



**ENVIRONMENTAL  
INVESTIGATION  
AGENCY**

**Environmental Investigation  
Agency Trust Limited**

Annual Report and Accounts  
2017





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### TRUSTEES

Kit Stoner (Chair)  
James Arrandale  
(Appointed 7 November 2017)  
Jenine Langrish  
Jon Miller  
Mark Roberts  
(Stood down 2 November 2017)  
Michelle Thew  
(Stood down 8 November 2017)  
Dawn Varley  
(Appointed 7 November 2017)

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### REGISTERED OFFICE

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### REGISTERED NUMBER

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Wales)

### CHARITY NUMBER

1145359

## Welcome

The Trustees are delighted to present their report together with the audited financial statements of the Environmental Investigation Agency Trust Limited (referred to hereafter as EIA Trust or the Trust) for the year ended 31<sup>st</sup> December 2017.

We have had a positive year financially and have funded activities across all four areas of EIA UK's campaigns. We would like to thank all of our donors for helping us to support this crucial work. Thanks to your funding, we have been able to fund EIA UK to expose a massive illegal logging operation spanning Cambodia and Vietnam; to successfully campaign for the UK adoption of a microbead ban; to successfully advocate for global action on HFCs; and to investigate and expose a major Chinese ivory syndicate, resulting in enforcement action. These are just some highlights of a successful year of investigation and campaigning.

2017 may be the final full year of operation for EIA Trust. Following discussions with the Directors of EIA UK, and in response to the challenges of complying with the new regulations on data processing (GDPR) and revised Charity Commission Guidance on grant giving by charities to non-charities, we have agreed that EIA UK will seek charitable status. Once this is achieved the Trustees' current intention is for the Trust to transfer its assets to the new charity, and wind itself up, so that in future EIA would operate as a single charitable entity in the UK. This would benefit the organisation in a number of ways, reducing duplication of reporting for staff, simplifying the organisational structure and assisting with full and transparent compliance with new regulatory requirements.

**Kit Stoner**  
Chair of EIA Trust



# About us

## Objectives and summary of activities

EIA Trust's objectives as set out in its governing document are:

1. 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;
2. The conservation and protection and restoration of the natural environment, ecosystems and wildlife and plant life of the world.

In accordance with its grant making policy (described below) EIA Trustees decided that the Trust's charitable duties in 2017 would best be served by making grants to support the charitable aspects of work undertaken by the Environmental Investigation Agency (UK) Limited (referred to hereafter as EIA UK), a sister organisation which has identical objects.

EIA UK is a highly effective international campaigning organisation that seeks to protect the environment with intelligence. They investigate and campaign against environmental crime and abuse. Their undercover investigations expose transnational wildlife crime, with a focus on elephants and tigers, and forest crimes such as illegal logging and deforestation for cash crops like palm oil. They work to safeguard global marine ecosystems by addressing the threats posed by plastic pollution, bycatch and commercial exploitation of whales, dolphins and porpoises. They also 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. The activities we funded are set out in more detail below.

## Grant making policy

EIA Trust fulfils its charitable objectives by making grants rather than undertaking its own activities. The Trustees review on a regular basis how their objectives can best be achieved. In 2017 EIA's Trustees decided that the Trust's charitable duties would once again best be served by making grants to support the charitable aspects of work undertaken by EIA UK.

At the start of each year EIA UK provides the Trustees with its strategic plan and expected activities for the year. The Trustees review these,

identify the areas which they are willing to fund, and invite grant applications from EIA UK to fund activities in these areas.

In addition, a number of our donors give grants to EIA Trust with the explicit intention that these be used to fund the work of EIA UK. In this case the Trustees would only accept the funds if they were to be used for purposes consistent with our charitable objects, and would then invite a grant application from EIA UK for those funds. On receipt of a satisfactory application the funds are then paid to EIA UK.

The section on activities below describes the work of EIA UK during the year which our grants played a significant role in funding.

## Public benefit

The Trustees confirm that they have referred to Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

The charity's activities provide public benefit by funding work done by EIA UK which provides governments, regulatory bodies and enforcement authorities with reliable, substantive, authoritative and well researched information on practices which are or are likely to be harmful to the natural environment. EIA UK provides intelligence as to the necessary means to prevent or reduce harm to the environment and to the people and creatures that rely on it.

There is also a benefit from education of the public in the areas of environmental protection. The results of its work are made available to the public by EIA UK through reports, press releases and briefing documents. Videos and audio clips are published in various media and online. This helps to raise awareness of the damage being done to our planet, and some of the possible ways of mitigating this.

## Activities

This section sets out the highlights of the activities of EIA UK. The amount of each activity which was funded by grants from EIA Trust to EIA UK is set out in the following table, along with the total spend of EIA UK on each activity:

Activity	Total spent by EIA UK in 2017 on activities *	Amount of grant funding from EIA Trust in 2017
Climate	523,405	267,276
Forests	1,484,502	174,882
Ocean	169,306	148,827
Wildlife	820,091	391,063
Capacity building	84,512	82,670
<b>Total</b>	<b>3,081,816</b>	<b>1,064,817</b>

\* although the Trust granted a total of £1.06m not all funds would necessarily be spent by EIA UK during the year. Some of the funds granted to EIA UK by the Trust in 2017 may be spent by EIA UK in 2018, and some of the grants made in 2016 may have been carried forward and spent in 2017.

## Plans for future periods

The Trustees expect the new structure of EIA as a single charitable organisation to complete during 2018. Once EIA UK has charitable status, the intention is for the Trust to transfer its assets to the new charity, and wind itself up, so that in future EIA will operate as a single charitable entity in the UK.

The timing of this is dependent on the Charity Commission, to whom an application for charitable status has been submitted by EIA UK. Until this is granted, the Trustees will continue to seek to raise and spend funds to protect the global environment and the people and wildlife that depend on it through intelligence gathering and dissemination. We expect that this will be best achieved in 2018 from continuing to fund the activities of EIA UK, although the Trustees will continue to review whether this is the best way to meet our objects.



# Key Highlights

2017 was another busy year as EIA UK investigated and campaigned against environmental crime and abuse. Key highlights included:

## Climate



Worked with governments around the world to prepare for successful implementation of the Kigali Amendment to the Montreal Protocol, which will mandate a global HFC gas phase down starting in 2019. Pressured and worked with supermarkets to reduce their use of HFC greenhouse gases.

## Forests



Uncovered how Vietnam's provincial establishment is complicit in smuggling huge quantities of illegal timber from Cambodia. Exposed companies unable to comply with the European Union Timber Regulation, resulting in reduced sales of illegal timber from Myanmar.

## Ocean

Successfully campaigned for UK adoption of a world leading microbead ban.



Investigated and exposed the illegal trade of totoaba fish from Mexico to China that is threatening the vaquita with extinction, resulting in a CITES decision to initiate a high-level mission to Mexico.

## Wildlife

Investigated and exposed a major Chinese ivory smuggling syndicate resulting in enforcement action.



Highlighted the threat to tigers from the lion bone trade. Launched a best practice guide to help ivory enforcement.





EIA's 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 2017 highlights include:

### Kigali

In November 2017 EIA achieved a major milestone with the announcement that sufficient countries had ratified the Kigali Amendment to the Montreal Protocol for it to enter into force from the beginning of 2019.

For a decade EIA have been at the forefront of efforts to secure a global agreement to crack down on the production and consumption of harmful hydrofluorocarbons (HFCs), which are widely used in the refrigeration and air conditioning sectors and are potent climate change pollutants. After concerted campaigning by EIA's Climate team, a deal was reached at the meeting

of the Montreal Protocol held in Kigali, Rwanda. Under the agreement, initial control measures will apply to developed countries, which will have to cut consumption of HFCs by 10 per cent in 2019, followed by a 40 per cent reduction in 2024. Most developing countries will be required to freeze HFC consumption in 2024, followed by progressive reductions.

Full implementation of the Kigali Amendment will avoid an estimated 80 billion tonnes CO<sub>2</sub> equivalent of emissions by 2050, making it the largest one-off climate change mitigation measure yet adopted by the international community. So the welcome news that 20 countries had ratified the Amendment means that



Left: EIA have worked closely with UK major supermarkets to convince them of the need to switch to climate friendly cooling technologies

Below: the ratification of the Kigali Amendment to the Montreal Protocol was a major step for our climate work



©IISD/Kiara Worth (enb.iisd.org/ozone/resumed-oweg38-mop28/14oct.html)

the intended start date of 1 January 2019 to begin phasing down use of HFCs will be met.

However, EIA's work does not end with securing the agreement; successful implementation is key to ensuring that the potential climate benefits are realised. EIA attended the annual meeting of the Montreal Protocol in November 2017 to press for sufficient funding to assist developing countries to transition away from HFCs to more benign alternatives. EIA also actively promoted the increased use of more climate-friendly natural refrigerants such as ammonia and propane, including outreach and engagement in key countries such as China.

EIA's successful advocacy for global action on HFCs is just the latest in a long list of achievements EIA have secured under the Montreal Protocol. EIA attended the first meeting of the Protocol, which is widely recognised as the world's most successful environmental agreement to date, back in 1996. EIA's initial focus was on investigating and exposing the illegal trade in ozone-depleting chemicals covered by the Protocol, which led to licensing systems for trade being introduced. EIA's contribution was recognised in the form of an Ozone Award at the 30th anniversary meeting of the Montreal Protocol, held in November 2017. The citation for the award stated: "From hard-hitting investigations on illegal ozone-depleting substances trade to successful advocacy to adopt a global HFC phase-down, EIA plays a unique and valuable role within the Montreal Protocol family".

### Worked with supermarkets to reduce use of HFC gases

Another important aspect of EIA's Climate campaign work is engaging with major supermarkets to convince them of the need to switch to climate-friendly cooling technologies. The main tool has been regular surveys of supermarket chains to ascertain the measures they have taken to reduce their global warming footprint.

In 2017, working with partners in Germany, Spain and Italy, EIA released the seventh version of the 'Chilling Facts' survey, covering 22 European retailers across 37 countries. The survey revealed significant progress in supermarkets switching away from HFCs to more climate-friendly alternatives, compared with EIA's first survey in 2008 when only six supermarkets in the UK were trialling natural refrigerant systems. EIA identified eight companies as "green cooling leaders" for their progress in moving away from HFCs and called on the others to accelerate their transition or face being hit by looming HFC phase-down regulations in the European Union and globally.

### Looking ahead

EIA's Climate campaign team will seek to build on its recent successes over the next few years to push for further ambitious global actions to move away from HFCs towards climate-friendly alternatives and will increasingly focus on energy efficiency aspects of refrigeration and air conditioning systems to secure further climate benefits. Key actions include:

- pressing for the successful implementation of the Kigali Amendment on HFCs, including securing sufficient funding for the HFC phase-down
- researching and investigating illegal trade in HFCs
- engaging with European governments and industry to advocate swift implementation of the EU's F-Gas Regulation, which will mandate a 48 per cent cut in HFC supply in 2018
- working with supermarket companies to ensure that any new stores or cooling equipment use natural refrigerants rather than HFCs and securing commitments to improve energy efficiency.



## EIA's 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 2017 highlights include:

### Vietnam/Cambodia illegal timber

In May 2017, EIA Forests team released a major new report exposing a massive illegal logging operation spanning Cambodia and Vietnam. *'Repeat Offender'* documented widespread logging inside protected areas in Cambodia's Ratanakiri Province, with the timber flowing into neighbouring Vietnam to feed the country's growing wood processing industry.

EIA's investigators gathered first-hand evidence of this major forest crime and held undercover meetings with Vietnamese traders dealing in the stolen timber. What emerged was a picture of widespread bribery of officials in both countries, intimidation of local communities and journalists and the complicity of provincial government officials who issued imported quotas for 16 Vietnamese companies to import 300,000 m<sup>3</sup> of logs from neighbouring Cambodia, despite that country banning the export of raw timber.

The report's release was timed to coincide with a key meeting between the European Union and Vietnamese Government on an agreement intended to ensure only legal timber products are traded between the two. Vietnam is a major exporter of wood products, especially outdoor furniture, and shipped \$8 billion worth in 2017.

While promoting the rapid growth of its wood processing industry, the Vietnamese Government has progressively reduced logging of its own forests and now relies on imports for 80 per cent of its raw wood material. EIA were concerned that the EU/Vietnam negotiations were failing to address imports of illegally logged timber into Vietnam, which could be laundered into finished products and shipped to European markets. EIA called on the Government to expressly prohibit the import of illegal timber and used the new report to prove that existing controls are woefully inadequate.

EIA's report received widespread media coverage, with both the Vietnamese and Cambodian governments initially denying the findings. In response, EIA uploaded a dossier of evidence to EIA's website, including satellite images of newly created log storage areas on the Vietnamese side of the border and rudimentary roads for transporting the logs from protected areas in Cambodia. EIA also published a document from the authorities in Gia Lai Province, Vietnam, sanctioning the illegal trade, and tax records showing the Vietnamese Government was deriving income from it.

EIA's work spotlighted Vietnam's ongoing trade in stolen timber and made clear to the EU that any timber agreement which fails to address the country's wood imports will be unacceptable. In a welcome development two weeks after the report, main Vietnamese wood associations publically called for control mechanisms for imported wood and declared "we say no to illegal wood!".

### Using the EU Timber Regulation (EUTR)

For over a decade EIA campaigned to convince the EU of the need to prohibit imports of illegally

logged timber. This endeavour came to fruition with the EU Timber Regulation (EUTR) of 2013. In 2017, EIA successfully put the EUTR to the test when a series of cases submitted to the relevant authorities on imports of Burmese teak were upheld.

It was EIA's contention that EU companies importing teak from Myanmar, widely used as decking on superyachts, could not be in compliance with provisions of the EUTR. This requires due diligence to mitigate risks of illegal wood entering the supply chain. EIA analysed the logging and wood export systems in place in Myanmar and concluded that it was not possible for EU importers to identify and verify the source of the teak, a key requirement of the due diligence process.

EIA submitted cases on nine companies trading in Burmese teak to the competent authorities in five EU states. By the end of 2017, five of these companies had been found to be in breach of the due diligence requirements of the EUTR.

Through this process EIA have assisted EU governments in enforcing the EUTR, reminded importers of the importance of conducting rigorous due diligence and strengthened the case for major reform of Myanmar's forest sector.

### Conference of Parties (COP)

All three of the proposals EIA championed at the COP duly passed, and took effect in February 2017. This means that those species making up most of the volume and value of supply for the Hongmu (Redwood) market in China are now listed on Appendix II of CITES – significantly increasing regulation of international trade.

### Forest governance in Indonesia

Civil Society Independent Monitors from JPIK, EIA partners in Indonesia, continued to monitor companies holding timber legality Certificates. They also inspected certain cases outside of the certification process that included illegal logging and/or forestry crimes. Their results were used to improve and strengthen good forest governance in Indonesia.

### Looking ahead

EIA's Forests team will push for forest governance reform and action against illegal logging and conversion for plantations in the coming years. Priorities include:

- securing effective Voluntary Partnership Agreements (VPAs) between the European Union and producer countries in Asia. This will include working with Indonesian partner NGOs to ensure the timber legality system is properly enforced through independent monitoring, collaborating with partners in Burma to ensure civil society views are reflected in VPA negotiations and pressing for controls on timber imports to be adequately addressed in the final VPA with Vietnam
- promoting effective implementation of the EUTR through the submission of more cases on potential breaches and highlighting instances where certain member states are failing to enforce the rules
- tracking and exposing major cross-border flows of illegal timber in Asia through research and field investigations
- monitoring the enforcement of recent listings of rosewood species under the Convention on International Trade in Endangered Species, especially Asian species such as Siamese Rosewood, and building the case for additional tree species threatened by illegal trade to be listed on the convention
- pressing for international action to tackle deforestation caused by conversion for the production of commodities such as Palm Oil. This will focus on promoting a strong EU action plan, strengthening the Indonesian Standard on Palm Oil and securing reform of the Roundtable on Sustainable Palm Oil.

Below: Hi-res satellite image of log depot at Khla Thom, Vietnam side of border, February 2017

Bottom: Cambodian logs in yard of Son Dong Company, Gia Lai Province, Vietnam, March 2017





EIA's 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 2017 highlights include:

**Microbead ban**

EIA secured a major victory in 2017 with the announcement by the UK Government of a stringent ban on the sale of a range of personal care products containing plastic microbeads from June 2018. This ban will be the strongest yet seen in the world.

The scourge of marine plastic pollution has become one of the most urgent environmental problems of our time and is gaining increasing political and public attention. Global plastics production has surged over recent decades, from five million tonnes a year in the 1960s to more than 300 million tonnes in 2014. Up to 12 million tonnes of plastic enter the ocean every year, with dire implications for a host of marine species from tiny plankton to whales. This pollution kills an estimated 100,000 marine mammals every year. At the current rate of accumulation, the amount of plastic in the ocean will outweigh the amount of fish by 2050.

A major contributor to this pollution is microbeads, small microplastic particles less than five millimetres in diameter. These are widely used in a range of cosmetics and cleaning products which are consequently flushed down the drain and enter the marine environment. It is estimated



that up to 51 trillion microplastic particles are already in the ocean, with traces even found in Arctic Sea ice. These can be ingested by a host of organisms, with potential adverse physical and toxicological effects.

EIA's work on this issue began in early 2016 when it teamed up with three other environmental groups to form the Microbeads Coalition. One of the first acts was to launch a public petition calling on the UK Government to ban the use of microbeads in personal care and cosmetics products. The petition garnered over 350,000 signatures, making it one of the largest ever seen in the UK on an environmental issue.

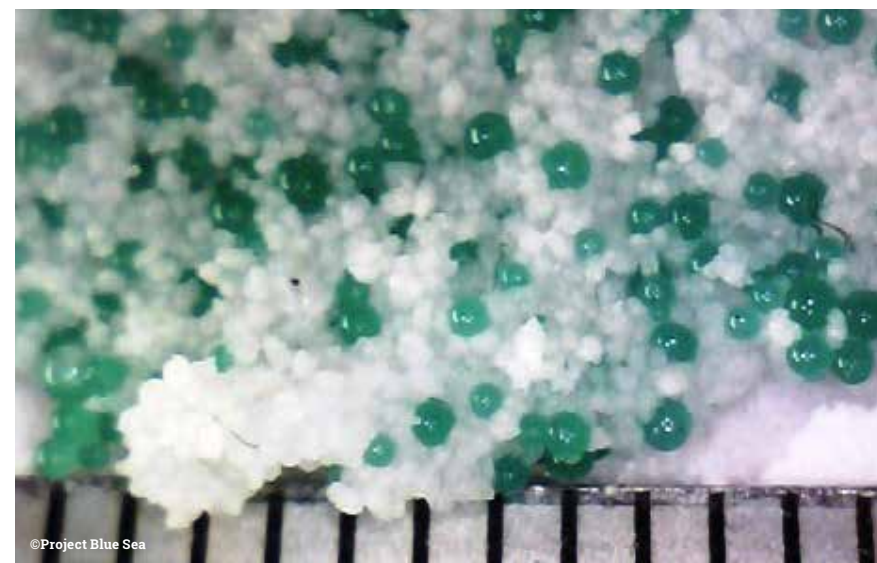
Initially the UK Government prevaricated, recognising the need for regulation rather than voluntary measures by industry but claiming action should be taken at the EU rather than national level. In response EIA provided information for a review conducted by the UK's Environmental Audit Committee, which subsequently came out in support of a comprehensive UK ban.

EIA then worked to strengthen the scope of the initial draft from the UK Government by taking part in a consultation process, regular release of press briefings and cultivating support from key sectors of industry.

Above: humpback whales

Right: Totoaba fish maws being shown to EIA's investigators

Below: microbeads



In July 2017, the Government announced the main provisions of its proposed microbeads ban, in which most of EIA's concerns were addressed. There was no lower limit size for microplastics covered by the ban; it applies to all rinse-off products rather than specific uses such as exfoliants; and the ban on sales of products is effective from July 2018, earlier than originally anticipated.

While the UK's microbead ban is an undoubted achievement, it only marks the first step in our ambitious plans to tackle marine plastic pollution. EIA will work to strengthen the UK ban by extending its scope to microbeads found in cleaning products, encourage other countries to institute similar bans and begin addressing the production of plastics rather than just their disposal.

**Investigated illegal trade of totoaba that is threatening vaquita**

Throughout 2017 EIA continued last-ditch efforts to save the vaquita porpoise, the world's most endangered marine mammal species. Fewer than 30 vaquita are believed to remain in the wild. Their numbers have plummeted as they become entangled in gillnets set to catch protected totoaba fish in the upper Gulf of California, the only place where vaquita are found.

EIA conducted a challenging investigation in key locations in Mexico where illegally caught totoaba fish are landed, processed and smuggled out to the main market of China. EIA's undercover investigators

infiltrated several criminal groups trafficking totoaba and EIA have shared our findings with relevant law enforcement agencies.

EIA also attended the CITES Standing Committee meeting held in late November where EIA successfully pressed for an urgent action plan to be adopted to save the vaquita from extinction. Measures included the establishment of a high level diplomatic mission involving the key countries of Mexico, China and the US which will establish time-bound actions including coordinated enforcement actions against the illegal trade in totoaba.

**Looking ahead**

EIA's Ocean team will continue to strive to protect marine ecosystems and wildlife by tackling marine plastic pollution and curbing the bycatch and commercial exploitation of the world's whales, dolphins and porpoises. Highlights will include:

- embarking on an ambitious plan to build a global framework convention to curb marine plastic pollution
- persuading consumer goods companies to reduce consumption and waste of plastics used for packaging
- pushing for an EU-wide microbeads ban
- attending the biennial meeting of the International Whaling Commission to oppose any proposals for commercial whaling and support the adoption of conservation measures
- monitoring and investigating commercial whaling activities by Japan, Iceland and Norway
- investigating and exposing the illegal trade in totoaba fish, including via online platforms, and supporting law enforcement efforts.





**EIA's Wildlife work aims to reduce wildlife crime around the world, with a specific focus on elephants and tigers. Some 2017 highlights include:**

**Shuidong**

In July 2017 EIA's Elephant Campaign published a ground-breaking report providing unique insights into the operations of an active ivory smuggling syndicate based in an obscure town in southern China. *'The Shuidong Connection'* was based on an exhaustive year-long investigation, with EIA's undercover operatives gradually gaining the trust of a group of three seasoned ivory tusk traffickers through a series of covert meetings.

The story began with a chance encounter in the port town of Pemba, northern Mozambique. EIA's investigators overheard a conversation between three Chinese men staying at the same hotel and recognised the distinctive dialect which indicated they came from Shuidong, in China's Guangdong Province. In 2014 EIA had come across a group of Shuidong natives involved in ivory smuggling from Zanzibar, in Tanzania.

First contact with the three Chinese in Pemba was tentative, with them initially claiming to be in town to sell aluminium products and trade

in seafood. At a follow-up meeting in Shuidong town a few months later the group revealed the real reason for being in Mozambique – to oversee the purchase and shipment of three tonnes of ivory tusks. By October, after following a circuitous route, the consignment had arrived in Shuidong and EIA investigators were invited to view the tusks as prospective buyers. During a nerve-racking trip to a remote location, EIA's investigators obtained vital evidence of the group's involvement in ivory trafficking, including unprecedented insights into their smuggling methods.

It transpired that two of the smugglers had been brought into the business by older relatives and had been involved in tusk trading for over a decade, previously operating in Tanzania. They also revealed plans to expand their activities to West Africa and were diversifying into other contraband wildlife such as pangolins. The group claimed that 80 per cent of tusks entering China from Africa passed through Shuidong, making it the world's largest trading hub for raw ivory.

Below: the dramatic moment EIA's undercover investigators were shown the illegal ivory



When released, EIA's report received widespread coverage in the international media. Prior to launch EIA shared confidential details of the group's criminal activities to law enforcement agencies in the relevant countries. EIA are confident that through their efforts to expose the role of Shuidong smugglers and follow-up enforcement actions a major blow has been dealt to the town's ivory trading business.

**Big cats in captivity**

EIA took a new briefing to Convention on International trade in Endangered Species (CITES) Standing Committee. *'Cultivating Demand'* detailed the number of tigers held in facilities in key countries implicated in illegal trade in tiger parts, notably Laos, Thailand, Vietnam and China (where up to 6,000 are in captivity compared with a wild population of up to 50). The document also listed instances where tigers bred in captivity were illegally traded and the impact on wild tiger populations through increased demand.

**Highlighted threat to tigers from lion bone trade**

Earlier in the year EIA issued a report on the growing threat posed to tigers by trade in lion bones. In 2016, parties to CITES agreed to allow South Africa to export up to 800 lion skeletons a year from captive breeding facilities. *'The Lion's Share'* detailed how the main destinations for previous exports of lion bone – Laos and Vietnam – are also hotspots for illegal trade in tiger parts. EIA explained how allowing further supply of lion bone to these markets will complicate enforcement efforts due to identification issues and stimulate demand for tiger parts as they are often passed off as deriving from tigers.

**Ivory enforcement tool**

A major project lasting over two years came to fruition with the release of our comprehensive online training tool for enforcement agencies on combating the illegal ivory trade. The ambitious training package includes a series of modules on aspects of detecting and curbing ivory trade, including financial investigations,

crime scene forensics and use of sniffer dogs in ports.

**Looking ahead**

EIA's Wildlife teams will build on progress achieved in tackling illegal trade during 2017 with an ambitious programme of work leading up to the next major CITES Conference of Parties in 2019. Priorities will include:

- documenting illegal trade in tigers and their parts in both the trans-Himalayan and Mekong regions. This work will highlight the scale of the trade and major hotspots and will aid the efforts of enforcement agencies
- increasing pressure for the closure of tiger captive-breeding facilities and monitoring of the situation in Laos, where the government has committed to phasing out tiger farms
- campaigning for the closure of remaining legal ivory markets, especially Japan and the European Union, and monitoring the effectiveness of China's decision to close its ivory market at the start of 2018
- investigating and exposing ivory trafficking networks operating between Africa and Asia
- engaging with the financial and transport sectors to increase awareness of illegal wildlife trade and assist in conducting due diligence and risk assessment to avoid being used by wildlife criminals. This will include providing detailed information on illicit financial flows connected to wildlife crime and changes to the methods and routes used by traffickers
- launching a new area of work involving research and investigations into illegal trade in pangolins, currently the most heavily trafficked animal in the world.



Above: a caged tiger in Laos

Below: tiger 'bone strengthening wine'

Bottom: footage captured as part of the ivory enforcement tool





Fundraising for EIA Trust is done on our behalf by EIA UK's fundraising team. During the year EIA Trust paid EIA UK £120,000 to cover fundraising costs incurred by them in fundraising for the Trust. EIA UK's fundraising practice is in line with guidance from the Charity Commission's (CC20) on charities and fundraising. Both EIA UK and EIA Trust have registered with the Fundraising Regulator.

EIA UK has an ethical fundraising policy which includes a section on fundraising while being mindful of members of the public and supporters who may be vulnerable or in vulnerable circumstances. EIA UK fundraisers receive appropriate monthly supervisions and are made aware of the Fundraising Regulator's code of fundraising practice.

EIA do not use external Professional Fundraising Organisations or organise volunteers to fundraise on our behalf.

During the first quarter of 2018 both EIA UK and EIA Trust began the process of ensuring GDPR compliance and we appointed ClearComm as our GDPR advisors. We have reviewed all our data protection statements, updated our data retention and privacy policies, and we have modernised our online giving platforms to improve supporters' online giving experience.



The Trust received no formal complaints about fundraising from supporters in 2017. 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 and we are in compliance with the standards in the Code of Fundraising Practice.

## Thank you

### Institutional Donors

Adessium Foundation

Anthony Rae Foundation

BAND Foundation

ClimateWorks Foundation

David Shepherd Wildlife Foundation

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

The Ernest Kleinwort Charitable Trust

The Japan Animal Welfare Society UK

JMG Foundation

Plastic Solutions Fund

The Rufford Foundation

The Waterloo Foundation

Walton Family Foundation

Wildlife Protection Society of India, UK (WPSI UK)

**And thank you to everyone who has supported our work, we hugely appreciate it.**



**TRUSTEES' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2017

**Structure, governance and management****Legal structure**

The Environmental Investigation Agency Trust Limited is a registered company limited by guarantee number 7844550, incorporated on 11th November 2011 and registered with the Charity Commission number 1145359. Details of its registered office are given on page two.

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

The members of the Charity undertake that, if the Charity is wound up whilst they are members, or within one year after they cease to be members, they will contribute a sum not exceeding £1 to the assets of the Charity.

The Trust is a registered charity and the Trustees' Report has been drafted in compliance with the Charity SORP 2015 (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 (FRS 102)).

**Trustees and management**

EIA Trust is governed by Trustees, assisted by a Clerk of Trustees, in liaison with EIA UK. All decisions relating to governance, strategy and grant making are taken by the Trustees. The Trustees have no beneficial interest in the charity.

The Trustees who served during the year and up to the date of the report are listed on page two. Two Trustees stood down during the year. Mark Roberts had served for six years which is the maximum term of office under our constitution. Michelle Thew had served for one term of three years, and decided not to stand for re-election due to work pressures. We thank them for their contributions and hard work during their time as Trustees.

The Trustees have the power to appoint new members to the Board, with appointments ratified according to the charity's memorandum and articles of association. They regularly review the skills of those serving as Trustees and where gaps are identified seek to recruit additional Trustees to fill them. Vacancies are advertised as widely as possible and candidates selected based on merit by a competitive process. Following such a process, in November we were delighted to appoint

two new trustees. Dawn Varley has brought great knowledge of fundraising and regulation; and James Arrandale is a lawyer with a background of campaigning.

New Trustees receive an induction consisting of meetings with Trustees, Directors of EIA UK, and the key members of the EIA UK staff team. An information pack containing Trust governing documents and structure, recent meeting minutes and management accounts, policies and procedures is provided, together with key Charity Commission guidance on being an effective Trustee. On-going training for Trustees consists of the Clerk to the Trustees regularly sharing relevant briefings from NCVO and EIA's solicitors with Trustees. The Clerk also sources training to meet specific needs identified by the Trustees.

The Trust has no direct employees and EIA UK carries out administration for the Trust as a gift in kind. The Clerk works on a consultancy basis and is paid an hourly rate, which is reviewed by Trustees from time to time, having regard to the expertise of the Clerk and the rates paid by other charities for similar work.

**TRUSTEES' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2017

**Financial review****Results for the year**

The Trust received income totalling £1.12m (2016: £0.79m) during the year, a significant increase of 42 per cent on the previous year's income. Income from charitable activities increased from £495,227 in 2016 to £825,138 in 2017 following several successful grant applications to Trusts and Foundations. For instance, we were delighted to receive new funding from the BAND Foundation for the Elephant Campaign and a sizeable grant from ClimateWorks Foundation towards the Kigali Cooling Efficiency Program for the Climate Campaign.

Donations and legacies also increased by 37 per cent to £291,409 in 2017. We had good responses to the appeal mailings sent out to our supporters and to funding requests to smaller Trusts and Foundations. Donations and the associated gift aid claims also increased during the year.

Although greater in value, the number of legacies received during the year was similar to the prior year. The 2017 income includes an accrued legacy estimated at £40,000.

In 2016 the Trust held a fundraising event which raised £76,732. No events were held in 2017, following a decision to focus fundraising efforts on raising more funding from Trusts and Foundations. This was a successful strategy evidenced by a rise of 67 per cent in grant income.

Total expenditure during the year amounted to £1.2m (2016: £0.78m), an increase of 54 per cent on prior year.

Expenditure on charitable activities increased from £773,171 to £1,080,552 in 2017. Most of this expenditure consisted of grants payable to EIA UK Ltd, which was granted a total of £1,064,718. A sum of £753,635 was granted from the restricted funds of the Trust and £311,083 from its free unrestricted reserves.

The expenditure on charitable activities also includes £15,834 incurred in support and governance costs. Support costs are allocated based on direct cost expenditure ratios. There was an increase in governance costs to £15,642, which was mainly due to audit fees that increased significantly following the appointment of new auditors. It is anticipated that there will be a

reduction to audit fees in subsequent years.

Expenditure on raising funds has been relatively minimal in previous years due to EIA UK providing fundraising for EIA Trust without charge. However, as predicted in last year's report, in 2017 the Trustees agreed to pay a fundraising service charge of £120,000 (£100,000 plus 20% VAT) to EIA UK Ltd to cover expenditure incurred on behalf of the Trust.

**Reserves**

The reserves policy is to hold sufficient unrestricted funds to meet the Trust's existing liabilities and to cover the costs of winding up in the event of an unforeseen and/or catastrophic development within the organisation. In practice this comprises two elements:

1. The equivalent of three months' operating costs. This is set at £35,000 on the basis of operating costs of £140,000 over the last 12 months.
2. A sum to cover the expected costs in the event that Trust is wound up. This amounts to only £9,000 as the Trust has no employees, property leases, or other large liabilities.

This equates to a total reserve of £44,000 for the current year end.

As at 31 December 2017, the Trust held a total of £408,300 in reserves, of which £240,726 was restricted funding earmarked for specific purposes and £157,574 was the unrestricted free reserves. Although the FRS 102 recognition criteria has been met in regards to the £10,000 legacy mentioned in Note 8; due to on-going discussions with the Executors, the trustees have determined it is better to exclude this amount from the free reserves calculation.

As forecast in last year's report, the Trustees significantly reduced the unrestricted reserves during 2017, from £403,345 to £167,574. Despite this the unrestricted free reserves remained in excess of the level required by the reserves policy. As stated elsewhere we intend to transfer the remaining reserves of the Trust to EIA UK, once the latter achieves charitable status.

Restricted funds were higher at the year end than in 2016. This just reflects a timing issue with funds received late in 2017 and transferred to EIA UK early in 2018.



## Going concern

Given the high level of free reserves at the year end and the minimal contractual expenditure commitments, the Trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## Risks

### Key risks

The Trustees regularly review the risks facing the organisation. A risk register is reviewed as a standing item at the regular quarterly meetings of the Trustees to ensure appropriate control systems are in place. The register is updated as required to reflect new risks or a change in previous risks.

The four highest areas of risk identified by the risk register, with the relevant plans for mitigating or managing them are set out below:

Risk	Mitigation
Lower than expected income would mean less ability to fund EIA UK in furtherance of our charitable objects	Trustees regularly monitor income received against budget for the year, and spending commitments aren't made unless funds are available to cover them
Finances related to grant funded work not spent in accordance with the terms of the grant or our charitable objects	Trustees approve the campaigns strategy, on which fundraising is based at the start of the year; grants are applied for in accordance with this strategy; and grants are provided to EIA UK upon receipt of appropriate information in applications
The EIA UK/Trust dual structure creates unnecessary work for staff, complications and potential duplication	Trustees are continuing to review the structure in consultation with the directors of EIA UK and expect this to be resolved during 2018 by EIA UK converting to a charity and EIA Trust transferring its assets to the new charity and then winding up.
Failure to comply with requirements of Charity Commission, Companies House or other regulatory bodies	Trustees have relevant skills and experience; take professional advice where necessary; and employ an experienced Clerk. External advice has been sought to ensure compliance with GDPR.

## TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

## Statement of responsibilities

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Relationships with Related Parties and Other Organisations

EIA Trust works in cooperation with EIA UK and EIA Inc (based in Washington DC, USA) with respect to its campaigns. EIA Trust Ltd grants funds to EIA UK for the furtherance of its charitable work.

It has been agreed between Directors of EIA UK and Trustees of EIA Trust that in 2018 EIA in the UK will be restructured to operate as a single charitable entity.

By order of the Trustees:

**Kit Stoner**  
Trustee

**30 July 2018**



## Independent auditors report

We have audited the financial statements of the Environmental Investigation Agency Trust Ltd for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

### 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 financial statements section of our report. We are independent of the charitable 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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' annual 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. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable 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 charitable 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 charitable 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 charitable 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 charitable 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.

**Neil Finlayson (Senior Statutory Auditor)**  
for and on behalf of Kingston Smith LLP  
Chartered Accountants  
Statutory Auditors  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

18 September 2018

**STATEMENT OF FINANCIAL ACTIVITIES**  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted	Restricted	<b>Total</b>	Unrestricted	Restricted	<b>Total</b>
		£	£	2017	£	£	2016
				£			£
<b>Income and endowments from</b>							
Donations & Legacies	2(i)	214,670	76,739	291,409	212,437		212,437
Income from other trading activities	2(ii)	-	-	-	77,627		77,627
Investment Income	2(iii)	60	-	60	63		63
Income from charitable activities	2(iv)		825,138	825,138		495,227	495,227
<b>Total income and endowments</b>		<b>214,730</b>	<b>901,877</b>	<b>1,116,607</b>	<b>290,127</b>	<b>495,227</b>	<b>785,354</b>
<b>Expenditure on</b>							
Expenditure on Raising Funds	3	123,584		123,584	7,305		7,305
Charitable Activities	4 (ii)	326,917	753,635	1,080,552	370,428	402,743	773,171
<b>Total Resources Expended</b>		<b>450,501</b>	<b>753,635</b>	<b>1,204,136</b>	<b>377,733</b>	<b>402,743</b>	<b>780,476</b>
<b>Net income/(expenditure)</b>		(235,771)	148,242	(87,529)	(87,607)	92,484	4,877
Total funds brought forward		403,345	92,484	495,829	490,952	-	490,952
<b>Total funds carried forward</b>		<b>167,574</b>	<b>240,726</b>	<b>408,300</b>	<b>403,345</b>	<b>92,484</b>	<b>495,829</b>



**BALANCE SHEET**

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	31 December 2017 £	31 December 2016 £
<b>Current Assets</b>			
Debtors	8	60,272	466
Cash at bank and in hand		490,360	582,555
		<u>550,632</u>	<u>583,021</u>
Liabilities: amounts falling due within one year			
Creditors	9	(142,332)	(87,192)
		<u>408,300</u>	<u>495,829</u>
<b>Net current assets</b>		<u>408,300</u>	<u>495,829</u>
<b>Total assets less current liabilities</b>		<u>408,300</u>	<u>495,829</u>
<b>Funds</b>			
Unrestricted	11	167,574	403,345
Restricted	10	240,726	92,484
		<u>408,300</u>	<u>495,829</u>

The Financial Statements have been prepared in accordance with 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 (FRS 102) (effective 1st January 2015)

The Financial Statements were approved by the Trustees on \_\_\_\_\_ and signed on their behalf by:

**Kit Stoner**  
**Trustees**

Company Number: 7844550

The notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
<b>Net cash provided by (used in) operating activities</b>	(92,255)	474,827
<b>Cash flows from investing activities:</b>		
Dividends, interest and rent from investments	60	63
<b>Net cash provided by (used in) investing activities</b>	<u>60</u>	<u>63</u>
Change in cash and cash equivalents in the reporting period	(92,195)	474,889
Cash and cash equivalents at the beginning of the reporting period	582,555	107,666
Cash and cash equivalents at the end of the reporting period	<u>490,360</u>	<u>582,555</u>
<b>RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>2017 £</b>	<b>2016 £</b>
Net movement in funds for the reporting period (as per the statement of financial activities)	(87,529)	4,877
Adjustments for:		
Dividends, interest and rent from investments	(60)	(63)
(increase)/decrease in debtors	(59,806)	390,000
increase/(decrease) in creditors	55,140	80,013
<b>Net cash provided by (used in) operating activities</b>	<b><u>(92,255)</u></b>	<b><u>474,827</u></b>
Analysis of cash and cash equivalents		
Cash in hand		
Opening Balance	582,555	107,666
Increase/(Decrease) in cash	(92,195)	474,889
<b>Closing Balance</b>	<b><u>490,360</u></b>	<b><u>582,555</u></b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity 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 charity 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 charity has adequate resources to continue in operational existence for the foreseeable future. The charity 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 charity. 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:

#### (a) Value Added Tax

The Charity is not registered for VAT and accordingly, where applicable, all expenditure incurred is inclusive of VAT.

#### (b) 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.

#### (c) Grants Receivable

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

A grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition, or is subject to unmet conditions wholly outside the control of the Trust, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

Capital grants for the purchase of fixed assets are credited to restricted incoming resources and depreciation on the related fixed assets is charged against the restricted fund.

#### (d) Income from 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.

#### (e) Grants Payable

Grants are payable to the recipient once an unconditional offer has been made.

#### (f) 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 directors.

#### (g) Foreign Currency

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

#### (h) 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

### 2 ANALYSIS OF INCOME

#### (i) Donations and Legacies

	Unrestricted	Restricted	2017
	£	£	£
<b>Year to 31 December 2017</b>			
Legacies	110,330	20,000	130,330
Donations and Gift Aid	84,478	-	84,478
Trusts and Foundations	15,550	-	15,550
Appeals	4,312	56,739	61,051
Corporate Donations	-	-	-
	<u>214,670</u>	<u>76,739</u>	<u>291,409</u>
			<b>2016</b>
<b>Year to 31 December 2016</b>	£	£	£
Legacies	106,413	-	106,413
Donations and Gift Aid	59,480	-	59,480
Trusts and Foundations	8,140	-	8,140
Appeals	38,404	-	38,404
Corporate Donations	-	-	-
	<u>212,437</u>	<u>-</u>	<u>212,437</u>

#### (ii) Activities for Generating Funds

##### Year to 31 December 2017

There were no fundraising events undertaken in 2017.

	Unrestricted	Restricted	2016
	£	£	£
<b>Year to 31 December 2016</b>			
Lotteries	895	-	895
Fundraising Events	76,732	-	76,732
	<u>77,627</u>	<u>-</u>	<u>77,627</u>

#### (iii) Investment Income

	Unrestricted	Restricted	2017
	£	£	£
<b>Year to 31 December 2017</b>			
Investment Income	60	-	60
	<u>60</u>	<u>-</u>	<u>60</u>
			<b>2016</b>
<b>Year to 31 December 2016</b>	£	£	£
Investment Income	63	-	63
	<u>63</u>	<u>-</u>	<u>63</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

#### (iv) Project Grants

##### Year to 31 December 2017

	Tigers	Ocean	Climate - Illegal Trade (GEC)	Adessium Institutional Support	Elephants	Forests	2017
	£	£	£	£	£	£	£
Rufford Foundation	50,000	-	-	-	25,000	-	75,000
Adessium Foundation	-	-	-	138,081	-	-	138,081
Elephant Crisis Fund	-	-	-	-	20,756	-	20,756
Ernest Kleinwort Charitable Trust	60,000	-	-	-	-	-	60,000
Wildlife Protection Society of India	34,339	-	-	-	-	-	34,339
Anthony Rae Foundation	3,333	3,333	-	-	3,334	-	10,000
David Shepherd Wildlife Foundation	10,000	-	-	-	-	-	10,000
BAND Foundation	-	-	-	-	111,292	-	111,292
Walton Family Foundation	-	34,655	-	-	-	-	34,655
Japan Animal Welfare Society	-	10,000	-	-	-	-	10,000
Plastic Solutions Fund	-	22,922	-	-	-	-	22,922
ClimateWorks Foundation	-	-	227,923	-	-	-	227,923
Waterloo Foundation	-	-	-	-	-	51,000	51,000
JMG Foundation	-	-	-	-	-	19,000	19,000
Various Donors (Donations < £1,000)	110	-	-	-	60	-	170
	<u>157,782</u>	<u>70,910</u>	<u>227,923</u>	<u>138,081</u>	<u>160,442</u>	<u>70,000</u>	<u>825,138</u>

##### Year to 31 December 2016

	Tigers	Ocean	Climate - Illegal Trade (GEC)	Adessium Institutional Support	Elephants	Illegal Wildlife Trade	2016
	£	£	£	£	£	£	£
Rufford Foundation	50,000	-	-	-	25,000	108,500	183,500
Adessium Foundation	-	-	-	91,600	-	-	91,600
Elephant Crisis Fund	-	-	-	-	78,995	-	78,995
Ernest Kleinwort Charitable Trust	60,000	-	-	-	-	-	60,000
Wildlife Protection Society of India	47,124	-	-	-	-	-	47,124
Network For Social Change	-	15,000	-	-	-	-	15,000
Anthony Rae Foundation	7,500	-	-	-	2,500	-	10,000
Benindi Fund	-	5,000	-	-	-	-	5,000
OCEANCARE	-	1,765	-	-	-	-	1,765
Big Give	-	1,450	-	-	-	-	1,450
Various Donors (Donations < £1,000)	200	582	-	-	11	-	793
	<u>164,824</u>	<u>23,797</u>	<u>-</u>	<u>91,600</u>	<u>106,506</u>	<u>108,500</u>	<u>495,227</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 DECEMBER 2017

**3 RAISING FUNDS**

	<u>2017</u>	<u>2016</u>
	£	£
Fundraising & Publicity	121,773	7,210
Supports Costs	1,811	95
<b>Total</b>	<b>123,584</b>	<b>7,305</b>

The 2016 support costs are restated to include reallocated governance costs. The adjustment does not change overall total expenditure.

**4 (i) CHARITABLE ACTIVITIES**

The amount spent on charitable activities is analysed across the projects that the Trust sponsored during the year as follows:

<b>Year to 31 December 2017</b>	Grants Payable to EIA UK Ltd	Support & Governance Costs	<u>2017</u>	
	£	£	£	£
Adessium Institutional Support	82,670	1,229	83,899	
Climate - CIFF	39,353	585	39,938	
Climate - ClimateWorks Foundation	227,923	3,390	231,313	
Elephants	178,915	2,661	181,576	
Tigers	212,148	3,155	215,303	
Ocean	148,827	2,213	151,040	
Forests - Other	174,882	2,601	177,483	
	<b>1,064,718</b>	<b>15,834</b>	<b>1,080,552</b>	
<b>Year to 31 December 2016</b>	Grants Payable to EIA UK Ltd	Direct Costs	Support & Governance Costs	<u>2016</u>
	£	£	£	£
Illegal Wildlife Trade	119,525	-	1,559	121,084
Adessium Institutional Support	91,600	-	1,195	92,795
Climate - CIFF	34,891	-	455	35,346
Elephants	116,256	12	1,516	117,784
Tigers	159,938	-	2,086	162,024
Ocean	76,798	100	1,003	77,901
Forests - Other	164,097	-	2,140	166,237
	<b>763,105</b>	<b>112</b>	<b>9,954</b>	<b>773,171</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 DECEMBER 2017

**(ii) Charitable Activities were funded as follows:**

<b>Year to 31 December 2017</b>	Unrestricted	Restricted	2017
	£	£	£
Adessium Institutional Support	1,229	82,670	83,899
Climate - CIFF	39,938	-	39,938
Climate - ClimateWorks Foundation	3,390	227,923	231,313
Elephants	71,115	110,461	181,576
Tigers	20,299	195,004	215,303
Ocean	83,463	67,577	151,040
Forests - Other	107,483	70,000	177,483
	<b>326,917</b>	<b>753,635</b>	<b>1,080,552</b>

<b>Year to 31 December 2016</b>	Unrestricted	Restricted	2016
	£	£	£
Illegal Wildlife Trade	12,584	108,500	121,084
Adessium Institutional Support	1,195	91,600	92,795
Climate - CIFF	35,346	-	35,346
Elephants	43,762	74,022	117,784
Tigers	57,200	104,824	162,024
Ocean	54,104	23,797	77,901
Forests - Other	166,237	-	166,237
	<b>370,428</b>	<b>402,743</b>	<b>773,171</b>

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



**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 DECEMBER 2017
(iii) **SUPPORT COSTS**

Year to 31 December 2017	Finance and Governance Administration		2017
	£	£	£
Adessium Institutional Support	140	1,090	1,230
Climate - CIFF	66	519	585
Climate - ClimateWorks Foundation	385	3,005	3,390
Elephants	302	2,359	2,661
Tigers	358	2,797	3,155
Ocean	251	1,962	2,213
Forests - Other	209	1,633	1,842
Forests - Waterloo	86	672	758
Total support costs charged to charitable activities	1,797	14,037	15,834
Total support costs charged to fundraising activities	206	1,605	1,811
Total Support Costs	2,003	15,642	17,645

**Year to 31 December 2016**

Year to 31 December 2016	Finance and Governance Administration		2016
	£	£	£
Illegal Wildlife Trade	277	1,282	1,559
Adessium Institutional Support	212	983	1,195
Climate - CIFF	81	374	455
Elephants	269	1,247	1,516
Tigers	370	1,716	2,086
Ocean	178	825	1,003
Forests - Other	380	1,760	2,140
Total support costs charged to charitable activities	1,767	8,187	9,954
Total support costs charged to fundraising activities	17	78	95
Total Support Costs	1,784	8,265	10,049

Support costs are allocated on the basis of direct cost expenditure ratios.

The 2016 support costs are restated to include governance costs. The adjustments do not change overall total expenditure.

**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 DECEMBER 2017
(iv) **GOVERNANCE COSTS**

	2017	2016
	£	£
Audit Fees	7,385	2,280
Trustees' Expenses	103	65
Legal and Professional Services	7,458	5,900
Trustee Recruitment costs	696	-
Other Costs	-	20
Total	15,642	8,265

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

5 **NET INCOMING RESOURCES**

	2017	2016
	£	£
Net incoming resources are stated after:		
Auditors Remuneration - Current year	4,000	1,900
Auditors Remuneration - Previous years	102	72
Auditors Remuneration - Other fees	2,154	-

The charitable company does not have staff costs. Administrative support has been provided during the year by Environmental Investigation Agency (UK) Limited.

6 **TRUSTEES REMUNERATION**

The Trustees received no remuneration during the year. 2 Trustees (2016: 1) were reimbursed for expenses during the year amounting to £103.31 (2016: £65).

7 **STAFF COSTS**

The charity did not employ any staff in 2017 and 2016 and no one earned £60,000 or more in both years.

8 **DEBTORS**

	2017	2016
	£	£
Accrued Income	40,000	-
Prepayment	870	-
EIA UK Ltd	16,000	-
Sundry Debtors	3,402	466
	60,272	466

There is slight uncertainty in regards to a legacy receipt of £10,000 included within accrued income.



**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 DECEMBER 2017
9 **CREDITORS**

	2017	2016
	£	£
Trade Creditors	1,551	1,384
Accruals	7,540	2,418
EIA UK Ltd	133,241	83,390
	142,332	87,192

10 **RESTRICTED FUNDS**

Year to 31 December 2017	Balance b/f	Income	Grants Payable to EIA UK Ltd	Balance c/f
	£	£	£	£
Tigers	60,000	202,299	195,004	67,295
Ocean	-	70,910	67,577	3,333
Climate - ClimateWorks Foundation	-	227,923	227,923	-
Adessium Institutional Support	-	138,081	82,670	55,411
Elephants	32,484	192,664	110,461	114,687
Forests - Other	-	51,000	51,000	-
Forests - JMG	-	19,000	19,000	-
Total	92,484	901,877	753,635	240,726

Year to 31 December 2016	Balance b/f	Income	Grants Payable to EIA UK Ltd	Overheads and Other Expenditure	Balance c/f
	£	£	£	£	£
Tigers	-	164,824	104,824	-	60,000
Ocean	-	23,797	23,697	100	-
Adessium Institutional Support	-	91,600	91,600	-	-
Elephants	-	106,506	74,010	12	32,484
Illegal Wildlife Trade	-	108,500	108,500	-	-
Total	-	495,227	402,631	112	92,484

Restricted funds represent funds to be applied for specific projects.

**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 31 DECEMBER 2017
11 **UNRESTRICTED FUNDS**

Year to 31 December 2017	Balance b/f	Income	Expenditure	Transfers	Balance c/f
	£	£	£	£	£
Unrestricted Funds	403,345	214,730	450,501	-	167,574
	403,345	214,730	450,501	-	167,574

Year to 31 December 2016	Balance b/f	Income	Expenditure	Transfers	Balance c/f
	£	£	£	£	£
Unrestricted Funds	490,952	290,127	377,734	-	403,345
	490,952	290,127	377,734	-	403,345

12 **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Year to 31 December 2017	Fixed Assets	Net Current Assets	Total
	£	£	£
Restricted Funds	-	240,726	240,726
Unrestricted Funds	-	167,574	167,574
	-	408,300	408,300

Year to 31 December 2016	Fixed Assets	Net Current Assets	Total
	£	£	£
Restricted Funds	-	92,484	92,484
Unrestricted Funds	-	403,345	403,345
	-	495,829	495,829

13 **TAXATION**

The Environmental Investigation Agency Trust is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are supplied to exclusively charitable purposes.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 14 RELATED PARTY TRANSACTIONS

Environmental Investigation Agency Trust (EIA Trust) and Environmental Investigation Agency (UK) Limited (EIA UK) have separate trustees and directors but they work closely together for the same purposes.

EIA UK provides administrative support to EIA Trust without charge. EIA Trust makes grants to EIA UK for charitable purposes. In the current year, these amounted to £1,064,718 (2016: £763,105). At the year end a net amount of £117,241 (£83,390) was owing to EIA UK.

	<u>2017</u>	<u>2016</u>
	£	
Grants to EIA UK during the year	1,064,718	763,105
EIA UK Ltd Creditors	133,241	83,390
EIA UK Ltd Debtors	16,000	-



