC had compiled information on over 23,000 illegal wildlife trade seizures and other incidents involving approximately 200 countries. These data underpinned TRAFFIC’s research and advice to government enforcement agencies, e.g. the production of wildlife trade alerts for customs agencies via the WCO, and were shared with organisations such as C4ADS to support wider analyses. In order to put these data to even greater use, TRAFFIC developed and launched a Wildlife Trade Portal, an interactive tool for sharing open-source data on wildlife seizures and related wildlife crimes. The Wildlife Trade Portal is accessible to other conservation NGOs, enforcement agencies and researchers. Data can be displayed in list or “dashboard” format as well as exported for further analysis. As well as accessing data, registered users can submit their own data for review and inclusion in the Portal database. This collaborative approach means organisations can spend less time compiling data and more time putting it to good use in the fight against wildlife trafficking. Over 500 individuals had registered to use the Portal as of the end of June, with approximately 3,300 data searches conducted.

Supporting UK enforcement collaborations: 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 (FWG). TRAFFIC organised and co-ordinated FWG meetings (two in FY20) and a workshop on the use of forensic techniques at a wildlife crime scene at the UK Wildlife Crime Enforcers conference in November 2019. 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.

Priority areas for work during FY21 will be focused around:

- Engaging and supporting preventative action by transport, logistics, e-commerce, social media, finance, and other companies
- Supporting uptake of tools and approaches that help undermine corruption in the natural resource sector
- Motivating, informing and supporting strengthened legislation and regulatory approaches
- Motivating, informing and supporting enforcement 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 by volume and value 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, rely on wild-sourced ingredients, including gums, resins and unique plant compounds with pharmacological properties.

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.

Examples of achievements to which TRAFFIC contributed during FY20 include:

Encouraging and supporting governments to keep trade sustainable as well as legal: While the need for stronger action to stop illegal wildlife trade is widely acknowledged, the importance of keeping legal trade within sustainable levels, which benefits conservation and human well-being, remains under-appreciated. TRAFFIC was successful in pressing this point home at international meetings, in workshops and through development and delivery of tools to support sustainable management of timber and non-timber forest products.

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The importance of wild plant use and trade to sustainable development, and the related issue of sustainable management, was highlighted during the **World Forum on the Global Strategy for Plant Conservation (GSPC)**, through a keynote presentation summarising progress with delivering GSPC Targets on international trade and sustainable sourcing (Targets 11 and 12). The final Forum Declaration makes clear links between the importance of wild species, plant conservation and the Sustainable Development Goals.

TRAFFIC's support for **development of the post-2020 Global Biodiversity Framework (GBF)**, which will replace the Aichi Biodiversity Targets, succeeded in getting wildlife trade and sustainable use flagged in the GBF's zero draft. The draft targets proposed incorporate text that was developed by TRAFFIC, building in particular on work with the Collaborative Partnership on Sustainable Wildlife Management (CPW) during a consultative workshop on Sustainable Wildlife Management Post-2020. In a related outcome, during their November meeting, the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) of the Convention on Biological Diversity adopted **Recommendation 23/3 on Sustainable Wildlife Management**.

Expanding development and implementation of CITES and related sustainability systems: CITES and related systems for supporting sustainable management of wildlife harvest and trade arguably grew in importance in the wake of the COVID-19 pandemic and increased reliance on marine resources and other wild resources for subsistence and income. It was therefore important to find mechanisms to continue to deliver advice and training when in person meetings were no longer possible. TRAFFIC was scheduled to deliver two multi-government workshops in the Oceania region focused on making CITES sustainability (non-detriment findings, or NDFs) and legality (legal acquisition) findings, with a focus on sea cucumbers, sharks and rays. In lieu of training workshops, TRAFFIC provided 1:1 advice to individual national government agencies.

In Nepal, TRAFFIC's inputs supported development of regulations implementing the CITES Act and establishment of an annual harvest quota for Jatamansi, one of Nepal's most commercially important and heavily traded medicinal species. The CITES Secretariat approved Nepal's 2019 export quota for this species, clearing the way for international Jatamansi trade and hopefully encouraging the European Union to lift current import suspension for this species. TRAFFIC continued working with counterparts in Nepal to strengthen the scientific basis for quota setting and move forward parallel work on FairWild certification. This included supporting training of harvesters in applying FairWild principles, with a total of approximately 1,000 harvesters trained under the project as of June 2020, of which approximately 40% were women.

The European Commission published TRAFFIC's comprehensive review of EU CITES implementation on their website in February. This review, prepared every three years under contract to the EC, provides an in-depth analysis of CITES implementation at the country and EU level as reported by EU Member States.

TRAFFIC improved the capacity of CITES and forestry staff in East Africa to manage timber trade via NDF training for staff in Kenya, Mozambique, Tanzania, and Zambia and inputs to a workshop in Malawi focused on trade in the newly CITES-listed Mulanje Cedar.

Complementary work for trade in CITES-listed and other shark species centred around a different tool—national plans of action (NPOAs). TRAFFIC co-convened a workshop in Mozambique for fisheries, customs, and police officials on developing an NPOA and supported the Fisheries Ministry drafting an NPOA, and developing related policies and legislation for sustainable, legal use and trade of sharks and rays. Research completed in the Republic of the Congo (to be released in August 2020) will be used to support development of an NPOA for sharks in that country.

Growing industry demand for sustainably sourced plant ingredients: TRAFFIC remained a vocal champion for the critical contribution wild plant ingredients make to human health and well-being, and of the need for sustainable, equitable management of related harvests and trade. Working side-by-side with the FairWild Foundation, TRAFFIC helped expand industry and consumer awareness of wild sourcing and opportunities to improve outcomes for both plant species and producers.

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The number of companies trading FairWild certified ingredients grew to 33, including one new wild collection operation, with companies based in countries including India, Kazakhstan, Bulgaria, Serbia, Zimbabwe, and El Salvador. New FairWild-labelled products entered the marketplace, including a drink containing wild Baobab fruit sourced from Zimbabwe and a range of herbal teas containing FairWild rosehips, nettle, lime flower, liquorice and dandelion root. Participation at BioFach, the world's largest organic trade fair, facilitated direct engagement with 80 businesses; a follow-up webinar attracted representatives from 18 companies new to FairWild. Major progress was made in developing new sources of FairWild certified ingredients including for Schisandra berries in China and Jatamansi roots and essential oils in Nepal.

Potential links and synergies between sustainability and organic standards were also reviewed, including through a BioFach side event "Organic and Wild: A topic under the radar. Why should we care and what are the solutions?" The event highlighted the limits of current organic standards for verifying the sustainability of wild harvests, and explored ways to address gaps and boost brand and consumer confidence.

Growing awareness of FairWild opportunities among consumers and businesses: TRAFFIC staff co-ordinated FairWild communications and outreach, including during FairWild Week 2020, which had the overall message of "Why care about wild plants", and had a specific focus on the growing demand for herbal products in the current pandemic, with the launch of "The Invisible Trade: Wild plants and you in the time of COVID-19" report. Messaging during FairWild Week combined media coverage and social media communications by FairWild Week partners, which included businesses, NGOs (e.g. Botanic Gardens Conservation International, United Plant Savers), and IGOs such as the International Union for Conservation of Nature (IUCN). Communications were delivered in English, French, Chinese, and German.

Priority areas for work during FY21 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. Much of TRAFFIC's work during the year therefore 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 and practice at CITES: These two, inter-related ways to achieve both conservation of species in trade and sustainable development outcomes are at the heart of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). CITES is the main international (inter-governmental) agreement regulating international trade in wild animals and plants. Decisions made during CITES "Conferences of the Parties", or CoPs, determine which wild species are covered by the Convention (listed in the CITES Appendices) and set global priorities for future national and international action. TRAFFIC's work in the run up to and during CITES CoP18 in August 2019 supported decisions critical for species conservation and meeting human needs.

TRAFFIC produced a comprehensive Briefing Document providing an overview of key issues to be considered during the meeting alongside TRAFFIC recommendations on the listing proposals and implementation issues.

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Decisions on 51 out of 54 (94%) CITES listing proposals considered during the meeting were in line with TRAFFIC recommendations. These included successful proposals for species whose trade had previously been reported by TRAFFIC, e.g. Asian Small-clawed Otter, Tokay Gecko, and Indian Star Tortoise. Work to broaden CITES application to marine and timber species was also successful, with mako sharks (*Isurus* spp.) and cedar trees (*Cedrela* spp.) among the groups receiving increased CITES attention.

TRAFFIC's research and outputs informed a wide range of measures agreed to strengthen CITES implementation. These included studies undertaken on behalf of CITES bodies, for example [analysis of illegal ivory trade data held in the Elephant Trade Information System](#), as well as independent research published in the year leading up to the CITES meeting. Among the actions agreed were decisions to strengthen enforcement action and demand reduction efforts for rhinos, a more comprehensive approach to addressing illegal trade in tiger and other "big cat" products, and improvements to management of trade in sharks, rays, European Eels and other marine species. Important strides were similarly made to address trade concerns for wider groups, including songbirds and medicinal and aromatic plants, and to make it harder to smuggle wildlife through mis-declaring its origins on related permits. TRAFFIC's leadership of work to reduce consumer demand for endangered wildlife was reinforced, including endorsement of a [review of demand reduction initiatives by CITES member governments](#) and approval for the development of guidance for use by CITES Parties.

Despite these and other successes, plant species continued to receive scant attention during CoP18. TRAFFIC drew attention to the real threats posed by this "plant blindness." Malawi's Mulanje Cedar (*Wideringtonia whytei*) provided a case in point: CITES protection may have come too late for this valuable timber species, with few if any mature trees now left in the wild. There were also other disappointments at CITES. Most notable among these related to deep divisions between governments in Africa regarding conservation and trade in African Elephants and other species, particularly with respect to proposals to amend the listing of these species in the CITES appendices. This meant a reduced emphasis on discussions on illegal ivory trade. Nevertheless, some important progress was made, with decisions agreed around closure and regulation of domestic ivory markets and management of ivory stockpiles. A more detailed analysis of CITES meeting outcomes was published in the *TRAFFIC Bulletin*.

Sustainable forest management depends on multiple factors, including measures sufficient to keep illegal timber off the market while not impeding legal, sustainable trade in timber. In what is predicted to revolutionise efforts in this regard by supporting sustainable forest management and preventing timber trafficking, the Tanzania Forest Service (TFS) began using an e-tracking system for inspecting timber shipments. Co-developed by TRAFFIC and TFS, the system includes handheld internet-based devices used by TFS staff to record, process, track and share revenue and other data in real time as shipments move through multiple government checkpoints from forest to market/export. The e-devices are linked to a centralised data processing system allowing immediate access to and submission of information on the species, source, quantity, permit(s), taxes/fees paid, and other information. This will make it easier for government staff to spot suspect shipments and irregularities and to clear legal shipments for onward transport and facilitate wider data management and analysis. Initial user experiences are being evaluated, with plans to roll out a similar system in Cameroon in the coming year.

TRAFFIC additionally supported implementation of timber trade controls through training for government staff in timber trading countries in Africa (Cameroon, DRC), Asia (China, Malaysia, Viet Nam), and Europe (Belgium, Bulgaria, Romania, Slovakia and Ukraine). Training included familiarisation with the World Customs Organization (WCO) Guidelines for Verifying Timber Legality to Customs. This guidance, co-developed by TRAFFIC and WCO, is available in English, Chinese, French, and Vietnamese. Presentations at the INTERPOL Regional Meeting on forestry crimes in Europe, an administrative meeting for national contact points of the WCO Regional Intelligence Liaison Office for the Asia Pacific and the Asia-Pacific Economic Commission (APEC) Expert Group on Illegal Logging and Associated Trade increased awareness of the guidelines at the regional level.

Parallel progress was made in supporting timber traders and wood product manufacturers in China to comply with national and international trade controls. Working drafts of Guidelines for the China Environmental Labelling

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Certification on Wood Forest Products, were finalised and approved. Work to develop specific industry guidelines for trade in rosewood, many species of which are highly threatened, moved forward with expected publication later in 2020.

Supporting informed responses to wildlife trade in the wake of COVID-19

As soon as news began to emerge of a potential link between wildlife being sold in a Wuhan food market and COVID-19, journalists, government officials, veterinary and health experts, and others keen to explore these links and to frame their response reached out to TRAFFIC for information and advice. As a first step, staff took stock of what was known and suspected about wildlife sales in the Wuhan market and related theories regarding COVID-19's origin. A summary of this information and recommendations were posted on the TRAFFIC website in March.

While addressing the need for immediate responses to reduce the risk of further outbreaks, TRAFFIC additionally considered wider questions regarding how wildlife use and trade, both legal and illegal, was likely to change in light of the pandemic. Linked to this, TRAFFIC began exploring how best to identify and respond to related shifts and risks to people and wildlife populations in the near and longer term. The results of this more detailed analysis and related recommendations were shared in "[Wildlife trade, COVID-19 and zoonotic disease risks: shaping the response](#)," published in English in early April and subsequently translated into Chinese, French and Vietnamese. The paper has been widely shared and referenced, e.g. as a "main reference" in the European Parliament briefing paper "Coronavirus and the trade in wildlife," and had been downloaded approximately 750 times by the end of June.

TRAFFIC engaged with a wide range of other researchers in the search for answers and options for reducing disease risks associated with wildlife trade. This included participating in an interdisciplinary "solutions scan" led by academics from Cambridge University, the findings of which were published in "[Post COVID 19: a solution scan of options for preventing future zoonotic epidemics](#)".

TRAFFIC's insights were also shared through direct discussions, virtual meetings and events to inform and help shape government and other responses to zoonotic and other potential wildlife-related disease risks. At the national level, this included providing information and technical advice to government agencies in countries including China, Viet Nam, Germany, Cote d'Ivoire, South Africa, and the United Kingdom, and at the international level intergovernmental bodies such as the Pan African Veterinary Center of the African Union, the Food and Agriculture Organization of the United Nations (FAO) the UN Environment Programme and the Collaborative Partnership for Sustainable Wildlife Management.

Over 600 representatives of African Union (AU) Member State governments and partners joined a webinar co-organised by TRAFFIC and the AU Commission on "COVID-19 and wildlife trade in Africa: Impacts and Challenges", with a similar webinar for Francophone AU Member States and production of a policy briefing paper scheduled for later in the year. TRAFFIC was a speaker and/or panelist for numerous other virtual events, including "Investing in Africa's biodiversity for a resilient and sustainable future" (led by the African Development Bank), "Biodiversity loss and wildlife trade as causes of pandemics" (organised by Germany's Federal Ministry for the Environment); "Illicit Trade at the time of crisis: current challenges and long-term impacts" (organised by OECD); "COVID19, Conservation and Counter Wildlife Trafficking" (organised by USAID "Saving Species" led by TetraTech); "Illegal wildlife markets, zoonotic disease transfer and corruption—Connections and what the global community must do about it" (TNRC project); and "Thorny Issues Live—COVID-19 and Rhinos" (Save the Rhino).

TRAFFIC also advised several industry partners seeking to adjust future business practices and communications in response to the pandemic. This included a webinar for US-based members of the Coalition to End Wildlife Trafficking Online on issues around COVID-19, wildlife trade and zoonoses to help companies brief their policy teams and prioritise related actions.

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Concerns regarding sustainable management of wildlife harvests and trade understandably took a back seat to issues more directly linked to the COVID-19 pandemic, e.g. mechanisms for identifying and reducing future risks of zoonotic transmission.

"With the current global spotlight on wild animal markets as a possible source of the COVID-19 epidemic, it is easy to forget that the biggest flows of 'wildlife' in trade involve plants, not animals. There are also important conservation and health reasons to keep a close eye on the wild plant trade sector during this global health emergency. During the COVID-19 outbreak, the use of wild plants as herbal ingredients in traditional Chinese medicine formulations and other herbal-based products around the world is anticipated to increase dramatically."

TRAFFIC article in WCO News 2020

However, experience from previous economic crises suggested that the pandemic would trigger increased use of and reliance on wildlife resources for subsistence and income. TRAFFIC drew attention to the anticipated impacts of COVID-19 on wild plant trade, with links to this trade's importance to healthcare, livelihoods and conservation. A web story published on World Health Day was followed by the more detailed report "[The Invisible Trade: Wild plants and you in the time of COVID-19](#)." The issue was picked up by media outlets and organisations including the World Customs Organization, which asked TRAFFIC to contribute an article to the June edition of WCO News.

Priority areas for work during FY21 will be focused around:

- Wildlife trade monitoring to understand changing dynamics as a result of the COVID-19 pandemic
- Providing wildlife trade management guidance in the wake of COVID-19 to governments and the private sector
- Support development of tools and approaches to strengthen detection of smuggled wildlife/wildlife products and reduce risks to personnel
- Mobilise communications and behaviour change approaches to reduce risks associated with zoonotic disease spread linked to wildlife trade

Programme co-ordination and leadership

The main activities of TRAFFIC's global office, based in Cambridge, include 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 oversight of the Programme Co-ordination Team (PCT), which brings 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 FY21 work plan. Work planning was a central feature of TRAFFIC's Global Programme Meeting. This was originally planned as a face-to-face meeting to take place in Viet Nam in March but was subsequently redesigned and delivered as a virtual meeting owing to the COVID-19 pandemic. The meeting was a great success and learning opportunity, setting the stage for what was soon to become the "new normal" for TRAFFIC meetings.

SLT and PCT members advised on and/or co-ordinated inputs into international meetings and policy processes, in particular to CITES CoP18, and preparation for other meetings planned for 2020, many of which were subsequently postponed. Guidance was provided on management of major partnerships including ROUTES, the Social and Behavioural Change Community of Practice, and the Coalition to End Wildlife Trafficking Online, and on work with businesses connected to wildlife trade chains, e.g. in the herbal product sector.

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The Business Resources Team (BRT) promotes 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.

As noted above, in early 2020 the work of these teams quickly expanded to leading TRAFFIC's response to the COVID-19 outbreak and adaptive management of TRAFFIC's working practices and programme delivery.

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

TRAFFIC's Programme Strategy provided the overarching framework for TRAFFIC's work during the year, with a more detailed annual work plan identifying priorities for the year. The work plan 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). However, the COVID-19 pandemic required significant adaptive management of TRAFFIC's programme delivery during the second half of the year. Staff worked closely with project funding and delivery partners to adjust planned project activities as needed in light of restrictions on travel and face-to-face interactions. TRAFFIC also expanded partnerships with experts from the veterinary and healthcare sectors to develop a new area of work responding to the COVID pandemic and assessing and identifying ways to reduce future disease risks associated with wildlife use and trade.

Performance and outcomes were assessed at six-monthly intervals, with the year-end assessment reviewing overall progress as originally set out in the FY20 work plan and taking into account adjustments and new areas of work in response to the COVID-19 pandemic. Progress was also considered during the Global Programme Meeting as part of designing the FY21 work plan, and during quarterly programme calls, where staff shared key successes from around the organisation, identified opportunities for replicating successes and discussed new opportunities. Programme achievements and work plan delivery remained largely on track despite the COVID-19 outbreak and need to shift some activities online and/or into the next programme year. Exceptions included progress on work to address corruption associated with and/or facilitating illegal wildlife trade, which was less tangible. While TRAFFIC's systems approach, e.g. work to improve transparency in trade chains, increase interagency and inter-governmental information sharing, and advise financial institutions on wildlife trade risks, were recognised as important vehicles for addressing corruption, the confidential nature of government responses to corrupt activities meant that it was not possible to measure impacts in any quantitative way. Work to deliver behaviour change approaches to increase consumer demand for wild products from sustainable, legal and fairly traded sources was narrower than planned, with FairWild Week being the main vehicle for increasing consumer awareness in this regard. Delivery of outputs on trade in several timber and fisheries products and new funding secured to expand consumer-facing communications for wild plant ingredients will expand work in this important area in the coming year.

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Funding development

Staff in TRAFFIC led and/or supported the development of over 80 wildlife-trade related funding proposals during FY20. The majority of proposals were submitted in partnership with one or more other organisations with a view to increasing the effectiveness and impact of funded projects and expanding cross-institutional synergies.

The majority of these proposals were developed in response to government calls for proposals such as those issued by 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), the US Agency for International Development, German government aid agencies and the European Commission.

As in the previous year, the US Government issued, and TRAFFIC pursued, multiple funding opportunities for work on wildlife trafficking issues. Of particular note were large-scale funding opportunities issued by INL, for which TRAFFIC prepared and led on three proposals (two of which were successful) and partnered on a further proposal (also successful). Fewer large-scale funding opportunities were identified relevant to work to strengthen conditions for legal, sustainable trade, with this area remaining a priority for expanded donor research and fundraising activity.

In line with the above, significant funding was raised to deliver specific programmatic priorities, particularly government funding for work to address illegal wildlife trade. Although fundraising for work on sustainable trade issues was less successful overall, important new funding was secured to broaden work on trade in wild-sourced plant ingredients and a multi-million pound proposal developed for work on timber trade (decision pending). In addition, several foundation donors renewed their investment in TRAFFIC's wider research, policy and communications work.

Several important steps were taken to strengthen TRAFFIC's proposal development process. A Project Funding Development Task Team was established and led discussions, development and oversight of an Action Plan to improve the proposal development process. Two new staff hired to support project proposal design and preparation increased the quantity and quality of proposals submitted during the year and developed and delivered training and tools linked to the Action Plan.

Communications

Communication of evidence-based, targeted research, analysis and insight into a wide variety of issues concerning wildlife trade is at the heart of TRAFFIC's work. During FY20 TRAFFIC produced numerous publications and other communications materials to inform and support wildlife-trade related discussions and actions by governments, businesses and civil society.

TRAFFIC published 29 in-depth reports during the year, covering topics ranging from wildlife trafficking via seaports in Tanzania to an overview of wildlife trade in Southeast Asia. TRAFFIC additionally produced and published various briefing documents, for example to inform decision makers attending CITES CoP18 on specific issues, and to provide insights into links between wildlife trade, COVID-19 and related issues.

All outputs were made freely available for downloading from TRAFFIC's website and/or websites maintained by TRAFFIC, e.g. www.changewildlifeconsumers.org. Access to previously published materials was also provided via a web-based publications library. More than 10,000 documents were downloaded from the TRAFFIC website during the year.

Two issues of the *TRAFFIC Bulletin*, the only journal dedicated to wildlife trade issues, were published, one in printed and online format, and one online only owing to COVID impacts on international postal services. The *Bulletin* featured in-depth analyses as well as shorter news pieces. Topics covered included an overview of CITES CoP18, trade in protected lizards, online trade in Sun Bears, insights into illegal trade of raptors in Thailand, and a review of the glass eel trade.

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TRAFFIC's website was the main vehicle for publicising and distributing both news and publications. Approximately 100 news items, which included report launches, were posted on the site, drawing attention to a wide variety of wildlife trade developments including successful wildlife enforcement actions. TRAFFIC's news items, in particular our new reports, were picked up by a wide variety of national and international media outlets including the BBC, Daily Mail, Guardian, Independent, Reuters, Newsweek, and the Washington Post. A dedicated COVID-19 resource section was created to bring together the various news and publications produced by TRAFFIC giving insight into the pandemic and its possible animal-trade origins. A particular effort was made to increase content in Vietnamese and Chinese given these countries' role in the trade in products from threatened species, including ivory, rhino horn and pangolin scales.

TRAFFIC's communications team routinely 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

The previous financial year (FY19) saw the inclusion of five field offices (Cameroon, Malaysia, South Africa, Tanzania, and Viet Nam) into the UK charity accounts as branches and saw the submission of registration applications in China and Malaysia. TRAFFIC received approval of its registration applications in China and Malaysia in December 2019 with both entities becoming operational early in calendar year 2020. TRAFFIC's China office, a representative office of the UK charity, is treated as a branch in the FY20 accounts. The Malaysia office, registered as a company limited by guarantee, was treated as a branch for the first seven months of the financial year and, in line with guidance in the Charities Statement of Recommended Practice (SORP), as a subsidiary from 1st February 2020. Operationalisation of the entities in China and Malaysia represented a significant area of work during the financial year.

Like every other organisation, TRAFFIC has been significantly impacted by the global coronavirus pandemic in the second half of FY20, although the overall impact on TRAFFIC's activities was less than anticipated. Fortunately, TRAFFIC had the systems in place to allow most staff to work effectively from home and to maintain business-critical functions. A number of planned operational development activities, however, had to be postponed due to the unanticipated demands of responding to coronavirus. TRAFFIC continues to examine adaptive management options as the pandemic continues; overall, donors have been supportive of TRAFFIC's efforts to maintain effective delivery of its work.

Other significant activities during FY20 included:

- Supporting the operations of various governance structures including the Board of Trustees, the Operations Committee, the Senior Leadership Team, the International Management Team, the Business and Resources Team, the Programme Coordination Team, and various task teams.
- Completion of a comprehensive risk assessment of TRAFFIC's IT systems carried out in the first half of the financial year, which resulted in changes that helped ensure a robust IT infrastructure was in place when the coronavirus pandemic resulted in all staff working from home for a period of months.
- Additional systems improvements including an upgraded SAGE system for use across the organisation and refinement of various tools and processes to improve timeliness and consistency of financial reporting and performance monitoring.
- Improvements to TRAFFIC's compliance framework, including adherence to donor financial management requirements and safeguarding guidelines, as a major focus during the financial year.

During the financial year, 31 new projects were contracted, 31 projects were extended, and 33 projects were completed bringing the number of active projects (including programme office core projects) administered via TRAFFIC International to 69 at year-end. A total of 117 financial and 68 technical reports were submitted to donors as part of the year-end process in addition to internal financial reports for project management purposes. Eighty-two funding proposals were submitted to various donors over the course of the year.

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Human Resources (HR) directly supported 49 recruitments across the organisation during the year with 42 new starters and 15 leavers processed during the period. This brings the average number of staff employed by the charity to 133 Individuals. Five volunteers contributed approximately 630 hours of work in the TRAFFIC Global office. Volunteers provided communications support and support to programmatic work, particularly data entry and trade data analysis.

A key focus for FY21 of course will be ongoing responses to the coronavirus pandemic, in particular development of a safe and effective approach to facilitating return-to-office plans across various locations. 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.

TRAFFIC and sustainability

TRAFFIC operates in 15 locations across five continents, managed from the global office in Cambridge, UK. TRAFFIC staff work under a variety of conditions in these strategic locations, from single individuals to larger groups and are often hosted within a third-party organisation's office. The diversity of these arrangements can present a challenge to the design and implementation of environmental sustainability measures. In response, TRAFFIC has developed a comprehensive yet flexible environmental sustainability policy adaptable to local circumstances that includes the following elements: carbon reduction and energy efficiency; purchasing and procurement; travel and transport; waste management; biodiversity and ecology; water use; and host collaboration and reporting. The full policy document can be found on TRAFFIC's website.

TRAFFIC has operated a carbon-offset programme for a number of years and currently supports an organisation called Carbon Tanzania as part of its carbon offset commitment. In FY20, TRAFFIC allocated an amount of £2,832, representing 365 tonnes of carbon. Due to the impact of the coronavirus pandemic on international and regional travel, this amount is lower than in FY19 (£3,403; 439 tonnes). In response to travel restrictions, TRAFFIC introduced several communications tools and changes to working practices to maintain effective exchanges between staff and with stakeholders. As travel restrictions are eased, TRAFFIC will continue to use these tools as part of its wider efforts to reduce its overall carbon footprint in future years.

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Financial review

TRAFFIC has seen both its income and expenditure decrease during the year. Group income saw a reduction from £13.5m to £9.4m as a result of five TRAFFIC offices merging into TRAFFIC International with £2.4m of assets being brought into the charity in the prior year. There were also reductions in some sources of project income. Group expenditure fell from £10.5m to £9.6m, a reduction of £0.9m. However, TRAFFIC's free reserves remained relatively constant compared to the previous financial year, increasing by £46k.

Income

During the year, TRAFFIC received income totalling £9.4m, a decrease of £1.6m (excluding the transfer of merged assets) compared to the previous year. Although there was a reduction in income, the percentage of income from Charitable Activities remained stable and constituted 87% of total income this year and is in line with the previous year.

Unrestricted income for the year totalled £1.2m compared to £1.4m in FY19 (excluding the transfer of merged assets), a decrease of £250k. The main reason for the decrease was the reduction in core grants received from the founding partners WWF and IUCN.

Restricted income in FY20 decreased by £1.5m to £8.2m from £9.7m in the previous year (excluding the transfer of merged assets). The decrease was also mainly due to a reduction in income for projects funded via IUCN and WWF which decreased in the year by £1.1m, a 39% reduction on FY19. The largest decrease related to the IUCN funded TRAPs project whose income reduced by £828k during the year as the project comes to an end during FY21. A second TRAPs project is commencing during FY21 and restricted income is expected to increase as a result.

In addition, the proportion of total income sources has continued to shift marginally towards an increased amount of Government Agency funding with income received directly from governments rising by £204k and constituting 44% of total income, compared to 36% (excluding transfers) 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.

Although there were 90 projects that brought in income during the year, two government-funded projects; Wildlife TRAPs and ROUTES, both USAID-funded projects, contributed just over 22% (2019: 31%) to restricted income. Despite the reduction in income received from both these projects compared to the previous year, the organisation was still able to record a surplus on its core operations which suggests a reduced reliance on a small number of substantial grants. These projects are described in more detail in Note 15 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 31% of total project income, across seven projects. These projects are embedded in different funding streams within USAID which lowers the overall risk factor. To mitigate potential risks further, TRAFFIC commits to expenditure related to these grants for one-year periods only and has regular meetings with USAID to discuss future funding projections.

Expenditure

Expenditure during FY20 was £9.6m compared to £10.5m in FY19. Of the FY20 expenditure, 97.4% related to expenditure on Charitable Activities and 2.6% on raising funds.

Unrestricted expenditure rose by £66k compared to FY19. This represents a 6% rise and is mainly attributable to lower foreign exchange gains. Restricted fund expenditure fell by £961k to £8.4m. Expenditure under the ROUTES project fell by £1.9m as a result of a decrease in subcontract accruals.

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Funds

The net movement in group funds for the year was a deficit of £185k compared to a surplus of £3.0m in the previous year; the prior year surplus was mainly as a result of the transfer of five branches into TRAFFIC.

The net movement in unrestricted group funds was a surplus of £12k. Unrestricted funds held at the year-end were £2.4m. The net movement in group restricted funds was a deficit of £196k and restricted funds held at the year-end was £1.9m.

During the year, the Malaysian branch was registered as a legal entity in Malaysia and therefore it commenced being a subsidiary of TRAFFIC from 1st February 2020. Net funds attributable to the subsidiary was £294k at the end of the financial year. Also during the year, a newly established representative office in China was brought into the charity as a branch office; there were no merged assets related to this branch.

Risk management

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

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

Key risks and uncertainties

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

- Strategic risks which influence TRAFFIC's long-term strategic objectives, including governance issues, partner relations, and stakeholders including donors and the public. The Senior Leadership Team meets on a bi-weekly basis to discuss such issues and the wider management have an annual week-long meeting covering areas of risk as well as the topic of risk management itself;
- Operational risks which arise from day-to-day issues that TRAFFIC faces as it delivers its conservation programme. These include areas such as project management, office facilities, and human resource management. To minimise these risks, Finance and Operations manuals have been produced, project steering groups are set up for major projects, staff undergo an induction process and appropriate training, and regular team meetings are held;
- Financial risks related to TRAFFIC's effective management and control of its finances including internal controls, monitoring of funding development, and the effects of external factors such as foreign exchange rates. TRAFFIC produces and reviews quarterly financial reports, as well as annual budgets and quarterly reforecasts, to allow potential financial risks to be identified on a timely basis. There is an up-to-date Finance Manual subject to regular review. Monies are kept in major donor currencies to minimise the effects of any exchange rate fluctuations;
- Knowledge management risks related to TRAFFIC's effective management and control of its knowledge resources, including communications materials, intellectual property rights, and system malfunctions. To

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minimise these risks, some controls include protocols for handling sensitive data, communications policies and regular backups of data;

- Compliance with laws and regulations related to issues such as health & safety, data protection, employment practices, safeguarding, and other regulatory issues. As well as employing appropriately professionally qualified staff we hold regular meetings with professional advisors both in the UK and in locations where we have offices overseas;
- External risks which may be beyond TRAFFIC's ability to influence, including changes in the physical environment, and in the global economic or political environment. To minimise the effects of these risks, staff attend external training seminars to ensure knowledge in the Charity of possible external risks.
- The newly emergent risks posed by COVID-19 are cross-cutting ranging from the impact on the global economy, donor priorities, day-to-day operations, and most importantly individual staff welfare. TRAFFIC has established a COVID Working Group which meets regularly and carries out short and medium-term reviews of the impact of COVID on its programmatic and operational activities.

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.

Safeguarding

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

As a wildlife conservation charity primarily involved in researching legal and illegal wildlife trade globally, and encouraging necessary action by governments, businesses, and others, TRAFFIC does not usually work directly with children or with adults who could be seen as at risk, nor do we carry out aid-funded relief work. Nevertheless, TRAFFIC employs around 150 staff globally and cooperates with a wide range of public and private sector partner organisations to carry out work related to people and their use of natural resources.

We recognise the importance of ensuring that our work does not have adverse social or environmental impacts at any level, and the need to incorporate these considerations both into the design and implementation of our activities and into the conduct of our staff and implementing partners.

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

Investment policy

Under the Articles of Association, the Charity has the power to make any investment the Trustees see fit. The investment policy, as approved by the Trustees on 16th February 2005, is that funds will be invested in cash, bank current accounts, and bank deposits. The Charity currently holds no investments aside from its cash holdings. The Trustees will consider possible amendments to this investment policy on a periodic basis.

Reserves policy

TRAFFIC'S Trustees recognise the importance of establishing reserves to allow the Charity to respond to future opportunities and current global economic challenges, particularly for an organisation with levels of restricted

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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 group had free reserves of £2.3m, equivalent to five months of planned FY21 core expenditure, before allocations to restricted projects. Free reserves for the charity only was £2.1m, also equivalent to five months of planned FY21 core expenditure. 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.

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

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

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the surplus or deficit of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Trustees' report: year ended 30th June 2020

They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

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

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

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

Trustees' report: year ended 30th June 2020

Structure, governance and management

TRAFFIC was established in 1976 by the Species Survival Commission of IUCN (the International Union for Conservation of Nature), largely to support the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). CITES is an international agreement between 183 governments that aims to ensure international trade in specimens of wild animals and plants does not threaten their survival. Over its first two decades of operation, TRAFFIC developed as a network of offices supported by IUCN and WWF and operated as a joint conservation programme of these two international conservation organisations. TRAFFIC International was established in the UK and registered with the Charity Commission on 23rd July 1999 to provide a base for TRAFFIC's global co-ordinating office.

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

Since FY19, the TRAFFIC International accounts thus have incorporated Central Africa, East Africa, Southern Africa, Southeast Asia, and Viet Nam as branches. During FY19, the Trustees approved proposals to register TRAFFIC representative offices in China and Malaysia (the latter as a company registered by guarantee). These registrations were both approved in the country of residence in December 2019 and were operationalised in the second half of FY2020. TRAFFIC's China representative office is now included in the TRAFFIC International accounts as a branch; the Malaysian company is treated as a subsidiary in line with SORP guidance. 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
- Aimé Nianogo (resigned May 2020)
- Jon Paul Rodriguez
- Jane Smart
- Heather Sohl
- Aban Marker Kabraji (appointed August 2020)

Trustees' report: year ended 30th June 2020

Members of the Board of Trustees are directors for the purpose of company law and Trustees for the purpose of charity law. The company is limited by guarantee. Therefore, no Trustee had any beneficial interest.

Appointment of Trustees

The role of the Trustees is collectively, as a Board, to ensure delivery of the Charity's objectives, set its strategic direction, and uphold its values. Trustees have a fundamental and legal obligation to act in the best interests of the Charity, and in accordance with the Charity's governing documents. The Trustees oversee the management and operation of the Charity subject to the provisions of the relevant acts (Charities Act 2011; Companies Act 2006 and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" second edition issued in January 2019) and the Memorandum and Articles of Association, and any directions given by special resolution. TRAFFIC's Trustees are drawn from within the broad umbrella of its partner organisations as well as the wider conservation community and bring together an extensive range of expertise in terms of programmatic, technical, financial and administrative skills. Terms of reference for the Board of Trustees (Directors) (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 17th September 1999 made on behalf of the two founding members of the Charity. This document, addressed to the Charity Commission, states on behalf of both organisations that TRAFFIC will function as an autonomous body and that neither WWF or IUCN will be able to define or restrict the activities of the Charity. Legally and professionally, Trustees therefore serve in a personal and voluntary capacity and not as representatives of their organisations.

Trustees' induction and training

When an individual accepts an invitation to become a Trustee, as part of the induction process, he or she receives an initial induction pack and meets with a senior manager of TRAFFIC to review the contents of the induction pack and supplementary materials; review responsibilities of Trustees; review current financial situation and general funding sources; review TRAFFIC's organizational chart, and the Charity's role in the larger TRAFFIC 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. Key documents are provided through a comprehensive governance manual.

Remuneration of key management personnel

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the Charity in charge of directing, controlling, and operating the Charity on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in either year. Details of Trustees' expenses and related party transactions are disclosed in Note 6 to the accounts. The Charity benchmarks remuneration of its Senior Leadership Team against comparable roles in other charities of a similar size and complexity, within a specified pay band. Each member of the Senior Leadership Team receives an annual cost of living salary increase, which takes into account inflation, changes in national average earnings and pay awards elsewhere in the charity or public sector. The award is made subject to affordability and is paid at the same rate as applied to all other eligible staff in the Charity. Increases to the Executive Director's salary that are above the annual cost-of-living salary increase are reviewed and approved by the Board of Trustees.

Public benefit

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

Trustees' report: year ended 30th June 2020

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

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

The Trustees' report (which incorporates the requirements of the Strategic Report) was approved by the Board on 7th December 2020 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		
Company registered number:	3785518		
Charity registered number:	1076722	Statutory auditor:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
		Bankers:	Barclays Bank Bene't Street Cambridge CB2 3PZ

Independent auditor's report to the members of TRAFFIC International: year ended 30th June 2020

Opinion

We have audited the financial statements of TRAFFIC International for the year ended 30th June 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30th June 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of TRAFFIC International: year ended 30 June 2020

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the 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 group's or the parent 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.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

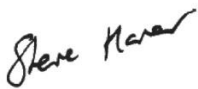
Independent auditor's report to the members of TRAFFIC International: year ended 30 June 2020

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

10 Queen Street Place
London
EC4R 1AG

22/12/2020

TRAFFIC International
Financial Statements:
year ended 30th June 2020

Consolidated statement of financial activities

Incorporating an income and expenditure account:

year ended 30th June 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Income from:					
Donations		1,146,400	37,604	1,184,004	1,381,265
Charitable activities		6,983	8,174,168	8,181,151	9,686,278
Investments		271	-	271	7,002
Funds acquired with branch transfers		-	-	-	2,418,079
Other		18,690	4,328	23,018	14,846
Total	5	1,172,344	8,216,100	9,388,444	13,507,470
Expenditure on:					
Raising funds – grant and contract proposal development		248,224	-	248,224	155,706
Charitable activities					
Red stream		670,752	6,458,781	7,129,533	6,464,325
Green stream		57,770	556,277	614,047	660,979
Mixed		148,763	1,432,458	1,581,221	3,187,181
Total charitable activity expenditure		877,285	8,447,516	9,324,801	10,312,485
Total	6	1,125,509	8,447,516	9,573,025	10,468,191
Net income/(expenditure)		46,835	(231,416)	(184,581)	3,039,279
Transfers between funds		(35,149)	35,149	-	-
Net movement in funds		11,686	(196,267)	(184,581)	3,039,279
Reconciliation of funds:					
Total funds brought forward		2,423,810	2,113,367	4,537,177	1,497,898
Total funds carried forward		2,435,496	1,917,100	4,352,596	4,537,177

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 34 to 54 form an integral part of these financial statements.

Full comparative figures for the year ended 30th June 2019 are shown in note 20.

Balance sheets: as at 30th June 2020

	Notes	Group 2020 £	Charity 2020 £	2019 £
Fixed Assets				
Intangible fixed assets	10	23,114	22,703	25,225
Tangible fixed assets	11	76,063	67,722	108,132
		<u>99,177</u>	<u>90,425</u>	<u>133,357</u>
Current Assets				
Debtors	12	4,306,070	4,287,465	5,587,398
Cash at bank and in hand		3,240,159	2,985,862	3,656,709
		<u>7,546,229</u>	<u>7,273,327</u>	<u>9,244,107</u>
Liabilities				
Creditors: amounts falling due within one year	13	3,292,810	3,305,572	4,840,287
Net current assets		<u>4,253,419</u>	<u>3,967,755</u>	<u>4,403,820</u>
Total assets less current liabilities being net assets		<u>4,352,596</u>	<u>4,058,180</u>	<u>4,537,177</u>
The funds of the Charity				
Restricted funds		1,917,100	1,824,319	2,113,367
Unrestricted		2,435,496	2,233,861	2,423,810
Total Charity funds	16	<u>4,352,596</u>	<u>4,058,180</u>	<u>4,537,177</u>

The deficit of the Charity before consolidation was £478,997 and further details are presented in note 3. As explained in note 1(c) the comparatives are for the Charity only as consolidated accounts were not required in the prior year.

The financial statements of TRAFFIC International (company number 3785518) were approved by the Board of Trustees and authorised for issue on 7th December 2020 and signed on its behalf by:



Mark Halle
Chair

The notes on pages 34 to 54 form an integral part of these financial statements.

Consolidated Cash Flow Statement: year ended 30 June 2020

	2020 Total £	2019 Total £
Cash flows from operating activities:		
Net cash flows from operating activities	(360,965)	502,193
Cash flows from investing activities:		
Dividends, interest and rents from investments	271	7,002
Transfer of assets	-	(69,288)
Purchase of fixed assets	(55,856)	(52,188)
Net cash outflow from investing activities	(55,585)	(114,474)
Net (decrease)/increase in cash and cash equivalents	(416,550)	387,719
Cash and cash equivalents at 1st July 2019	3,656,709	3,268,990
Cash and cash equivalents at 30th June 2020	3,240,159	3,656,709
Reconciliation of net cash flows from operating activities:		
Net (expenditure)/income	(184,581)	3,039,279
Depreciation and amortisation	90,036	87,027
Investment income	(271)	(7,002)
(Increase)/decrease in debtors	1,281,328	(2,799,010)
Increase/(decrease) in creditors	(1,547,477)	181,899
Net cash flows from operating activities	(360,965)	502,193

The notes on pages 34 to 54 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 30th June 2020

1. Accounting Policies

TRAFFIC International is a company limited by guarantee and registered in England and Wales (3785518), not having a share capital, and as a Registered Charity with the Charity Commission for England and Wales (1076722). The Charity is not liable to corporation tax on its charitable activities and further details are shown above within the Reference and Administrative details on page 26.

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

a) **Accounting conventions**

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

b) **Going concern**

The Trustees 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. In carrying out this assessment, the group has also considered the impact of the COVID-19 pandemic on its activities.

c) **Consolidation**

These financial statements consolidate the results of TRAFFIC International Southeast Asia on a line by line basis. TRAFFIC International Southeast Asia is incorporated in Malaysia. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. TRAFFIC International Southeast Asia was incorporated during the year ended 30th June 2020 and therefore the comparatives are for the charitable company only. There are no significant differences between the accounting policies of the parent charitable company and its subsidiary. In addition to the subsidiary undertaking, the charitable company has a number of branches which are treated as being part of the results of the charitable company in line with section 25 of the Statement of Recommended Practice. As permitted by Section 408 of Companies Act 2006, no separate Statement of Financial Activities for the Charity has been presented however the results of the Charity before consolidation are summarised in note 3.

d) **Income**

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

e) **Expenditure**

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

Costs of raising funds:

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

Notes to the Accounts: year ended 30th June 2020

Charitable activities:

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

Support costs:

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

Governance costs:

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

f) Tangible fixed assets

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

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

g) Intangible fixed assets

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

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

h) Funds

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

Unrestricted funds

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

Restricted funds

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

Restricted funds are allocated to specific activities and outputs usually under the terms of a project contract accompanying the grant. Detailed accounts are maintained for restricted projects including income, expenditure and fund balances by donor. The majority of projects are short-term in nature with grants being expended between one and five years. Deficits within restricted project funds which occur when income is not

Notes to the Accounts: year ended 30th June 2020

entitled to be recognised in the current financial period are carried forward to the next period. Where further funding is not anticipated, a transfer is made from unrestricted funds to cover the deficit.

The Charity does not have any endowment funds.

i) **Cash and cash equivalents**

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

j) **Employee benefits – Pensions**

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

k) **Foreign exchange**

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

l) **Operating lease agreements**

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

m) **Financial instruments**

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

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

Notes to the Accounts: year ended 30th June 2020

3. Result of the charity

	2020 £
Income	
Donations	1,184,004
Charitable activities	7,797,264
Other income	14,906
	<u>8,996,174</u>
Expenditure	
Charitable activities and raising funds	9,231,289
Funds transferred to subsidiary undertaking	243,882
	<u>9,475,171</u>
Net income	(478,997)
Funds brought forward	<u>4,537,177</u>
Funds carried forward	<u>4,058,180</u>

4. Result of subsidiary undertaking

TRAFFIC International Southeast Asia is a company incorporated in Malaysia and is a wholly owned subsidiary of TRAFFIC International. It was incorporated in January 2020 and carries out the activities of the charity in the region. Prior to incorporation, the activities in the region were run as a branch of TRAFFIC International. On 1st February 2020, the activities and net assets of the branch were transferred to the new company. The results have been included in these financial statements from that date, a summary of which is provided below.

	2020 £
Income	
Funds transferred from parent undertaking	243,882
Charitable activities	395,480
	<u>639,362</u>
Expenditure	
Charitable activities	344,946
	<u>344,946</u>
Net income	294,416
Funds brought forward	-
Funds carried forward	<u>294,416</u>
Funds	
Total assets	341,208
Total liabilities	(46,792)
	<u>294,416</u>

Notes to the Accounts: year ended 30th June 2020

5. Income

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

	Unrestricted £	Restricted £	2020 Total £
Donations			
IUCN and WWF	1,134,913	-	1,134,913
Corporate and Individuals	11,487	37,604	49,091
	<u>1,146,400</u>	<u>37,604</u>	<u>1,184,004</u>
Charitable activities			
IUCN and WWF	6,983	1,714,833	1,721,816
Governments	-	4,149,167	4,149,167
Multilaterals	-	87,177	87,177
Foundations and charities	-	1,591,897	1,591,897
Corporate and Individuals	-	631,094	631,094
	<u>6,983</u>	<u>8,174,168</u>	<u>8,181,151</u>
Other income	18,690	4,328	23,018
Bank interest	271	-	271
	<u>1,172,344</u>	<u>8,216,100</u>	<u>9,388,444</u>

2019 Comparative

	Unrestricted £	Restricted £	2019 Total £
Donations			
IUCN and WWF	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 and WWF	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 the accounts from five branch offices located in Cameroon, Malaysia, South Africa, Tanzania and Viet Nam into the UK charity accounts.

Notes to the Accounts: year ended 30th June 2020

6. Expenditure

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

	Direct costs £	Support costs £	2020 Total £
Costs of raising funds	-	248,224	248,224
Charitable activities			
Addressing Wildlife crime & illegal trade	6,047,061	1,082,472	7,129,533
Sustainable legal trade	520,817	93,230	614,047
Mixed stream	1,341,145	240,076	1,581,221
	<u>7,909,023</u>	<u>1,415,778</u>	<u>9,324,801</u>
	<u>7,909,023</u>	<u>1,664,002</u>	<u>9,573,025</u>

2019 Comparative

	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	660,978
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>

Notes to the Accounts: year ended 30th June 2020

Analysis of expenditure:

	Unrestricted £	Restricted £	2020 Total £
Costs of raising funds			
Staff costs	207,328	-	207,328
Operational	6,934	-	6,934
Establishment	21,419	-	21,419
Travel	3,534	-	3,534
Depreciation and amortisation	3,466	-	3,466
Foreign exchange gain	(2,220)	-	(2,220)
Governance	7,763	-	7,763
	<u>248,224</u>	<u>-</u>	<u>248,224</u>
Charitable activities			
Staff costs	290,773	4,763,722	5,054,495
Operational	169,053	1,714,460	1,883,513
Establishment	522,177	172,870	695,047
Professional fees	-	17,025	17,025
Project sub-contracts	15,034	772,241	787,275
Travel	86,156	492,426	578,582
Depreciation and amortisation	86,570	-	86,570
Transfer of costs to projects	(432,242)	432,242	-
Foreign exchange loss/(gain)	(54,114)	82,530	28,416
Governance	193,878	-	193,878
	<u>877,285</u>	<u>8,447,516</u>	<u>9,324,801</u>
Total expenditure	<u>1,125,509</u>	<u>8,447,516</u>	<u>9,573,025</u>

Notes to the Accounts: year ended 30th June 2020

2019 Comparative

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 and amortisation	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 and amortisation	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 30th June 2020

7. Support costs

	Support £	Governance £	2020 £
Professional fees	-	29,617	29,617
Auditor's remuneration	-	15,900	15,900
Other audits	-	15,157	15,157
Staff costs	1,295,323	123,320	1,418,643
Operational	-	4,125	4,125
Establishment costs	145,464	12,740	158,204
Travel	21,574	2,102	23,676
Foreign exchange gain	-	(1,320)	(1,320)
	<u>1,462,361</u>	<u>201,641</u>	<u>1,664,002</u>

2019 Comparative

	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 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 30th June 2020

8. Employee and Trustee Information

	2020 £	2019 £
a) Staff costs:		
Wages and salaries	4,249,219	3,807,205
Social security costs	447,412	339,052
Pension costs	474,775	400,854
Other benefits	58,689	88,367
Other staff costs	135,607	83,305
Severance payments	19,440	-
	<u>5,385,142</u>	<u>4,718,783</u>

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

	2020	2019
b) The average number of persons, employed during the year was:		
Management and Administration	53	46
Programme and Research	72	72
	<u>125</u>	<u>118</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties. Eight Trustees received payments for expenses during 2020 of £4,838 (2019 – £4,634 to seven Trustees).

	2020	2019
c) Employees with emoluments (emoluments include salaries and taxable benefits, but not employer pension costs or employer's national insurance) over £60,000 were:		
£60,001 – £70,000	3	2
£70,001 – £80,000	3	4
£80,001 – £90,000	1	2
£90,001 – £100,000	1	1
£110,001 – £120,000	1	1
	<u>9</u>	<u>10</u>

- d) Senior leadership team
Total remuneration of the Key Management Personnel (the Trustees with the Senior Leadership Team comprising the Executive Director and other senior managers), including pension contributions excluding social security costs, was £590,724 (2019: £574,301) for seven (2019: seven) staff members. No Trustees received nor waived any remuneration.

9. 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 £474,775 (2019: £400,854).

Notes to the Accounts: year ended 30th June 2020

10. Intangible fixed assets

GROUP	Computer Software £
Cost:	
At 1 July 2019	78,738
Additions	15,886
At 30th June 2020	<u>94,624</u>
Amortisation:	
At 1st July 2019	53,513
Charge for year	17,997
At 30th June 2020	<u>71,510</u>
Net book value:	
At 30th June 2020	<u>23,114</u>
At 30th June 2019	<u>25,225</u>

CHARITY	Computer Software £
Cost:	
At 1st July 2019	78,738
Additions	15,437
At 30th June 2020	<u>94,175</u>
Amortisation:	
At 1st July 2019	53,513
Charge for year	17,959
At 30th June 2020	<u>71,472</u>
Net book value:	
At 30th June 2020	<u>22,703</u>
At 30th June 2019	<u>25,225</u>

Notes to the Accounts: year ended 30th June 2020

11. Tangible fixed assets

GROUP	Leasehold improvements £	Fixtures & Fittings £	Vehicles £	Computer Equipment £	Total £
Cost:					
At 1st July 2019	10,861	38,400	55,208	144,785	249,254
Additions	-	9,736	-	30,234	39,970
Disposals	-	(99)	-	(20,471)	(20,570)
At 30th June 2020	10,861	48,037	55,208	154,548	268,654
Depreciation:					
At 1st July 2019	4,660	25,133	24,768	86,561	141,122
Charge for year	1,865	11,642	20,614	37,918	72,039
Disposals	-	(99)	-	(20,471)	(20,570)
At 30th June 2020	6,525	36,676	45,382	104,008	192,591
Net book value:					
At 30th June 2020	4,336	11,361	9,826	50,540	76,063
At 30th June 2019	6,201	13,267	30,440	58,224	108,132

CHARITY	Leasehold improvements £	Fixtures & Fittings £	Vehicles £	Computer Equipment £	Total £
Cost:					
At 1st July 2019	10,861	38,400	55,208	144,785	249,254
Additions	-	9,736	-	30,234	39,970
Disposals	-	(99)	-	(20,471)	(20,570)
Transfers	(10,861)	(20,712)	-	(5,867)	(37,440)
At 30th June 2020	-	27,325	55,208	148,681	231,214
Depreciation:					
At 1st July 2019	4,660	25,133	24,768	86,561	141,122
Charge for year	1,097	11,006	20,614	37,414	70,131
Disposals	-	(99)	-	(20,471)	(20,570)
Transfers	(5,757)	(18,913)	-	(2,521)	(27,191)
At 30th June 2020	-	17,127	45,382	100,983	163,492
Net book value:					
At 30th June 2020	-	10,198	9,826	47,698	67,722
At 30th June 2019	6,201	13,267	30,440	58,224	108,132

Transfers represent assets transferred to TRAFFIC International Southeast Asia following separate incorporation as explained in note 1(c).

Notes to the Accounts: year ended 30th June 2020

12. Debtors: amounts falling within one year

	Group 2020 £	Charity 2020 £	Charity 2019 £
Trade debtors	181,239	181,239	288,490
Other debtors	75,584	56,979	65,056
Amounts held by hosts	1,702,591	1,702,591	1,664,743
Prepayments	56,357	56,357	78,313
Accrued income	2,290,299	2,290,299	3,490,796
	<u>4,306,070</u>	<u>4,287,465</u>	<u>5,587,398</u>

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

13. Creditors: falling due within one year

	Group 2020 £	Charity 2020 £	Charity 2019 £
Trade creditors	433,190	419,508	471,121
Other creditors	35,244	29,555	10,754
Accruals	1,274,630	1,257,735	2,460,831
Salary and tax creditors	26,832	16,306	18,761
Amounts owed to hosts	673,088	673,088	1,125,903
Amounts owed to subsidiary undertaking	-	59,554	-
Deferred income	849,826	849,826	752,917
	<u>3,292,810</u>	<u>3,305,572</u>	<u>4,840,287</u>

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

14. Deferred income

	2020 Total £	2019 Total £
Balance at the beginning of the year	752,917	941,167
Amount released to income in the year	(752,917)	(941,167)
Amount deferred in the year	<u>849,826</u>	<u>752,917</u>
Balance at the end of the year	<u>849,826</u>	<u>752,917</u>

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

Notes to the Accounts: year ended 30th June 2020

15. Analysis of charitable funds

	1st July 2019 £	Income £	Expenditure £	Transfers £	30th June 2020 £
Unrestricted funds	2,423,810	1,172,344	(1,125,509)	(35,149)	2,435,496
Restricted funds					
Major projects:					
Wildlife Trafficking, Response, Assessment and Priority setting	97,790	743,594	(1,260,086)	117,860	(300,842)
ROUTES	(1,128,857)	1,065,774	(212,852)	-	(275,935)
Reducing Trade threats in Africa's wild species and ecosystem	1,024,811	611,189	(681,067)	-	954,933
The Combating Wildlife Crime Project	667,977	223,624	(381,021)	-	510,580
Saving species	145,843	246,683	(29,394)	-	363,132
CITES influencing and informing decision makers, wildlife crime enforcement and demand-side strategies and interventions	(28,852)	48,421	(98,721)	-	(79,152)
Wildlife DNA Forensics and Seizure Training	56,136	308,554	(284,885)	-	79,805
Partnership against Poaching and Illegal Wildlife Trade	(201,314)	363,509	(529,589)	-	(367,394)
China's Champions of Change	172,631	338,714	(326,896)	-	184,449
Developing Forensic Capacity in Southern Africa	65,571	235,571	(114,760)	-	186,382
Wildlife in Asia	166,550	341,962	(406,486)	-	102,026
Succeeding with CITES: Sustainable and equitable Jatamansi trade from Nepal	71,186	73,060	(171,383)	-	(27,137)
Contributions to mitigate Illegal Wildlife Trade in the Francophone parts of the world – Phase II	66,315	78,942	(147,654)	-	(2,397)
Reinforcing Chinese Government and industry action to reduce illegal timber exports from Cameroon, Republic of the Congo, Viet Nam and other transit countries. Phase II	152,120	474,332	(425,563)	-	200,889
Minimising the Illegal Killing of Elephants and other Endangered Species (MIKES)	-	7,028	(4,934)	-	2,094
	1,327,907	5,160,957	(5,075,291)	117,860	1,531,433
Other projects	785,460	3,055,143	(3,372,225)	(82,711)	385,667
	2,113,367	8,216,100	(8,447,516)	35,149	1,917,100
Total funds	4,537,177	9,388,444	(9,573,025)	-	4,352,596

Seized pangolin scales.
Photo: Elizabeth John

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 organisations, 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.

Minimising the Illegal Killing of Elephants and Other Endangered Species (MIKES) – Asia Wildlife Law Enforcement and Demand Management Project

Funded by The CITES Secretariat-UN

This project aims to address the serious and growing problem of international trade and demand for key African wildlife species in Asia, in particular African Elephants, rhinos, and pangolins, as well also targeting efforts to reduce the illegal killing of key Asian wildlife species impacted by international trade, such as Asian Elephants, rhinos and tigers. To achieve this, the project will work towards strengthening capacity and awareness in Asian countries aimed at combating illegal trade in key wildlife species, in particular strengthening national-level legal frameworks for combatting wildlife trafficking and crime, strengthening capacity for investigating and prosecuting wildlife trade incidents and tackling local markets, building collaboration in wildlife crime and trafficking prevention nationally and regionally, documenting and combatting illegal killing of key Asian wildlife species in key protected areas, and strengthening measures to increase understanding of governments and decision makers concerning the impact of wildlife trade on the conservation status of key species.

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 realise the potential of wildlife DNA forensics. The project aims to maximise 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 is 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 co-ordination 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.

Reinforcing Chinese Government and industry action to reduce illegal timber exports from Cameroon, Republic of the 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 the 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.

Minimising the Illegal Killing of Elephants and Other Endangered Species (MIKES) – TRAFFIC Elephant Trade Information System (ETIS)

Funded by The CITES Secretariat-UN

The project's objective is to reinforce the protection of elephants and other CITES-listed African mammals throughout the continent, through strengthened monitoring, management, and law enforcement capacities for improvement of the protection of elephants and other CITES-listed African mammals in MIKE range States and sites. The primary focus of the project will be to contribute to the protection and sustainable management of Africa's elephant populations, but it will also address the illegal killing and trade in other iconic CITES-listed African mammals.

Notes to the Accounts: year ended 30th June 2020

Analysis of charitable funds for the year ended 30 June 2019:

	1st July 2018	Income	Funds acquired with branch transfers	Expenditure	Transfers	30th 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 ROUTES	(81,639)	1,591,870	154,691	(1,567,132)	-	97,790
Reducing Trade threats in Africa's wild species and ecosystem	(355,620)	1,392,561	(41,692)	(2,124,106)	-	(1,128,857)
The Combating Wildlife Crime Project	504,886	581,894	555,084	(617,053)	-	1,024,811
Saving species	384,026	427,962	180,997	(325,008)	-	667,977
Wildlife DNA Forensics and Seizure Training	(105,380)	271,131	-	(19,908)	-	145,843
Partnership against Poaching and Illegal Wildlife Trade	(74,140)	388,833	3,917	(262,474)	-	56,136
China's Champions of Change	(144,189)	735,459	(49,368)	(743,216)	-	(201,314)
Developing Forensic Capacity in Southern Africa	(214,776)	390,114	-	(2,707)	-	172,631
Wildlife in Asia	(114,285)	187,434	-	(7,578)	-	65,571
Succeeding with CITES: Sustainable and equitable Jatamansi trade from Nepal	55,931	447,258	-	(336,639)	-	166,550
Contributions to mitigate Illegal Wildlife Trade in the Francophone parts of the world – Phase II	-	191,895	-	(120,709)	-	71,186
Reinforcing Chinese Government and industry action to reduce illegal timber exports from Cameroon, Republic of the Congo, Viet Nam and other transit countries. Phase II	-	165,753	-	(99,438)	-	66,315
	-	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

Notes to the Accounts: year ended 30th June 2020

16. Allocation of net assets between funds

Group	Restricted funds £	Unrestricted funds £	2020 Total £
Fixed assets	-	99,177	99,177
Current assets	4,655,035	2,891,194	7,546,229
Current liabilities	(2,737,935)	(554,875)	(3,292,810)
Total funds	1,917,100	2,435,496	4,352,596

Charity	Restricted funds £	Unrestricted funds £	2020 Total £
Fixed assets	-	90,425	90,425
Current assets	4,614,076	2,659,251	7,273,327
Current liabilities	(2,789,757)	(515,815)	(3,305,572)
Total funds	1,824,319	2,233,861	4,058,180

2019 Comparative	Restricted funds £	Unrestricted funds £	2019 Total £
Group and Charity			
Fixed assets	-	133,357	133,357
Current assets	5,711,040	3,533,067	9,244,107
Current liabilities	(3,597,673)	(1,242,614)	(4,840,287)
Total funds	2,113,367	2,423,810	4,537,177

Notes to the Accounts: year ended 30th June 2020

17. Operating leases

At 30th June 2020 the Charity had total commitments under non-cancellable operating leases as set out below:

	Group	Charity	Group and charity
	2020	2020	2019
	£	£	£
	Land & Buildings	Land & Buildings	Land & Buildings
Payment due:			
Within one year	101,337	47,334	86,091
Within two to five years	236,825	155,821	190,587
After five years	15,886	15,886	39,802
	<u>354,048</u>	<u>219,041</u>	<u>316,480</u>

18. Related party transactions

The following transactions took place between the TRAFFIC International and its wholly owned subsidiary TRAFFIC International Southeast Asia:

Transfer of project income of £285,335 and core income of £25,585 from the parent undertaking to the subsidiary.

Service support charges of £20,484 were made by the parent undertaking to the subsidiary.

Grants of £37,944 were transferred from the subsidiary to the parent undertaking.

At the year end, the parent undertaking owed £59,554 to the subsidiary undertaking.

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

19. Taxation

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

Notes to the Accounts: year ended 30th June 2020

20. Comparative Statement of Financial Activities (Year ended 30 June 2019)

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total £
Income from:				
Donations		1,367,453	13,812	1,381,265
Charitable activities		37,950	9,648,328	9,686,278
Investments		967	6,035	7,002
Funds acquired with branch transfers		1,127,429	1,290,650	2,418,079
Other		14,447	399	14,846
Total		2,548,246	10,959,224	13,507,470
Expenditure on:				
Raising funds – grant and contract proposal development		155,706	-	155,706
Charitable activities				
Red stream		566,391	5,897,934	6,464,325
Green stream		57,914	603,065	660,979
Mixed		279,254	2,907,927	3,187,181
Total charitable activity expenditure		903,559	9,408,926	10,312,485
Total		1,059,265	9,408,926	10,468,191
Net income/(expenditure)		1,488,981	1,550,298	3,039,279
Transfers between funds		(30,106)	30,106	-
Net movement in funds		1,458,875	1,580,404	3,039,279
Reconciliation of funds:				
Total funds brought forward		964,935	532,963	1,497,898
Total funds carried forward		2,423,810	2,113,367	4,537,177

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