



**ENVIRONMENTAL
INVESTIGATION
AGENCY**



**Environmental Investigation
Agency UK**

Annual Report and Accounts 2018



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On 26 February 2019, EIA UK became a registered incorporated charity. As at the date of signing, all Directors listed below are now Trustees and have been referred to as such in this Report and in the financial statements. Further details can be found on page 19.

TRUSTEES

Malcolm Gaskin
(Appointed 25 August 2011)
Jennifer Lonsdale
(Appointed 25 August 2011)
Allan Thornton
(Appointed 25 August 2011)
Ian Grattidge
(Appointed 9 June 2014)

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Welcome



It's a pleasure to welcome you to our 2018 Annual Report and to share news of some of the many significant impacts our work has made during the year.

Whether it's a major investigation into an issue directly threatening the health of the planet's ozone layer or work behind the scenes to help shut down the ivory trade, our small size and enviable cost-effectiveness allow us the freedom to respond quickly to make a major difference to the natural world.

You'll read how our tenacious undercover investigators responded to an alarming global spike in ozone-destroying CFCs and swiftly tracked it down to China and how we exposed the ongoing role of corrupt officials in Vietnam in the plundering of Cambodia's forests.

You can also learn how we set about tackling the blight of plastic pollution via the most comprehensive analysis to date of UK supermarkets' contribution to the problem and how we infiltrated Vietnamese ivory trafficking syndicates.

None of this vital work – and these are just a few highlights – could have been accomplished without the dedication of our talented, diverse staff and especially without the backing of our donors and supporters.

Our sincere gratitude to you all.

Mary Rice
Executive Director



The Trustees are pleased to present the EIA UK 2018 Annual Report highlighting another year of challenges, dedication and innovative thinking. We are justly proud of the many differences this small organisation has made by its determination, nimbleness and operational style that allows us to continue to punch well above our weight.

With recent regulatory changes and review of our structure, it was decided EIA in the UK should operate as a single entity charity. EIA UK was registered as a charity on 26th February 2019. EIA Trust's assets will be transferred by deed to EIA UK. Three of its Trustees joined the EIA UK Board on 7th May 2019.

Everybody plays a vital role in our successes: courageous undercover investigators and campaigners; support staff and enthusiastic volunteers; partners and collaborators with whom we are pleased to work in pursuit of common goals. We could not do our work without our grant makers, donors and supporters, some of whom have been with us for decades. Every single donation is appreciated, and all funds help us achieve our goals.

Daily news headlines provide a view of a world that appears chaotic and a little frightening. EIA's work demonstrates that it is possible to bring about positive changes that will benefit species, habitats and people for generations to come.

Jennifer Lonsdale
EIA Founder and Trustee

About us

We investigate and campaign against environmental crime and abuse.

Our undercover investigations expose transnational wildlife crime, with a focus on elephants, pangolins and tigers, and forest crimes such as illegal logging and deforestation for cash crops like palm oil. We work to safeguard global marine ecosystems by addressing the threats posed by plastic pollution, bycatch and commercial exploitation of whales, dolphins and porpoises. Finally, we reduce the impact of climate change by campaigning to eliminate powerful refrigerant greenhouse gases, exposing related illicit trade and improving energy efficiency in the cooling sector.

Vision, mission and values

What we believe (vision)

A future where humanity respects, protects and celebrates the natural world for the benefit of all.

What we want (mission)

EIA's mission is to protect the natural world by:

- exposing environmental destruction and loss of biodiversity through uncompromising and innovative investigations
- using this evidence and research to uncover environmental crimes and abuses and those responsible
- campaigning for protection of the environment through better enforcement of environmental law, progressive policy-making and changes in consumer behaviour
- developing effective partnerships and sharing skills and expertise

Who we are (values)

Professionalism: we are honest, authoritative and transparent, striving to achieve the best outcome for the benefit of all. We will continually seek to improve, giving value for money in everything we do.

Enthusiasm and innovation: we are passionate about our vision, looking for ground-breaking solutions, being adaptable and creative. Our activities are informed by independence, clarity of thought and direction to achieve our goals.

Courage and determination: we don't underestimate the difficulties involved; we may take risks but they are managed, intelligent risks. We may be a small group but we are tenacious and will not give up because a situation is difficult

Inclusive and supportive: we know if we achieve success then it is with the support and help of many people. We therefore celebrate and embrace the differences and potential of everyone. We seek to share our knowledge and skills and make them easily accessible and relevant.

Objectives and public benefit

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

The conservation, protection and restoration of the natural environment, ecosystems and wildlife and plant life of the world; to advance the education of the public in environmental matters, the preservation and conservation of the natural environment and the causes and effects of environmental degradation; and to further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

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

Although EIA UK was not a registered charity until 26th February 2019, its work has always benefited the public because it provides governments, regulatory bodies and enforcement authorities with reliable, substantive authoritative and well researched information on practices which are or are likely to be harmful to the natural environment. EIA UK provides intelligence as to the necessary means to prevent or reduce harm to the environment and to the people and creatures which rely on it.

2019-21 objectives

Climate

Successful implementation of the Kigali HFC amendment and accelerated HCFC phase-out, providing a roadmap to strengthen climate commitments under the Montreal Protocol in the future **1**

Successful implementation of the EU F-Gas Regulation, mapping the pathway for a sustainable global transition away from HFCs **2**

Illegal trade of ODS and HFCs is investigated and exposed to promote greater compliance with and enforcement of Montreal Protocol and regional legislative measures **3**

Industry and businesses take action to transition to a sustainable cooling sector **4**

Forests

Findings from research and investigations prompt improved transparency and enforcement leading to decreases in illegal timber trade **1**

Improved implementation of CITES for Rosewoods in producer and consuming countries in East Asia curbs consumption within Vietnam and China **2**

Effective implementation of demand side regulations increases supply of legal timber to EU and the US market **3**

EIA information supports effective implementation of corporate sustainability policies including measuring palm oil traders and grower's implementation in the target region of Papua and West Papua, Indonesia and elsewhere **4**

EIA and partner information assists in producing policies closing the EU market to unsustainable commodities causing deforestation, especially palm oil **5**

Ocean

An international commitment to establishing a global framework convention to address marine plastic pollution **1**

A reduction in plastics entering European oceans through stronger EU and UK laws on plastic consumption and waste **2**

A reduction in plastic consumption and waste through commitments and action in the grocery retail sector **3**

The International Whaling Commission (IWC) moratorium on commercial whaling is strengthened through engagement with IWC member countries, improvements to its governance and the development of its conservation work programme **4**

Whaling is exposed as illegal, unsustainable, inhumane and unnecessary **5**

The impact of illegal fishing and bycatch on the world's most vulnerable cetacean populations, including the critically endangered vaquita, is exposed. **6**

Wildlife

Relevant authorities and agencies in Asia and Africa take enforcement action to disrupt criminal networks trafficking ivory documented by EIA **1**

EIA's research, investigations, information outreach and analysis, increases awareness of illicit ivory trade flows from West and Central Africa, and the threat posed to forest elephants **2**

Key government agencies, support upholding the international ivory trade ban, closing domestic ivory markets, and strengthening and effectively implementing the National Ivory Action Plans process under CITES **3**

Law enforcement agencies have the information and legal basis they need to disrupt criminal networks in India, Nepal, China, Thailand, Laos and Vietnam **4**

Governments and NGOs running consumer behaviour change campaigns factor in EIA investigation findings into the development of campaigns **5**

Governments of tiger "farming" countries are pressured to revise legislation, policy and practice to phase out tiger farming and end trade in captive bred tiger parts **6**

International and domestic regulations that prohibit a legal trade in pangolins are adopted, implemented and enforced **7**

Law enforcement agencies operating in pangolin trafficking source, transit and destination countries adopt a proactive approach to the dismantling of pangolin trafficking networks **8**

Key highlights

2018 was another busy year as we investigated and campaigned against environmental crime and abuse. Key highlights included:



CLIMATE

Investigated an alarming spike of banned ozone-destroying chlorofluorocarbons in the atmosphere, tracing the source back to illegal production and use in China for the manufacture of insulating foams.

Engaged with leading supermarket chains to make the case for energy-efficient refrigeration technologies that do not use climate-harming hydrofluorocarbon greenhouse gases.



FOREST

Exposed Vietnam's ongoing theft of huge quantities of illegal timber from neighbouring Cambodia.

Pressured the palm oil industry to curb deforestation, urging the EU to enforce corporate commitments with legislation and a sustainability body to adopt more robust standards.

OCEAN

Researched and released the most comprehensive analysis to date of the extent to which UK supermarket giants contribute to the world's mounting plastic pollution problem by placing single-use plastics on the market.

Helped to thwart Japan's bid to effectively overturn the International Whaling Commission's long-standing global ban on commercial whaling.



WILDLIFE

Infiltrated and exposed several Vietnamese ivory trafficking syndicates.

Saw long-term campaigning pay off when China closed its ivory market and the UK banned most ivory trade.

Launched our new Pangolin Project to help protect the world's most trafficked mammal.

Contributed to evidence the USA used to blacklist a criminal empire responsible for illegal wildlife trade in Laos.



Climate

Our Climate work aims to tackle the pressing threat of climate change by eliminating powerful greenhouse gases used widely in the cooling sector, improving energy efficiency of replacement technologies and investigating the illicit trade in refrigerant greenhouse gases. Some 2018 highlights include:

Investigation of illegal CFCs

Ozone-destroying chlorofluorocarbons (CFCs) have been banned under the Montreal Protocol since 2010, so the world was startled in May 2018 when scientists reported a significant spike of the CFCs in atmospheric levels.

The scientists speculated that new illegal production and use of CFC-11 was taking place in East Asia and our undercover investigators were soon on the case, finding evidence from 18 different companies in 10 Chinese provinces which confirmed their use of CFC-11 as a blowing agent for the manufacture of foams to insulate buildings and appliances.

Our findings, indicating that use of CFC-11 was widespread and pervasive in the industry, were published in the July 2018 report *Blowing It*, which garnered huge international coverage from media outlets such as the BBC, UK daily newspapers and leading foreign news platforms across Asia, Europe and the USA.

We released the report shortly before a meeting of the Open-Ended Working Group (OEWG) of the Montreal Protocol, in Vienna, ensuring that rogue CFC-11 emissions were high on the agenda.

Blowing It and its findings were the main issue of discussion in the plenary, side meetings and corridors of the OEWG. Our Climate campaigners were given the opportunity to address all delegates during the meeting and told them: "It is clear from the discussions so far that none of us in this room need to be reminded that the significant quantities of CFC-11 in question here not only threaten our slowly healing ozone layer but also our climate."

Parties at the OEWG unanimously urged

a rapid and serious response and the Government of China committed itself to cooperate and use the Montreal Protocol to discuss the matter in an "open, transparent and active" manner.

In a bilateral meeting, the Government of China assured our Climate campaigners it was already following up on the information we had provided prior to releasing the report.

A record 60 parties co-sponsored a conference room paper on the CFC-11 emissions issue and the room was full for each of the contact group meetings during the week to discuss the best way forward.

Further confirmation of the major impact made by our findings came in August when China announced it had identified illegal use and production of CFC-11 and had undertaken a series of actions in response to *Blowing It*, including an investigation of 19 PU foam enterprises, seizing materials and, in some cases, filing charges.

The issue of rogue CFCs stayed high on the agenda through to November's Meeting of the Parties (MOP30) to the Montreal Protocol in Quito, Ecuador, which agreed a decision on immediate next steps to understand and address CFC-11 emissions.

Prior to the meeting, we released a new report, *Tip of the Iceberg*, which examined the implications of the illegal CFC use, including the creation of a new bank of CFC-11 in foams which we estimated may have potentially already reached nearly four billion tonnes of carbon dioxide equivalent 4Gt CO₂e.

Our campaigners were heartened by the sense of urgency and commitment expressed by the Parties, including China, at

MOP30 to take immediate action.

Montreal Protocol Parties adopted a decision requesting information be provided for the next meeting on atmospheric CFC-11 levels, potential sources of emissions of CFC-11 along with an analysis of current monitoring, reporting and verification under the Protocol.

The decision also called on Parties to take measures to ensure the phase-out of CFC-11 is sustained in their countries and to share information relating to any illegal CFC-11 production or use.

Continuing to engage meaningfully with the issue, China shared information on a nationwide enforcement effort which had resulted in the discovery of two CFC-11 illegal production sites.

Energy efficiency

Supermarkets around the world have significant energy requirements and as much as 60 per cent of it is expended on cooling and heating systems.

We believe that making refrigeration sustainable requires an holistic approach which addresses the use of climate-harming hydrofluorocarbons (HFCs) while also considering energy, which can contribute to three times more CO₂e emissions than the HFCs used as refrigerants.

In November, sector specialist shecco and ourselves jointly produced the new report Energy efficiency in HFC-free supermarket refrigeration, giving a technical overview of available HFC-free energy-efficient technology for supermarkets to use as a tool towards achieving the Paris Agreement goal of limiting warming to well below 2°C.

Launching the report, we called on supermarkets that are members of the Consumer Goods Forum to lead the way by setting ambitious and transparent refrigeration targets to significantly improve energy efficiency while phasing down HFCs.

Senior campaigners from our Climate team attended the ATMOSphere event in Italy, alongside representatives from shecco, to launch the report and address the conference and were

pleased to find a significant number of supermarkets interested in the work.

The report was also presented to the Consumer Goods Forum's Sustainability Committee, where it was well-received.

Looking ahead

Our Climate team will work to reduce catastrophic global warming by enforcing and strengthening regional and international agreements which tackle ozone-depleting substances (ODS) and hydrofluorocarbon (HFC) climate super-pollutants as well as advocating corporate and policy measures to ensure the transition to a sustainable cooling sector. Priorities include:

- ensuring successful implementation of the Kigali HFC amendment and an accelerated HCFC phase-out, providing a roadmap to strengthen climate commitments under the Montreal Protocol in the future
- working for a successful implementation of the EU F-Gas Regulation, mapping the pathway for a sustainable global transition away from HFCs
- investigating and exposing the illegal trade of ODS and HFCs to promote greater compliance with, and enforcement of, the Montreal Protocol and regional legislative measures
- urging industry and businesses to take action to transition to a sustainable cooling sector.

Top: raw materials used to produce blowing agent at Dacheng Aoyang Chemical Co Ltd

Right: Teko CO₂ refrigeration unit



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Forests



Our Forests work aims to reduce global deforestation by advocating improved governance and trade laws, revealing the negative impacts of cash crops such as palm oil and exposing key criminal players in the transnational illegal timber trade. Some 2018 highlights include:

Vietnam's huge timber theft

In May, our report *Serial Offender* exposed the ongoing theft of huge quantities of illegal timber from Cambodia for the Vietnamese market.

The report was released almost exactly one year after our undercover investigators first exposed this industrial-scale forest theft in Repeat Offender.

The timing of the release was important, going public as Vietnam prepared to sign and ratify a Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) with the European Union; VPAs are a mechanism by which timber products from a country can be judged to be in compliance with applicable forestry and timber trade legislation, and so licensed for export to the lucrative European marketplace.

The findings of *Serial Offender* made it clear that even as Vietnam was drafting legislation to tackle its imports of illegal timber, hundreds of thousands of cubic metres of illegal timber was still flowing unhindered across its borders from Cambodia.

Investigations on the ground found that illegal logging for Vietnam was occurring on a vast scale in three key areas of Cambodia, including in the supposedly protected Virachey National Park and under the direct protection of corrupt Cambodian military and forest rangers.

This massive theft was taking place despite the numerous timber export bans Cambodia has in place – including a specific ban dating from 2016 on timber trade with Vietnam.

Our Forests campaigners concluded that Vietnam had a long history of stealing timber from neighbours and that the country's current system, under which clearly illegal timber was being accepted into the economy, was fundamentally at odds with the commitments it has made in its VPA with the EU.

Serial Offender warned that Vietnam must make radical changes in its timber trade to avoid the possibility of its VPA failing.

As a result of the report, the Cambodian Government began acknowledging the problem and its scale, with Minister of Interior Sar Kheng highlighting the issue and the damage being done to the county's forests in the Phnom Penh Post.

Further, the Vietnamese Government proposed a meeting with EIA, which took place in Brussels in October and which opened the door for us to input technical recommendations regarding the legislation on imported timber that Vietnam is developing as part of a Voluntary Partnership Agreement (VPA) with the European Union.

Subsequently, our campaigners were invited



Top and above: Cambodia's timber vanishes by road and by river

Below: palm oil plantations are swallowing up natural forests



to brief the European Parliament Committee on International Trade (INTA) in its January 2019 considerations regarding ratification of the EU-Vietnam VPA, at which our work was explicitly cited in the EP INTA Committee Rapporteur's report on the VPA.

Finally, we were asked to be member of VPA Stakeholder Core Group and were supported by European Embassy in Hanoi to secure meetings with senior Vietnamese officials in March 2019.

Palm oil production

During the course of 2018, we prepared and released briefings with a focus on palm oil production.

In *Our Palms*, released in June, argued that weaknesses in the standards and implementation of palm oil certification schemes like RSPO (Roundtable on Sustainable Palm Oil) and variable implementation of voluntary corporate "zero deforestation" commitments meant the EU could not rely on these initiatives, and needed to impose its own requirements to reduce deforestation.

It called for the EU to take action on deforestation, including regulatory measures to help standardise and support such commitments. In December 2018, the EU announced an initiative to step up Action on Deforestation and Forest Degradation, the first time it has committed to taking any such action.

A further communication is expected from the EU in the second quarter of 2019 which will see it "develop a more coherent and comprehensive approach to the problem."

Double Standards, released in July, examined how the Roundtable on Sustainable Palm Oil (RSPO) proposed to adapt, rather than adopt, an agreed method on 'no deforestation' – the High Carbon Stock Approach (HCSA) – in its reformed standard.

This would have meant that forests could still be cleared and certified as "sustainable", with the RSPO claiming

it would be 'no deforestation'.

In November 2018, the RSPO adopted its new revised standard and did adopt rather than significantly adapt the HCSA, which will result in fewer forests being allowed to be cleared for palm oil by RSPO members in the future.

Looking ahead

Our Forests team will work to curb forest crime through the reduction of illegal logging and trade in illicit timber and illegal forest conversion. Priorities include:

- support for Civil Society and our partners in Indonesia to continue engagement with the FLEGT VPA process
- advocating a strong import and due diligence regulation as part of Vietnam's VPA
- working with civil society partners in the design of the Myanmar Timber Legality Assurance System (TLAS), including the development of civil society principles and position papers and utilising best practice
- using our findings to leverage a strong TLAS in Thailand
- monitor timber imports into Vietnam and China from major source countries within the East Asia region and relevant African supply countries
- continue to research the teak trade from Myanmar to China and on to other consuming markets such as Taiwan, Europe and the US
- continuing to engage with and seeking to strengthen the Roundtable on Sustainable Palm Oil's implementing guidelines for the High Carbon Stock Approach
- ongoing monitoring of oil palm plantations and mills.

Ocean

Our Ocean work aims to improve the status of marine wildlife and ecosystems by reducing threats posed by marine plastic pollution, bycatch and commercial exploitation of whales, dolphins and porpoises. Some 2018 highlights include:

Revealing the scale of the supermarket plastics problem

Against a backdrop of growing global concern about the scale and negative impacts of plastic pollution, especially the damage done to the world's oceans, we released a new report in November giving the most comprehensive analysis to date of UK supermarket giants' contribution to the problem.

Checking Out on Plastics, jointly researched by Greenpeace UK and ourselves, revealed that 10 major retailers are placing more than 810,000 tonnes of single-use plastics on the market every year.

Seven of the household names are putting into circulation the equivalent of some 59 billion pieces of plastic packaging – that's more than 2,000 items for every household in the country.

Our survey also found that despite their huge plastic footprint, half of the supermarkets surveyed have no specific targets to reduce plastic packaging and most of those which do are moving at such a slow pace (reducing the figure by just five per cent a year) that it would take them 20 years to completely rid their shelves of throwaway plastic.

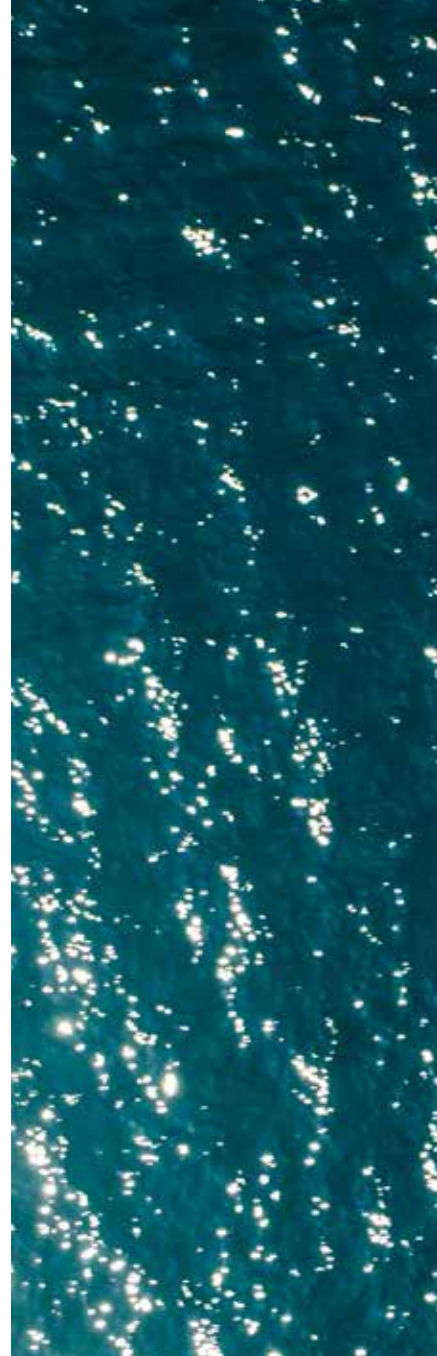
The survey ranked retailers based on their commitments to reduce single-use plastic, eliminate non-recyclable plastic packaging, taking actions across supply chains and transparency.

Iceland came out at the top of the pack thanks to its ambitious plan to phase out plastic packaging for its own-brand items within five years. Most major retailers, including Tesco and Asda, are clumped together with mid to low scores while Sainsbury's was at the bottom of the rankings.

As well as the kind of single-use packaging mentioned above, our survey found that the 10 leading supermarkets also produce 1.1 billion single-use bags, almost one billion bags for life and 1.2 billion plastic produce bags for fruit and vegetables, as well as over half-a-billion units of bottled water every year.

Just four supermarkets offered customers options to use refillable containers – an effective way to reduce plastic packaging – usually for over-the-counter products such as meat and fish or loose produce such as nuts and dried fruits.

Many supermarkets have yet to adopt plastic-specific reduction targets. In general, retailers have a greater focus on recycling than reduction but, even here, most major supermarkets have only committed to eliminate non-recyclable plastic packaging by 2025. In terms of recycling, the survey found the Co-op at the top of the table for its share of own-brand products which are widely recyclable (79 per cent) but most others falling behind, with about a third of their plastic (by weight) not widely recyclable.



Above: fin whales are under threat

Below: excessive plastic packaging quickly piles up





No supermarket participating has pledged to completely remove plastic that can't be recycled from its shelves before 2022, although many have taken action to end sales or provision of disposable items such as straws, cutlery and cotton buds ahead of a planned Government ban.

Many are also committed to phasing out the most problematic forms of plastic, such as PVC, expanded polystyrene and black plastic, within the next two years.

Checking Out on Plastics ended with a call for supermarkets to set year-on-year targets to reduce their single-use plastic footprint, urgently eliminate unnecessary and non-recyclable plastic packaging by end of 2019 and to publish annual audits of single-use plastic use.

As a result of the campaign and survey, many supermarkets are revising their policies on plastic use throughout the supply chain, implementing reduction targets and increasing their loose and reusable packaging ranges.

Japan's whaling ambition thwarted

The 67th meeting of the International Whaling Commission (IWC67) was held in Brazil in September and was expected to be a turbulent meeting as Japan made its most blunt attempt to date to overturn the global ban on commercial whaling.

Its IWC Reform Proposal called for the formation of a Sustainable Whaling Committee to set commercial catch quotas as well as the convening of a diplomatic conference to amend the International Convention for the Regulation of Whaling.

We fervently believe that commercial whaling belongs only in the history books and set out to remind parties at the IWC of the importance of maintaining the moratorium.

To that end, in partnership with the Animal Welfare Institute, we prepared and released the report Commercial whaling: Unsustainable, inhumane, unnecessary ahead of IWC67.



This, combined with our behind-the-scenes lobbying of countries represented at the meeting, helped ensure that Japan's whaling proposal was rejected by a strong majority of IWC members and the moratorium maintained

Looking ahead

Our Ocean team will work to improve the status of marine ecosystems and wildlife by reducing threats posed by marine plastic pollution, bycatch and commercial exploitation of whales, dolphins and porpoises. Priorities include:

- working towards an international commitment to establishing a global framework convention to address marine plastic pollution
- seeking to reduce the volume of plastics entering the oceans through stronger European laws on plastic consumption and waste
- working to reduce plastic consumption and waste through commitments and action in the grocery retail sector
- strengthening the IWC moratorium on commercial whaling through engagement with member countries, improving its governance and helping to develop its conservation work programme
- continuing to expose whaling as illegal, unsustainable, inhumane and unnecessary
- exposing the impact of illegal fishing and bycatch on the world's most vulnerable cetacean populations, including the critically endangered vaquita porpoise.



Wildlife

Our Wildlife work aims to reduce wildlife crime around the world, with a specific focus on elephants, pangolins and tigers. Some 2018 highlights include:

Intelligence-led outputs

Acting on the information shared with the Chinese authorities in 2017 and during 2018, the Anti-Smuggling Bureau of China conducted further investigations which led to the disruption of two major wildlife trafficking syndicates. Acting in response to information provided by EIA, the Bureau arrested and convicted eleven individuals including the three key figures of the Shuidong syndicate profiled by ourselves. The intelligence-led investigations and the pursuit of the suspected wildlife traffickers by China Customs, in collaboration with relevant stakeholders in Nigeria and Tanzania, serves as a model for apprehending and disrupting wildlife crime syndicates globally.

Our 2018 report *Exposing the Hydra* has raised the profile of Vietnam's role in wildlife trafficking and has led to a major ivory seizure in Cambodia and ongoing investigations in Africa and Asia which we hope will also result in similar enforcement success as the Shuidong case.

We also produced compelling research and analysis which challenges the lack of proper implementation of the CITES National Ivory Action Plan (NIAP) process and resulted in several CITES Parties calling for more transparency and accountability in this CITES process.

Ivory bans

Our campaigning also contributed towards two major legislative successes for elephant conservation during 2018.

At the start of the year, China formally confirmed the full closure of its domestic ivory market – a game-changing move in efforts to curb elephant poaching and the flow of illegal ivory.

Closer to home, as early as January 2016, we led 26 organisations to petition the UK Government to close its domestic ivory market and our 2017 trade study revealed the UK to be the biggest legal importer of ivory in the world and the largest exporter of legal ivory to the trafficking hotspots of Hong Kong and China.

During the Government's consultation on its Ivory Bill, we led a coalition of organisations to spread awareness and urge people to participate in favour of a ban.

Finally in December we were delighted to see the UK Government's Ivory Bill receive Royal Assent to become law, meaning that most ivory sales in, to and from the UK will be treated as criminal offences.

Launch of Pangolin project

In the course of our investigations into the illegal wildlife trade in Africa during the past decade, we began to identify a swiftly accelerating trade in pangolins.

In 2018 alone, our records show there were over 70 tons of pangolin scales seized globally, this represents many tens of thousands of individual pangolins illegally taken from the wild. Such industrial levels of exploitation risk driving all African and Asian pangolin species to extinction.

Just one seizure in July 2017 gave a chilling insight into the scale of the problem when Chinese customs discovered a single shipment of 11.9 tonnes of scales – estimated to have come from at least 20,000 individual African pangolins.

Determined to use our unique knowledge and methodology to help crack down on the transnational organised criminal syndicates increasingly turning to pangolins, we sought to make a real impact on behalf of the species and in September launched our new Pangolin Project to do just that.

Wildlife syndicate blacklisted

In January 2018, the US Government blacklisted the Chinese-run criminal empire, the Kings Romans Group (KRG), responsible for tiger and other wildlife trade at the Golden Triangle Special Economic Zone (GTSEZ) in northern Laos, which we exposed in our 2015 report Sin City. The US had already been looking closely at the KRG and its directors for their role in human trafficking, drug trafficking and money laundering. We're pleased to see that our work on wildlife trafficking contributed to this outcome and that the Laos government remains under pressure to clean up the GTSEZ.

Disrupting wildlife crime networks in the Himalayas

Having managed to infiltrate one of the most secretive networks our investigators have ever encountered, we were able to share information with law enforcement on how Chinese traders are trafficking tiger, pangolin and other illegal wildlife from India and Nepal into China. One key player has been convicted and others are still subject to official investigations.

Tiger Farms Under the Spotlight

In partnership with Wildlife Friends Foundation Thailand and Education for Nature Vietnam, our investigations and

campaigning on tiger farms have led to 57 captive Asian big cat facilities in China, Thailand, Vietnam and Laos being flagged by the CITES Secretariat for further scrutiny under forthcoming CITES Missions.

Looking ahead

Our Elephant Campaign's priorities are:

- work to ensure relevant authorities and agencies in Africa and Asia adopt enforcement action aimed at securing prosecutions and/or disruption of the criminal networks we have documented
- utilise our research, investigations and analysis to increase awareness of international illicit ivory trade flows from West and Central Africa and of the threat posed by such trade to African forest elephants.

Our Tiger Campaign's priorities are:

- investigate, document and disseminate information on the trans-Himalayan tiger and other Asian big cat trade
- investigate, document and disseminate information on tiger trade and tiger farms between Thailand, Laos, Vietnam and China
- Campaign for changes in policy and legislation to bring about an end to tiger farming and to facilitate demand reduction

Our Pangolin Project's priorities are:

- work to ensure international and domestic regulations that prohibit a legal trade in pangolins are established, implemented and enforced
- support our pangolin project partner organisation, the Natural Resource Conservation Network (NRCN) to strengthen pangolin anti-trafficking law enforcement in Uganda
- investigate, document and disseminate information on the organised crime groups involved in the trafficking of pangolins between Africa and Asia

Fundraising

Raising funds

The majority of EIA UK income is restricted to programme funding and while we have had increasing success in securing large institutional grants in recent years, this funding model does not allow for full cost recovery. The last ten years' growth of our four programmes of work, which in itself is a positive thing, has also increased the need for additional funding to build the capacity of our intelligence unit and for core costs.

Given the nature of EIA's work, campaigners, crime analysts and investigators' salary costs represent the bulk of charitable expenditure and in turn, as in any organisation, this needs to be supported by HR, IT, Finance and office costs. Therefore, raising unrestricted funds is crucial to supplementing project funding, increasing our impact globally and investing in the development of EIA UK. For this reason, we are extremely grateful for the continued support in 2018 of a small group of just under 1800 individual monthly regular donors, many of whom have supported EIA since the early 1990s. Their loyal support helps us plan ahead with more confidence.

In addition, the EIA Trust proactively raised funds from a range of sources in 2018, from trusts and foundations to individual supporters who respond to appeals throughout the year, those who leave EIA a gift in their Will and those who fundraise through sponsored activities and community events.

Institutional fundraising:

Grants from trusts and foundations provided a significant percentage of income for EIA UK and EIA Trust. We are extremely grateful to all of our funders and thank them for their

long-standing support and generosity in support of the Wildlife (Tiger, Pangolin and Elephant campaigns), Ocean, Climate and Forests programmes of work.

Income from major institutional funders, including the UK Department for International Development (Forest), the UK Illegal Wildlife Trade Challenge Fund (Tiger), the Norwegian Agency for Development Cooperation (Forest), and the Children's Investment Fund Foundation (Climate), remained stable in 2018. In addition, large additional grants were received during the period from BAND (Elephant), National Geographic (Pangolins), the UK Illegal Wildlife Trade Challenge Fund (Pangolin and Anti-money laundering campaigns), the Elephant Crisis Fund and Friedman French.

EIA UK is very grateful for the support of these longstanding donors. EIA Trust continues to support the charitable work of EIA UK granting fund received from the Adessium Foundation, Oak Foundation, the Rufford Foundation, the David Shepherd Wildlife Foundation, the Ernest Kleinwort Charitable Trust, the JMG Foundation, the Japan Animal Welfare Society UK, the Waterloo Foundation, ClimateWorks Foundation.

The sector remains highly competitive and the current economic context challenging. We will continue to seek opportunities to develop new key relationships to lay the groundwork for support in the next and future years, diversify our support and continue growing our income, including from small grant giving trusts.

Individual giving:

Our new fundraising strategy launched in January 2018 focused on increasing return on investment and implementing a new supporter engagement programme to enhance individual giving income.

Over the years, EIA Trust's fundraising costs were paid as a gift in kind by EIA UK. In 2018, cost efficiency measures to increase the return on investment of EIA UK unrestricted income fundraising included:

- from March 2018, EIA Trust paid its own direct fundraising costs.
- from May 2018, the EIA UK fundraising department was restructured and one full-time post was not replaced
- a new data retention policy was implemented to help reduce our mailing costs
- fundraising appeals were produced in-house rather than outsourced to an agency, saving the organisation precious funds.

Improved supporter engagement included the introduction of a 'new look' Investigator magazine and Supporter News, monthly e-newsletters and enhanced design of appeal packs. We are grateful to our supporters who continued to respond so generously to our appeals.

A most enjoyable open evening was held at our office in July 2018 with 40 supporters attending including five representatives from grant-making trusts. In September 2018 we participated for the first time in the Remember a Charity Week campaign. Online staff and supporter video testimonials were created to inspire others to remember EIA in their Will.

To ensure compliance with the General Data Protection Regulation which came into force in May 2018, we have appointed ClearComm as our GDPR advisor and reviewed our privacy and data retention policies.

Looking ahead

We are pleased to announce that on 26 February 2019, EIA UK became a UK registered charity, number 1182208. In common with many campaigning organisations, we previously consisted of two sister companies:

- EIA UK, a not-for-profit company carrying out the operations of EIA in the UK;
- EIA Trust, a fundraising charity supporting the charitable activities of EIA UK.

Operating as a single new 'EIA UK' charity has many advantages, including enabling EIA UK to claim Gift Aid and simplifying our reporting processes. The assets of EIA Trust will be transferred by deed to EIA UK and the EIA Trust wound up. Fundraising is now solely conducted by EIA UK.

Three of the four Trustees of EIA Trust joined the EIA UK Board of Trustees.

The records of funders and supporters that have been donating to EIA UK or EIA Trust continue to be held in the same place and managed by the same fundraising team.

In 2019 EIA UK will focus on securing as many gift aid declarations as possible from its supporters to maximise the impact of the charity.

The new website produced by the Communications team and launched in May 2019 will help enhance our digital presence, capitalise on our social media following, increase our global reach and digital marketing.

In 2019 a major donor appeal will be launched to support the growth of EIA UK and to help raise our profile with a new audience.

The ThankQ supporter database (funded as part of a previous grant from the Adessium Foundation) continues to play a crucial part in EIA's income growth strategy. In 2019 it will be upgraded to the cloud hosted version of ThankQ v.10.

Priorities for the years to come are to continue building the capacity of our institutional fundraising, focusing on the stewardship of our existing funders and individual supporters and, with support from the Communications team, improving our online presence to recruit new donors.

Large multi-year grants are essential to ensuring that our vital work with local communities affected by wildlife crime and environmental abuse can continue.

Diversifying and increasing income is essential to providing opportunities to develop the organisation and increase its global impact. We are therefore seeking support to increase our digital fundraising capacity, testing innovative ways to reach new audiences and supporters, not just in the UK but globally. We are also seeking to establish new partnerships with grant-making trusts and philanthropists who are willing to provide funding for the development of core elements of our work, such as our intelligence unit.

Our Fundraising Practice

In 2018 Fundraising practices were brought into line with guidance from the Charity Commission, published in June 2016: <https://www.gov.uk/government/publications/charities-and-fundraising-cc20/charities-and-fundraising>

- **Effective planning:** Income and expenditure forecasts are produced quarterly, based on the outcome of fundraising initiatives and applications being submitted. As part of the quarterly planning process we also monitor the return on investment of each unrestricted income stream and make necessary adjustments as required. Approaching deadlines for reports due and calls for proposals are shared with budget holders on a monthly basis, along with future income projections and assumptions on application success.

- **Supervision of fundraisers:** In 2018 a new ethical fundraising policy was adopted. It includes a section on fundraising and the necessity to be mindful of members of the public and supporters who may be vulnerable or in vulnerable circumstances. In-house fundraisers receive appropriate monthly supervision and are made aware of the Fundraising Regulator code of fundraising practice. We do not use external professional fundraising organisations or volunteers to fundraise on our behalf.

- **Protecting the assets and reputation of the organisation:** From January 2018 direct debit processing was outsourced to Rapidata direct debit bureau to reduce risk and improve cost-efficiency. Monthly reconciliation processes are in place between Sage and our ThankQ fundraising database. In March 2018 a new gift processing manual was adopted and a new gift acceptance policy implemented.

- **Full compliance with fundraising laws:** During the first quarter of 2018 the process of ensuring GDPR compliance was begun and ClearComm was appointed as our GDPR advisor. All data protection statements have been reviewed, data retention and privacy policies updated and online giving platforms modernised to improve supporters' online giving experience.

- **Following recognised standards and being open and accountable:** No formal complaints were received from supporters in 2018. A new external and internal fundraising complaint policy was implemented in December 2017. We ensure that the right policies are in place and understood internally. EIA UK is in compliance with the standards in the Code of Fundraising Practice. In January 2018, a new Year in Review was introduced to highlight 2017 and 2018 campaign achievements. The presentation on the Annual Report and Accounts 2017 and 2018 have been improved to ensure our aims and achievements are clearly communicated to funders and to supporters.



Thank you

Institutional donors

Adessium Foundation

Anthony Rae Foundation

BAND Foundation

Benindi Fund

Children's Investment Fund Foundation (CIFF)

ClimateWorks Foundation

David Shepherd Wildlife Foundation

EJF Philanthropies

The Ernest Kleinwort Charitable Trust

JMG Foundation

The Japan Animal Welfare Society UK

National Geographic Society

Neotas

Network for Social Change

Norwegian Agency for Development Cooperation (Norad)

Oak Foundation

Plastic Solutions Fund

The Rufford Foundation

The Elephant Crisis Fund, an initiative launched by Save the Elephants and the Wildlife Conservation Network, in partnership with the Leonardo DiCaprio Foundation

Funding Received from UK Aid through the Department for International Development (DFID)

Funded by the UK Government through the Illegal Wildlife Trade Challenge Fund

Vulcan Inc.

The Waterloo Foundation

And thank you to everyone who has supported our work, including the professional photographers who give us pro bono access to their portfolio, we hugely appreciate it.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management

The Environmental Investigation Agency UK is a registered company limited by guarantee, number 07752350 incorporated on 25th August 2011. It was registered as a charity as of 26th February 2019: charity number 1182208.

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 Articles were revised in 2018.

Although the company was not a UK-registered charity until 2019, it operated as a not-for-profit organisation and produced its accounts and this Trustees Report under the provisions of FRS 102, the Charity SORP. This has been done to comply with best practice.

The Trustees who served during the year and up to the date of the report are listed on page 2.

The Trustees have no beneficial interest in the company. The Trustees 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 trustees, including provision of key information about the company, its operations and the Trustees' responsibilities.

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

Financial review

The Company's accounts have been prepared in accordance with the charities Statement of Recommended Practice FRS 102.

Total income generated in the year ended 31 December 2018 amounted to £3.4m, slightly more than income in 2017.

Donations and legacies from individual giving increased by £20,000 bringing in much needed unrestricted funding. However, unrestricted income overall, was significantly less than the previous year. The 2017 unrestricted income figures included a receipt from EIA Trust in the sum of £100,000 for fundraising services provided by EIA UK. By contrast in 2018 EIA Trust paid for the bulk of its direct fundraising costs. Staff costs pertaining to its fundraising activities were donated by EIA UK to EIA Trust as a gift in kind.

Restricted grant income which accounted for 95 per cent of the total income in 2018, increased by 3 per cent compared to last year. As to be expected, there are fluctuations in grant receipts for various reasons. For example, with respect to the start or finish of multi-year funding, some grants ended during the period, whilst new funding agreements were secured for other programmes of work. The income trends also vary across the programmes of work with some attracting more funding than others. Two new projects were introduced in 2018 - Pangolins and Anti-Money Laundering. Multi-year grants were secured for these projects from the Department for Environment, Food and Rural Affairs, the Friedman French Foundation and the National Geographic Society.

Included in restricted grant income is a total of £1.4m granted by EIA Trust, which funded the charitable activities of various projects from its restricted and unrestricted funding. It is noted that £0.2m relates to grants awarded by EIA Trust in 2017, which were deferred by EIA UK to charitable activities in 2018, and thereby recognised as income in 2018.

The fundraising section above provides more details on the income raised during the year, as well as future fundraising initiatives.

The total of resources expended during the year of £3.3m is comparable to expenditure in 2017. Expenditure on charitable activities is up on last year by two per cent. Conversely, expenditure on

TRUSTEES' REPORTFOR THE YEAR ENDED 31 DECEMBER 2018

raising funds is noticeably less in 2018. In 2017 fundraising staff costs were higher partly due to agency costs in connection with recruitment of the Head of Fundraising. EIA UK also paid for the direct fundraising costs of EIA Trust, partly recouped by charging the Trust for fundraising services carried out on its behalf.

In 2018 EIA Trust paid its own direct costs of fundraising, thereby significantly reducing EIA UK's fundraising costs. Cost-cutting measures were also introduced by the new Head of Fundraising during the year. For example, one post was not replaced following a restructure of the fundraising department and previously outsourced activities were undertaken in-house, including the design of the Investigator magazine.

Although the increase in the total expenditure on charitable activities is minimal, some cost categories were markedly higher than the prior year. IT costs increased following a fire incident and a cyber attack that resulted in higher costs for emergency data recovery and repairs to the server. The risk of the incident recurring was mitigated by moving the IT systems to cloud based services. This resulted in increased software costs, the purchase of new licences and training staff on the use of the new Office 365 software. Work also started on a new website.

Professional and legal costs doubled in 2018 for advice sought on governance matters largely in relation to the organisational restructure. The streamlining of the administration and management processes will result in savings.

Staff were awarded a pay rise of 2.7 per cent in 2018 and all managerial staff had completed the management training course by the end of the year. All staff were provided with training on the new General Data Protection Regulation.

The direct costs of carrying out EIA UK's programmes of work were lower than in 2017. This is partly a reflection of the timing of grant receipts, of which a significant amount was received towards the end of the year, with activities planned for 2019. For example, most of the activity related to the new Pangolin and Anti-Money Laundering projects was scheduled for 2019, pending the recruitment of investigators.

Total income during the year exceeded total resources expended, resulting in a surplus of £90,393. Total funds as at 31 December 2018 amounted to £679,953.

Details of Reserves

As at 31 December 2018 total reserves held by the Company amounted to £679,953. This consisted of unrestricted reserves in the sum of £2,790 and restricted reserves of £677,163. At 31st December 2018 EIA Trust held unrestricted reserves of £76,069. Its reserves balance will be transferred by deed to EIA UK in mid-2019.

The objective of the unrestricted reserve is to maintain sufficient unrestricted general funds to meet all of EIA UK's existing liabilities in the event of an unforeseen and/or catastrophic development within the organisation. Consequently, the reserves policy focuses on the need to maintain free reserves in unrestricted funds at a level which equates to between three to six months of unrestricted operational expenditure. The Trustees consider that at these levels EIA UK would retain sufficient funds to enable responding to changes in operating levels and to adequately cover the financial impact of any adverse development within EIA UK.

The general unrestricted reserves reported at 31 December 2018 fall short of the minimum level of reserves indicated in the Board's policy. The Trustees aim over the next 3 years to steadily increase the level of the reserve to within the target range. Operating as a single entity charity in the UK as described elsewhere in this report will be an important first step in strengthening EIA's reserves position.

Going concern

In 2018, the Trustees of EIA UK have decided that given the current tightening of the regulatory framework round charities and not-for-profit organisations that the current arrangements for funding the organisation and its future governance are best achieved by operating through a single entity charity. EIA was registered as a charity on 26th February 2019 and the Trustees of EIA Trust joined the EIA UK Board of Trustees on 7th May 2019. The assets of EIA Trust will be transferred by deed to EIA UK and the Trust wound up.

In the light of these developments and given the continuing overall improvement in the financial performance of EIA UK the Trustees have reasonable expectation that the company has adequate resources and certainty of future income to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

Risks

Review of the comprehensive Risk Register is a standing item on the agendas of meetings of the Trustees and Senior Management Teams. The purpose is to ensure appropriate control and compliance measures are in place to safeguard and mitigate risks to the organisation, its staff, volunteers, Trustees, assets and reputation. The Register is updated as required.

Those considered to be top risks are listed below:

Risk	Action taken
<p>Inadequate income and financial controls would inhibit funding of EIA's work and furtherance of its objects, threatening the organisation and potentially causing reputational damage.</p>	<p>Campaign and organisational strategies with accompanying budgets are approved by the Trustees each year and include three-year projections. These are done in collaboration with the Fundraising Team to ensure raising required income is realistic and required reporting on progress is undertaken.</p> <p>Trustees regularly monitor income received against budget for the year, and spending commitments are not made unless sufficient funds are available.</p>
<p>The structure of EIA in the UK is no longer fit for purpose, including due to the challenges of complying with the new regulations on data processing (GDPR), revised Charity Commission Guidance on grant giving by charities to non-charities and the requirements of the new Fundraising Regulator.</p>	<p>As described elsewhere in the report, EIA UK was registered as a charity on 26th February 2019 and operates as a single charity in the UK.</p> <p>External advice was sought to ensure compliance with GDPR and training provided to Trustees and staff. Compliance with regulatory requirements is frequently reviewed.</p>
<p>Unrestricted reserves are lower than the target set by Trustees</p>	<p>Work is being undertaken to increase reserves to the required level. Going forward, the single charity structure will ease pressure on EIA UK's unrestricted funds including but not only from Gift Aid.</p>

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial

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

So far as the Trustees 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 trustee has taken all the steps that he or she ought to have taken as a trustee 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.

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees

to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

Relationships with Related Parties and Other Organisations

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

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

The agreement between Trustees of EIA UK and Trustees of EIA Trust resulted in EIA UK being registered as a charity on 26th February 2019. The assets of EIA Trust will be transferred by deed at the end of June 2019 and EIA will operate as a single charitable entity in the UK. This will benefit the organisation in number of ways including assisting with full and transparent compliance new regulatory requirements, GDPR and other data protection regulations.

On behalf of the Board:

J. Lonsdale (Trustee)

3 June 2019

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Independent auditor's report

Opinion

We have audited the financial statements of Environmental Investigation Agency UK for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Neil Finlayson (Senior Statutory Auditor)

**for and on behalf of Kingston Smith LLP,
Statutory Auditor**

26 June 2019

**Devonshire House
60 Goswell Road
London
EC1M 7AD**

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

		Total			Total		
	Notes	Unrestricted	Restricted	2018	Unrestricted	Restricted	2017
		£	£	£	£	£	£
Income and endowments from							
Donations & Legacies	2(i)	153,915		153,915	133,963		133,963
Income from other trading activities	2(ii)	56		56	17		17
Investment Income	2(iii)	5,235	177	5,412	3	1,810	1,813
Income from charitable activities	2(v)		3,234,077	3,234,077		3,141,511	3,141,511
Other Income	2(iv)	3		3	100,948		100,948
Total income and endowments		159,209	3,234,254	3,393,463	234,931	3,143,321	3,378,252
Expenditure on							
Expenditure on Raising Funds	3	152,984		152,984	246,515		246,515
Charitable Activities	4	137,960	3,012,126	3,150,086	15,634	3,066,182	3,081,816
Total Resources Expended		290,944	3,012,126	3,303,070	262,149	3,066,182	3,328,331
Net income/(expenditure)		(131,735)	222,128	90,393	(27,218)	77,139	49,921
Transfers							
Transfers between funds		4,047	(4,047)	-	10,753	(10,753)	-
Net incoming resources before other recognised gains and losses		(127,688)	218,081	90,393	(16,465)	66,386	49,921
Other recognised gains/losses							
Gains on revaluation of fixed assets for charity's own use		-	-	-	-	-	-
Gains/losses on investment assets		-	-	-	-	-	-
Actuarial gains/losses on defined benefit pension schemes		-	-	-	-	-	-
Net Movement in Funds		(127,688)	218,081	90,393	(16,465)	66,386	49,921
Reconciliation of funds							
Total funds brought forward		130,478	459,082	589,560	146,943	392,696	539,639
Total funds carried forward		2,790	677,163	679,953	130,478	459,082	589,560

On 26 February 2019 EIA UK became a registered charity. EIA Trust will transfer all its assets by deed including its unrestricted free reserves to EIA UK. The trustees joined the Board of EIA UK on 7 May 2019

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Fixed Assets			
Tangible Assets	8	42,753	49,602
		<u>42,753</u>	<u>49,602</u>
Current Assets			
Debtors	9	138,908	272,044
Cash at bank and in hand		901,530	1,089,608
		<u>1,040,438</u>	<u>1,361,652</u>
Liabilities: amounts falling due within one year			
Creditors	10	(403,238)	(821,694)
		<u>(403,238)</u>	<u>(821,694)</u>
Net current assets		637,200	539,958
Total Assets less Current Liabilities		<u>679,953</u>	<u>589,560</u>
Funds			
Unrestricted	13	2,790	130,478
Restricted	11	677,163	459,082
Total Funds		<u>679,953</u>	<u>589,560</u>

The Financial Statements have been prepared in accordance with the provisions applicable to the Small Companies Regime and in accordance with the Companies Act 2006 relating to small companies and with FRS 102 (1A) the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Financial Statements were approved by the Board of Trustees on 3 June 2019 and signed on their behalf by:

J. Lonsdale (Trustee)

I. Grattidge (Trustee)

Company No: 07752350
Charity No: 1182208

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
Cash flows from operating activities	£	£
Net cash provided by (used in) operating activities	(162,108)	286,647
Cash flows from investing activities:		
Purchase of property, plant and equipment	(25,970)	(44,719)
Net cash provided by (used in) investing activities	(25,970)	(44,719)
Change in cash and cash equivalents in the reporting period	(188,078)	241,928
Cash and cash equivalents at the beginning of the reporting period	1,089,608	847,680
Cash and cash equivalents at the end of the reporting period	901,530	1,089,608
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Operating surplus/(deficit)	90,393	49,921
Adjustments for:		
Depreciation charges	32,819	28,918
(increase)/decrease in debtors	133,136	(27,768)
increase/(decrease) in creditors	(418,456)	235,576
Net cash provided by (used in) operating activities	(162,108)	286,647
Analysis of cash and cash equivalents		
Cash in hand		
Opening Balance	1,089,608	847,680
Increase/(Decrease) in cash	(188,078)	241,928
Closing Balance	901,530	1,089,608

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound. The financial statements have been prepared on the historical cost convention.

The principal accounting policies adopted are set out below:

Income

Income is included on an accruals basis. It includes grants and donations and invoiced sales of goods and services, excluding value added tax.

(i) Grants and Donations

Grant and donations are accounted for in the year in which they are receivable.

Statutory grants are accounted for using the accrual model. Grant income is recognised in the Statement of Financial Activities on a systematic basis over the period in which the related costs are incurred.

Other grants are recognised when receivable unless performance related conditions apply, in which case the grant is recognised when the conditions for receipt have been complied with.

Grants relating to future periods are deferred and recognised in those future accounting periods.

(ii) Legacies

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount

receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

(iii) Interest

Bank interest is recognised on a receivable basis.

(iv) Merchandise and Film Sales

Income from commercial trading activities is recognised as earned, as the related goods and services are provided.

(v) Foreign Currencies

Transactions in foreign currencies are translated at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet dates. All exchange differences are dealt with through the Statement of Financial Activities.

(vi) Tangible Fixed Assets and Depreciation

Depreciation is calculated to write down the cost less estimated residual value of tangible fixed assets held for charitable use by equal annual instalments over their expected useful economic lives. The rates generally applicable on a straight-line basis are:

- Furniture - 25%

- Equipment - 33.33%
- Field Equipment - 50%

All tangible fixed assets costing more than £500 are capitalised at their cost to the organisation.

(vii) Leasing Commitments

Rentals payable under operating leases, including any lease incentives received, are charged against income on a straight-line basis over the lease term, except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

(viii) Other Financial Instruments

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

Debtors and Creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

(ix) 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.

Expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly in the effort to raise voluntary contributions (cost of generating funds);
- expenditure incurred directly to the fulfilment of the charitable objectives;

Charitable expenditure comprises all the expenditure incurred in furtherance of the charitable objectives and is analysed between:

- grants payable in the furtherance of the charitable objectives
- costs of charitable activities
- support costs in furtherance of the charitable activities

Support costs comprise all other overhead costs for the running of the organisation in fulfilment of its charitable objectives. These costs are apportioned on a reasonable basis as determined by the trustees.

(x) Grants Payable

Grants are recognised when they become due for payment. Included within the Statement of Financial Activities is the cost of grant instalments that are payable to implementing partner organisations.

(xi) Fund Accounting

Designated funds are unrestricted funds earmarked for particular purposes. The aim and use of the fund is set out in the reserves policy and the notes to the financial statements.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on general charitable objectives.

Restricted funds are donations received from a donor who has specified a particular project or area of work to which the donation should be allocated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

2	ANALYSIS OF INCOME	2018	2017
(i)	Donations & Legacies	£	£
	Legacies	13,882	(2,000)
	Donations	140,033	135,963
		<u>153,915</u>	<u>133,963</u>
(ii)	Activities for Generating Funds		
	Film Sales and other related activities	<u>56</u>	<u>17</u>
(iii)	Investment Income		
	Bank Interest	<u>5,412</u>	<u>1,813</u>
(iv)	Other Income		
	Fundraising Income	-	100,000
	VAT Refund	3	948
		<u>3</u>	<u>100,948</u>

(v) Project Grants Year to 31 December 2018

Funder	Tigers	Ocean	Climate	Adessium Institutional Support	Elephants	Forests	Pangolins	Anti- Money Laundering	2018
	£	£	£	£	£	£	£	£	£
Vulcan Inc.					11,569				11,569
EJF Philanthropies					7,273				7,273
RUSI					3,460				3,460
OAK					32,223				32,223
Stop Ivory					14,775				14,775
WWFN					15,192				15,192
DFID						627,658			627,658
EIA US		45,464				316,303			361,767
DEFRA	163,070				12,333		77,700	82,304	335,407
CIEL		7,433							7,433
CIFF			405,242						405,242
EIA Trust	185,480	123,343	223,132	159,812	372,947	120,000	197,846		1,382,560
Other	8,206								8,206
PSF		21,312							21,312
	<u>356,756</u>	<u>197,552</u>	<u>628,374</u>	<u>159,812</u>	<u>469,772</u>	<u>1,063,961</u>	<u>275,546</u>	<u>82,304</u>	<u>3,234,077</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Year to 31 December 2017

Funder	Tigers	Ocean	Climate	Adessium Institutional Support	Elephants	Forests	2017
	£	£	£	£	£	£	£
Vulcan Inc.	-	-	-	-	59,810	-	59,810
Royal United Services Institute	-	-	-	-	10,309	-	10,309
OAK Foundation	-	-	-	-	163,724	-	163,724
Stop Ivory	-	-	-	-	3,270	-	3,270
EU	-	-	-	-	-	109,495	109,495
DFID	-	-	-	-	-	844,832	844,832
EIA US	-	34,523	-	-	-	341,770	376,293
DEFRA	64,631	-	-	-	63,294	-	127,925
CIFF	-	-	481,721	-	-	-	481,721
EIA Trust	257,357	148,827	74,143	82,671	224,124	155,880	943,002
Other	20,724	-	-	-	406	-	21,130
	<u>342,712</u>	<u>183,350</u>	<u>555,864</u>	<u>82,671</u>	<u>524,937</u>	<u>1,451,977</u>	<u>3,141,511</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

3 RAISING FUNDS

	2018	2017
	£	£
Fundraising and Publicity	152,984	246,515
Other Costs	-	-
Total	152,984	246,515

4 (i) CHARITABLE ACTIVITIES

The amount spent on charitable activities is analysed across projects as follows:

Year to 31 December 2018

	Support & Governance	Grants Payable	Direct Expenditure	2018 Total
	£	£	£	£
Tigers	40,920	2,952	150,090	193,962
Tigers (DEFRA)	37,707	81,771	74,315	193,793
Pangolins	11,056	25,910	18,706	55,672
Elephants	98,882	-	387,532	486,414
Elephants (DEFRA)	2,400	-	11,058	13,458
Ocean	42,257	-	156,369	198,626
Climate - GEC	115	-	532	647
Climate - CIFF	85,116	158,100	211,947	455,163
Climate - K-CEP	32,831	59,348	78,647	170,826
Adessium Foundation - Inst support	24,719	-	96,768	121,487
Anti-Money Laundering - Defra	12,797	28,356	23,818	64,971
Forests - DFID 2	61,476	63,370	174,907	299,753
Forests - DFID 3	82,434	46,830	250,013	379,277
Forests - NORAD 3	77,559	73,556	224,173	375,288
Forests - Waterloo	11,010	36,573	11,866	59,449
Forests - JMG	3,404	5,475	10,207	19,086
Forests - General	0	-	0	0
Forests - Ford	11,096	-	51,118	62,214
	635,779	582,241	1,932,066	3,150,086

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Year to 31 December 2017

	Support & Governance	Grants Payable	Direct Expenditure	2017 Total
	£	£	£	£
Tigers	54,293	3,000	235,002	292,295
Tigers (DEFRA)	12,618	36,688	25,403	74,709
Elephants	70,318	-	316,206	386,524
Elephants (DEFRA)	11,525	-	55,038	66,563
Ocean	31,081	-	138,225	169,306
CIFF	80,195	90,901	311,412	482,508
Climate - K-CEP	6,106	34,791	-	40,897
Adessium Foundation - Inst support	15,679	-	68,833	84,512
Forests - DFID	165,971	349,544	414,127	929,642
Forests - NORAD 3	67,334	46,042	265,136	378,512
Forests - EU	-	-	109,495	109,495
Forests - Waterloo	7,670	38,442	3,922	50,034
Forests - Ford	2,511	-	14,308	16,819
	525,301	599,408	1,957,107	3,081,816

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

4(ii) Charitable Activities were funded as follows:

The expenditure below sets out the costs incurred on charitable activities disclosing the amounts funded by general unrestricted and restricted funds.

Year to 31 December 2018	Unrestricted	Restricted	2018
	£	£	£
Tigers	-	193,962	193,962
Tigers (DEFRA)	6,665	187,128	193,793
Pangolins	8,415	47,256	55,671
Elephants	-	486,414	486,414
Elephants (DEFRA)	-	13,458	13,458
Ocean	15,544	183,082	198,626
Climate - GEC	-	647	647
Climate - CIFF	-	455,163	455,163
Climate - K-CEP	7,115	163,711	170,826
Adessium Foundation - Inst support	11,173	110,313	121,486
Anti-Money Laundering - Defra	1,797	63,175	64,972
Forests - DFID 2	22,515	277,238	299,753
Forests - DFID 3	39,726	339,551	379,277
Forests - NORAD 3	24,441	350,847	375,288
Forests - EU	0	-0	0
Forests - Waterloo	8,547	50,902	59,449
Forests - JMG	926	18,160	19,086
Forests - General	-20,000	20,000	0
Forests - Ford	11,096	51,119	62,215
	137,960	3,012,126	3,150,086

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Year to 31 December 2017	Unrestricted	Restricted	2017
	£	£	£
Tigers	8,054	284,241	292,295
Tigers (DEFRA)	-	74,709	74,709
Elephants	-	386,524	386,524
Elephants (DEFRA)	-	66,563	66,563
Ocean	-	169,306	169,306
CIFF	-	482,508	482,508
Climate - K-CEP	-	40,897	40,897
Adessium Foundation - Inst support	3,869	80,643	84,512
Forests - DFID	3,711	925,930	929,641
Forests - NORAD 3	-	378,512	378,512
Forests - EU	-	109,495	109,495
Forests - Waterloo	-	50,034	50,034
Forests - Ford	-	16,820	16,820
	15,634	3,066,182	3,081,816

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

4(iii)	SUPPORT COSTS	Staff	IT	Premises	Office Costs & Sundries	Governance	2018	2017
		£	£	£	£	£	£	£
	Tigers	20,001	1,449	7,702	8,817	2,951	40,920	54,293
	Tigers (DEFRA)	20,399	1,478	3,827	8,992	3,011	37,707	12,618
	Pangolins	5,831	422	1,372	2,570	861	11,056	-
	Elephants	50,646	3,670	14,766	22,326	7,474	98,882	70,318
	Elephants (DEFRA)	1,445	105	0	637	213	2,400	11,525
	Ocean	20,436	1,481	8,316	9,008	3,016	42,257	31,081
	Climate - GEC	70	5	0	31	9	115	-
	Climate - CIFF	48,361	3,504	4,795	21,318	7,137	85,115	80,195
	Climate - K-CEP	18,034	1,307	2,879	7,950	2,662	32,832	6,106
	Adessium Foundation - Inst support	12,646	916	3,715	5,575	1,867	24,719	15,679
	Anti-Money Laundering - Defra	6,819	494	1,472	3,006	1,006	12,797	
	Forests - DFID 2	31,467	2,280	6,715	13,871	7,143	61,476	165,971
	Forests - DFID 3	38,794	2,811	18,003	17,101	5,725	82,434	
	Forests - NORAD 3	38,910	2,819	12,935	17,152	5,743	77,559	67,334
	Forests - Waterloo	6,330	459	496	2,791	934	11,010	7,670
	Forests - JMG	2,049	148	0	903	304	3,404	
	Forests - General	0	0	0	0	0	0	-
	Forests - Ford	6,681	484	0	2,945	986	11,096	2,511
		<u>328,919</u>	<u>23,832</u>	<u>86,993</u>	<u>144,993</u>	<u>51,042</u>	<u>635,779</u>	<u>525,301</u>

Support costs are allocated on the basis of expenditure ratios and staff numbers where appropriate.

4(iv)	GOVERNANCE COSTS	2018	2017
		£	£
	Audit Costs - Fees for the current year	11,178	10,800
	Audit Costs - in respect of other fees	3,905	6,506
	Legal Fees	18,083	8,763
	Staff Costs	<u>17,876</u>	<u>22,184</u>
		<u>51,042</u>	<u>48,253</u>

Governance costs are allocated within support costs and charged to charitable activities

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

4(v) GRANTS PAYABLE

The following material grants were paid during the year:

	2018	2017
	£	£
Forest Watch Indonesia	21,019	162,734
Advancing Life and Regenerating Motherland - Alarm BRIDGE	72,125	184,282
Ecologia Y Desarrollo - ECODES	21,126	20,191
European Environmental Citizens' Organisation for Standardisation - ECOS	20,000	22,725
League for the Environment - Legambiente	25,000	22,725
ZERO	20,000	22,725
Wildlife Protection Society of India	-	3,000
Wildlife Friends Foundation of Thailand	38,662	19,440
Education for Nature Vietnam	46,061	17,248
Shecco	-	34,791
Telapak	111,534	66,822
Natural Resource Conservation Network	25,910	-
EIA US	132,448	-
LibertyASIA	28,356	-
Total Grants	582,241	599,408

5 NET INCOMING RESOURCES

Net incoming resources are stated after:

	2018	2017
	£	£
Auditors' Remuneration - Current year	9,315	9,000
Auditors' Remuneration - in respect of previous years	992	(972)
Auditors' Remuneration - in respect of other services	1,630	7,784
Directors' Emoluments	62,120	90,527
Directors' Pension Contributions	8,500	12,000
Depreciation of Fixed Assets	32,819	28,918

6 DIRECTORS' REMUNERATION

	2018	2017
	£	£
Directors' Emoluments	62,120	90,527
Directors' Pension Contributions	8,500	12,000
Employer's NI for Directors	5,164	5,410
	75,784	107,937

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7 STAFF COSTS	No.	No.
The average number of employees was	38	39
Staff costs including Directors' remuneration were as follows:	£	£
Staff on UK payroll		
Wages and Salaries	1,176,857	1,132,808
Social Security Costs	112,510	108,196
Pension Costs	61,244	56,531
Severance Pay	17,500	
Sub Total	1,368,111	1,297,535
Other Salary Costs	244,127	250,024
Training & Recruitment Costs	76,548	33,566
	1,688,786	1,581,125

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

The number of employees with emoluments above £60,000 were:	2018	2017
£60,000 - £70,000	1	1

Employer's pension contribution in respect of higher paid employees in 2018 totalled £5,305 (2017: £5,093)

Staff costs for Key Management Personnel were as follows:	2018	2017
	£	£
Executive Director	79,620	76,417
Campaigns Director	70,862	68,154

8 FIXED ASSETS	2018	2017
	Furniture and Equipment	Furniture and Equipment
	£	£
Cost at 1st January 2018	163,615	118,896
Additions	25,970	44,719
Cost at 31st December 2018	189,585	163,615
Depreciation at 1st January 2018	114,013	85,095
Charge for the Period	32,819	28,918
Depreciation at 31st December 2018	146,832	114,013
Net Book Value at 31st December 2018	42,753	49,602
Net Book Value at 31st December 2017	49,602	33,801

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

9 DEBTORS

	2018	2017
	£	£
EIA Trust	70,511	133,241
Grants due from EIA US	-	-
VAT	-	-
Other Debtors	23,428	30,489
Prepayments	5,830	4,369
Accrued Income	39,139	103,945
	138,908	272,044

All debtors except prepayments are financial instruments and are measured at settlement value.

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

10 CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade Creditors	52,234	67,247
Taxes and Social Security	58,959	53,161
Accruals	29,690	157,170
EIA US	-	-
EIA Trust	-	16,000
Deferred Income	99,467	480,594
VAT & Corporation Tax Liability	18,525	20,091
Pension Liability	33,859	22,377
Other Creditors	110,504	5,054
	403,238	821,694

All creditors are financial instruments and are measured at settlement value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

11 RESTRICTED FUNDS	Balance b/f	Income	Staff Costs	Grants Payable	Support & Governance	Other Direct Costs	Transfers	Balance c/f
Year to 31 December 2018	£	£	£	£	£	£	£	£
Tigers	51,032	193,686	121,430	2,952	64,610	28,659	9,445	36,512
Tiger (DEFRA)	-	163,070	52,781	81,771	7,352	21,534	-	-368
Illegal Wildlife Trade	18,889	-	-	-	-	-	(18,889)	-
Pangolins	-	275,546	18,547	25,910	2,641	159	(1,064)	227,225
Elephants	251,439	457,276	319,255	-	99,673	68,277	7,997	229,507
Elephants - DEFRA	-	12,667	5,550	-	1,609	5,508	-	-
Ocean	34,643	197,552	137,333	-	26,713	19,035	-	49,114
Climate (GEC)	10,501	-	-	-	-	532	-	9,969
Climate - CIFF	39,455	435,245	173,618	158,100	97,830	38,329	-	6,823
Climate - KCEP	-	193,132	69,500	59,348	13,118	9,148	-	42,019
Adessium Foundation - Inst support	-	159,812	61,110	-	13,546	35,658	(1,170)	48,328
Anti-Money Laundering - Defra	-	82,304	22,807	28,356	11,000	1,011	-	19,130
Forest - DFID 2	223	277,015	107,338	63,370	36,461	70,069	-	-
Forest - DFID 3	-	350,643	225,582	46,830	42,708	24,431	(1,048)	10,044
Forests - NORAD 3	5,355	348,306	162,751	73,556	53,118	61,422	(3,954)	-1,140
Forest - Waterloo	966	49,000	8,533	36,573	2,463	3,333	936	-
Forest - JMG	-	19,000	4,947	5,475	2,478	5,260	(840)	-
Forest - General	5,317	20,000	-	-	20,000	-	(5,317)	-
Forest - Ford Foundation	41,262	-	-	-	-	51,119	9,857	-
Total	459,082	3,234,254	1,491,082	582,241	495,320	443,483	(4,047)	677,163

Included in the Statement of financial activities are funds which have been restricted by the donor for the projects listed above.

Included within transfers is £8,683 for fixed assets acquired which have been funded by restricted funds. The balance brought forward on the Illegal Wildlife Trade project was transferred to the Elephant and Tiger Wildlife Campaigns in accordance with the Funder's agreement. Also included in the transfers is £4,636 from unrestricted funds used to cover exchange rate losses upon completion of the project funded by the Ford Foundation.

The deficits on the Tiger (Defra) and Forest (Norad 3) projects will be funded by funding received post year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Balance b/f	Income	Staff Costs	Grants Payable	Support & Governance	Other Direct Costs	Transfers	Balance c/f
	£	£	£	£	£	£	£	£
Year to 31 December 2017								
Tigers	69,722	268,003	181,128	3,000	54,293	45,820	(2,452)	51,032
Tiger (DEFRA)	-	74,709	24,706	36,688	12,618	697	-	-
Illegal Wildlife Trade	18,889	-	-	-	-	-	-	18,889
Elephants	182,481	458,406	256,987	-	70,318	59,219	(2,924)	251,439
Elephants - DEFRA	-	66,563	32,471	-	11,525	22,567	-	-
Ocean	20,531	183,418	117,108	-	31,081	21,117	-	34,643
Climate (GEC)	10,501	-	-	-	-	-	-	10,501
Climate - CIFF	6,995	514,968	244,118	90,901	80,195	67,294	-	39,455
Climate - KCEP	-	40,897	-	34,791	6,106	-	-	-
Adessium Foundation - Inst support	-	82,670	53,627	-	15,679	11,337	(2,027)	-
Forest - DFID/EU	-	-	-	-	-	-	-	-
Forest - DFID 2	4,201	921,953	322,451	349,544	165,971	87,965	-	223
NORAD - 3	15,978	371,239	214,447	46,042	67,334	50,689	(3,350)	5,355
Forest - EU	-	109,495	-	-	-	109,495	-	-
Forest - Waterloo	-	51,000	3,902	38,442	7,670	20	-	966
Forest - General	5,317	-	-	-	-	-	-	5,317
Forest - Ford Foundation	58,081	-	4,799	-	2,511	9,509	-	41,262
Total	392,696	3,143,321	1,455,744	599,408	525,301	485,729	(10,753)	459,082

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

12 DESIGNATED FUNDS

There were no designated funds in 2018.

13 UNRESTRICTED FUNDS

	Balance b/f	Income	Expenditure	Transfers	Balance c/f
	£	£	£	£	£
Unrestricted Funds	130,478	159,209	(290,944)	4,047	2,790
	130,478	159,209	(290,944)	4,047	2,790

On 26 February 2019 EIA UK became a registered charity. EIA Trust will transfer all its assets by deed including its unrestricted free reserves to EIA UK. The trustees joined the Board of EIA UK on 7 May 2019

14 NET ASSETS BY FUND

As at December 2018	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Fixed Assets	42,753	-	-	42,753
Current Assets	107,589		932,849	1,040,438
Current Liabilities	(147,552)		(255,686)	(403,238)
	2,790	0	677,163	679,953

As at December 2017	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Fixed Assets	49,602	-	-	49,602
Current Assets	234,893	-	1,126,759	1,361,652
Current Liabilities	(154,017)	-	(667,677)	(821,694)
	130,478	-	459,082	589,560

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

15 RELATED PARTIES

EIA UK receives funding from EIA Trust with which it shares premises. During the year, grants amounting to £1,170,428 (2017: £1,064,718) were received by EIA UK from EIA Trust. EIA UK also recognised £212,132 grants deferred in the previous year, bringing total grants from EIA Trust to £1,382,560.

The company also co-operates with the Environmental Investigation Agency Inc, a 501© 3 tax exempt organisation registered in the USA.

One Trustee is also a Director of EIA Inc. During the year grant income totalling £361,767 (2017: £376,293) was receivable from EIA Inc.

	2018	2017
	£	£
Grants receivable from EIA Trust during the year	1,170,428	1,064,718
Grants receivable from EIA Inc during the year	361,767	376,293

The current account balances at 31st December 2018 were as follows:

	2018	2017	
	£	£	
EIA Trust Debtor	70,511	133,241	(see Note 9)
EIA US Debtor	-	-	
EIA Trust Creditor	-	16,000	(see Note 10)

16 LEASE COMMITMENTS

The Company entered into a new lease for its office premises from 25th March 2019 for a lease term of 5 years with an annual rent of £57,950.

The remaining lease commitment payable at the year end amounted to:

	2018	2017
	£	£
Within 1 year	57,950	57,950
Within 1 - 2 years	115,900	14,488
Within 2 - 5 years	130,388	-
	<u>304,238</u>	<u>72,438</u>

EIA UK

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UK Charity Number: 1182208

Company Number: 07752350

Registered in England and Wales

