

**ENVIRONMENTAL INVESTIGATION AGENCY (UK)  
LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

**COMPANY REGISTRATION NUMBER: 07752350**

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**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

**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)

**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 2013**

The Directors present their report together with the financial statements of the Environmental Investigation Agency (UK) Limited for the year ended 31<sup>st</sup> December 2013.

The financial statements have been prepared in accordance with the principal accounting policies section of this document and comply with the current statutory requirements, the Memorandum and Articles of Association and the Companies Act 2006.

Although the company is not a UK-registered charity, this Directors' Report has been prepared 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 07752350, incorporated on 25<sup>th</sup> 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 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.

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.

**Reserves Policy**

EIA UK holds unrestricted reserves to the amount of £100,000.

The objective of the Reserve is to maintain sufficient unrestricted funds to meet all of EIA UK'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 UK'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.

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

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#### **FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

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 level 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 is increasingly 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 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.

The grim reality is that, alongside the terrible toll taken on endangered species such as tigers, elephants and rhinos, the activities of highly organised transnational wildlife and forest crime syndicates also exact a huge price in human life.

##### ***UN Commission on Crime Prevention and Criminal Justice (CCPCJ)***

In April, the United Nations' anti-crime body 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.

EIA, in cooperation with several organisations, pushed for the CCPCJ to expand the work of the UN Office on Drugs and Crime (UNODC) to address illicit trafficking in protected species of wild fauna and flora.

In a joint statement to the meeting, EIA said recognition of the serious, transnational and organised nature of wildlife and forest crime, 12 years on from the first discussion of these crimes under the UN General Assembly, is a crucial step forward.

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****DIRECTORS' REPORT****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013***World Ranger Day*

World Ranger Day on 31st July was an opportunity for EIA to remember and pay tribute to over 1,000 courageous rangers (possibly 5,000) who had been killed over the past decade as they did their utmost to protect wildlife. Just as importantly, it was also a moment to remember the often unseen victims of wildlife crime – the widows and children of fallen rangers.

*HRH The Prince of Wales*

In May, EIA senior campaigners attended a key meeting hosted by HRH The Prince of Wales and Owen Paterson, the Secretary of State for Environment, Food and Rural Affairs. It marked the beginning of a process to secure greater commitment from Heads of State to combat wildlife crime.

*The UN*

In September, a high-level meeting on the rule of law at the national and international levels took place at the UN Headquarters in New York. Prior to the meeting, EIA briefed the Permanent Missions to the UN in New York, urging them to take the opportunity afforded by the meeting to adopt concrete actions to address environmental crime by strengthening the rule of law.

EIA's briefing outlined the real impacts of environmental crime, explaining that "environmental crime affects all of society and is often closely linked with exploitation of disadvantaged communities, human rights abuses, violence, conflict, money-laundering, corruption and international criminal syndicates." EIA urged the delegates attending the meeting to address environmental crime as a serious threat to the rule of law.

While disappointed by the final outcome document adopted at the meeting, EIA was encouraged that individual member states, including the US, France and Gabon, have expressed support towards addressing environmental crime, and the illegal wildlife trade in particular, under the rule of law framework.

*National Environmental Crime Conference*

In November, EIA attended the National Environmental Crime Conference in London, along with a cross-section of civil society, law enforcement, academia and the media. EIA contributed to discussions on how technology can be used to tackle environmental 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.

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.

*Europe*

EIA has continued to work with European Union members to ensure effective implementation of the EU Timber Regulation (EUTR), 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 to follow the supply chain of wood from the forest to its sale in Europe.

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*Timber shipments to the EU*

EIA issued a formal warning that EU companies could fall foul of the EUTR by importing timber from Myanmar.

Analysis of the chaotic state of forest governance in Myanmar demonstrated how the required EUTR due diligence is impossible on imports from the Mekong states.

A second alert cautioned that the involvement of notorious former timber baron Abdul Rasyid was reason enough to stay away from a US\$90 million initial public offering (IPO) in an Indonesian palm oil company. In 2000, he was named by the Indonesian Government as one of the top 18 illegal logging bosses in the country.

The company, Sawit Sumbermas Sarana (SSMS), currently holds a land bank of 78,000 hectares in the Indonesian province of Central Kalimantan and is seeking investment to expand its palm oil plantation area through an IPO on the Jakarta stock exchange.

*Indonesian Voluntary Partnership Agreement (VPA) with the EU*

Asia's first-ever Voluntary Partnership Agreement (VPA) to combat illegal logging was signed into law on 30th September 2013. It aims to verify the legal licensed export of timber from Indonesia to the EU. Years of work by EIA have contributed to the VPA.

*Mozambique*

EIA released its report *First Class Connections: Log Smuggling, Illegal Logging and Corruption in Mozambique*, revealing how corruption in the world's fourth poorest country facilitates illegal logging and timber smuggling to China. The report was published in English and Portuguese.

Independent research indicated that half the timber flowing into China is illegal and further revealed that smuggled timber costs Mozambique US\$29,172,350 in lost taxes every year. Investigative case studies into some of the biggest companies behind these crimes exposed both the smuggling techniques used and the political patronage and corruption making them possible.

*Thailand*

EIA's Forest Campaign team had grounds for cautious celebration at the Conference of the Parties to the Convention on the International Trade in Endangered Species (CITES) when efforts to list endangered Siam rosewood for protection were successful.

For several years, EIA has been investigating the multi-million dollar illegal trade in this desperately threatened species to meet China's desire for luxury 'hongmu' antique-style furniture. This trade is characterised by violence and bloodshed.

The listing is a significant step forward for Siam rosewood and provides a legal tool to use in China, the main destination to eliminate the trade.

Following this, and as part of Thailand's commitment to the listing, a series of enforcement operations took place as part of the Department of National Parks (DNP) and the Thai Army suppression campaign against illegal loggers and the subsequent illicit trade from Thailand. EIA was invited to document these operations that took place over a 90-day period. The result is up-to-date intelligence and the strengthening of the relationship between the Thai authorities and EIA.

*HSBC bankrolls deforestation*

EIA revealed how High Street banking giant HSBC is funding the destruction of rainforests essential for the survival of orangutans and other endangered species in Borneo.

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The report *Banking on Extinction* showed that despite adopting policies to keep it from financing deforestation, the UK bank is nevertheless a leading financier of the palm oil industry. It profits from large-scale deforestation by making loans worth hundreds of millions of dollars to some of the industry's worst elements.

The report showed that HSBC's reliance on the Roundtable on Sustainable Palm Oil (RSPO) as an indicator of third-party compliance with its own sustainability policies is fundamentally misguided. EIA called upon the bank to update its forest policy to forbid the financing of deforestation or exploitation of peatlands; institute a process of due diligence prior to financing any land expansion, directly or indirectly; and use its position as a member of the RSPO Executive to institute regular and formal, but independent, monitoring.

***Myanmar/Burma***

During the year, EIA embarked on a programme to support civil society in Myanmar to campaign for changes to the country's forestry sector. Highlights during the year included a strategy meeting with civil society groups from across the country, followed by the first documentation and investigations training workshop for NGOs held in Yangon in November.

***Indonesia***

Raja Ampat, one of the world's most beautiful national parks, is under serious threat from illegal logging. As a result of civil society monitoring and information given to law enforcement, a major illegal timber syndicate controlled by a local Papuan policeman was exposed operating out of Papua, Indonesia. EIA's footage documented loggers illegally felling trees without appropriate Government approvals. More than 150 containers of illegal merbau timber were held, then released, only to be seized once again upon return to Papua.

Following this, EIA and partners worked with the Financial Task Force investigating millions of dollars of illicit profit made by the policeman and his company. The prosecution against this policeman started in late 2013 and on 2<sup>nd</sup> May 2014 he was jailed for eight years.

***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 (CO<sub>2</sub>) and are now the dominant chemicals used in refrigeration, air-conditioning, aerosols and foam-blowing in most developed countries.

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 CO<sub>2</sub>-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 2013, 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.

***EU F-Gas Regulation***

In 2013, EIA spearheaded a campaign to bring about a strong regulation on fluorinated greenhouse gases (HFCs), the culmination of a three-year review process.

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EIA representatives spoke at the Shecco ATMOSphere conference, noting that banning the use of HFCs in supermarkets would be one of the cheapest and most effective ways of reducing greenhouse gases in Europe.

Facing enormous pressure from a well-funded chemical industry lobby, EIA led a coalition of European NGOs that persuaded the European Parliament and EU Member States to strengthen a November 2012 proposal from the European Commission.

In December, the European Union agreed to partially ban the use of HFCs used in refrigeration and air-conditioning. The EU F-Gas Regulation will cap the amount of HFCs which can be placed on the European market and will gradually reduce it over time. The EU also agreed to ban the use of HFCs in new equipment in a number of sectors, most notably commercial refrigeration by 2022. In addition, from 2020 HFCs will no longer be used to service and maintain refrigeration equipment.

***Chilling Facts V***

In September, EIA published the findings of its 5th *Chilling Facts* report. It revealed a new wave of technology has been driving a European refrigeration revolution, reducing energy usage and eliminating the need for harmful chemicals.

The *Chilling Facts V* survey found supermarket chains throughout the EU, and particularly in the UK, were moving away from traditional HFCs towards natural refrigerants and reaping significant benefits in the process.

***Two Billion Tonne Climate Bomb***

In June 2013, EIA published its report *Two Billion Tonne Climate Bomb: How to Defuse the HFC-23 Problem*. EIA investigators had discovered that many Chinese and Indian facilities, despite having destruction technology readily available, are releasing or threatening to emit the by-product HFC-23 unless they receive additional financing to dispose of the chemicals. Releasing these products would cause the release of more than two billion tonnes of CO<sub>2</sub> equivalent into the atmosphere by 2020, more than one-quarter of China's annual CO<sub>2</sub> emissions.

***The Montreal Protocol***

EIA continued its work to ensure a global phase-out of HFC gases through the Montreal Protocol, demonstrating its significance in providing effective climate mitigation through a tried and tested process. With funding from the Montreal Protocol's Multilateral Fund, China agreed to phase out HFC production, preventing eight billion tonnes of carbon dioxide equivalent emissions.

In October, EIA representatives attended the 25th Meeting of the Parties to the Montreal Protocol and again urged parties to work towards a global phase-out of HFC gases.

Despite opposition from India, the entire group of African countries joined the growing number of countries requesting formal discussions on phasing down HFCs under the Montreal Protocol. They recognised this as the most efficient and cost-effective path way of stopping the massive growth of these powerful greenhouse gases.

***19th Conference of the Parties (CoP19) to the United Nations Framework Convention on Climate Change (UNFCCC)***

EIA Campaigners attended the conference in November and provided a briefing paper calling on countries to support a consumption and production phase-down of HFCs under the Montreal Protocol, with accounting of emissions remaining under the UNFCCC. EIA is highly critical of India and Saudi Arabia for blocking an agreement which could prevent the release of up to 100 billion tonnes of carbon dioxide equivalent emissions by 2050.



**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****DIRECTORS' REPORT****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013*****Cetaceans***

EIA's Cetacean Campaign aims to secure a healthy marine environment for whales, dolphins and porpoises (cetaceans), and their conservation and welfare. It seeks an end to commercial hunting of these species and works with the International Whaling Commission (IWC), governments, NGOs 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 significant impact.

EIA collaborates with coalitions of NGOs around the world on a number of issues relating to this campaign. This has 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 organisations.

***The International Whaling Commission***

EIA remains at the forefront of efforts to ensure that the international ban on commercial whaling (the moratorium) remains in place, despite relentless pressure from pro-whaling countries, particularly Iceland, Japan and Norway, to overturn it. Implemented in 1986, the moratorium is one of the world's most effective conservation and welfare measures and is enabling critically endangered whale populations to begin to recover from the ravages of commercial whaling.

A key objective for EIA is the development of the IWC's work to effectively address the growing threats to whales, dolphins and porpoises in addition to hunting including climate change, pollution, ozone depletion, vessel strikes, marine debris and entanglement. EIA has consistently influenced the successful evolution of the IWC's work to address these threats and is also working to ensure that increased funds from the IWC's research budget are assigned to it.

EIA has also participated in work to address direct hunting of the smaller cetacean species, contributing essential and unique data.

With meetings of the decision-making body of the IWC having moved from an annual to biennial cycle since its last meeting in 2012, EIA has continued to work with member governments, including contributing to work being undertaken to improve governance and costs saving.

In May, EIA's Cetaceans Researcher attended the IWC's workshop on marine debris, presenting a paper and acting as rapporteur to one of the sessions. She also participated in the IWC's meeting of its Scientific Committee in June, presenting two papers reviewing the status of cetacean populations hunted in Japan's coastal waters. The recommendations of the Committee will be discussed at the IWC's meeting in 2014.

***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. EIA's exposés of high levels of pollutants found in the products from these hunts, their extreme cruelty and unsustainability have resulted in dramatic declines in the demand from consumers and the numbers of animals killed.

EIA's successful negotiations with retailers resulted in thousands of stores no longer selling products from these hunts; it is now focused on internet sales, with success in persuading Google Japan and Amazon Japan to end sales of cetacean products. Japanese pet treats made from endangered Icelandic fin whale were withdrawn from sale hours after public attention was drawn to these products.

In November, EIA's new report *Toxic Catch: Japan's unsustainable and irresponsible whale, dolphin and porpoise hunts* was released at a lively press conference in the Foreign Correspondents Club in Tokyo. The report exposed the depletion of small cetacean populations in Japan's coastal waters and urged the Government of Japan to take action to restore depleted cetacean populations and to work with hunters to find alternative livelihoods.

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Meetings also took place with Japanese NGOs, scientists and consumer organisations to discuss the problems associated with the coastal cetacean hunts. Investigation in the Iwate coastal region was undertaken to assess the future for the Dall's porpoise hunt, which had been greatly reduced as a result of the 2011 earthquake and tsunami.

***Iceland***

Investigations continued into the export and sale of fin whale products from Iceland to Japan as fin whaling resumed in 2013 after a two year hiatus. Research was carried out into the international markets for fish from companies associated with Iceland's whaling.

Monitoring the EU's accession negotiations with Iceland was essential to ensure that Iceland did not undermine the Habitats Directive and other relevant EU regulations. Accession talks have ended for the time being.

***Pilot Whaling in the Faroe Islands***

In cooperation with a coalition of NGOs, pressure was maintained on the Government of the Faroe Islands to end the hunting of pilot whales in the Faroe Islands. This included communications with the Prime Minister, the Pilot Whalers Association and local chiefs of police.

***Elephants***

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

With as many as 50,000 elephants currently being killed every year, the illegal ivory trade is out of control. This is fuelled directly by the decision to grant China approved ivory buyer status by the Convention on the International Trade in Endangered Species (CITES). It opened 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.

Throughout the 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. A lobbying trip to Tanzania was undertaken to meet with key stakeholders and determine the extent and impact of ongoing elephant poaching and illegal ivory trade as well as the impact of the highly controversial operation Tokomeza (an anti-poaching crackdown which resulted in a number of human rights abuses and the resignation of four senior cabinet members).

EIA provided extensive information to the emerging 'Stop Ivory' initiative.

***CITES***

Given that the elephant poaching crisis was high on the agenda for the 16th Conference of the Parties to CITES, the outcome was far short of what was required to reduce the poaching and illegal trade in ivory. This included a failure to consider the impact of previous ivory sales authorised by CITES, particularly to China.

Working behind the scenes in the run-up to the 2013 CITES meeting, EIA's elephant campaign applied quiet diplomacy and pressure to ensure that language in the convention, which previously identified China and Japan as approved trading partners for ivory, was amended to remove any doubt as to their status with regard to any future ivory sales and to confirm that the previous sales of stockpiles were indeed one-off events.

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EIA was also the only organisation to challenge the ongoing process of the development of a decision-making mechanism for a future trade in ivory. A comprehensive briefing paper was provided by EIA to the Conference parties and delegates to encourage suspension of the process, which was agreed at the 2007 Conference of the Parties to CITES prior to the current resurgence in poaching and illegal trade.

The progress achieved at the Conference included adoption of a recommendation that Parties report annually on government-held ivory stockpiles; adoption of a decision that Parties involved in ivory seizures of 500kg or more should collect and submit DNA samples from the ivory seized to an appropriate forensic analysis facility samples; and adoption of a resolution for implementation of the African Elephant Action Plan. These measures, if implemented effectively, will significantly help to combat the ivory trade.

*Networking and Partnerships*

EIA worked with Kenya-based groups to strengthen existing legislation to apply more appropriate penalties for wildlife crime, particularly elephant and rhino poaching, and illegal ivory and rhino horn trading. The new Kenyan Wildlife and Conservation Management Bill was approved in January 2014. EIA partnered with a small group of Tanzanian filmmakers to produce an awareness-raising film on the role of elephants in Tanzania; made by Tanzanians, for Tanzanians. This is timely, given the current situation for Tanzania's elephants. Recent figures suggest that the Selous Game Reserve, home to at least 50 per cent of Tanzania's elephants, has dropped from 60,000 in 2007 to around 14,000 in 2013. The film is in the final stages of production and the next phase will be to engage media platforms to air and screen it.

*March for Elephants*

In October, EIA joined the David Sheldrick Wildlife Trust and concerned activists for the International March for Elephants. Official marches were held in 13 cities around the world, including London. An impressive number of people marched to Parliament Square, where EIA Executive Director Mary Rice addressed the crowd on the urgent need for international cooperation and action to end the mounting slaughter of elephants for their tusks.

*Earth Watch Institute Debate*

Also in October, EIA Executive Director Mary Rice participated in the EarthWatch Institute debate *Is it time to reconsider a legal global trade in tiger, elephant and rhino products?* at the Royal Geographical Society in London.

Mary Rice and her team argued against trade, providing real world examples of how parallel legal markets for ivory and captive-bred tiger skins have done nothing to support conservation of the species in the wild. They called for investment in more effective trade bans to target criminals at the heart of this illegal trade. This should be enhanced by sustained and innovative demand reduction campaigns and support for initiatives that benefit communities living with wildlife. The audience ultimately voted against any trade.

*African Elephant Summit*

In December EIA, along with several African elephant range states and a number of ivory transit and consumer states, attended the IUCN sponsored African Elephant Summit in Gaborone, Botswana. They unanimously adopted 14 urgent measures aimed at halting and reversing the trend in illegal killing of elephants and the illegal ivory trade. EIA was encouraged that the European Union, Germany and The Netherlands also pledged funding for the implementation of these urgent measures.

*Destroying Ivory Stockpiles*

EIA has consistently called for the destruction of all seized ivory stockpiles to ensure they do not enter the markets, further fuelling the illegal ivory trade.

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The Philippines became the first Asian consumer country to destroy its stockpile of seized ivory. EIA was invited to attend and document the disposal of the stockpile. In November, the USA destroyed 5.4 tonnes of seized elephant ivory as part of a series of actions in a coordinated US effort to bring attention to poaching and illegal wildlife trade.

*Rhino Horn Trade*

Given the increasing pressure from South Africa and other pro-trade supporters to resume trade in rhino horn as the answer to the current catastrophic poaching of rhinos in South Africa, evidence and analysis of existing case studies to counter this argument are now crucial. Elephants and tigers are perfect examples of how trade does not work, therefore presenting these as case studies to oppose rhino horn trade is key. EIA has been engaging with a growing network of individuals and organisations working to counter the pro-trade arguments and has provided information and guidance to support these groups as well as input to a range of briefing documents developed through both the Species Survival Network (SSN) and South Africa-based groups and media.

*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 threats to tigers 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.

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.

*Tiger Tracks*

In March, *Tiger Tracks*, 'the world's biggest-ever tiger event', took place at St Pancras Railway Station in London. An exhilarating three weeks raised public awareness of the plight of wild tigers in partnership with Born Free Foundation and The Clinton Partnership.

The event was opened by rock guitarist Brian May and singer Kerry Ellis performing live at St Pancras Station. A large team of volunteers spent three weeks talking to the public and collecting donations. The station buzzed with musicians, artists and art installations. Authors, conservationists, retailers and the public came together for the first time to contribute to saving wild tigers.

Culminating in a champagne reception and gala dinner at the St Pancras Renaissance Hotel, *Tiger Tracks* raised significant and valuable funds for EIA's tiger campaign.

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EIA's ground-breaking investigations in 2012 continued into 2013, with revelations that private companies claimed to be producing tiger bone wine with the permission of the Chinese Government. High-ranking officials were among the consumers, with private distribution into elite clubs.

The results of these investigations documenting the licensed trade in the skins of farmed tigers were published in a hard-hitting report *Hidden in Plain Sight: China's Clandestine Tiger Trade* and released at the Conference of the Parties to CITES in March. The report was accompanied by a film showing tiger and other Asian big cat parts being offered to EIA investigators.

The report accused China of defying the will of the international community and called for the amendment of laws to facilitate the destruction of stockpiles of all tiger parts and the phase-out of tiger farms. EIA also called on the Chinese Government to send a clear message to all breeders, consumers and the industry that official policy is to end all demand and trade.

EIA welcomed the decision directing the CITES Secretariat to oversee a review of efforts to combat illegal trade in big cats and to end trade in parts and products of captive-bred tigers.

*Investigations and Networking*

EIA is the only organisation conducting undercover investigations into the Asian big cat trade in China and actively campaigning to end tiger farming in China.

The report *Hidden in Plain Sight* and accompanying film were produced in Mandarin and made available online via EIA's website and social media in China, and promoted by new Chinese NGO and media contacts.

The film posted on the video sharing site Youku received over 1,420 views and 44 comments in one month. On China's top micro-blogging website, Weibo, the film was retweeted over 300 times and more than 60 people commented. Many wildlife activists, local NGOs and academics commented on the film and report, generating much debate.

EIA took *Hidden in Plain Sight: China's Clandestine Tiger Trade* to China where it was presented and shared in face-to-face meetings with NGOs, lawyers, academics and media. This has generated an in-country movement to raise awareness of the tiger and other Asian big cat trade, the impacts of tiger farming and the need for changes to the promotion of the 'breeding, domestication and utilisation' of wildlife, including tigers.

A more detailed briefing on the production of Sanhong tiger bone wine was prepared in Mandarin for distribution to NGOs and media in China.

Research was undertaken to identify key decision-makers and stakeholders in China who can influence change to national laws that promote the breeding, domestication and utilisation of wildlife, including tigers. A 'road-map' was prepared on the basis of extensive consultations and has framed the campaign strategy for 2014 and beyond.

The forest police in China advised EIA that they have acted on evidence provided by EIA in Confidential Intelligence Briefings on the illegal trade in Asian big cat parts and products. Arrests and seizures have been made in some cases, while investigations continue in others. This has opened positive new lines of communication with the law enforcement community.

EIA's film *Combating International Illegal Trade in Asian Big Cats: A Guide for Enforcement Officers* has been widely promoted by the CITES Secretariat and used in training by INTERPOL's Project Predator. A wealth of documents and statements by the Chinese Government on wildlife trade were translated and made available in an online library. This included a static timeline of events surrounding the growth of tiger farms in China.

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****DIRECTORS' REPORT****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

An EIA briefing *Asia's Forgotten Cats*, fed into deliberations at the Global Snow Leopard Forum meetings in 2013 and the Global Snow Leopard and Ecosystem Protection Program. Campaigners attended the INTERPOL Wildlife Crime Conference in Nairobi in November and made presentations on trends in the trade of tigers and other Asian big cats.

*International Tiger Day*

ON 29th July, EIA campaigners spent International Tiger Day attending an international workshop on the conservation of tigers and other wildlife in Kunming, China. It was organised by the State Forestry Administration of China, co-sponsored by organisations such as the Global Tiger Initiative of the World Bank and WWF, and attended by all tiger range countries (except Myanmar/Burma) plus several NGOs, along with a large delegation of Government representatives from China.

EIA and its allies were able to ensure that the outcome of the workshop focused on effective enforcement and demand-elimination.

**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](http://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. As well as featuring all of EIA's press releases, reports, powerful short campaign films and news updates, the site is also home to EIA's regular blogs, written by campaigners and other staff members as well as invited guest writers to give a look behind the scenes and to discuss relevant issues in depth.

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, Twitter and, more recently, Google+ 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 two new members of staff, new equipment and work progressing to upgrade the archiving of EIA's unique library of photos and film.

EIA launched several new reports and briefings during 2013, most of which enjoyed successful and wide media coverage.

In February, *First Class Connections: Log Smuggling, Illegal Logging and Corruption in Mozambique*, the loose 'follow-up' report to the previous year's hugely successful *Appetite For Destruction*, was picked up by the BBC and Agence France Presse (AFP), and from there enjoyed wide circulation via other news platforms and environmental interest sites, notably also throughout African online media.

Towards the end of the month and on the eve of the Meeting of the Parties to CITES, the Tiger Campaign report *Hidden in Plain Sight: China's Clandestine Tiger Trade* enjoyed major success, primarily via a widely picked-up AFP story and again with coverage of China's official response. In March, the Cetaceans Campaign press release *Google and the promotion of whale and elephant product sales in Japan* came close to replicating the impact of 2012's report on Amazon Japan; massive media coverage via AP and huge follower engagement through social media resulted in Google swiftly removing ads for the products concerned.

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****DIRECTORS' REPORT****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

Later in the month, our release on CITES protection for rosewood was widely picked up. Cetaceans had another big hit in May with the press release *Iceland is killing endangered fin whales for Japanese pet treats*, resulting in a Japanese company discontinuing the line in direct response to the negative publicity.

In September, the release of the *Chilling Facts V* report replicated the media strategy for the previous instalment, employing a combination of our own targeted release to key publications and sectors coupled with releases in French, German and Spanish arranged via PR Newswire.

Launched at the end of October, the report *Toxic Catch: Japan's unsustainable and irresponsible whale, dolphin and porpoise hunts* was released by members of the Cetacean Campaign team at the Foreign Correspondents' Club of Japan in Tokyo and, picked up by both AFP and AP, enjoyed wide exposure, with coverage continuing into the following month.

November saw the Forest report *Banking on Extinction* released via a well-received exclusive in The Mirror newspaper. This report gained particular traction on social media, in no small part due to the powerful images supplied by International Animal Rescue - Indonesia.

Throughout the year, the Global Environment Campaign issued a number of releases and briefings in relation to its campaign seeking a robust review of the European Union's F-Gas Regulation; although no one release was outstandingly successful, it could be fairly argued that the steady stream of outputs did much to position EIA as a go-to authority for those seeking comment on the issue.

**Financial Review**

This review covers the 12-month period to 31<sup>st</sup> December 2013. The previous Financial Statements were based on a 16-month period, with the Company in operation for only nine months during this time. For this reason, no reference is made to comparative data in this review.

Total income received for the year ended 31<sup>st</sup> December 2013 is £1,729,015, consisting mainly of grant income in the sum of £1,513,684 - 88 per cent of total income.

During the year, EIA UK received grants amounting to £417,040 from EIA Trust Ltd, of which £175,888 was for unrestricted purposes and the remainder restricted to various projects. EIA UK also received restricted funding in the sum of £621,429 from EIA Inc. Note 11 gives further details on restricted grants.

Unrestricted income from membership income and donations from supporters amounted to £210,732 accounting for 12 per cent of total income. This income continues to fall due to natural attrition rates. Total expenditure during the year amounted to £1,747,894 of which £1,509,964 (86 per cent) is project expenditure. It is noted that project expenditure includes apportioned overhead costs totalling £302,004.

Expenditure includes £112,636 in grants payable to partnering organisations, the main ones being Forest Watch Indonesia and EcoDev in Burma. The details of grants payable during the year are shown in Note 5.

Total staff costs, including directors' remuneration and pensions, amounted to £997,733 during the year. At least 70 per cent of this is directly attributable to projects.

There is a deficit of £18,879 on the Income and Expenditure Account for the year ended 31<sup>st</sup> December 2013.

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

Net assets as at 31<sup>st</sup> December 2013 amounted to £235,828 consisting of £130,014 in restricted funds (details in Note 11), designated funds £100,000 and unrestricted funds £5,814.

**Fundraising**

EIA bade farewell to its Head of Fundraising in July and welcomed her replacement in November. In the interim, members of the Fundraising Department supported by other members of staff kept the fundraising programme running.

EIA UK raises funds from a variety of sources including membership, supporters, donors and grants. EIA UK's 3,000 members and supporters provide valuable unrestricted funds for the organisation.

Members are provided with the EIA newsletter *Investigator* twice a year, including tickets for the twice yearly raffle. They are also sent three appeals a year which support EIA's campaigns.

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

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. The aim is to inspire website visitors to donate in support of EIA's work.

March heralded *Tiger Tracks*, the world's largest public tiger event. An exhilarating three weeks raised public awareness of the plight of wild tigers in a partnership between EIA, Born Free Foundation and The Clinton Partnership.

*Tiger Tracks* was opened by rock guitarist Brian May and singer Kerry Ellis performing live at St Pancras Station. A large team of enthusiastic volunteers spent three weeks talking to the public and collecting donations. The station buzzed with musicians, artists and art installations. Authors, artists, conservationists, retailers and the public came together for the first time to contribute to saving wild tigers.

Culminating in a star studded champagne reception and gala dinner at the St Pancras Renaissance Hotel, *Tiger Tracks* raised valuable funds for EIA's tiger campaign.

In August, EIA took over Islington Green for its one-day *Greens on the Green* festival. On a sunny summer day EIA was able to showcase its work to the public with films and talks, accompanied by live music, food and fun.

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. Those campaigns that are not fully funded from restricted grants are supplemented by unrestricted funds.

The Trustees of EIA Trust Ltd have determined to provide grants to 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.

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



**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****DIRECTORS' REPORT****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013****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:**

**J. Lonsdale (Director)**

*Joseph J. Lonsdale*  
11th June 2014

**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 2013 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 31<sup>st</sup> December 2013, 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

*11<sup>th</sup> June 2014*

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

	Note	2013 £	(9 month period) 2012 £
<b>INCOME</b>		1,729,015	1,464,083
<b>OPERATING EXPENSES</b>		(1,747,894)	(1,209,379)
		<u>(18,879)</u>	<u>254,704</u>
Interest Receivable		-	3
Other Income		-	-
		<u>-</u>	<u>-</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(18,879)	254,707
Taxation on Ordinary Activities	14	-	-
<b>(DEFICIT)/SURPLUS FOR THE PERIOD</b>	2	(18,879)	254,707
Retained Surplus Brought Forward		<u>254,707</u>	<u>-</u>
<b>RETAINED SURPLUS CARRIED FORWARD</b>		<u>£235,828</u>	<u>£254,707</u>

The Company commenced trading on the 1<sup>st</sup> April 2012.

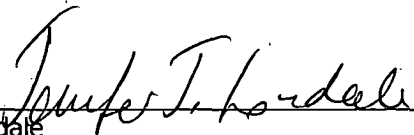
There were no recognised gains or losses other than those stated above.

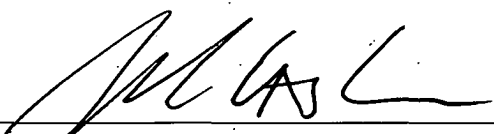
**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****BALANCE SHEET****AS AT 31<sup>ST</sup> DECEMBER 2013**

	Notes	2013		(9month period) 2012	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		12,346		13,009
<b>CURRENT ASSETS</b>					
Debtors	7	52,217		62,193	
Cash at Bank and in hand		<u>213,346</u>		<u>378,855</u>	
		265,563		441,048	
<b>CREDITORS:</b> Amounts falling due within one year	8	<u>(42,081)</u>		<u>(199,350)</u>	
<b>NET CURRENT ASSETS</b>			<u>223,482</u>		<u>241,698</u>
<b>NET ASSETS</b>			<u><u>£235,828</u></u>		<u><u>£254,707</u></u>
<b>RESERVES</b>					
Opening Reserves			254,707		
Profit and Loss Account	10		<u>(18,879)</u>		<u>254,707</u>
<b>RESERVES</b>	9		<u><u>£235,828</u></u>		<u><u>£254,707</u></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 *11<sup>th</sup> June 2014* 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 YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

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 YEAR ENDED 31<sup>ST</sup> DECEMBER 2013****2. OPERATING (DEFICIT)/SURPLUS**

	2013 £	2012 £
<b>The operating (deficit)/surplus is stated after Charging:</b>		
Auditors' Remuneration:		
Audit	6,000	5,000
Other Services	950	300
Directors' Emoluments	105,892	73,722
Directors' Pension Contributions	12,000	9,000
Depreciation	<u>8,674</u>	<u>5,565</u>

**3. STAFF COSTS**

	No.	No.
The average numbers of employees was	27	25

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

Wages and Salaries	907,136	612,078
Social Security Costs	78,597	55,216
Pension Costs	<u>12,000</u>	<u>9,000</u>
	<u>£997,733</u>	<u>£676,294</u>

**4. CAMPAIGNS EXPENDITURE**

	General Funds £	Restricted Funds £	Designated Funds £	2013 Total £	2012 Total £
Forests: Waterloo	-	-	-	-	41,129
Forests: Other	-	-	-	-	8,873
Forests: DFID FGMC	70,416	499,408	-	569,824	305,269
Forests: NORAD	7,919	48,407	-	56,326	94,354
Forests: NORAD 2	20,459	108,283	-	128,742	-
Forests: JMG	-	2,661	-	2,661	22,472
Forests: NfSC	-	2,250	-	2,250	-
Adessium					
Organisational Review	609	3,000	-	3,609	-
Adessium					
Investigations Unit	7,695	53,900	-	61,595	141,395
GEC	-	7,106	-	7,106	14,259
GEC: CWF	836	3,563	-	4,399	89,572
GEC: CIFF	22,362	272,445	-	294,807	109,498
Elephants	6,610	113,175	-	119,785	51,557
Okavango	478	2,353	-	2,831	-
Tigers	17,439	141,033	-	158,472	102,536
Cetaceans	13,430	85,036	-	98,466	63,689
Red Earth	-	-	-	-	20,000
	<u>£168,253</u>	<u>£1,342,620</u>	<u>£-</u>	<u>£1,510,873</u>	<u>£1,064,603</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 2013****5. GRANTS PAYABLE**

The following material grants were paid during the year:

	<b>2013</b>	<b>2012</b>
	£	£
Sauti Zetu	2,500	-
Yayasan Mitra Insani	28,989	-
EcoDev	32,685	-
Forest Watch Indonesia (FWI)	42,965	-
Koalisi Peduli Hutan Aceh (KPHA)	5,024	-
Telepak	-	12,582
Total Grants	<u>£112,163</u>	<u>£12,582</u>

**6. FIXED ASSETS**

	<b>Furniture and Equipment</b>
	£
Brought Forward Cost	18,574
Additions	8,011
Cost at 31 <sup>st</sup> December 2013	<u>26,585</u>
Brought Forward Depreciation	5,565
Charge for Period	8,674
Depreciation at 31 <sup>st</sup> December 2013	<u>14,239</u>
Net Book Value at 31 <sup>st</sup> December 2013	<u>£12,346</u>
Net Book Value at 31 <sup>st</sup> December 2012	£13,009

**7. DEBTORS**

	<b>2013</b>	<b>2012</b>
	£	£
Due within one year:		
EIA Trust	9,792	9,792
Grants due from EIA US	18,720	31,414
VAT	844	2,846
Other Debtors	4,973	1,865
Prepayments	17,888	16,276
	<u>£52,217</u>	<u>£62,193</u>

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013****8. CREDITORS:** Amounts falling due within one year

	<b>2013</b>	<b>2012</b>
	£	£
Trade Creditors	13,223	46,587
Taxes and Social Security	-	19,489
Accruals	10,307	15,900
EIA US	4,243	-
Refund of Grant	14,308	117,374
	<u>£42,081</u>	<u>£199,352</u>

**9. RESERVES**

	<b>2013</b>	<b>2012</b>
	£	£
Restricted Funds	130,014	133,929
Designated Funds	100,000	23,682
General Funds	5,814	97,096
	<u>£235,828</u>	<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**

	<b>2013</b>	<b>2012</b>
	£	£
Opening Reserves	254,707	-
(Deficit)/Surplus for the Period	<u>(18,879)</u>	<u>254,707</u>
Closing Reserves	<u>£235,828</u>	<u>£254,707</u>



**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013****11. RESTRICTED FUNDS**

	Balance b/f £	Income £	Staff Costs £	Grants Payable £	Overheads and Other Expenditure £	Transfers £	Balance c/f £
Forests- DFID FGMC	36,117	466,773	263,270	104,639	131,499	-	3,482
Forests- NORAD	4,711	43,696	24,464	5,024	18,919	-	-
Forests – NORAD 2	-	167,368	85,248	282	22,753	-	59,085
Forests- JMG	-	7,682	3,504	-	(843)	-	5,021
Forests – NFSC	-	14,000	-	-	2,250	-	11,750
Adeesium	17,194	-	3,000	-	-	-	14,194
Organisational Review Adeesium	19,782	34,118	36,344	-	17,556	-	-
Investigations Unit							
GEC	8,679	3,711	-	-	7,107	-	5,283
GEC- CWF	2,377	1,186	3,917	-	(354)	-	-
GEC- CIFF	12,694	278,219	162,870	-	109,574	-	18,469
Elephants	9,284	103,891	67,343	2,500	43,332	-	-
Okavango	3,083	-	-	-	2,353	-	730
Tigers	5,481	147,552	82,685	191	58,157	-	12,000
Cetaceans	14,527	70,509	68,206	-	16,830	-	-
	<b>£133,929</b>	<b>£1,338,705</b>	<b>£800,851</b>	<b>£112,636</b>	<b>£429,133</b>	<b>£-</b>	<b>£130,014</b>

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 £
Stability and Emergency Fund	23,682	-	-	-	-	76,318	100,000
	<b>£23,682</b>	<b>£-</b>	<b>£-</b>	<b>£-</b>	<b>£-</b>	<b>£76,318</b>	<b>£100,000</b>

**13. UNRESTRICTED FUNDS**

	Balance b/f £	Income £	Expenditure £	Transfers £	Balance c/f £
Unrestricted Funds	97,096	390,310	405,274	(76,318)	5,814
	<b>£97,096</b>	<b>£390,310</b>	<b>£405,274</b>	<b>£(76,318)</b>	<b>£5,814</b>

**ENVIRONMENTAL INVESTIGATION AGENCY (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

**14. 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.

**15. 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 **£417,040** 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 **£621,429** were receivable from the Environmental Investigation Agency Inc.

The current account balances at 31<sup>st</sup> December 2013 were as follows:

	£	
EIA Trust Debtor	£9,792	(see note 7)
EIA US Debtor	£14,477	(see note 7 & 8)

**16. LEASE COMMITMENTS**

At the 31<sup>st</sup> December 2013 the company had three months remaining on its premium lease under which it was paying £49,000 rent per annum. Shortly after the year end a new lease was negotiated for an initial term of five years with an annual rent of £59,750.

Included in other debtors is a rent deposit of £12,250 on which the property landlords have a legal charge.