

**ENVIRONMENTAL INVESTIGATION AGENCY (UK)
LIMITED**

FINANCIAL STATEMENTS

FOR THE 16 MONTH PERIOD ENDED 31ST DECEMBER 2012

COMPANY REGISTRATION NUMBER: 07752350



ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER 2012

Directors: Malcolm Gaskin (Appointed 25th August 2011)
Jennifer Lonsdale (Appointed 25th August 2011)
Allan Thornton (Appointed 25th August 2011)

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 PERIOD ENDED 31ST DECEMBER 2012

The Directors present their report together with the financial statements of the Environmental Investigation Agency (UK) Limited for the period 31st December 2012

The financial statements have been prepared in accordance with to the principal accounting policies section of this document and comply with the current statutory requirements, the Memorandum and Articles of Association, applicable law and UK GAAP.

Although the company is not a UK-registered charity, this Directors' Report has been drafted in compliance with the Charity SORP as the Environmental Investigation Agency (UK) is a not-for-profit organisation

Structure, governance and management

The Environmental Investigation Agency (UK) Limited (referred to hereafter as EIA UK) 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

The Directors who are the members of the company, 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

Organisational Restructuring

In 2011, it was decided to restructure EIA in the UK to provide a robust structure for the organisation to meet the environmental challenges of the 21st Century and provide better governance and practice. As part of the restructuring, Environmental Investigation Agency (UK) Ltd was incorporated. All EIA operations in the UK were transferred to EIA UK from Environmental Investigation Agency Ltd (EIA Ltd) and Environmental Investigation Agency Charitable Trust (EIA CT). A fundraising Trust, Environmental Investigation Agency Trust Ltd (EIA Trust) was also incorporated and was registered with the Charity Commission

EIA UK was incorporated on 25th August 2011 and became operational on 1st April 2012 following the restructuring. No operations are therefore reported before 1st April. To facilitate the restructuring and operations, the financial year of EIA UK was extended to 31st December 2012.

The assets of EIA Ltd were granted to EIA UK at midnight on 31st March 2012. All EIA Ltd and EIA CT staff members were transferred to EIA UK with the same terms and conditions of employment, in compliance with TUPE regulations. Contracts and supplier agreements et al were also transferred.

Supporters of EIA Ltd were informed of restructuring and their support transferred to the new entity. Funders were also informed and their funding agreements transferred.

EIA UK works in cooperation with EIA Inc, based in Washington DC, USA, and EIA Trust Ltd

Internal controls and risk management

The Directors continuously review the risks facing the organisation, including updating the Risk Register and ensuring appropriate control systems are in place

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER 2012

Reserves Policy

EIA UK holds unrestricted reserves amounting to approximately £100,000

The objective of the Reserve is to maintain sufficient unrestricted funds to meet all of EIA's existing liabilities in the event of an unforeseen and/or catastrophic development within the organisation

The level of reserve will be gradually increased as the number of staff members, income and corresponding expenditure commitments increase. This will ensure EIA UK is able meet its increased liabilities in the event of potential hazards that may arise in the course of EIA's work

Objectives, impacts and activities

EIA UK is an international campaigning organisation that protects the environment with 'intelligence' It is committed to investigating and exposing environmental crime around the world, tackling causes of climate change and ozone-depletion, and gaining greater protection for threatened and endangered species and habitats

EIA uses pioneering investigative techniques to expose the negative impacts of environmental crime upon climate, biodiversity, ecosystems, species and communities. The results of these investigations are used to campaign for lasting solutions EIA's principal campaigns are focused on:

- ❖ Protection of Forests;
- ❖ Climate and Ozone Protection,
- ❖ Threatened and endangered species including cetaceans (whales, dolphins and porpoises), elephants and tigers,

To achieve these aims, EIA UK sets the following objectives

- ❖ Combat illegal and unsustainable wildlife trade, including inter alia products from cetaceans, elephants and tigers,
- ❖ Work with the European Union to enhance EIA's core goals,
- ❖ Secure greater political commitment and capacity to combat environmental crime worldwide at United Nations/G8 levels by demonstrating how environmental crime undermines other environmental and developmental priorities;
- ❖ Extend EIA's partnerships and capacity-building work through wider application of proven models,
- ❖ Enhance the effectiveness of EIA campaigns by building capacity and communications capability,

Campaigns

Environmental Crime

EIA's work, particularly the field investigations, repeatedly exposes at first-hand the devastating impacts of environmental crime on threatened species and fragile habitats. Within the UN framework, environmental crime has been recognised as a serious transnational organised crime requiring a more sophisticated and collaborative response from Member States.

This multi-billion dollar threat to the planet is an over-arching theme of EIA's campaigns EIA's expertise as a result of almost three decades of investigations resulting in evidence- and science-based campaigns is valued around the world by lawmakers, enforcement agencies, governments and international conventions as they work to tackle the scourge of environmental crime

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER 2012

In April 2012, EIA campaigners attended a meeting in Vienna of the Commission on Crime Prevention and Criminal Justice (CCPCJ), a key body within the UN dealing with crime prevention and criminal justice policy

EIA published a briefing, in conjunction with other NGOs, explaining why wildlife and forest crime is a serious transnational organised crime. EIA pushed for the CCPCJ to expand the work of the UN Office on Drugs and Crime to address illicit trafficking in protected species of wild fauna and flora. It was encouraging that the CCPCJ resolved to step up the global fight against wildlife and forest crime in recognition of the urgent threat it poses and the serious nature of the criminal networks involved.

In September 2012, EIA called on delegates at the UN General Assembly's High-Level Meeting on the Rule of Law to take tough action on environmental crime. EIA's briefing to the meeting included five recommendations for actions that require

- Clearly defining illegal activities,
- Imposing criminal penalties;
- Recovering assets and proceeds of environmental crime,
- Strengthening enforcement mechanisms,
- Ensuring strict compliance with international instruments;

In December 2012, EIA was thrilled to hear US Secretary of State Hillary Clinton support the need for renewed international efforts to combat wildlife crime.

Forests

EIA's goal is improved enforcement against the global trade in illegal timber and the drivers of deforestation and degradation, including wider agriculture commodities. EIA works to achieve this through the provision of intelligence by civil society and enhanced forest governance via market reforms in both East Asia and Europe.

The Forests campaign has released a significant amount of information during this period as a result of continued investigations on the ground in East Asia. EIA is committed to strengthening civil society, and its reports continue to expose and highlight corruption.

EIA has continued to work with European Union members to ensure effective implementation of the EU Timber Regulation, which came into force in March 2013. The regulation bans imports of illegally logged timber into the EU and requires by law that traders implement a due diligence system. The new law provides the opportunity for EIA and others to follow the supply chain of wood from the forest to its sale in Europe.

During the period, EIA UK Campaigners worked to ensure that the EU Timber Regulation stayed on track for implementation in March 2013.

Reducing Emissions from Deforestation and Forest Degradation (REDD) is a set of steps designed to use market and financial incentives to reduce the emissions of greenhouse gases from deforestation and forest degradation. During the period EIA, continued its investigations into the corruption associated with these incentives.

In May 2012, it published the report *Clear-Cut Exploitation: How International Investors & REDD+ Donors Profit from Deforestation in West Papua*. The exposé showed that

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER 2012

- Indigenous landowners in Sorong, West Papua province, are being exploited by the Kayu Lapis Indonesia Group (KLI) for plantations development, at great cost to them and their forests,
- Documents obtained by EIA/Telapak revealed "land rental" agreements provide Moi landowners with as little as US\$0 65 per hectare. The land is projected to be worth US\$5,000 per hectare once developed,
- Timber payments are equally bad, with landowners paid as little as US\$2.8 per cubic metre of merbau, wood then sold for US\$875 on export,
- Legal norms in permit allocation and timber harvesting have been routinely flouted, with little to no law enforcement by either the national or provincial governments,
- International investors, including Norway's Government Pension Fund Global (GPF), were profiting from the situation. This highlights a failure to incorporate commodity and investment market reforms into the REDD+ agenda, resulting in the perverse financial incentives of those markets continuing to undermine efforts to reduce deforestation and deliver sustainable development for Indonesia's indigenous peoples,

EIA investigators have conducted field investigations into flows of illicit timber, including working undercover and posing as timber buyers, since 2004. The investigations, mostly undercover, have taken place in China, Indonesia, Laos, Mozambique and Vietnam, providing a unique dossier of information on the illegal timber trade into China

In November 2012, the findings from these investigations were published in the report *Appetite for Destruction: China's trade in illegal timber*. It exposed the impacts of illegal logging that feed China's demands for timber, which include destruction of vital forest ecosystems, loss of revenue for developing countries, increased corruption and conflict

This report also included analysis of trade data, showing flows of illicit timber into China worth billions of dollars a year. It highlighted imports from countries known to have high rates of illegal logging and instances where national regulations such as log export bans are disregarded

With the fate of many of the world's natural forests depending on it, the evidence in the report makes a clear case for China to take measures to exclude illegally logged timber from its market.

In June 2012, EIA's the Head of the Forests Campaign, a long-term activist in the fight for freedom and democracy in Burma/Myanmar, was invited to Westminster Hall for Aung San Suu Kyi's historic visit to speak to both Houses of Parliament

In the first visit by EIA, members of the Forests and Communications teams participated in an outreach road tour in Burma/Myanmar with Indonesian nationals to share lessons learnt within Indonesia regarding the role of civil society in monitoring illegal logging and the associated illegal trade. The trip included a visit to the northern state of Kachin, meetings with elected ethnic parliamentarians in Nya-U-U, and with civil society organisations in Yangon. EIA was met with a tremendous response from stakeholders

A report published in July 2012, *Testing the Law: Carbon, Crime and Impunity in Indonesia's Plantation Sector*, highlighted the criminal activities of an oil palm plantation company operating in Kalimantan, Indonesia, and the failures of various levels of Government to properly investigate and prosecute.

Evidence gathered by EIA and its Indonesian partner Telapak showed Government officials have been aware of the activities of PT Suryamas Cipta Perkasa (PT SCP) for years yet, despite statements to the contrary, had failed to take action. The company is responsible for the destruction of the habitat of hundreds of endangered orangutans and local livelihoods, generating millions of tonnes of carbon emissions in the process

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**DIRECTORS' REPORT****FOR THE PERIOD ENDED 31ST DECEMBER 2012**

A dossier of documentation was provided to a range of authorities in Indonesia that provided sufficient evidence to prompt a criminal investigation into the illegal conversion of more than 23,000 hectares of peatland and peat swamp forest. Meetings between EIA, Telapak and the authorities raised serious concerns as to the likelihood of any prosecution, even though the Government openly admitted the concession was illegal.

A report by EIA published in 2011 revealed that one of the biggest loggers in Laos is a company owned by the Vietnamese military. Continued detailed investigations since 2011 were published in a report in September 2012, *Checkpoints: How Powerful Interest Groups Continue to Undermine Forest Governance in Laos*. The report showed that several powerful companies continued to ship thousands of cubic metres of logs from Laos to Vietnam, aided by exemptions to Laos' log export ban and timber export controls, which were apparently granted by senior officials in the Lao Government.

As well as having a thriving furniture industry feeding markets in Europe, the US and China, Vietnam has also become the principle exporter to China of threatened and protected rosewood. With no legal domestic rosewood sources in Vietnam, the report concluded that most, if not all, of these exports are either illegal or involve illegality at some stage in the supply chain.

EIA has continued to closely monitor the discussions under the EU's Forest Law Enforcement, Governance and Trade (FLEGT) initiative, in which Laos and Vietnam are currently engaged. A core aspect is the signing of a Voluntary Partnership Agreement (VPA) which seeks to guarantee legal timber supplies from producer countries into EU markets, a requirement under the EU Timber Regulation. EIA's research and investigations show that at present, European buyers could not conduct credible due diligence on the legality of the cross-border trade from Laos to Vietnam.

With EIA's Indonesian partner Forest Watch Indonesia (FWI), communities and civil society organisations were given capacity-building training in East Kalimantan, Indonesia. The Dayak community of Maura Tae, under threat from palm oil companies encroaching onto its land, hosted the trainings. Equipment such as cameras and laptops were also distributed. EIA has a long-standing relationship with the community of Maura Tae and is currently supporting its efforts to prevent the illegal conversion of ancestral forests into palm oil plantations.

With the 16th Conference of the Parties to the Convention on the Trade in Endangered Species of Fauna and Flora (CITES) meeting in March 2013, EIA Campaigners have been supporting efforts of the Government of Thailand to protect its last forests by securing the listing of Siam rosewood (*Dalbergia cochinchinensis*) on CITES Appendix II. EIA's research indicates the illegal rosewood trade in Thailand has boomed since demand surged in China in 2007.

Global Environment

EIA works to reduce emissions of fluorinated gases and improved enforcement of multilateral environmental agreements designed to curb trade in harmful chemicals. EIA is the only NGO actively investigating the illegal trade in ozone-depleting substances (ODS).

Hydrofluorocarbons (HFCs) were introduced in the 1990s as replacements to ODS such as chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs), collectively known as fluorinated gases or F-gases. HFCs are extraordinarily potent greenhouse gases, many thousands of times more powerful than carbon dioxide (CO₂) and are now the dominant chemicals used in refrigeration, air conditioning, aerosols and foam-blowing in most developed countries.

ENVIRONMENTAL INVESTIGATION AGENCY LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER (UK) 2012

Eliminating HFC production and use is the largest, fastest and most cost-effective climate mitigation option currently available. Swift action to reduce HFCs could prevent in excess of 100 gigatonnes of CO₂-equivalent emissions by 2050. EIA is working with a small network of NGOs to bring about agreement under the Montreal Protocol for a global phase-down of HFCs.

In 2012 EIA's HFC campaign continued efforts to secure and expand controls on HFCs, focusing primarily on international amendment proposals under the Montreal Protocol and the revision of the EU's F-Gas Regulation.

The European Union

EIA has established a coalition of NGOs to work on the EU F-Gas Regulation revision and has been able to stave off substantial efforts of the F-gas industry to prevent and/or weaken the revision.

EIA maintained strong and broad outreach to EU decision-makers, and spearheaded a broad international NGO coalition. EIA has engaged closely with a number of environment and climate ministries within the EU, and with private sector representatives involved in the production or use of HFCs.

EIA also engaged with the European Commission and members of the European Parliament, drafted numerous NGO joint position papers and letters to senior decision-makers, and presented joint NGO views at a number of external meetings, including industry stakeholder events, roundtable discussions and NGO network meetings.

In May 2012, EIA worked with Professor Michael Kauffeld to produce a report on the availability of climate-friendly alternatives to HFCs, *Alternatives to HFCs: Feasibility of an early phase-out of HFCs by 2020*, and also produced a series of sub-sector fact sheets to inform the debate.

In September 2012, EIA organised a debate at the European Parliament, co-hosted by MEPs Mr Eickhout and Mr Skylakakis, which signaled the start of Parliamentary attention to the F-gas issue. It brought together MEPs, the European Commission, Member State representatives, NGOs, media and businesses to discuss the opportunities for phasing-out the use of climate-changing F-gases presented by the current review of the F-Gas Regulation.

EIA maintained a regular media spotlight on the F-Gas Regulation throughout the period, with regular press statements, blogs and briefings to key specialist media outlets, including those relating to EU affairs and the trade press.

In July 2012, EIA published *Chilling Facts IV: HFC-free cooling goes mainstream*. The report detailed the efforts of 17 major supermarket chains in the EU to phase-out HFCs. The report showed that HFC-free commercial refrigeration is going mainstream, with 344 stores across the UK and 559 stores of the 17 EU supermarket chains surveyed found to be using climate-friendly refrigeration. Supermarkets are generating significant energy savings as well as reductions in direct HFC emissions. The findings were widely distributed in Europe through the media, and presented to a technology conference supported by the Clean Air and Climate Coalition in Montreal in December 2012.

Montreal Protocol and the UN Framework Convention on Climate Change

EIA campaigners attended the 2012 Open-Ended Working Group (OEWG) meeting in July 2012, for which it published the report *The Montreal Protocol in 2012: Ending the reign of fluorocarbons - Answering the call on climate*. It celebrated the Protocol's past achievements and looked ahead to future challenges.

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**DIRECTORS' REPORT****FOR THE PERIOD ENDED 31ST DECEMBER 2012**

Campaigners also attended the Meeting of the Parties (MOP) to the Montreal Protocol in November 2012. Prior to the start of the MOP, UNEP held a symposium to celebrate the first 25 years of the Montreal Protocol and upcoming challenges.

EIA spoke on behalf of all NGOs, reflecting on past accomplishments and urging Parties to agree to phase out HFCs and give more attention to feedstock uses of ozone-depleting substances (ODS) and banks of ODS chemicals.

In advance of the meetings, EIA conducted outreach to senior climate, environment and foreign policy officials and ministers in all countries that have not publically supported the Amendment, including Brazil, China, India, Indonesia, South Korea and many others, encouraging actions on HFCs at the Montreal Protocol and support for the Bali Declaration.

Additional support for proposals for a global phase-down of HFCs was generated, although the proposals are still strongly opposed by China, India and Brazil. A decision was agreed which will allow new information on alternatives to HFCs to be gathered and disseminated to the Montreal Protocol.

In December 2012, further progress was made at the Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) in Durban. A report was published for this meeting, *Closing the Emissions Gap: Time to phase out HFCs*, which called for a clear and unambiguous message to the international community, endorsing a global production and use phase-out of HFCs and urging the Montreal Protocol to undertake this phase-out without delay, while recognising that HFC emissions remain under the jurisdiction of the UNFCCC.

EIA continued to monitor the illegal trade in ODS, and engaged with UNEP to produce a film and written materials to assist customs officers in combating the illegal trade in ODS.

Cetaceans

EIA's work makes a significant contribution towards securing a healthy marine environment for whales, dolphins and porpoises (cetaceans), and to their conservation and welfare. It seeks an end to commercial hunting of these species and works with the International Whaling Commission (IWC), governments and other international agreements. For three decades, EIA has played an important role in the development of the work of the IWC to study and address environmental threats to cetaceans, for which it can demonstrate a measurable impact.

EIA works with several coalitions of NGOs on a number of issues relating to this campaign. These collaborations have proved to be efficient and cost-effective, ensuring best use of the specific skills and expertise of each organisation, and avoiding duplication of effort. In addition, there is strength in the collective voice of these coalitions.

The International Whaling Commission

Despite relentless pressure from pro-whaling countries to overturn it, the moratorium of commercial whaling has remained in place since its implementation in 1986. It provides effective protection as numerous species on the brink of extinction begin to recover from the ravages of commercial whaling. EIA has remained at the forefront of the campaign to ensure that one of the world's most effective conservation and welfare measure is not undermined.

EIA has been working to ensure the IWC develops its work to address the growing threats to whales, dolphins and porpoises in addition to the harpoon, today, addressing climate change, pollution, ozone depletion, vessel strikes, marine debris, and entanglement are primary areas of work for the IWC.

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER 2012

EIA has consistently influenced the successful evolution of the IWC's work to address the threats, including direct hunting, to the smaller cetacean species despite some member governments insisting they were outside the IWC's remit

The position of the EU IWC members at the IWC is crucial. EIA worked with a coalition of EU NGOs to produce a briefing for these EU members that successfully contributed towards ensuring a strong collective EU conservation and welfare position for the IWC and cetaceans.

An alarming threat to the oceans and the species that depend on them, including cetaceans, is the growing volume of marine debris, particularly plastics, killing unknown numbers of animals every year. In addition, micro-plastics are accumulating in the micro layer of the oceans, displacing the organic matter with the serious potential to impact on the bio-cycles of the oceans.

Contributing to the IWC's work to study the impacts of marine debris on cetaceans, an EIA scientist presented a paper to its 2012 Scientific Committee and worked successfully with other scientists on a proposal for an IWC Workshop to address and mitigate the impacts of marine debris on cetaceans. Two workshops will take place in 2013, in which EIA scientists will participate.

EIA was pleased that the IWC committed £24,000 from its Research Fund to the workshops. EIA also contributed to their cost as a demonstration of its commitment to this work.

Two campaigners attended the IWC's annual meeting, including the preceding committee meetings. Their work contributed to:

- condemnation of continued whaling by Iceland, Norway and Japan,
- agreement to hold and provide funds for the marine debris workshops,
- further development of the IWC's work to address collisions between vessels and cetaceans,
- rejection of the request by Denmark for an increased and unjustified Aboriginal Subsistence Whaling quota for its autonomous territory of Greenland,
- a strong conservation and welfare position by EU IWC members;
- the passing of a resolution highlighting the accumulated burdens of pollutants in cetaceans, the threats posed to consumers and the importance of scientific research and IWC cooperation with the World Health Organisation,
- progress in the work by the Commission to address threats to small whales and dolphins;
- an increase in the IWC's commitment to the conservation and welfare of cetaceans, including spending from its core research budget,

Hunting of cetaceans in Japan's coastal waters

For more than two decades, EIA has been investigating and campaigning to end the hunting of thousands of whales, dolphins and porpoises in Japan's coastal waters. Its exposés of alarming levels of pollutants found in the products from these hunts, their extreme cruelty and unsustainability have contributed to dramatic declines in the demand for these products and the numbers of animals killed.

Research, investigation and exposés continued into the marketing of cetacean products through the internet including by Yahoo! Japan and Google Japan, contravening their international policies which forbid the sales of products of species including whales, dolphins and porpoises. In 2012, EIA published the report *Killing for Commerce. Yahoo! fails to stop the sale of endangered and threatened whales and dolphins.*

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER 2012

Negotiations continued with major retailers in Japan to ensure continuation of their decision not to sell cetacean products. Over 3,000 supermarket stores do not sell these products as a result of EIA's work, contributing to the decline in numbers of cetaceans taken.

Iceland

EIA continued its research into the hunting of endangered fin whales by Iceland. In 2012, for the second year in succession, no fin whales were killed.

Investigations continued into the export and sale of fin whale products from Iceland to Japan.

EIA monitored the EU's accession negotiations with Iceland and communicated with EU member states to ensure a strong environment chapter and rejection of Iceland's attempts to achieve derogations that would allow it to continue commercial whaling if it becomes an EU member, and weaker adherence to the Habitats Directive and other important regulations.

Denmark

Working with a coalition of NGOs, EIA co-authored and published the report *Breaking Ranks – Denmark goes it alone on whaling policy*. It analysed the Government of Denmark's policies on whaling over two decades, demonstrating the country's support for commercial whaling in contravention of its responsibilities as a member state of the European Union. A presentation and debate on the report, in which EIA participated, took place in the European Parliament, hosted by an MEP.

Elephants

EIA plays a vital role in working with African range states to gain effective protection for elephants. EIA has been investigating and documenting the illegal international trade in ivory for over 25 years and was instrumental in securing the international ivory trade ban in 1989.

2011 was the worst year for elephant poaching since the ban was implemented. It was directly impacted by the decision to grant China approved buyer status by the Convention on the International Trade in Endangered Species (CITES), opening a legal domestic ivory market which resulted in increasing demand for ivory and a burgeoning illegal ivory trade. China's ivory market is now the single biggest threat to elephants in the wild.

Expectation of new proposals to allow legal sales of ivory and relaxing protection for some elephant populations stimulates poaching and illegal trade in ivory. The anticipation of the March 2013 Conference of the Parties to CITES has caused this extremely worrying surge in elephant poaching and illegal trade in ivory.

Throughout the reporting period, EIA's extensive investigations in Africa, China and the Far East exposed the poaching of elephants as being out of control, threatening the survival of African elephant populations.

In April 2012, EIA provided extensive advice and guidance during the formative stages of the BBC Panorama programme *Ivory Wars: Out of Africa*, exposing the stark realities of the illegal ivory trade and the impact on Africa's elephants. EIA provided background, contacts and leads.

In June, EIA staff travelled to Kenya and Tanzania to meet a range of contacts with information on elephant poaching and ivory smuggling. Potential hotspots and targets for future investigations were identified.

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER 2012

In March, EIA gave oral testimony on ivory poaching and illegal ivory trade at a special hearing of the UK Parliament's Environmental Audit Committee on Wildlife Crime, the findings of which were published in October 2012

The illegal international trade in ivory was raised in the House of Lords on July 4, 2012. EIA provided a briefing and called for clear policies to effectively address the poaching crisis. It also called for China's Approved Buyer status to be revoked, followed by a thorough review of those holding this status.

EIA campaigners attended the 62nd meeting of the CITES Standing Committee in July 2012. They provided a damning critique of a report submitted to the meeting which outlined a mechanism for future legal trade in ivory and also called on CITES to withdraw China's Approved Buyer Status.

EIA provided a briefing on environmental crime, including the illegal ivory trade, to delegates at the United Nations General Assembly High-Level Meeting on the Rule of Law meeting in September 2012. The briefing included several recommendations and the need for Member States to recognise that environmental crime can be effectively tackled through strengthening the rule of law.

Tanzania submitted a proposal to the CITES Conference of the Parties scheduled to meet in March 2013 that would allow the sale of its stockpiles of ivory. EIA strongly criticized and argued against the application through the media, and used its social media platforms to draw attention to the bid. Tanzania subsequently withdrew the proposal.

In September, EIA welcomed the recommendations by the UK's Environmental Audit Committee that there should be a complete ban on the trade in ivory from all sources. EIA supported the committee's call for the UK to exert robust diplomatic pressure to achieve development and enforcement of wildlife law at the March 2013 CITES meeting.

In September, EIA staff conducted an on-site investigation into the illegal trade in ivory in the Niassa region of northern Mozambique and the Selous area of southern Tanzania. The trip yielded valuable insights into the upsurge of poaching in the region. EIA met with a number of contacts in both regions who are struggling to contain the situation. These findings were incorporated into confidential briefing documents prepared for senior politicians and key decisions-makers in the lead up to CITES CoP16 in March 2013.

EIA was featured in and also instrumental in advising, guiding and facilitating on site activities and contacts for the National Geographic Film "Battle for the Elephants" which was screened in The United States in November.

Tigers

With fewer than 3,500 wild tigers remaining across their Asian territory, the species is at a tipping point. Habitat destruction, prey decline and the illegal trade in tiger parts and derivatives have pushed wild tiger populations to the brink of extinction.

As a symbol of the health of the forests tigers inhabit - the same forests securing water and mitigating climate change - there is far more at stake than one magnificent species, the security of our global ecosystem hangs in the balance too. The same threats to the tiger also put other Asian big cats - leopards, snow leopards, clouded leopards and Asiatic lions - at risk, as well as the many other denizens of the tiger's forests.

The decline of the wild tiger is symptomatic of poor environmental governance, corruption, the lack of enforcement to combat serious transnational organised environmental crime, and failed 'development' agendas that create inequality, fail to alleviate poverty and exacerbate conflict and pressure on predators, their prey and habitats.

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**DIRECTORS' REPORT****FOR THE PERIOD ENDED 31ST DECEMBER 2012**

EIA is campaigning for adequate legislation, and for investment in effective enforcement to combat all trade in the parts and derivatives of tigers and other Asian big cats. Its long-term goal is for Asian big cat populations to recover from their current status and to help the global wild tiger population double by the next Year of the Tiger in 2022. This is consistent with the long-term goal of the Global Tiger Recovery Programme.

Throughout the year, EIA worked with a network of NGOs, governments and international agreements around the world with respect to the trade in tigers and other Asian Big cats.

The year was dominated by desk-based and field investigations in China to document the ongoing illegal trade in the skins and body parts of wild tigers and other Asian big cats from South Asia into China. Findings were provided in the format of Confidential Intelligence Briefings to INTERPOL and national law enforcement contacts.

EIA's undercover investigators also obtained first-hand evidence of domestic trade in the skin of captive-bred tigers in China. This trade is licensed and undermines the objectives of CITES and the Global Tiger Recovery Programme by stimulating demand for tiger parts and products instead of eliminating demand.

Also throughout the year, EIA distributed an updated version of its 2006 film on the international illegal trade in tigers and other Asian big cats. The film is aimed at raising awareness among police, customs and forest officials regarding the organised and transnational nature of poaching and trafficking, of the intelligence-led enforcement tactics required to combat it, and the communication and cooperation mechanisms available to assist. The updates take into account the changes in market demand. The film has since been directly distributed by EIA to more than 230 law enforcement officers, and is also available from the CITES Secretariat.

In May 2012, campaigners attended a conference in Delhi, a follow-up to the Global Tiger Recover Programme at which tiger range states reported on actions implemented. EIA promoted the adoption of a set of indicators against which national and international law enforcement actions to combat trafficking could be evaluated. This complemented EIA's earlier work to promote the concept of indicators of effective enforcement to the International Consortium on Combating Wildlife Crime (ICWC), which is now leading on the formal development of these indicators.

During the visit of Naveen Pattnaik, Chief Minister of the Indian State of Odisha, to the UK in May 2012, EIA highlighted the need for urgent action to stop the destruction of his State's precious environment and to protect the rare tigers living in it. Eastern Odisha is home to Simlipal National Park, the only known habitat of the elusive melanistic, or black, tigers. EIA campaigners visited Simlipal in May and found that security staff were unarmed, lacking proper equipment, training or support, and were expected to protect the forest from poachers, illegal logging and encroachment.

In July 2012, EIA Tiger Campaigners attended the 62nd meeting of the CITES Standing Committee in Geneva. It called upon all countries with operations to farm tigers and other Asian big cats to shut down such facilities and destroy stockpiled body parts and derivatives.

Specifically, it called on China – which has the world's greatest number of tiger farms – to terminate its 'legal' domestic trade in tiger and leopard skins as an indication of genuine commitment to ending the tiger trade and reducing demand. It asked CITES to urge China to comply with CITES resolutions and withdraw its controversial scheme allowing trade in the licensed skins of captive-bred tigers and leopards.

EIA produced the *Briefing on Snow Leopards in Illegal Trade – Asia's Forgotten Cats* for delegates to the 2nd Asian Ministerial Conference on Tiger Conservation, in Bhutan, held under the auspices of the Global Tiger Initiative in October 2012. EIA warned that other big cats are being forgotten and are equally at risk from the illegal wildlife trade in skins and bones. It called on leopard and snow leopard range states to fulfill their obligation to report to CITES on the actions they are taking to protect these animals from the illegal trade in their body parts and derivatives.

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER 2012

During the period EIA campaigners prepared for the 16th Conference of the Parties to CITES that convened in Bangkok, Thailand, in March 2013. It called on governments to demand the end to tiger farming and the trade in big cat skins and bones.

EIA tiger campaigners worked with the Born Free Foundation, Save Wild Tigers and the Clinton Partnership in preparation for the Tiger Tracks – the world's biggest public tiger event which took place over 3 weeks in St Pancras Station, London in March 2013.

Communications

Investigation, documentation and communication are trademarks of EIA's work and vital to the success of the organisation and its hard-hitting campaigns. Throughout the period, investigations both desk-based and in the field - often undercover - were carried out in several countries.

The documentation gathered contributed vital and often unique dossiers of information towards the campaigns and their success.

The EIA website *www.eia-international.org* has proved to be a very useful tool for disseminating information on the campaigns and their activities to the media, governments, partners, other organisations and the general public. Press releases were enhanced with photographs from the field, and often accompanied by vibrant and interesting short films and video news releases. Campaigners and other staff members wrote blogs for the website, adding a more personal profile to EIA's work.

The monthly e-newsletter has proved to be successful and popular among EIA's growing number of e-supporters. In addition, the use of Facebook and Twitter has enabled the organisation to reach a growing audience by taking advantage of the era of social media.

Investment has been made in the Communications Department, including the addition of a new member of staff, new equipment and upgrading the archiving of EIA's unique library of photos and film.

Films featuring the work of EIA picked up top awards at the 35th International Wildlife Film Festival in the US. *Blood Ivory*, made by Red Earth Studio for National Geographic, and *Madagascar, Lemurs & Spies*, made by the BBC Natural History Unit, were jointly awarded the *Best Conservation Message* and *Best of Category Conservation*.

Making a Killing, an exposé of Iceland's hunting of endangered fin whales for export to Japan was awarded *Best of Category News*.

All three films won additional Merit awards.

Financial Review

The Environmental Investigation Agency (UK) Ltd was incorporated on 25th August 2011 but did not start trading until 1st April 2012. Therefore, the Financial Statements represent the results for the 9 month period ended 31st December 2012.

As a result of the restructuring of the organisation, all operations were moved from EIA Charitable Trust and EIA Ltd to EIA UK on 1st April 2012. All staff members moved to EIA UK.

EIA Ltd granted its assets to EIA UK on 1st April 2012 to the amount of £87,022 as a restricted grant and £129,209 as an unrestricted grant. In addition the outstanding grant refund to the EU discussed below was provided to EIA UK for payment by the company on behalf of EIA Ltd.

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**DIRECTORS' REPORT****FOR THE PERIOD ENDED 31ST DECEMBER 2012****Financial Review (Continued)**

Total income for the 9 month period is £1,464,086 Grant funding accounts for 87% of the income at £1,283,494. Total income also includes grants from Environmental Investigation Trust Ltd to the sum of £391,944 of which £307,840 was restricted to specific project expenditure

The main granting bodies during the period include EIA Trust Ltd, the Department for International Development, the Adessium Foundation, NORAD ClimateWorks Foundation and EIA Inc.

The remainder of the income was raised from membership fees and supporter donations. This income is unrestricted and was used for the furtherance of the organisation's objects

Total expenditure is £1,209,379 of which £926,663 (77%) was spent on projects from grants restricted by the funders. Staff costs including social security and pension costs were £676,294 during the period

Total creditors of £199,350 include a grant refund of £117,374 which has subsequently been paid back to the EU following completion of the project in March 2012 EIA had been awaiting a refund request from the EU that was finally received in March 2013

The surplus on ordinary activities before taxation on the Income and Expenditure account for the 9 month period is £254,707

The retained surplus carried forward as at 31st December 2012 is £254,707 of which £133,929 is restricted funding Net current assets are £241,698 at the end of the period.

Fundraising

EIA UK raises funds from a variety of sources including membership, supporters, grants and donors A new member of the Fundraising Team, who joined EIA in April 2012, has proved to be a valuable asset. Another member of the team departed in November 2012, and was replaced in January 2013.

EIA UK's 3,000 members and its additional supporters provide valuable unrestricted funds to the organisation. Prior to the transition from EIA Ltd to EIA UK, all members were sent an explanatory letter about the restructuring which informed them of the transfer of their membership to the new entity

Members are provided with the EIA newsletter *Investigator* twice a year and are sent three appeals per year in support of EIA's campaigns

EIA has a growing number of e-supporters who receive monthly electronic updates on EIA's work The challenge is to transform these supporters into regular donors and work is focused on achieving this.

The website is a valuable asset for the organisation and extremely useful for providing 'live' information about EIA's work in addition to archived information Efforts are focused on inspiring visitors to the website to donate in support of EIA's work.

Grants are the primary source of income for EIA UK and efforts have been focused on ensuring that full cost recovery is included in the applications. In addition, systems reviews have been undertaken to improve reporting to the Finance Department

Grants from EIA USA support work by several campaigns on which EIA UK and EIA USA cooperate

The Forest Campaign is largely supported by grants from the UK's Department for International Development (DFID) and the Norwegian Agency for Development Cooperation (NORAD), although smaller grants also contribute to this work

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**DIRECTORS' REPORT****FOR THE PERIOD ENDED 31ST DECEMBER 2012**

The Global Environment Campaign is largely supported by grants from EIA Inc and ClimateWorks, with smaller grants also supporting this work

The Tiger, Elephant and Cetacean Campaigns are supported by a number of grants

The Trustees of EIA Trust Ltd provide grants in support of the charitable work carried out by EIA UK

As a donation in kind, EIA carries out administrative and fundraising operations for EIA Trust

The Fundraising Department was very busy with preparations for the world's largest public tiger event, *Tiger Tracks*, which took place over three weeks in St Pancras International station, London, in March 2013. The event culminated in a glittering gala dinner. *Tiger Tracks* aimed to raise much greater public awareness of the plight of wild tiger populations around the globe and to raise funds for the tiger campaigns of EIA, Born Free Foundation and Save Wild Tigers

Relationships with Related Parties and Other Organisations

EIA UK works in cooperation with EIA Inc with respect to its campaigns. It cooperates with EIA Trust Ltd, which has granted funds to EIA UK for the furtherance of its work

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

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.

On Behalf of The Board:

James J. Hordale

J. Lonsdale (Director)

23rd May 2013

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 period ended 31st December 2012 which comprise the Profit and Loss Account, the Balance Sheet and related notes

The financial reporting framework that has been applied in their preparation is applicable by law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 31st December 2012, and of its result for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006,

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,
- 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,
- 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 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

24th May 2013

ENVIROMENTAL INVESTIGATION AGENCY (UK) LIMITED**INCOME AND EXPENDITURE ACCOUNT****FOR THE PERIOD ENDED 31ST DECEMBER 2012**

	Notes	2012 £
INCOME		1,464,083
OPERATING EXPENSES		(1,209,379)
		<u>254,704</u>
Interest Receivable		3
Other Income		<u>-</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		254,707
Taxation on Ordinary Activities	13	<u>-</u>
SURPLUS FOR THE PERIOD	2	254,707
Retained Surplus Brought Forward		<u>-</u>
RETAINED SURPLUS CARRIED FORWARD		<u>£254,707</u>

The Company commenced trading on the 1st April 2012.

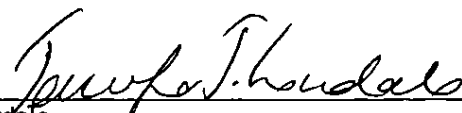
There were no recognised gains or losses other than those stated above

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**BALANCE SHEET****AS AT 31ST DECEMBER 2012**

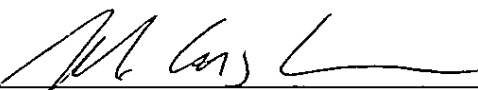
	Notes	£	2012	£
FIXED ASSETS				
Tangible assets	6			13,009
CURRENT ASSETS				
Debtors	7	62,193		
Cash at Bank and in hand		<u>378,855</u>		
		441,048		
CREDITORS: Amounts falling due within one year	8	<u>(199,350)</u>		
NET CURRENT ASSETS				<u>241,698</u>
NET ASSETS				<u>£254,707</u>
CAPITAL AND RESERVES				
Profit and Loss Account	9			<u>254,707</u>
RESERVES	10			<u>£254,707</u>

The Financial Statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standards for Smaller Entities (effective April 2008.)

The Financial Statements were approved by the Directors on the 23rd May 2013 and signed on their behalf by:



 J. Lonsdale



 M. Gaskin

Company No: 07752350

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 2012

1 Accounting Policies

(i) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company has taken advantage of the exemption under Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small Company

(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

(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 profit and loss

(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 PERIOD ENDED 31ST DECEMBER 2012****2. OPERATING SURPLUS**

	2012
	£
The operating surplus is stated after	
Charging:	
Auditors' Remuneration	
Audit	5,000
Other Services	300
Directors' Emoluments	73,722
Directors' Pension Contributions	9,000
Depreciation	<u>5,565</u>

3. STAFF COSTS

	No
The average numbers of employees was	25

Staff Costs, including Directors' remuneration, were as follows.

Wages and Salaries	612,078
Social Security Costs	55,216
Pension Costs	<u>9,000</u>
	<u>£676,294</u>

4. CAMPAIGNS EXPENDITURE

	General Funds	Restricted Funds	Designated Funds	2012 Total
	£	£	£	
Forests: Waterloo	-	41,129	-	41,129
Forests: Other	-	8,873	-	8,873
Forests: DFID FGMC	27,139	278,130	-	309,363
Forests: NORAD	13,634	80,720	-	95,641
Forests: JMG	1,970	20,502	-	22,783
Adessium Investigations Unit	20,087	121,308	-	143,322
GEC	2,596	11,663	-	14,457
GEC CWF	5,871	83,701	-	90,825
GEC CIFF	15,219	94,279	-	110,966
Elephants	3,531	48,026	-	52,247
Tigers	16,590	85,946	-	103,916
Cetaceans	11,302	52,387	-	64,540
Red Earth	-	-	20,000	20,000
	<u>£117,939</u>	<u>£926,664</u>	<u>£20,000</u>	<u>£1,078,062</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 PERIOD ENDED 31ST DECEMBER 2012****5. GRANTS PAYABLE**

The following material grants were paid during the year:

	2012
	£
Telepak	12,582
Total Grants	<u>£12,582</u>

6. FIXED ASSETS

	Furniture and Equipment
	£
Brought Forward Cost	-
Additions	18,574
Cost at 31 st December 2012	<u>£18,574</u>
Brought Forward Depreciation	-
Charge for Period	5,565
Depreciation at 31 st December 2012	<u>£5,565</u>
Net Book Value at 31 st December 2012	<u>£13,009</u>

7 DEBTORS

	2012
	£
Due within one year.	
EIA Trust	9,792
Grants due from EIA US	31,414
VAT	2,846
Other Debtors	1,865
Prepayments	16,276
	<u>£62,193</u>

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31ST DECEMBER 2012****8 CREDITORS:** Amounts falling due within one year

	2012
	£
Trade Creditors	46,587
Taxes and Social Security	19,489
Accruals	15,900
Refund of Grant	117,374
	<u>£199,352</u>

9. RESERVES

	2012
	£
Restricted Funds	133,929
Designated Funds	23,682
General Funds	97,096
	<u>£254,707</u>

Restricted and designated funds represent funds to be applied for specific projects (see notes 11 & 12).

10 RECONCILIATION OF MOVEMENTS ON RESERVES

Opening Reserves	-
(Deficit)/Surplus for the Period	254,707
Closing Reserves	<u>£254,707</u>

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31ST DECEMBER 2012****11 RESTRICTED FUNDS**

	Balance b/f £	Income £	Staff Costs £	Grants Payable £	Overheads and Other Expenditure £	Transfers £	Balance c/f £
Forests- Waterloo	-	41,129	(22,586)	(5,177)	(13,366)	-	-
Forests- Other	-	8,874	-	-	(8,874)	-	-
Forests- DFID FGMC	-	320,366	(169,222)	(509)	(108,399)	(6,119)	36,117
Forests- NORAD	-	85,431	(29,878)	(7,544)	(43,299)	-	4,711
Forests- JMG	-	20,502	(6,216)	-	(14,286)	-	-
Adessium Investigations Unit	-	145,124	(71,548)	-	(49,760)	(4,034)	19,782
Adessium Organisational Review	-	17,194	-	-	-	-	17,194
GEC	-	20,342	(3,750)	-	(7,913)	-	8,679
GEC- CWF	-	86,078	(59,249)	-	(24,452)	-	2,377
GEC- CIFF	-	107,809	(58,181)	-	(36,098)	(836)	12,694
Elephants	-	57,309	(34,844)	-	(13,181)	-	9,284
Okavango	-	3,083	-	-	-	-	3,083
Tigers	-	91,427	(48,337)	-	(37,609)	-	5,481
Cetaceans	-	66,914	(41,524)	-	(10,863)	-	14,527
	£-	£1,071,581	£(545,335)	£(13,230)	£(368,099)	£(10,989)	£133,929

Included in the income and expenditure account are funds which have been restricted by the donor for the projects listed above. The balances are part of the Profit and Loss Account in the Balance Sheet. Transfers represent fixed assets acquired which have been funded by restricted funds.

12 DESIGNATED FUNDS

	Balance b/f £	Income £	Staff Costs £	Grants Payable £	Overheads and Other Expenditure £	Transfers £	Balance c/f £
Red Earth	-	43,682	-	-	(20,000)	-	23,682
	£-	£43,682	£-	£-	£(20,000)	£-	£23,682

13. TAXATION

Company income primarily comprises grants and donations which are not subject to tax and therefore there is no tax liability arising in the year.

ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31ST DECEMBER 2012****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 £391,944 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 £309,219 were receivable from the Environmental Investigation Agency Inc.

The current account balances at 31st December 2012 were as follows

	£	
EIA Trust Debtor	9,792	(see note 7)
EIA US Debtor	31,414	(see note 7)

15. LEASE COMMITMENTS

At the 31st December 2012 the company had the following annual commitments under non-cancellable operating leases

	Land and Buildings 2012 £
Expiry Date	
Between One to Two Years	-
Between Two to Five Years	<u>36,750</u>