

ANIMALS ASIA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



**ANIMALS ASIA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

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**ANIMALS ASIA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Trustees	Mr B Chiao Dr J Robinson MBE Mr J Warham
Company registered number	04185603
Charity registered number	1086903
Registered office	3 Ashleigh Meadow Tregondale Farm Menheniot Cornwall PL14 3RG
Company secretary	Miss L Simpson
UK Director	Miss J Dunsford
Independent auditors	Bishop Fleming LLP Chartered Accountants 50 The Terrace Torquay Devon TQ1 1DD
Bankers	The Co-operative Bank Plc Kings Valley Yew Road Stockport SK4 2JU

**ANIMALS ASIA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Animals Asia Foundation (the company) for the ended 31 December 2015. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

a. POLICIES AND OBJECTIVES

The objects of the company are to promote animal welfare for the benefit of the public by activities including:

- Providing and assisting in the provision of relief of suffering to animals in need of care and protection, and preventing cruelty to animals in Asia and elsewhere; and
- Educating the public in matters concerning animal welfare.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

The objects of the company are to promote animal welfare for the benefit of the public by activities including:

- By funding 3 main programmes which are - Ending Bear Bile Farming, Cat and Dog Welfare and Zoos and Safari Parks which are delivered and managed by ourselves in Asia and, in particular, in China and Vietnam; and
- Educating the public in matters concerning animal welfare.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Through our work we are providing support for many people both in the UK and elsewhere who have a deep respect for animals and wildlife. Our education activities with young people and adults in the UK and those we help fund in China are valued and beneficial, both to those directly involved and to their wider communities. We are also very fortunate to have a growing active supporter base which is instrumental in raising awareness of our work.

ACHIEVEMENTS AND PERFORMANCE

a. KEY FINANCIAL PERFORMANCE INDICATORS

The primary financial objective for Animals Asia globally in 2015 was to increase gross and unrestricted income. Animals Asia UK was therefore focused on delivering a yr on yr growth of at least 10% gross, 5% net with an increased ratio of unrestricted income.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

b. REVIEW OF ACTIVITIES

Bear Bile Farming

Moon bears are the world's most poached and smuggled bears, according to a 2015 report from Interpol. The report estimates the trade is worth US\$2 billion, with wild bear bile fetching up to 65 times that of a farmed bear.

It identifies Asia's moon bears – prized for their bile – as the most sought after of the world's eight bear species, with products from wild bears in particular demand. The report will be an important negotiating tool for us, as it contradicts bear farmers' claims that the legal breeding of bears for their bile reduces poaching of animals in the wild. Before bear farming began in the 1980s, bears were killed for their gall-bladders, which store the bile.

To date, Animals Asia has rescued 583 bears from the bile industry in China and Vietnam and we are now approaching the end of this trade in Vietnam. The number of bears on bile farms in the country is dropping fast – down from over 4,000 in 2006 to around 1,200 today - and the country's traditional medicine association has promised a complete end to the use of bear bile by 2020. So we're confident, with your continued help, the end is now in sight in this country.

Following our eight-year campaign to Free the Halong Bears, we finally realised the impossible when 33 bears were rescued from some of Vietnam's very worst bear farms – making Halong Bear and the entire province of Quang Ninh completely bear farm free. With local government and forestry taking such an active role in these efforts, the effect started to be felt. In 2012-13, bear farms in Quang Ninh started to go out of business. But it was not without a terrible cost. Bears were dying at an alarming rate, with some farmers deliberately starving their bears to death. Our efforts to rescue the bears gained momentum and nearly 120,000 people signed our petition to Save the Halong Bears including celebrities Ricky Gervais and the cast of Downton Abbey. That's when the Prime Minister stepped in to order the bears be released. We rescued a total of 41 bears in Vietnam in 2015, bringing the total number of bears at our sanctuary near Hanoi to 147.

'If we can end bear bile farming in Halong Bay, we can end it throughout Vietnam. We owe it to bears like Sam and Simon, who spent years in these cages.' Dr Tuan Bendixsen, Vietnam Director

Animals Asia's goal is to close every last bile farm and build respect and kindness towards bears. We work with, not against, the authorities and it's a method that works in Vietnam where bear farming is illegal, and in China where bear bile farming is still legal. Animals Asia focuses on public awareness and reducing demand for bile. In 2015 we spoke at the country's most important gathering of veterinary professionals, the Conference of Chinese Veterinary Medicine, and the association posted some of our materials online which is accessed by vets across China. We also work with the authorities to close the worst of the farms and lobby for a ban on the industry. We have a sanctuary in Chengdu, and have rescued over 400 bears since 2000. Today, over 100 bears are living peacefully and happily there.

On-site, the Chengdu team was kept busy caring for the increasing number of elderly bears, which requires extra veterinary care due to age-related conditions such as cataracts, arthritis and reduced mobility. These bears need special outdoor furniture that caters to their needs, such as low hammocks and climbing frames. The sanctuary itself also required remedial care in 2015, with older buildings getting some much-needed attention and our resident macaques getting a brand new enclosure. Staff at Chengdu stuffed 43,070 marshmallows with pills to help the bears take their meds and our vets conducted 67 health-checks with bears under full anaesthesia.

In April 2014, Animals Asia took custody of 132 bears on a bile farm in Nanning, southern China. We plan to take the bears to our sanctuary in Chengdu – as soon as we receive the necessary permits to transport the bears from Nanning to Chengdu. Until then, our already stretched team continues to shuttle between the two sites, doing all they can to make the bears as comfortable as possible and offer stimulation to meet their needs. Enrichment items to keep them busy are an important part of their daily care. By the end of 2015, all the Nanning bears had metal pools to bathe in, bamboo feeders, logs and toys. Staff are even planting banana trees on site to provide them with big leaves to play with.

**ANIMALS ASIA FOUNDATION
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

'Until we can move these bears from Nanning to our Chengdu sanctuary, we'll do the best we possibly can for them. It's far from perfect, but it's a big improvement on their lives before.'

Nicola Field BSc, MSc, Bear and Vet Team Director, China

Captive Animal Welfare

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

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Nicola Field BSc, MSc, Bear and Vet Team Director, China.

Cat and Dog Welfare

At just six weeks of age, after chewing a mobile phone, Tuffy had scalding water poured all over his body and was thrown from his owner's 4th floor apartment. Ms Yan found him clinging to life and got him to our nearby bear sanctuary. He needed multiple surgeries and skin grafts, but little by little, with incredible skill and love from our vet team, he grew stronger. Today Tuffy runs and plays like any normal puppy. Tuffy's story went viral online and touched the hearts of millions in China and worldwide.

In 2015 more than 220 stray cats in Shanghai were neutered, vaccinated and treated for worms with funding from Animals Asia's supporters. Animals Asia's volunteer dogs reached 22,000 people in Hong Kong and three mainland Chinese cities – Chengdu, Guangzhou and Shenzhen. Dr Dog visited 200 facilities and reached over 14,000 people. Professor Paws visited 126 schools and reached over 8,000 young people.

Our goal is to end the dog and cat meat trade while promoting love and respect for companion animals. Most of the 10 million dogs slaughtered each year in China for their meat are stolen pets or strays snatched from the streets – despite the industry's claims that most are bred on farms. This is one of the shocking findings from Animals Asia's extensive four-year investigation into the cruel dog meat industry. In 2015 we published a series of reports from these investigations, exposing cruelty, deception and illegality at every stage of the industry's supply chain – from how the dogs were sourced, to the slaughter and sale of dog meat products. The reports had a big impact in China. On Weibo (China's biggest social network), more than 12,000 people reposted the story, over 50 million people saw it, and 60 media outlets covered our findings. We also presented our reports to the authorities and will continue to work with them to end this terrible industry.

In June 2015, the eyes of the world once again fell on Yulin, China – a beautiful city with a dark stain, its annual dog meat festival. We're doing all we can to stop the slaughter and we're seeing real progress. Activists estimate that in 2015 under 2,000 dogs were killed. In previous years it's estimated that over 10,000 dogs were slaughtered at the event. But even one is one dog too many.

We continued to expand our global campaign to urge the dog meat traders to end the annual 'celebration' and almost 150,000 people signed our open letter to the traders at the Yulin Dog Meat Festival. Perhaps more importantly, almost 2 million Chinese citizens signed a petition calling on the government to outlaw the dog and cat meat industry. This demonstration of the tide of Chinese public support turning against this trade is critical and will help to persuade the government that there is a suitable social landscape and public demand to tackle this issue.

Animals Asia knows that ending Yulin will not end the misery for 'meat' cats and dogs, but ending the trade will bring an end to Yulin. This is why we work all year round, right across the country to tackle this issue comprehensively. It's working. Our petitions were supported by 30 representatives of the National People's Congress who called for amendments to food safety laws to exclude the use of dogs and cats.

Alongside our work with national and provincial government, we also work at grass roots level where China now has more than 150 animal welfare groups compared with just 30 in 2006. The younger generation is driving the opposition to animal cruelty, and in recent years a number of local groups run by passionate young people have emerged. These groups are changing attitudes at a community level, as well as campaigning for animal protection laws and rescuing thousands of cats and dogs from the meat trade. We support these groups with funding, training and by supplying a formal platform for dialogue with the authorities through our China Companion Animal Symposium. Ultimately, we know it will be Chinese solutions by Chinese communities that bring meaningful and lasting change.

c. INVESTMENT POLICY AND PERFORMANCE

**ANIMALS ASIA FOUNDATION
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Under the Memorandum and Articles of Association Animals Asia has the power to make any investment which the Trustees see fit. As funds are only retained for short periods before being remitted to Hong Kong head office these funds are simply held on deposit with the company's bankers.

FINANCIAL REVIEW

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. PRINCIPAL FUNDING

Animals Asia UK saw substantial growth in its income in 2014 following our large appeal to support to take over and convert a previously owned state bear bile farm in Nanning.

Our volunteer network and charity shop, opened April 2012, saw another super year raising over £200,000 from their activities in the UK.

The UK income is vital to the welfare of the bears and animals in our care in China and Vietnam and enables delivery of our unique education programmes and campaigns in China and Vietnam.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed on 05/04/01

The company is constituted under a Memorandum of Association dated 05/04/01 and is a registered charity number 1086903

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are recruited based on their skills, experience, empathy and understanding of the charity and how these satisfy the needs of the charity.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All Trustees are fully inducted by the charity on its aims and objectives and the role they have in developing the charity. The Trustees have all received the Charities Commission guidance on the Roles and Responsibilities of charity Trustees.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees govern our business and as at 1st January 2015 there were three Trustees.

The Board determined its role at its conception in 2001 and continues to periodically review its position. We see our function as ensuring good governance of the company and to this end we focus on matters of policy and strategy, the approval of plans, monitoring of progress and financial controls.

The day to day operational responsibility is delegated to the Director.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

e. RISK MANAGEMENT

The Trustees actively and regularly review any major risks that the company faces. It is believed that maintaining the current levels combined with an annual review of the controls over key financial systems should provide sufficient resources in the event of adverse conditions. The Trustees have also examined other potential operational and business risks faced by the company and confirm that they have established systems to mitigate any significant risks.

PLANS FOR FUTURE PERIODS

a. FUTURE DEVELOPMENTS

The UK team continues to go from strength to strength and we have a clear, robust yet ambitious plan for the next three years which aims to grow income to meet the growing costs of our work in Asia. Diversification is at the heart of this strategy which is, quite simply, to increase both the scope and scale of support. We will introduce an annual programme of events and activities to provide exciting opportunities for existing supporters whilst also enabling us to reach out to new supporters for the first time. We hope this will help to grow income across all areas, but particularly amongst corporates and events. We will also be exploring new opportunities in retail with the potential to establish another shop and possibly run a number of 'pop-up' shops thought the year.

These plans are specifically aimed to increase sustainable and unrestricted funds which afford the charity the best opportunity to plan with confidence and spend with flexibility. We do not expect to see any significant growth in the team over the next year, although we are planning an office move from Menheniot (near Liskeard) to Plymouth which will enable us to recruit volunteers for our office.

We continually strive to ensure our return on investment is strong, ensuring the financial support from our donors goes directly to the animals in need, and works hard to keep Animals Asia going and growing. We are committed to accountability and transparency and are proud of our ability to increase our contributions to the animals in Asia whilst keeping our costs to a minimum.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Animals Asia Foundation for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ANIMALS ASIA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 28/9/16 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Jill Robinson', with a horizontal line underneath.

Dr Jill Robinson MBE
Trustee

**ANIMALS ASIA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS ASIA FOUNDATION

We have audited the financial statements of Animals Asia Foundation for the year ended 31 December 2015 set out on pages 11 to 22. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**ANIMALS ASIA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANIMALS ASIA FOUNDATION

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption in preparing the Trustees' report.

William Hanbury FCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
50 The Terrace
Torquay
Devon
TQ1 1DD
29 September 2016



ANIMALS ASIA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015

		Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
	Note				
INCOME FROM:					
Donations and legacies	2	1,118,486	1,084,444	2,202,930	1,865,609
Other trading activities	3	-	111,987	111,987	66,648
Investments	4	-	811	811	534
Other income	5	-	(1,947)	(1,947)	(443)
TOTAL INCOME		1,118,486	1,195,295	2,313,781	1,932,348
EXPENDITURE ON:					
Raising funds	6	-	417,121	417,121	427,227
Charitable activities:					
Programme payments to Hong Kong		1,118,486	958,753	2,077,239	1,360,734
Public awareness and education		-	77,488	77,488	41,677
Governance	7	-	5,250	5,250	6,030
TOTAL EXPENDITURE	9	1,118,486	1,458,612	2,577,098	1,835,668
NET INCOME / (EXPENDITURE)		-	(263,317)	(263,317)	96,680
NET MOVEMENT IN FUNDS		-	(263,317)	(263,317)	96,680
RECONCILIATION OF FUNDS:					
Total funds at 1 January 2015		-	666,720	666,720	570,040
TOTAL FUNDS AT 31 DECEMBER 2015		-	403,403	403,403	666,720

The notes on pages 13 to 22 form part of these financial statements.

**ANIMALS ASIA FOUNDATION
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REGISTERED NUMBER: 04185603**

**BALANCE SHEET
AS AT 31 DECEMBER 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	12		2,526		3,234
CURRENT ASSETS					
Stocks		4,155		4,905	
Debtors	13	231,310		316,602	
Cash at bank and in hand		187,779		360,439	
		<u>423,244</u>		<u>681,946</u>	
CREDITORS: amounts falling due within one year	14	<u>(22,367)</u>		<u>(18,460)</u>	
NET CURRENT ASSETS			<u>400,877</u>		<u>663,486</u>
NET ASSETS			<u>403,403</u>		<u>666,720</u>
CHARITY FUNDS					
Unrestricted funds	16		<u>403,403</u>		<u>666,720</u>
TOTAL FUNDS			<u>403,403</u>		<u>666,720</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Trustees on and signed on their behalf, by:

28/9/16



Dr J Robinson MBE

The notes on pages 13 to 22 form part of these financial statements.

ANIMALS ASIA FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.5 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings..

Public awareness and education costs are those incurred in connection with promoting the charity and its objectives and not for the purpose of generating voluntary contributions.

1.6 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, inclusive of Value Added Tax and exclusive of trade discounts.

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line

1.8 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

1.9 INTEREST RECEIVABLE

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

1.10 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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1. ACCOUNTING POLICIES (continued)

1.12 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Donations	1,118,486	977,420	2,095,906	1,782,932
Gift aid	-	107,024	107,024	82,677
	<u>1,118,486</u>	<u>1,084,444</u>	<u>2,202,930</u>	<u>1,865,609</u>
Total donations and legacies	<u>1,118,486</u>	<u>1,084,444</u>	<u>2,202,930</u>	<u>1,865,609</u>

In 2014, of the total income from donations and legacies, £ 926,925 was to unrestricted funds and £ 915,259 was to restricted funds.

3. TRADING ACTIVITIES

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
CHARITY TRADING INCOME				
Sale of goods	-	111,987	111,987	66,648
	<u>-</u>	<u>111,987</u>	<u>111,987</u>	<u>66,648</u>
Net income from trading activities	<u>-</u>	<u>111,987</u>	<u>111,987</u>	<u>66,648</u>

In 2014, of the total income from trading activities, £66,648 was to unrestricted funds and £Nil was to restricted funds.

4. INVESTMENT INCOME

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	-	811	811	534
	<u>-</u>	<u>811</u>	<u>811</u>	<u>534</u>

In 2014, of the total investment income, £ 534 was to unrestricted funds and £ NIL was to restricted funds.

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5. OTHER INCOMING RESOURCES

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Foreign exchange gains/(losses)	-	(1,947)	(1,947)	(443)

In 2014, of the total other incoming resources, £ (443) was to unrestricted funds and £ NIL was to restricted funds.

6. COST OF GENERATING VOLUNTARY INCOME

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Fundraising and promotions	-	115,122	115,122	87,365
Establishment expenses	-	28,104	28,104	27,214
Legal and professional fees	-	2,348	2,348	1,291
Bank and handling charges	-	16,326	16,326	14,953
Sundry expenses	-	4,843	4,843	4,023
Travelling	-	10,516	10,516	8,405
Printing, postage and stationery	-	19,536	19,536	24,328
Project payments	-	75,268	75,268	90,164
Staff costs	-	143,907	143,907	168,626
Depreciation	-	1,151	1,151	858
	-	417,121	417,121	427,227

7. GOVERNANCE COSTS

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Governance Auditors' remuneration	-	5,250	5,250	6,030

8. DIRECT COSTS

	Activities £	Total 2015 £	Total 2014 £
Programme payments to Hong Kong	2,077,239	2,077,239	1,360,734
Public awareness and education	77,488	77,488	41,677
	2,154,727	2,154,727	1,402,411

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Expenditure on raising voluntary income	143,907	1,151	272,063	417,121	337,063
COSTS OF GENERATING FUNDS	143,907	1,151	272,063	417,121	337,063
Direct costs	77,488	-	2,077,239	2,154,727	1,402,411
Expenditure on governance	-	-	5,250	5,250	6,030
	221,395	1,151	2,354,552	2,577,098	1,745,504

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,152	858
Auditors' remuneration	5,250	6,030

During the year, no Trustees received any remuneration (2014: £NIL).

During the year, no Trustees received any benefits in kind (2014: £NIL).

During the year, no Trustees received any reimbursement of expenses (2014: £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	210,309	194,528
Social security costs	11,086	15,775
	<u>221,395</u>	<u>210,303</u>

The average monthly number of employees was: 11 (2014: 11) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2015 No.	2014 No.
	<u>11</u>	<u>11</u>

No employee received remuneration amounting to more than £60,000 in either year.

12. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
COST				
At 1 January 2015	11,625	1,099	6,784	19,508
Additions	-	-	444	444
Disposals	-	-	(429)	(429)
At 31 December 2015	<u>11,625</u>	<u>1,099</u>	<u>6,799</u>	<u>19,523</u>
DEPRECIATION				
At 1 January 2015	11,625	1,099	3,550	16,274
Charge for the year	-	-	1,152	1,152
On disposals	-	-	(429)	(429)
At 31 December 2015	<u>11,625</u>	<u>1,099</u>	<u>4,273</u>	<u>16,997</u>
NET BOOK VALUE				
At 31 December 2015	<u>-</u>	<u>-</u>	<u>2,526</u>	<u>2,526</u>
At 31 December 2014	<u>-</u>	<u>-</u>	<u>3,234</u>	<u>3,234</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

13. DEBTORS

	2015	2014
	£	£
Trade debtors	15,993	30,767
Amounts owed by Hong Kong and Animals Asia Italy	141,261	279,346
Other debtors	1,138	-
Prepayments and accrued income	72,918	6,489
	<u>231,310</u>	<u>316,602</u>

14. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Amounts owed to Animals Asia Germany	14,971	11,721
Other creditors	-	869
Accruals and deferred income	7,396	5,870
	<u>22,367</u>	<u>18,460</u>

15. PRIOR YEAR ADJUSTMENT

In the prior year, total donations of £90,164 made in US dollars from UK constituents were recorded in the accounts of Animals Asia USA and Animals Asia Hong Kong. Therefore, programme payments to Animals Asia USA and Animals Asia Hong Kong were also understated by £90,164.

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
DESIGNATED FUNDS					
Designated Funds	541,720	-	(541,720)	335,903	335,903
GENERAL FUNDS					
General Funds	125,000	1,195,295	(916,892)	(335,903)	67,500
Total Unrestricted funds	666,720	1,195,295	(1,458,612)	-	403,403
RESTRICTED FUNDS					
End Bear Bile Farming	-	856,695	(856,695)	-	-
Peace by Piece - Nanning Bear Farm	-	162,952	(162,952)	-	-
Cat and Dog Welfare	-	85,570	(85,570)	-	-
Zoos and Safari Parks	-	13,269	(13,269)	-	-
	-	1,118,486	(1,118,486)	-	-
Total of funds	666,720	2,313,781	(2,577,098)	-	403,403

DESIGNATED FUNDS

These funds have been designated by the trustees towards future programme payments to Hong Kong.

RESTRICTED FUNDS

End Bear Bile Farming - Animals Asia works to end the barbaric bear bile trade, which sees over 10,000 bears, mainly moon bears but also sun bears and brown bears, kept on bile farms in China, and around 2,400 in Vietnam.

Peace by Piece: Nanning Bear Farm - Peace by Piece is Animals Asia's landmark campaign, as part of our overall End Bear Bile Farming programme, launched in April 2014 to help rescue and rehabilitate previously exploited moon bears in Nanning, China.

Cat and Dog Welfare - Animals Asia works to end the trade in dogs and cats for food in China, and lobbies to improve the welfare of companion animals and promote humane population management.

Zoos and Safari Parks - Animals Asia campaigns for an end to abusive animal practices in zoos and safari parks in China, and works closely with governing authorities to improve animal management and increase awareness of the welfare needs of captive animals.

TRANSFERS

A transfer had been made to designate general funds towards future programme payments to Hong Kong.

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	541,720	-	(541,720)	335,903	335,903
General funds	125,000	1,195,295	(916,892)	(335,903)	67,500
	<u>666,720</u>	<u>1,195,295</u>	<u>(1,458,612)</u>	<u>-</u>	<u>403,403</u>
Restricted funds	-	1,118,486	(1,118,486)	-	-
	<u>666,720</u>	<u>2,313,781</u>	<u>(2,577,098)</u>	<u>-</u>	<u>403,403</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	2,526	2,526	3,234
Current assets	-	423,243	423,243	681,946
Creditors due within one year	-	(22,366)	(22,366)	(18,460)
	<u>-</u>	<u>403,403</u>	<u>403,403</u>	<u>666,720</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(263,317)	96,680
Adjustment for:		
Depreciation charges	723	858
Dividends, interest and rents from investments	(811)	(534)
Loss on the sale of fixed assets	429	916
Decrease in stocks	750	859
Decrease/(increase) in debtors	85,292	(20,142)
Increase/(decrease) in creditors	3,907	(5,131)
Net cash (used in)/provided by operating activities	<u>(173,027)</u>	<u>73,506</u>

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19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2015	2014
	£	£
Cash in hand	187,779	360,439
Total	187,779	360,439

20. CONTROLLING PARTY

The charity is controlled by the Trustees.