

# **ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

**COMPANY REGISTRATION NUMBER: 07752350**



**KNOX CROPPER**  
chartered accountants

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

**Directors:** Malcolm Gaskin (Appointed 25<sup>th</sup> August 2011)  
Jennifer Lonsdale (Appointed 25<sup>th</sup> August 2011)  
Allan Thornton (Appointed 25<sup>th</sup> August 2011)  
Ian Grattidge (Appointed 9<sup>th</sup> June 2014)

**Bankers:** The Cooperative Bank,  
Olympic House,  
6 Olympic Court,  
Montford Street,  
Salford, M5 2QP.

**Registered Office:** Environmental Investigation Agency (UK) Limited  
62-63 Upper Street,  
Islington,  
London, N1 0NY

**Registered Number:** 07752350 (England and Wales)

**Auditors:** Knox Cropper  
Chartered Accountants  
8/9 Well Court,  
London, EC4M 9DN.

## **ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

The Directors present their report together with the financial statements of the Environmental Investigation Agency (UK) Limited (known hereafter as EIA UK) for the year ended 31<sup>st</sup> December 2016.

#### **Who we are**

The Environmental Investigation Agency (UK) Ltd is an international campaigning organisation that protects the environment with *intelligence*. Pioneering investigative techniques expose and tackle environmental crime and abuse around the world. EIA's robust campaigns use rigorous evidence and analysis and set ambitious targets, outcomes and tough prerequisites for meaningful and tangible change.

#### **Our work**

##### ***Forests***

The Forests Campaign is working to curtail illegal logging and trade in illicit timber by closing major markets to imports of illegally sourced timber and wood products, ensuring forest governance measures are embedded in avoided deforestation policies and curbing forest conversion for plantations.

##### ***Protecting rosewoods***

In the lead-up to the 17<sup>th</sup> Conference of the Parties to the Convention on the International Trade in Endangered Species of Fauna and Flora (CITES CoP17) meeting in September 2016, EIA worked to gather information, including via field investigations in Laos and Vietnam, to support CITES member states, particularly the Thai Government, in calling for strengthened CITES protection for Dalbergia species (rosewoods).

EIA participated in the rosewood dialogue meeting in Bangkok which brings together government representatives from range and consumer states to prevent illegal trade in Siamese rosewood. New data released at the meeting showed unsustainable trade in rosewood, abetted by fake CITES permits.

After the meeting, EIA made its findings public in a briefing document *Red Alert* which received helpful media coverage in the main regions concerned in the fraudulent exports of rosewood from Laos and Cambodia. *The Economist* also published an exclusive article on the *Red Alert* findings. This work paved the way for an amendment to the CITES Appendix II listing for Siamese rosewood to include processed wood products.

In addition, EIA's work significantly contributed to the historic consensus decision by CoP17 to provide protection for the entire Dalbergia genus – more than 300 individual species – accompanied by a new, innovative annotation to ensure prized Dalbergias are no longer open to exploitation through illegal trade. By exercising the precautionary principle, the adoption of this proposal marks an emerging collaborative effort between countries to make decisions not in the interests of trade but in the best interest of timber species and ecosystems critically under threat.

##### ***Myanmar***

During the year, EIA collaborated with NGO partners in Myanmar to gather evidence on the latest situation on timber smuggling into China and develop strategies to reduce the illicit cross-border timber trade between Myanmar and China. It was found that following the release of EIA's report *Organised Chaos* in September 2015, timber smuggling across the Myanmar-China overland border had generally reduced considerably, before beginning to rise again from October onwards.

In July, EIA held meetings in Beijing with Government officials, academics, NGOs, donors and media to discuss the issue of illicit trade in timber from Myanmar as well as advocating for China to regulate against all imports of stolen timber. Later the same month, EIA travelled to Naypyidaw, the capital of Myanmar, to meet for the first time with parliamentarians from the reformist Government elected in 2015 and discuss forest governance issues in the country.

On August 1, EIA issued a press release welcoming the announcement by the Myanmar Government to suspend logging for one year, providing a much-needed respite for the country's over-exploited forests.

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EIA also worked with local NGOs in the southern region of Tanintharyi in opposing further development of palm oil plantations. This included training in field documentation techniques and helping to create a web platform for local groups to safely upload evidence of illegal logging from the field.

#### *Implementation of the European Timber Regulation (EUTR)*

EU Member State Competent Authorities have a legal obligation to uphold the European Timber Regulation (EUTR), which entered into force in 2013 to prevent non-compliant shipments from placement on the EU market. Having advocated the introduction of regulations into the EU to prohibit illegally logged timber for a decade, EIA is now seeking to strengthen the EUTR's effectiveness through the submission of cases.

Following an investigation into the placement of Burmese teak from Myanmar onto the EU market, EIA submitted legal complaints to authorities in EU Member States regarding violations of the EUTR by nine companies. EIA's briefing *Overdue Diligence* exposed the illegitimate exports of teak, including a batch which found its way into the largest sailing yacht ever built.

In October 2016, EIA's stance was vindicated by a separate case in Sweden where enforcement officials successfully prosecuted a trader of Myanmar teak, *Almtra Nordic*, under the EUTR. This has set a precedent for the nine cases submitted by EIA.

#### *Forest Governance and land conversion*

In January, EIA's Campaigns Director attended a meeting of the forum *Asia Regional Partner's on Environmental Crime* in Bangkok. He gave a keynote presentation on the role of corruption in forest crimes and also spoke at an event held by the Foreign Correspondents' Club of Thailand.

In late April he spoke at a panel discussion on Corruption, Illegal Logging and Climate Change, held as part of the Paris-based Organisation for Economic Cooperation and Development's annual Integrity Week.

In June, EIA gave a presentation on case studies of corruption in the forests to a two-day meeting on forest crime at INTERPOL headquarters in Lyon.

EIA continued to work to persuade the Indonesian Government to close the loopholes in Indonesian timber legislation created by the Ministry of Trade. In March, EIA and its Indonesian partner, *Forest Watch Indonesia*, issued a press release detailing how timber brokers are using loopholes in the country's timber legality system to evade export controls.

EIA and local partners succeeded in persuading the Indonesian Government to remove the loophole, paving the way for the country to become the first supplier of timber products to the EU market verified as legal under the terms of a Voluntary Partnership Agreement.

EIA maintained its work in Central Kalimantan, Indonesia, investigating illegalities in the palm oil sector. This included the release of a major film titled *Ulin*, produced by EIA to highlight the threat posed to a unique forest landscape and local communities by the spread of oil palm plantations.

#### ***Wildlife Crime***

Much of EIA's work involves exposing poaching and illicit trade in endangered species and calling for legal reform and better enforcement to combat wildlife crime. This work involves extensive research and investigations into wildlife smuggling and the production of both public reports and confidential briefings for enforcement agencies. EIA also participates in, and contributes, to a number of fora involved in tackling wildlife crime and addressing associated corruption.

In March, EIA met with local NGOs in Beijing, China, to assess the current status of China's Wildlife Protection Law, under revision and previously criticised by EIA. In June, EIA participated in the Conservation Asia conference and a workshop analysing the European Union's biodiversity strategy for Asia.

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At CITES CoP17, a number of decisions were adopted to improve enforcement efforts in tackling illegal trade in CITES-listed species. Also, for the first time, Parties formally acknowledged the role of corruption in undermining CITES compliance and enforcement. A long list of actions that CITES Parties are urged to take to tackle corruption was enshrined in a resolution submitted by the EU.

In November, EIA attended the Hanoi Conference on Illegal Wildlife Trade in Vietnam, opened with an inspirational call by HRH the Duke of Cambridge for greater action to end illegal wildlife trade. For the conference, EIA published a comprehensive report, *Time for Action*, which detailed its analysis of the implementation of commitments made by countries that signed the London Declaration on curbing wildlife crime in early 2014. While there were some positive commitments implemented, many remained unfulfilled.

The Hanoi Statement adopted by the meeting failed to reflect the urgency of tackling the criminality and corruption associated with wildlife trafficking and demand for wildlife products which is annihilated species at an alarming rate.

EIA has published a series of interactive maps showing seizures of endangered wildlife, including pangolins and rhino horn.

#### ***Tigers***

The overarching goal of EIA's Tigers Campaign is to ensure that tigers thrive in the wild by ending all trade and tiger farming and by stopping the destruction and fragmentation of habitat in India. It seeks signs of recovery in wild tiger populations by 2020.

To achieve this, there needs to be a reduction in wild tiger poaching brought about by the law enforcement and criminal justice community being better-informed and resourced in order to dismantle the transnational criminal networks involved in illegal tiger trade, so that communities can benefit from living with tigers and tiger habitat is secured.

On July 29, EIA marked International Tiger Day with the release of a statement and short film calling for an end to all tiger trade and tiger farming.

#### ***CITES CoP17***

In January, the Tigers Campaign Team Leader attended the CITES Standing Committee meeting in Geneva where a fold-out leaflet was circulated to delegates summarising the trade in tiger parts. EIA, in collaboration with 17 other NGOs, called for urgent action to end tiger farming and trade.

At CoP17, not one single CITES Party supported China's request to delete a critical and historic decision which states that tigers should not be bred or traded for their parts and derivatives. There was, however, clear support from the Parties to close tiger 'farming' facilities. A suite of decisions were adopted which, if funded and implemented, will lead to more country-specific time-bound actions to tackle trade in the parts and products of captive tigers.

The Conference further agreed to improve international cooperation to combat trade in the parts and products of tigers and other Asian big cats. These included a proposal from India for countries which make seizures of tiger skins to share photos which can be cross-referenced in databases of camera-trapped tigers to help determine the source of the tigers.

#### ***Investigations into trade in tiger parts and tiger farming***

Throughout the period, EIA worked with partners in India and the Far East to share intelligence on illegal trade in tiger parts, including in the Mekong region, and to investigate tiger farming. Field investigation were undertaken to document the trade in tiger parts in the trans-Himalayan region. The objective was to increase understanding of the main smuggling routes and the role of transport companies.

In April, EIA attended the third Asia Ministerial Conference on Tiger Conservation. In the lead-up to the meeting, EIA and 22 other NGOs issued a joint call for zero tolerance of all trade in tiger parts, including those derived from captive-bred tigers.

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In June, EIA's tiger team was joined by NGO colleagues from the Wildlife Protection Society of India and Education for Nature Vietnam on a lobbying trip to Brussels and The Hague. As part of the trip, an event was held at the European Parliament to raise awareness of the plight of tigers and the threat posed by the captive breeding of the species.

On September 23, EIA issued a press release welcoming a statement by the Government of Laos to phase out all of its tiger farming operations. The announcement marked an important step forward for EIA's goal of ending all tiger farming.

### ***Elephants***

EIA's Elephants Campaign seeks a significant reduction in the threat posed by the ivory trade to elephant populations, through the closure of key domestic ivory markets across a number of jurisdictions (source transit and consumer) and a more effective criminal justice response to the transnational organised criminal networks and corruption underpinning and facilitating much of the illegal trade.

EIA works to facilitate a better-informed law enforcement community in terms of combating ivory trafficking and in securing the application of laws and policies in key jurisdictions to end legal and illegal ivory trade.

### ***Outreach and investigations***

In the months leading up to CITES CoP17, EIA carried out investigations into the illegal ivory trade, including in Mozambique and the Far East. New information on the scale of the illegal ivory trade and criminals behind it was obtained and shared with enforcement agencies to assist in their risk profiling.

In early March, an EIA team worked with ITV News in Laos on an item exposing the open sale of illegal ivory in the Lao capital. The story ran on the main news bulletins and included an interview with the campaign's Team Leader.

A series of discussions with government officials, NGO contacts and enforcement agencies took place in Kenya and Tanzania. This was the first time EIA had returned to Tanzania since the launch of its report *Vanishing Point*, published in November 2014. The overall prognosis on progress being made in tackling elephant poaching and ivory trafficking in Tanzania was encouraging.

In late April, the Elephants Campaign Team Leader observed the unprecedented destruction of over 100 tonnes of ivory in Kenya and participated in a summit of African leaders on actions to tackle elephant poaching. She also participated in a meeting on the Elephant Protection Initiative held in Gabon.

On September 11, the World Conservation Congress of the International Union for Conservation of Nature (IUCN) passed a resolution calling on all governments to ban their domestic trade in ivory, sending an important message to Parties attending the CITES CoP17 later that month.

### ***CITES CoP17***

In January, EIA attended the CITES Standing Committee meeting, hosting a side event to publicise EIA's forthcoming ivory trade enforcement film. In the months leading up to CoP17, interviews with enforcement officers from around the globe were filmed for inclusion in the enforcement film; it was well-received and will be distributed to enforcement agencies around the world during 2017.

A number of decisions were adopted at CoP17 that supported ending ivory trade, both at domestic and international levels. The most important was the adoption of a resolution which called on countries to phase out their domestic ivory markets. CITES Parties have now formally recognised that these markets are used for laundering illegal ivory from elephants killed in Africa and Asia.

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After tense discussion and dramatic voting on three proposals, CoP17 soundly rejected the development of a decision-making mechanism for a resumed legal trade in ivory (DMM). This is major win for EIA, which has opposed the DMM for several years as a backdoor means of legalising trade in ivory. The proposal to list the four elephant populations of Botswana, Namibia, South Africa and Zimbabwe on CITES Appendix I was rejected. However, EIA commended Botswana's announcement during CoP17 to unreservedly and voluntarily relinquish Appendix II status for its own elephant populations and to support an up-listing of all African elephants to the much tougher Appendix I protection. This is a significant change in policy of the world's largest elephant range state and now sets the stage for work to implement a complete global ban on trade in ivory.

### ***Climate***

EIA's Climate Campaign aims to bring about a reduction in the emissions of fluorinated greenhouse gases (F-gases) contributing to the stabilisation of greenhouse gases in the atmosphere and preventing catastrophic climate change. This includes effective implementation of the EU F-gas Regulation and Kigali Amendment to the Montreal Protocol.

#### ***Implementation of the EU F-gas regulation***

With the EU's pioneering F-gas regulation in force since January 1, 2015, EIA is committed to ensuring swift, effective implementation and enforcement by Member States. In February, EIA participated in a workshop in Brussels on the implementation of the regulation.

Following its annual survey of supermarket refrigeration systems, EIA published a briefing *Supermarkets Shift to HFC-Free Commercial Refrigeration Worldwide* for the 60th Global Summit of the Consumer Goods Forum in Cape Town, South Africa. It featured best practice and *showed how* supermarkets are transitioning away from environmentally damaging refrigerants toward more benign alternatives.

The Consumer Goods Forum (CGF) released a new *Resolution on Refrigeration* demonstrating the commitment of some 400 companies with combined sales of €3.5 trillion to swiftly phase down HFCs. Implementation of the resolution will lead to a massive reduction in HFC use in the commercial refrigeration sector, representing about 25 per cent of global HFC use.

#### ***Montreal Protocol***

During the year, EIA Climate campaigners worked towards achieving agreement on an amendment to the Montreal Protocol for a global phase-down of HFCs, potent super greenhouse gases used in air-conditioning and refrigeration. EIA attended key meetings, including those of the Montreal Protocol's Open Ended Working Group. Marked steps forward for EIA's eight-year campaign were made towards securing a phase-down of HFCs.

EIA also attended the meeting of the Europe and Central Asia network of ozone and customs officers, held in Turkmenistan. The meeting provided new insights into the illegal trade in ozone-depleting substances, as well as an opportunity for EIA to continue pressing for action against HFCs at the global level.

On September 16, EIA marked *International Day for the Preservation of the Ozone Layer* with a press release calling for urgent action to tackle HFCs.

In October, the 28<sup>th</sup> Meeting of the Parties to the Montreal Protocol took place in Rwanda. EIA published a new report, *Averting Climate Catastrophe: Our Obligation to Adopt an Ambitious Kigali HFC Amendment to the Montreal Protocol*, and called on Parties to adopt the amendment.

EIA's eight-year campaign goal was achieved as Parties to the Montreal Protocol adopted the historic global agreement mandating controls for HFC consumption and production. *The Kigali Agreement* phase-down is estimated to avoid emissions of about 80 billion tonnes of CO<sub>2</sub>-equivalent by 2050 and avoid almost a half a degree of warming. EIA was the first NGO to call for Montreal Protocol to address HFCs and has been instrumental in adoption of the agreement. Additional efforts to improve energy efficiency as HFCs are replaced could potentially double the climate benefit.

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India announced that its chemical industry, with immediate effect, must collect and destroy emissions of its most potent greenhouse gas, HFC-23. India estimates this action will prevent nearly half a billion tonnes of CO<sub>2</sub> equivalent emissions from entering the atmosphere during the next 15 years.

#### ***Oceans***

EIA's Oceans Campaign seeks to improve the status of global marine ecosystems and cetacean (whale, dolphin and porpoise) populations through reduced impacts of human activities on the oceans and marine biodiversity. It includes decreasing marine plastic pollution, cetacean bycatch, commercial whale hunting and saving the critically endangered vaquita from extinction.

#### ***Vaquita***

Timed to coincide with the CITES Standing Committee meeting, on January 11 EIA published *Dual Extinction*, exposing how the illegal trade in totoaba fish swim bladders is directly affecting the future survival of the critically endangered vaquita porpoise as they are entangled in the fishing nets. The report secured major international attention and EIA participated in a side event on the plight of the vaquita during the meeting.

A follow-up report, *Collateral Damage*, was published in advance of CITES CoP17, providing a comprehensive picture of the clandestine market for the dried swim bladders of the totoaba and its devastating impact on the vaquita. EIA has monitored the market for swim bladder products since April 2015, including online trading, and has conducted a series of undercover investigations in Hong Kong and southern China.

The report provided recommendations for China to improve enforcement against the illegal totoaba trade and reduce demand, as well as urging Mexico to enact a permanent fishing ban throughout the entire range of the vaquita. *Collateral Damage* was also circulated to delegates at the Biennial Meeting of the International Whaling Commission (IWC) in October.

CITES CoP17 adopted a decision requiring parties to cooperate to tackle the illegal trade in totoaba and so give the vaquita a chance of survival. The IWC passed a resolution on the vaquita calling on the Mexican Government to eliminate any exemptions to the fishing ban in the vaquita range and for all countries to strengthen enforcement efforts against the illegal totoaba trade, particularly those where totoaba products are consumed or in transit, including the USA and China.

EIA also participated in the first global conference on threats to the vaquita, bringing together NGOs and donors to coordinate activities to try and save the species.

#### ***Microbeads***

Throughout the year, EIA worked with environmental NGOs in the UK and Europe to reduce marine plastic pollution; this included ensuring European legislators agree ambitious measures under the Circular Economy package to enable strong Europe-wide action to tackle the growing problem of marine litter.

In February EIA and its UK campaign partners launched a petition calling on the UK Government to ban the use of plastic microbeads in personal care and cosmetics products which are contributing to marine pollution. Marking World Ocean's Day on June 8, the petition with over 350,000 signatures was delivered to the Prime Minister. A week later, the UK Government stated its support for an EU-wide ban, rather than relying on voluntary actions by the industry. In September, the UK Government made the very welcome announcement that it intended to ban microbeads from personal care products in the UK. However, the proposals did not go far enough as they would not extend to all consumer products.

EIA is a member of a network of 90 NGOs which released a ground-breaking new global vision laying out 10 principles with the ultimate goal being *a future free from plastic pollution*. It represents the first step in a global movement to change society's perception and use of plastics. The NGOs called on the European Commission and Member States to strive for ambitious policy changes to lead the way to a future free from plastic pollution.

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In June, EIA attended a conference in Spain on microplastics as part of the new campaign pushing for action against marine plastics pollution, which has a direct impact on a host of cetacean species.

To celebrate International Plastic Bag-Free Day on July 3, EIA and its campaign partners reminded EU Member States they had until the end of November to adopt legal measures to drastically reduce the use of single-use plastic carrier bags.

#### *Whales, dolphins and porpoises*

Throughout the year, EIA worked with NGOs and governments around the world in the lead up to the Biennial Meeting of the International Whaling Commission (IWC).

In January, 32 members of the IWC Scientific Committee, including EIA's Oceans Scientist, submitted a joint letter *Japan's whaling is unscientific* to *Nature Journal*, denouncing the spurious science behind Japan's revised whaling programme *NewRep-A*. It highlighted ongoing concerns regarding the scientific merit in the whaling programme and the IWC process of scientific review.

EIA's Oceans Scientist participated in the IWC's annual Scientific Committee meeting, co-authoring a paper *Towards improved and coordinated international cetacean bycatch action*.

EIA monitored whaling by Iceland, Japan and Norway. A press release was issued with other NGOs exposing the use of minke whale meat in animal feed in Norwegian fur farms. In addition, EIA and NGO partners tracked the transportation to Japan of 1,500 tonnes of fin whale meat from Iceland and 195 tonnes of minke whale meat from Norway, providing a briefing on this trade to participants at the CITES and IWC conferences.

A briefing, *Plight of the Ocean Sentinels*, was published for the IWC meeting. It explores some of the major environmental threats facing cetacean populations and offers recommendations to IWC Contracting Governments on future steps to expand the IWC's efforts to conserve the world's cetacean populations. A new initiative to tackle bycatch – one of the greatest threats to cetacean populations globally – was agreed by the meeting, as well as a resolution recognising the environmental services provided by cetaceans to the marine ecosystem and the need to include consideration of the contributions made by these species in management strategies and decision making.

EIA worked with the members of the IWC to improve governance, transparency and operations. EIA campaigners are participating in several key working groups that take forward IWC work during the intersessional period between Biennial meetings.

### **Communications**

It was a somewhat uncommon year for EIA, with a lower number of formal outputs of reports and briefings in comparison with previous years as several campaigns focused on preparations and publications targeted at a number of major international meetings occurring more or less back to back in the latter part of the year.

Nevertheless, as a result of alternative outputs and strategies, recorded media hits remained favourable in comparison to 2015.

The first major report of 2016 was *Oceans' Dual Extinction* in January, highlighting the plight of the vaquita porpoise and the totoaba fish, which secured major international attention. The campaign effectively bookended its work on this issue with an updated follow-up, *Collateral Damage*, in September in advance of CITES CoP17 in South Africa.

In June, the *Forests* report *Red Alert* achieved useful coverage in the media of the main regions concerned in the fraudulent exports of rosewood from Laos and Cambodia and received significant additional exposure after the prestigious *Economist* ran it as an exclusive.

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Forests again secured effective coverage of its briefing *Overdue Diligence* in October, exposing illegitimate exports of teak from Myanmar, some of which may have found its way into the largest sailing yacht ever built – an impressive result for a modest briefing, especially against a backdrop of strident threats of legal action to both EIA and interested media from the billionaire yacht owner's agent for reputation management.

In November, the *Time for Action* report and many related media outputs prepared for the Hanoi Conference on Illegal Wildlife Trade provided a comprehensive and detailed summary of country-specific actions arising from the London Conference on Illegal Wildlife Trade two years earlier; although the brevity of the event gave little opportunity to roll out the report, it nevertheless achieved attention and has subsequently been the basis of several substantial media mentions and articles.

After trialling the use of EIA News Updates in 2014 as an additional, complementary strategy for releasing information (posting initially to our website before sharing via social media platforms and, in some cases, sending a summary and link to relevant portions of our media list), this strategy was fully rolled out in 2015 with 29 News Updates. The number of News Updates rose to 49 in 2016, several of which were subsequently picked up by both the mainstream and specialist media.

In addition, EIA's Illegal Wildlife Trade team prepared and published a series of six interactive maps of illegal wildlife seizures, most of which received media coverage and continued to be of interest as they were often linked to in subsequent news stories and social media posts.

Other noteworthy outputs in 2016 included EIA's first-ever *Impact Report*, evaluating the real-world changes brought about by the Organisation's work in 2015, and the formal release in October of the short film *Ulin*, telling the story of a community in Borneo and its fight to preserve an area of forest rich in biodiversity from plantation encroachment. Filmed and edited by Leo Plunkett, the film was both shortlisted and a winner in a number of international film festivals.

In all, 2016 saw EIA log a total of 2,110 media hits, compared to 1,721 recorded for the previous year, an increase of 22.6 per cent.

Having undergone a major redesign in 2014-15, EIA's website ([www.eia-international.org/](http://www.eia-international.org/)) had additional functionality added in 2016 in the form of a new page design template, allowing for the creation of significantly bolder and more striking pages for special projects, such as the *Ulin* film landing page and the various illegal trade seizures maps.

In 2016, the website recorded a 32.2 per cent increase in sessions, up from 164,427 in 2015 to 217,534; this reflected a 37.4 per cent increase in individual visitors to the site, up from 121,716 to 167,213. Overall website page views rose by 17.5 per cent during the year, from 332,898 to 391,209.

Work continued throughout 2016 to further build EIA's presence and visibility on the social media platforms of Facebook, Google+ and Twitter, with the broad goals still being to increase the number of our supporters/followers with a view to encouraging them to participate in focused campaign actions, to steer people to our website and to spread awareness of EIA and its work.

The number of people liking EIA's Facebook page rose steadily during 2016, from 65,724 at the start of the year to 86,456, an increase of approximately 31.5 per cent.

Changes made by Facebook to its news algorithm early in the year presented a particular challenge to NGOs and businesses; although Facebook has presented the changes as a means to give people more of what they want to see in their news feeds, the reality appears to be that the move is a tactic intended to compel NGOs and businesses to pay for their content to be seen while encouraging individual users to interact more with each other's content.

The immediate impact of this has been a significant fall in EIA's weekly reach – that is, people who've seen our content as a result of likes, shares and comments – from a year-average in 2015 of almost 100,000 to a year-average of 37,000+ in 2016. Short experiments were made during the year to target specific posts to users' registered interests to see if that made a substantial difference but the end reach in all cases was largely the same.

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In the meantime, it appears to be the case that posts only achieve something like their pre-2016 reach when they're ground-breaking major news or are attached to a particularly striking image. Nevertheless, interaction with regular followers on the platform remained healthy and, in comparison with some of the analogous organisations against which we benchmark ourselves on Facebook, better than average.

The number of people following EIA's Twitter account @EIAinvestigator rose from 10,440 to 13,050 during 2016, an increase of 25 per cent.

One particular Twitter success was the exemplary work done on the platform by various campaigners attending CITES CoP17 in South Africa in September; live Tweeting from key events is of major interest to many of our followers and this showed in a big activity spike, with the volume of retweets and new members roughly trebling for the duration of the meeting.

As previously, Google+ continues to exhibit a different dynamic to Facebook and, although it broadly experiences fewer users and significantly less interaction, it still has the advantage that posts to G+ appear in Google searches. EIA began 2016 with 984 followers and 15,476,662 individual views of content since launching in December 2013. As of January 4, 2017 the number of followers was 1,272 (a rise of 29 per cent) with 23,113,750 views of content (a rise of 49 per cent).

Finally, work concluded on the enforcement training film, *Combating the Ivory Trade*, which comprises a main film and 17 issue-specific branching modules. The main film and a sample module were screened for an audience at CITES CoP17 in October and met with a generally very positive and enthusiastic response. Work continues into 2017 to subtitle the project into several different languages.

### **Structure, Governance & Management**

The Environmental Investigation Agency (UK) Limited) is a registered company limited by guarantee, number 7752350 incorporated on 25th August 2011.

The company was established under a memorandum and articles of association which established the objects and powers of the company and is governed under its articles of association.

Although the company is not a UK-registered charity, it has produced its accounts and this Directors Report under those provisions of the new Charity SORP that the Directors feel are relevant to its operations. This has been done to comply with best practice as the Environmental Investigation Agency (UK) is a not-for-profit organisation.

The Directors who served during the year and up to the date of the report are listed on page 1. The Directors have no beneficial interest in the company.

The Directors have the power to appoint or to co-opt new members to the Board, with appointments ratified according to the company's memorandum and articles of association. There is an induction process for new directors, including provision of key information about the company, its operations and the Directors' responsibilities.

The Board of Directors meets to set strategic direction for the company, to review and agree the campaign and organisational plans drawn up by the Executive Team and to actively manage the key risks faced. The Finance Committee, a sub-Committee of the Board, meets ten times a year to review financial performance, audit and risk management.

A Theory of Change process undertaken to help develop a 5-year strategic plan was developed in 2015. Further work was undertaken in 2016 to develop priorities to 2020 for each of our major campaigns. Further work is planned to clarify a broader strategy and to improve reporting of progress against campaign goals.

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#### ***Objectives and public benefit***

The objectives of our company, as set out in the objects contained in the company's Memorandum of Association are:

*The conservation, protection and restoration of the natural environment, ecosystems and wildlife and plant life of the world; and to advance the education of the public in environmental matters, the preservation and conservation of the natural environment and the causes and effects of environmental degradation.*

The objects are fulfilled by effective delivery of EIA UK's robust campaigns and public outreach.

Although EIA UK is not a registered charity, its work benefits the public because it provides governments, regulatory bodies and enforcement authorities with reliable, substantive authoritative and well researched information on practices which are or are likely to be harmful to the natural environment. EIA UK provides *intelligence* as to the necessary means to prevent or reduce harm to the environment and to the people and creatures that rely on it.

#### ***Financial review***

The company adopted FRS102 in 2015, which resulted in a marked difference in how grant income is recognised and reported in the financial statements.

Total income received during the year is £2.98m, an increase of 5 per cent on the previous year. Grant income continues to be the main source of income, accounting for 94 per cent of total income and is at a similar level to that in the previous year. Grant income deferred to 2017 in accordance with the requirements of FRS102, amounted to £407,438. Individual giving although small in comparison, contributed £170,589 towards the successful completion of various projects of the company during the year.

Total expenditure is £3m during the year, a rise of 21 per cent compared to the previous year. There is an increase in costs across the board. Project costs including funds granted to partners significantly increased compared to 2015, reflecting the increase in grant income during the year. Staff costs including consultancies and pension costs are also considerably higher partly due to the hiring of temporary staff with associated agency costs due to the pro-longed absence of key staff. The company also paid for a full year in pension contributions compared to 3 months in 2015, when the pension scheme was introduced.

The company launched a new fundraising initiative promoting virtual gift packs in a bid to raise more unrestricted income over the Christmas season. This initiative and purchase of extra licenses for the ThankQ fundraising database led to an increase in fundraising costs. The company also invested in some new office equipment and carried out refurbishment and maintenance work on the leased offices.

The year's expenditure exceeded income leading to a deficit of £47,959 for the year. As at the end of the year the balance sheet shows net current assets of £505,838 including cash at bank and in hand in the sum of £847,680. Net assets amount to £539,639, a reduction of 8 per cent on the previous year.

#### ***Details of Reserves***

Total reserves as at the end of the year stand at £536,639 and have fallen by £47,959 compared to last year reflecting the deficit for the year, most of which is expended from the unrestricted free reserves of the company.

There is a slight change in the restricted reserve balance which now stands at £392,696 compared to £402,102 last year.

## **ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

Unrestricted reserves have decreased by 31 per cent from £125,496 to £87,087 in 2016. The objective of this reserve is to maintain sufficient unrestricted general funds to meet all of EIA's existing liabilities in the event of an unforeseen and/or catastrophic development within the organisation.

In furtherance of this objective, the Directors have aimed to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted operational expenditure. The Directors consider that this level will provide sufficient funds to enable them to respond to changes in the trading environment and to ensure that there are sufficient funds available to cover support and governance costs.

The current general unrestricted reserves level falls far short of the Directors requirements and they will be looking to rebuild the unrestricted reserve to a level that offers the company the financial security it needs. The Directors will review the reserves policy and monitor the reserves levels over the course of 2017.

The Directors have allocated a sum of £59,856 out of Free Unrestricted Reserves as a Designated Reserve. This is held to meet those instances where EIA UK is either unable to mitigate cost risk through commercial insurance or has decided to self-insure because of the nature of the risk involved. This figure will be kept under review as part of the Directors wider management of organisational risk.

#### ***Going concern***

The company has sufficient financial resources, together with long term grants from a number of donors. As a consequence, the Directors believe that the company is well placed to manage its business risk successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adapt the going concern basis in preparing the annual report and accounts.

#### ***Risks***

The Directors regularly review the risks facing the organisation. A broad ranging Risk Register has been established and its review is a standing item of the meetings of the Senior Management Team and the Directors to ensure appropriate control systems are in place and the Register is updated as required. Where appropriate, systems or procedures have been established to mitigate the risks the company faces.

#### ***Our People***

The benchmarked staff salary band remuneration scheme allows development and progression of staff within the organisation. Training and development programmes for staff have been progressed during the period and will continue to be developed in 2017.

In 2015 a company pension scheme was introduced for staff members to improve employee benefits and ensure compliance in anticipation of statutory requirements for the company with regard to employee pension provision.

Safety of staff is a priority. Health and safety reviews are undertaken regularly and this matter is a standing item on the agenda of Directors meetings. Staff members submit a pre-travel check list in advance of travelling and procedures are in place for regular checking-in whilst abroad.

#### ***Funding and public outreach***

EIA UK raises funds to support its work through a range of sources including individual supporters, institutional donors, corporate partnerships, and fundraising events.

We are extremely grateful to have the support of many loyal donors, who give what they can afford to protect threatened species and habitats. We thank the many people who have supported our work since the late 1980s, often by Direct Debit or Standing Order, providing essential funds. EIA's philosophy is to treat supporters and the public with care and respect. In line these values, and the latest guidelines and regulations we always confirm communications preferences, and gain explicit consent when it's required.

## **ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

EIA publishes a bi-annual newsletter *Investigator* in paper and electronic form, featuring an overview of key campaign activities during each past six-month period. In addition, subscribers to EIA's monthly newsletter continue to increase. Additional e-newsletters may be circulated to alert subscribers of breaking or urgent news that may be of interest to them.

The website is a vital asset in providing 'live' and archive information about EIA's work and the critical issues on which it works and reports. Improvements continue to be made to the website to enable a more streamlined donation process.

The use of social media, particularly Facebook and Twitter provides an effective tool for publicising news about EIA and its campaigns, as well as significant and relevant news from other sources. EIA's Facebook page had over 86,456 'likes' by the end of 2016 with a large reach and engagement. Twitter has more than 13,500 followers.

Community fundraising provides welcome income and enthusiastically engages supporters. People participate in marathons and other sponsored activities to raise funds for EIA.

Grants from statutory bodies, trusts and foundations provide the largest source of income for EIA UK. EIA Trust Ltd raises funds from charitable bodies to support the charitable activities of EIA UK. A transparent process for the granting of funds to EIA UK is required by EIA Trust Ltd to ensure compliance with the requirements of donors and the Charity Commission.

The Corporate fundraising programme made pleasing progress. Partnerships have been agreed with a few companies that share the same environmental and ethical ethos as EIA.

Professor Alice Roberts gave the 14th Douglas Adams Memorial Lecture at the Royal Geographical Society in March. This annual event raises funds for EIA and Save The Rhino International, two charities that Douglas supported.

#### *Gary Hodges Heart & Soul Exhibition*

From 19<sup>th</sup> – 23<sup>rd</sup> April 2016, the remarkable wildlife artist Gary Hodges, who has supported EIA since it was founded, hosted his solo exhibition *Heart & Soul* at the Mall Galleries. The exhibition included a magnificent private view and live and silent auctions. Auctioneer James Lewis ensured great success in auctioning original drawings and prints. The six-day exhibition was extremely well attended and both auctions exceeded expectations. 142 framed and 375 unframed prints were sold.

EIA and Born Free Foundation each received 25% of the exhibition and auction income. EIA Directors, staff and volunteers sincerely thank Gary for his overwhelming generosity in raising over £76,000 of much needed funds for EIA's campaign to protect elephants and other endangered species from the devastating wildlife trade.

Additionally, EIA receives 25% of sales from a T-shirt collection that bear designs kindly donated by Gary.

#### **Relationships with Related Parties and Other Organisations**

EIA UK works in cooperation with EIA Inc. with respect to its campaigns. A Director of EIA UK Ltd is also a Director of EIA US Inc. EIA UK cooperates with EIA Trust Ltd, which has granted funds to EIA UK for the furtherance of its charitable work.

EIA UK collaborates with NGOs around the world to advance its work in the most cost-effective and strategic way to achieve its aims.

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****DIRECTORS' REPORT****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016****Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors 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 profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 business;

The Directors 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.

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.



**J. Lonsdale (Director)**

*29<sup>th</sup> June 2017*

**On Behalf of The Board:**

**INDEPENDENT AUDITOR'S REPORT****TO THE COMPANY MEMBERS OF****ENVIRONMENTAL INVESTIGATION AGENCY (UK) LTD**

We have audited the financial statements of Environmental Investigation Agency Limited for the year ended 31<sup>st</sup> December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement and related notes.

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard FRS 102.

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors 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 (APB'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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31<sup>st</sup> December 2016, and of its result 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

8/9 Well Court  
London EC4M 9DN

*Kevin Lally*  
Kevin Lally (Senior Statutory Auditor)  
for and on behalf of Knox Cropper  
Statutory Auditors

Date 29<sup>th</sup> June 2017

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

	Notes	<b>2016 £</b>	<b>2015 £</b>
<b>INCOME</b>		2,980,590	2,851,431
<b>OPERATING EXPENSES</b>		(3,028,549)	(2,498,709)
		<u>(47,959)</u>	<u>352,722</u>
Interest Receivable		-	-
Other Income		<u>-</u>	<u>-</u>
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(47,959)</b>	<b>352,722</b>
Taxation on Ordinary Activities	13	<u>-</u>	<u>-</u>
<b>(DEFICIT)/SURPLUS FOR THE PERIOD</b>	2	<b><u>(47,959)</u></b>	<b><u>352,722</u></b>
<b>RETAINED EARNINGS</b>			
Retained earnings brought forward		587,598	383,113
Prior period adjustment		<u>-</u>	<u>(148,237)</u>
Retained earnings brought forward		587,598	234,876
Retained (deficit)/surplus for the year		<u>(47,959)</u>	<u>352,722</u>
Retained earnings carried forward		<u><u>539,639</u></u>	<u><u>587,598</u></u>

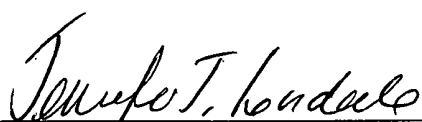
There were no recognised gains or losses other than those stated above.

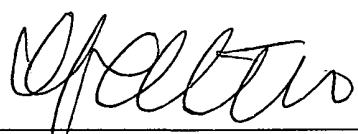
**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****BALANCE SHEET****AS AT 31<sup>ST</sup> DECEMBER 2016**

	Notes	£	2016	£	2015	£
<b>FIXED ASSETS</b>						
Tangible assets	6			33,801		36,640
<b>CURRENT ASSETS</b>						
Debtors	7	244,277			42,475	
Cash at Bank and in hand		847,680			1,024,000	
		<u>1,091,956</u>			<u>1,066,475</u>	
<b>CREDITORS:</b> Amounts falling due within one year	8	<u>(586,118)</u>			<u>(515,517)</u>	
<b>NET CURRENT ASSETS</b>				<u>505,838</u>		<u>550,958</u>
<b>NET ASSETS</b>				<u>539,639</u>		<u>587,598</u>
<b>RESERVES</b>	9			<u>539,639</u>		<u>587,598</u>

The Financial Statements have been prepared in accordance with the provisions applicable to the Small Companies Regime and in accordance with the Companies Act 2006 relating to small companies and with FRS102(1A) the Financial Reporting Standard applicable in the UK and Republic of Ireland

The Financial Statements were approved by the Board of Directors on the 29<sup>th</sup> June 2017 and signed on their behalf by:

  
 J. Lonsdale (Director)

  
 I. Grattidge (Director)

**Company No: 07752350**

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>		<b>£</b>	<b>£</b>
<b><i>Net cash provided by (used in) operating activities</i></b>	16	(147,174)	347,455
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(29,147)	(9,646)
<b><i>Net cash provided by (used in) investing activities</i></b>		<u>(29,147)</u>	<u>(9,646)</u>
<b><i>Net cash provided by (used in) financing activities</i></b>		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(176,320)	337,809
Cash and cash equivalents at the beginning of the reporting period		1,024,000	686,191
Cash and cash equivalents at the end of the reporting period		<u>847,680</u>	<u>1,024,000</u>

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

**1. Accounting Policies**

**(i) Basis of preparation of financial statements**

The accounts have been prepared in accordance with the provisions applicable to the Small Companies Regime and in accordance with the Companies Act 2006 and with FRS 102 Section 1A small entities, the Financial Reporting Standard applicable in the UK and Republic of Ireland. There were no material departures from this standard.

**(ii) Interest**

Bank interest is accounted for on an accruals basis.

**(iii) Income**

Income represents grants and donations and invoiced sales of services, excluding value added tax.

**(iv) Merchandise and Film Sales**

Merchandise and Film Sales represents the invoiced value of goods and services supplied by the company net of VAT.

**(v) Grants, Donations and Membership Fees**

Grants, donations and membership fees are accounted for in the year in which they are receivable.

Government grants are accounted for using the accrual model. Grant income is recognised in the income and expenditure account on a systematic basis over the period in which the related costs are incurred.

Other grants are recognised in the income and expenditure account when receivable unless performance related conditions apply in which case the grant is recognised when the condition has been met

**(vi) Foreign Currency**

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the Statement of Comprehensive Income.

**(vii) Fixed Assets and Depreciation**

All assets costing more than £500 are capitalised and all assets are valued at historical cost.

Depreciation is provided at rates calculated to write off the cost less their estimated residual value over their expected useful lives on the following basis:

Furniture 25% and Equipment – 33.33% straight line basis.

Field Equipment – 50% straight line basis.

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016****2. OPERATING (DEFICIT)/SURPLUS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>The operating (deficit)/surplus is stated after Charging:</b>		
Auditors' Remuneration:		
Audit	6,000	6,000
Other Services	-	2,500
Directors' Emoluments	109,855	109,104
Directors' Pension Contributions	12,000	12,000
Depreciation	<u>31,986</u>	<u>25,217</u>

**3. STAFF COSTS**

	<b>No.</b>	<b>No.</b>
The average numbers of employees was	35	32
Staff Costs, including Directors' remuneration, were as follows:		
Wages and Salaries	1,316,779	1,113,344
Social Security Costs	106,730	97,043
Pension Costs	<u>46,777</u>	<u>24,093</u>
	<u>1,470,287</u>	<u>1,234,480</u>

Pension costs represent contributions to a personal pension scheme and payments as a result of auto-enrolment.

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016****4. CAMPAIGNS EXPENDITURE**

	<b>General Funds</b>	<b>Restricted Funds</b>	<b>2016</b>	<b>2015</b>
	£	£	£	£
Tigers	1,939	234,328	236,267	163,376
Illegal Wildlife Trade	6,314	113,004	119,318	84,660
Elephants	-	285,784	285,784	81,721
Elephants (DEFRA)	1,659	59,174	60,833	-
Oceans (Cetaceans)	-	174,703	174,703	72,561
Climate (GEC)	810	4,443	5,252	3,018
CIFF	-	581,827	581,827	426,282
Adessium Foundation - Inst support	9,145	94,002	103,147	143,383
Forests - DFID	-	-	-	434,743
Forests - DFID/EU	-	26,190	26,190	47,672
FMGC 2015	-	774,611	774,611	127,965
Forests - NORAD 2	-	-	-	307,951
Forests - NORAD 3	-	282,335	282,335	-
Forests - EU	-	105,982	105,982	205,640
Forests - Waterloo	-	10,132	10,132	55,701
Forests - General	-	3,499	3,499	-
Forests - Ford	-	56,334	56,334	154,326
	<u>19,864</u>	<u>2,806,348</u>	<u>2,826,212</u>	<u>2,308,998</u>

The above expenditure sets out the direct and indirect campaigns costs incurred by the company disclosing the amounts funded from general, restricted and designated funds.

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016****5. GRANTS PAYABLE**

The following material grants were paid during the year:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Forest Watch Indonesia	160,448	153,517
Advancing Life and Regenerating Motherland - Alarm	112,274	89,563
BRIDGE	34,700	-
(CHRTF) Cambodia Human Rights Task Force	25,993	-
European Environmental Citizens' Organisation for Standardisation - ECOS	20,000	18,000
Ecologia Y Desarrollo - ECODES	20,000	18,000
League for the Environment - Legambiente	20,000	18,000
ZERO	20,000	-
Rumoh Transparansi	8,550	-
Aita Foundation for Animal Protection, Beijing	5,030	-
Whale Like Me	1,000	-
Koalisi Peduli Hutan Aceh	-	30,250
YAYASAN MITRA INSANI - JPIK	-	24,577
Bridge	-	20,586
Quercus	-	18,000
Wisdom of Ethnic Foundation	-	15,000
Friends Of Effingham Responder Network - Fern	-	3,500
Karen Environmental and social Action Network - Kesan	-	792
Total Grants	<u>427,996</u>	<u>409,785</u>

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016****6. FIXED ASSETS**

	<b>Furniture and Equipment 2016</b>	<b>Furniture and Equipment 2015</b>
	£	£
Brought Forward Cost	89,749	80,102
Additions	29,147	9,646
Cost at 31 <sup>st</sup> December 2016	118,896	89,749
Brought Forward Depreciation	53,109	27,891
Charge for Period	31,986	25,217
Depreciation at 31 <sup>st</sup> December 2016	85,095	53,109
Net Book Value at 31 <sup>st</sup> December 2016	33,801	36,640
Net Book Value at 31 <sup>st</sup> December 2015	36,640	52,211

**7. DEBTORS**

	<b>2016</b>	<b>2015</b>
	£	£
EIA Trust	83,430	-
Grants due from EIA US	20,000	-
Accrued Income	90,851	-
Other Debtors	46,126	39,055
Prepayments	3,870	3,420
	244,277	42,475

Included in other debtors is a rent deposit of £12,250 on which the property landlords have a legal charge. This is due in more than one year.

**8. CREDITORS:** Amounts falling due within one year

	<b>2016</b>	<b>2015</b>
	£	£
Trade Creditors	87,943	17,615
Taxes and Social Security	33,361	30,469
Accruals	36,737	30,704
EIA US	-	22,935
Deferred Income	407,438	397,853
VAT & Corporation Tax Liability	449	448
Other Creditors	20,190	15,493
	586,118	515,517

**9. RESERVES**

	<b>2016</b>	<b>2015</b>
	£	£
Restricted Funds (Note 10)	392,696	402,102
Designated Funds (Note 11)	59,856	60,000
General Funds	87,087	125,496
	539,639	587,598

Restricted and designated funds represent funds to be applied for specific projects (see notes 10 & 11).

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016****10. RESTRICTED FUNDS**

	Balance b/f £	Income £	Staff Costs £	Grants Payable £	Overheads and Other Expenditure £	Transfers £	Balance c/f £
Tigers	111,715	192,335	116,360	5,030	112,719	219	69,722
Illegal Wildlife Trade	11,951	119,942	69,960	-	42,825	219	18,889
Elephants	118,845	349,420	157,766	-	126,680	1,338	182,481
Elephants (DEFRA)	-	59,174	23,551	-	35,622	-	-
Oceans (Cetaceans)	62,433	132,801	111,292	1,000	61,092	1,319	20,531
Climate (GEC)	14,943	-	3,000	-	1,443	-	10,501
CIFF	35,469	553,353	290,210	80,000	210,302	1,315	6,995
Adessium							
Foundation- Inst							
Support	2,402	91,600	58,105	-	33,480	2,417	-
Forest – DFID/EU	-	27,891	16,154	1,693	8,156	187	1,701
Forest – DFID 2	-	776,039	335,227	248,595	190,789	-	1,428
NORAD – 3	-	282,335	123,856	50,361	105,736	2,382	-
Forest - EU	-	107,053	64,617	6,773	33,845	746	1,071
Forest – Waterloo	8,606	1,526	-	8,550	1,582	-	-
Forest – General	-	24,794	-	-	3,499	-	21,295
Forest – Ford							
Foundation	35,735	78,681	-	25,993	30,342	-	58,081
	402,102	2,796,944	1,370,099	427,996	998,112	10,142	392,695

Included in the Statement of Comprehensive Income are funds which have been restricted by the donor for the projects listed above. Transfers represent fixed assets acquired which have been funded by restricted funds.

**11. DESIGNATED FUNDS**

	Balance b/f £	Income £	Staff Costs £	Grants Payable £	Overheads and Other Expenditure £	Transfers £	Balance c/f £
Stability and Emergency Fund	£60,000	-	-	-	144	-	£59,856

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016****12. UNRESTRICTED FUNDS**

	Balance b/f	Income	Expenditure	Transfers	Balance c/f
Unrestricted Funds	£125,496	183,645	(232,343)	10,289	£87,087

**13. TAXATION**

	2016 £	2015 £
UK Corporation Tax	-	-

Company income primarily comprises grants and donations which are not subject to tax.

**14. RELATED PARTIES**

The EIA (UK) Limited receives funding from the Environmental Investigation Agency Trust with which it shares premises. During the year, grants amounting to £763,105 (2015: £675,170) were received. The company also co-operates with the Environmental Investigation Agency Inc, a 501(c)3 tax exempt organisation registered in the USA. One Director is also a director of EIA Inc. During the year a number of grants totaling £304,741 (2015: £315,096) were receivable from the Environmental Investigation Agency Inc.

The current account balances at 31<sup>st</sup> December 2016 were as follows:

	2016 £	2015 £	
EIA Trust Debtor	83,430	-	(see note 7)
EIA US Debtor	20,000	-	(see note 7)
EIA US Creditor	-	22,935	(see note 8)

**15. LEASE COMMITMENTS**

From 1<sup>st</sup> January 2015 the Company entered into a new lease for its office premises with an annual rent of £56,458 for a lease term of 5 years. The remaining lease commitment payable at the year end amounted to:

	£
Within 1 year	56,458
Within 2 – 5 years	112,916
Greater than 5 years	nil

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016****16. Reconciliation of operating (deficit)/surplus to net cash flow from operating activities**

<b>Operating (deficit)/surplus</b>	(47,959)	352,722
<b>Adjustments for:</b>		
Depreciation charges	31,986	25,217
(Increase)/decrease in debtors	(201,802)	20,429
Increase/(decrease) in creditors	70,601	(50,913)
<b>Net cash provided by (used in) operating activities</b>	<b><u>(147,174)</u></b>	<b><u>347,455</u></b>

**Analysis of cash and cash equivalents**

Cash in hand	847,680	1,024,000
	<b><u>847,680</u></b>	<b><u>1,024,000</u></b>

**MANAGEMENT PURPOSES ONLY****ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****DETAILED INCOME AND EXPENDITURE ACCOUNT****FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2016**

	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
<b><u>INCOME</u></b>		
Legacies	2,000	-
Grants Receivable from EIA Trust	771,097	675,170
Other Grants Receivable	2,025,848	1,984,437
Donations	12,757	17,341
Film Sales & Other Related Activities	10,085	1,269
Sale of Assets	-	384
Membership	157,832	171,356
VAT Refund	971	1,474
<b>TOTAL INCOME</b>	<b><u>2,980,590</u></b>	<b><u>2,851,431</u></b>
 <b><u>EXPENDITURE</u></b>		
Salaries & Agency Costs, Recruitment & Training Costs	1,326,264	1,215,045
Pension costs	58,777	14,182
Volunteers' expenses	5,041	4,358
Consultants & research fees	417,635	212,483
Direct Campaigns Costs	483,808	403,118
Utilities & Premises	50,082	21,464
Office costs & stationery	38,313	31,764
Phone & Fax	16,547	9,974
Film supplies	760	173
Insurance	10,912	7,051
Equipment	4,354	9,483
Rent & Rates	62,513	62,462
Audit & Accountancy	6,026	6,026
Legal & Other Professional Fees	8,000	2,663
Bank & c/card charges	5,950	5,375
Grants	427,996	409,784
Non-recoverable VAT		-
Exchange Rate Losses	11,222	11,649
Depreciation	31,986	25,217
Postage & Mailing	15,794	15,633
Directors Office	6,618	6,769
Members Services	18,863	11,587
Fundraising & Development	21,090	12,450
<b>TOTAL EXPENDITURE</b>	<b><u>3,028,549</u></b>	<b><u>2,498,709</u></b>
 <b>(DEFICIT)/SURPLUS FOR THE YEAR</b>	<b><u>(47,959)</u></b>	<b><u>352,722</u></b>