

# KEEP WILD LIFE IN THE WILD

## TRUSTEES' ANNUAL REPORT



**BORN  
FREE**  
FOUNDATION



**THE BORN FREE FOUNDATION LIMITED  
TRUSTEES' ANNUAL REPORT  
& AUDITED GROUP FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

Charity Number 1070906 Company Number 3603432

The Born Free Foundation is a  
Charitable Company Limited by Guarantee



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# REFERENCE & ADMINISTRATIVE DETAILS

<b>Name</b>	The Born Free Foundation Limited
<b>Status</b>	Born Free is a charitable company limited by guarantee. Its governing document is a Memorandum and Articles of Association
<b>Charity Registration Number</b>	1070906
<b>Company Registration Number</b>	3603432
<b>Principal Office and Registered Address</b>	Broadlands Business Campus, Langhurstwood Road, Horsham RH12 4QP
<b>Website</b>	<a href="http://www.bornfree.org.uk">www.bornfree.org.uk</a>
<b>Trustees</b>	Michael Reyner (Chair) Adam Batty Rosamund Kidman Cox Michael Drake Peter Ellis Virginia McKenna OBE Andrew Newton (retired 18 March 2014) Jenny Seagrove David Wynne Morgan
<b>Officers</b>	<b>President:</b> Will Travers OBE <b>Chief Executive:</b> Adam Roberts <b>Secretary &amp; Treasurer:</b> Brian Bergin ACIS
<b>Advisers</b>	<b>Auditor:</b> haysmacintyre, 26 Red Lion Square, London, WC1R 4AG <b>Bankers:</b> HSBC, 67 West Street, Dorking, Surrey, RH4 1BW <b>Financial:</b> Shipman Financial Planning, 1 Barnfield Crescent, Exeter, EX1 1QY <b>Legal:</b> Coole & Haddock, 14 Carfax, Horsham, RH12 1DZ

# CHAIR'S INTRODUCTION

## FOR THE YEAR ENDED 31 MARCH 2014

It gives me great pleasure to introduce the charity's *Trustees' Annual Report*, which sets out, for our supporters and the general public, what we have achieved in the past twelve months and our future plans.

We have restructured our *Report* in line with the requirements of the Companies Act and Charity Commission guidance, and matters on which I previously commented are now covered elsewhere, so I shall restrict my introduction to a brief overview.

After a difficult time in 2012/3 in terms of revenues, last year was a highly successful one for us, with a broad-based strengthening of our position across our different sources of income. As a result, we were able to maintain and extend our charitable work and at the same time to rebuild our Reserves. Details of key elements of our exciting work follow later in the report; our reach and impact are stronger than ever before, although the challenges facing wildlife conservation efforts are equally increasingly acute.

A key change was in our executive team. Will Travers was the founder member of the team and has spent 30 years in leading the work of making Born Free what it is today. His award of the OBE was a just recognition of his significant achievements. He has now decided to relinquish his day-to-day operational responsibilities as CEO, to take up the new role of President, where he will be able to focus his efforts more single-mindedly on the external leadership of Born Free and in extending our campaigning footprint. He is outstandingly and uniquely suited to these new responsibilities. In his place as CEO, we were very fortunate in being able to appoint Adam Roberts, who was Vice President of Born Free USA. Adam has made an excellent start and together they will make a very strong top team.

I should like, as ever, to thank our staff and our excellent volunteers for their continuing hard work and dedication. Will, Adam and their senior team – Alison Hood (Rescue and Care Director), Anne Tudor (Marketing Director), Shirley Galligan (PR Director), Stephen Chandler (Finance Manager) and Marc Gumbrell (Operations Manager) – provide first-class leadership. In addition, we are exceptionally fortunate that we have so many long service employees, and that our new recruits have not only blended in so well but have absorbed the ethos of what I am pleased to say is widely regarded as one of the world's leading wildlife charities.

Finally, I should also like to place on record the Trustees' thanks to Andrew Newton who retired as a trustee after thirteen years' service. Andrew also provided valuable advice and guidance as a Director of Born Free USA.



**Michael Reyner, Chair of Trustees**

9 September 2014

# STRUCTURE GOVERNANCE AND MANAGEMENT

## FOR THE YEAR ENDED 31 MARCH 2014

### Status and objects

The charity is a company limited by guarantee. Our governing document is a Memorandum & Articles of Association, which dates from 1998.

### Governing body and structure

Our governing body is a Board of Directors. The Directors are the Trustees of the charity. As at 31 March 2014 there were eight members.

We have evolved our structure over the years to cope with the increasing complexity of our activities and the steady increase in legislation and regulation. Although most business is dealt with at quarterly meetings we have a Finance & General Purposes Committee and we use *ad hoc* working groups, for example on risk management, which progress specific issues and report back to the Board. In June 2013 we set up a Remuneration Committee.

We have overseas branches in Ethiopia and Kenya, a charitable non-profit subsidiary company in South Africa and two other subsidiaries – Born Free Trading Ltd and Born Free Films Ltd (which is dormant).

We have a well-established annual planning and budgeting process that covers the charity and its subsidiaries and Branches.

### Decision making

The Board formally set out how it saw its role some years ago and has subsequently periodically reviewed the position. We regularly monitor how we are performing our duties. We last carried out a full review in 2013 and plan to do so again in 2015.

We continue to see our prime function as to ensure the good governance of the charity and to this end we focus on matters of policy and general strategy, the approval of plans, the monitoring of progress with charitable projects, financial control and investments.

Operational responsibility is delegated to the President and the Chief Executive Officer. The Board is assisted by a Secretary who advises it on governance generally and also acts as Treasurer in monitoring financial matters on its behalf.

The Board receives two formal reports in advance of its meetings – a Quarterly Report that deals with charitable projects and operational matters and a Treasurer's Report that covers financial and related matters.

### Trustees

One Trustee retired during the year and was not immediately replaced.

When we recruit, we follow a well-established practise. We carry out a skills audit to identify the qualities sought in potential candidates and a Trustees' working group manages the appointment process, reporting to the full Board. We provide new Trustees with structured induction that includes comprehensive documentation, individual briefings and the opportunity to visit our offices to meet staff.

# OBJECTIVES & ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2014

### The charity's mission is very well described in our formal Objects as set out below:

- To preserve and conserve animal species in their natural habitat on an international basis and to undertake all relevant research activities in connection therewith or ancillary thereto, and to publish the useful results of such research, and to provide relevant educational materials and equipment and other support to communities in areas where preservation and conservation are undertaken
- To prevent all types of cruelty and abuse of animals and wildlife, particularly in zoos and other places where animals are kept in captivity
- To educate the public and to advance the education of natural history, environmental studies, ecology, and resource conservation in industrial, urban, natural and marine environments
- To relieve the suffering of animals of any species which are in need of care and attention and (where appropriate) assist in the provision of improved facilities for the care of animals in captivity

### We seek to fulfil our mission in five main ways:

- By conceiving and implementing animal welfare and wildlife conservation projects under our own management
- By supporting such projects managed by other organisations
- By constantly developing our own competencies in animal welfare and wildlife conservation and helping like-minded people to do the same
- By carrying out and financing research to enable us to act as a thought-leader in animal welfare and wildlife conservation to influence public opinion and decision-makers
- By providing educational materials and opportunities for young people and adults in the UK and around the world

In developing these objectives the Trustees have had regard to the guidance from the Charity Commission on public benefit.

Our work benefits the many millions of people in the UK and around the world who have a respect for animals in general and wildlife in particular. Through our conservation projects we also benefit the environment, which is to everyone's advantage. Our education activities are valued by young people in the UK, and those we undertake in the developing world are of the most direct and practical benefit to young people and their communities. The academic research we sponsor advances our understanding of wildlife and the environment worldwide. The results of our work are freely available to all members of the public via our website and various publications. We also have a large and growing group of active supporters who receive additional communications and play an important role in championing our cause through our Activate and Born Free-mail enews programmes.

### In pursuit of our Objects and in order to deliver our vision we have a well-defined campaign structure, refined over the years:

- Zoo Check
- Elephant
- Carnivore
- Primate
- Marine
- Global Initiatives and Education

Full details of our activities are set out below.

# OBJECTIVES & ACTIVITIES

## FOR THE YEAR ENDED 31 MARCH 2014

Looking back to the Key Objectives we set last year we can see good progress was achieved:

Key Objectives	Outcomes
1. Maintain our portfolio of programmes and projects	The charity successfully maintained its portfolio of work and projects and, in particular, brought additional focus to the plight of wild animals in captivity, including dolphins and whales.
2. Mark Born Free Foundation's 30th anniversary with high profile campaigns, events, fund-raising initiatives and media.	Born Free's 30th Anniversary started in March 2014. High-profile events kicked off with an evening with Virginia McKenna OBE at BAFTA (London). Safaris, challenges, corporate work, media campaigns will all roll out across the year.
3. Take a lead role in tackling organised illegal wildlife trade.	Born Free attended the CITES meeting in Bangkok and successfully lobbied for higher levels of protection for key species as part of the Species Survival Network (SSN). We also advised key players in the run up to the High Level Meeting on Wildlife Crime hosted by British Government and HRH Prince Charles and HRH Prince William. In addition we commissioned reports on the illegal ivory trade to be published in summer/autumn 2014.
4. Develop and start to implement the public education module at <i>Ensessekotteh</i> (Ethiopia).	Following our decision to refurbish the military tower which already existed on site (as opposed to demolishing and building something new) work was started on removing the breeze blocks and rubble from the outline structure. Bereket Girma our in-country deputy is supervising the build and will aim to get as much completed before the 2014 rains start in late summer/early autumn.
5. Capacity building within EU Member States with the aim of improving compliance with the EU Zoo Directive.	Born Free representatives undertook a series of public presentations on compliance and law-enforcement at the European Parliament and secured resources for, and participated in, technical training for EU veterinarians.

# STRATEGIC REPORT

## FOR THE YEAR ENDED 31 MARCH 2014

### ACHIEVEMENTS & PERFORMANCE

#### Welcome from the President and CEO

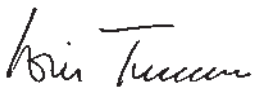
Indefatigable. The efforts of the Born Free Foundation staff can only be described as indefatigable as they forge ahead, day after day, in the face of some of the most significant misery facing animals globally.

They forge ahead to fight ivory and rhino horn traders, the profiteers who peddle primates as 'pets', the callous keepers of tigers and lions and elephants in zoos and circuses. They battle to keep threatened wild cheetahs from being captured in the Horn of Africa to be sold to the Middle Eastern elite at £6,400 (\$10,000) per animal. They join forces with wildlife law enforcement officials and government leaders to pass laws to protect animals and equip those who must enforce those laws. They use innovative and collaborative strategies to save cetaceans from a lifetime in a watery, concrete dungeon.

And what reach we have to make all this happen! America, India, Zambia, Sri Lanka, Kenya, Ethiopia, Malawi, Tanzania, Burkina Faso, Canada, South Africa, Indonesia, all across Europe... there is no corner of the globe where animal cruelty can hide from the Born Free team.

As our Chair of Trustees has noted in his letter, we now have renewed and reinvigorated the indefatigable team leading this noble effort. After 30 successful years building the business and driving forward Born Free Foundation's agenda of compassionate conservation, Will has moved into a vital role as President and brought Adam on as CEO. Added firepower to fight on!

Animal suffering, distress, sadness, loneliness and misery will not endure as long as we have the Born Free team to stop them - the Born Free team, of which you, our global supporters, are a significant, loyal, and vital part.



**Will Travers OBE**  
President



**Adam M Roberts**  
Chief Executive

### Conservation

Born Free continues to promote its core ethic of Compassionate Conservation, bringing together the conservation needs of wild animals and the practical needs of people who live alongside these populations, while always taking into account the welfare of individual animals. This year, Born Free coordinated a symposium on the topic as part of the Society for Conservation Biology's International Congress on Conservation Biology in Baltimore, Maryland, USA.

One example of our Compassionate Conservation agenda in action is in Kenya, where Born Free Foundation Kenya has helped construct more than 140 predator-proof bomas (corral enclosures) to help pastoralists safeguard their livestock at night. Much of this work, which also reduces retaliatory killing of lions and other predators, has been focused on Amboseli and Tsavo with plans being developed to expand into northern Tanzania.

It is now ten years since Born Free and Oxford University's Wildlife Conservation Research Unit (WildCRU) established the Satpuda Landscape Tiger Programme (SLTP) to unite individuals and organisations working in the field to conserve and protect wild tigers, in partnership with government officials, to maximise the impact of their collective expertise. Recognising the vital role played by the thousands of people living alongside tigers, further support was given to community projects including the provision of local medical services and the delivery of a biogas project which has led to reduced reliance on firewood and villager visits to the forest, avoiding potentially lethal contact between tigers and people.



George Logan



# STRATEGIC REPORT

With an increasing and sustained attack on elephant populations from the criminal syndicates involved in the illegal ivory trade, Born Free joined forces with governments in Ethiopia and Burkina Faso to deliver support for beleaguered wildlife departments trying to protect their precious elephant populations. In the east of Ethiopia, within the Babilie Elephant Sanctuary, 42 elephants have been killed in just two years and approximately 350 remain. In the West of Africa, vital supplies were purchased for anti-poaching initiatives in Burkina Faso. Conservation support continued in Kenya with anti-snaring work being carried out in Naivasha and Nakuru. Human-elephant conflict mitigation was delivered in Sri Lanka through our elephant resistant crop project, which helps reduce the impact of losses to traditional crops by elephant raids by offering an additional source of income to subsistence farmers.

In 2004, Born Free was the first international non governmental organisation (NGO) to support the Last Great Ape Organisation (LAGA) in Cameroon. Since then, LAGA teams, ignoring threats to their personal safety, have been instrumental in apprehending and bringing to justice dealers in ivory, apes, pangolins and more. Their vital work in tackling illegal trade has recently been extended to a further five countries under a network known as EAGLE – Eco Activists for Governance and Law Enforcement. Born Free's consistent support remains a part of this award-winning and innovative initiative.

And at the start of our 30th Anniversary year, Born Free, working alongside Born Free USA and WildCRU, developed strategic planning for lion conservation in West Africa by funding a top-notch conservation biologist to help governments in the region develop lion conservation action plans.

Our long-term work to address the deadly impact of the multi-billion dollar international wildlife trade within the framework of CITES (UN Convention on International Trade in Endangered Species) reached a highlight through our participation in the 16th Conference of the Parties, held in Bangkok in March 2013. Positive outcomes were achieved for elephants, sharks, rhinos, cheetah and many more imperilled species, over-exploited in international trade.

Significant support has also continued for the Ethiopian Wolf Conservation Programme, working in the highlands of Ethiopia to protect the world's rarest canid. In Tanzania, support was extended to Sea Sense working to protect endangered marine animals, in particular nesting turtles, and in Canada, Born Free continued to support Orcalab as they monitor and protect wild orcas, and provided support for Canada's York University as they research the most southerly population of Polar bears.

## Captivity

Throughout the year, Born Free continued to campaign on behalf of wild animals held in captivity around the world. Here is a summary of our efforts.

Following the success of the *EU Zoo Inquiry* ([www.euzooenquiry.eu](http://www.euzooenquiry.eu)) which exposed the widespread poor implementation of the EC Zoos Directive (1999/22) and highlighted the appalling conditions endured by thousands of animals in European zoos, Born Free focused its efforts on improving the knowledge of the Competent Authorities in the EU member States. This included the development of the EU Zoos Directive Guidance and Good Practices Document and the delivery of training to veterinarians in the Netherlands and Poland.

Further, having successfully campaigned for the recognition of 'wild animals in captivity' as a genre of animals in need of protection in the EU, Born Free hosted the first-ever conference in Brussels dedicated to the welfare of wild animals in captivity. The event was well-attended and included government officials from 28 European countries, Members of the European Parliament and officials from the European Commission. Born Free continues to play an active role within the European coalition to END the suffering of wild animals in CAPTIVITY - ENDCAP ([www.endcap.eu](http://www.endcap.eu)). Collaborative actions in 2013/14 included an exposé of substandard conditions in German zoos, co-hosting an event to highlight the need to curb the keeping of exotic animals as 'pets', and an exposé of the use of anxiety-reducing drugs on dolphins in Rimini Dolphinarium, which resulted in the facility's closure.

Born Free published a detailed, new report, *'Innocent Prisoner'*, which revealed the shocking fact that over 40 elephants are housed alone in zoos, circuses and private facilities across Europe. Site visits were undertaken to investigate the living conditions for solitary elephants in Romania, Serbia, Slovenia and France.



Animal Equality

# STRATEGIC REPORT

Born Free hosted the first ever European conference on the captive dolphin industry. Bringing together European NGOs, a new coalition (to be launched in September 2014) will develop an EU-wide strategy to challenge the keeping of whales and dolphins in captivity and seek to create a Dolphinarium-Free Europe.

Born Free organised nine screenings of the film documentary *Blackfish* in seven European countries in order to raise awareness about the plight of captive cetaceans and challenge their exploitation in captivity. This shocking film continues to haunt the captivity industry and has become a vital educational and campaigning tool.

Support was provided to colleagues in India and an important campaign was launched to prevent the establishment of dolphinariums in the country, which successfully culminated in a Ministerial decree effectively banning the keeping of cetaceans in captivity in India.

At the European Parliament in June 2013, Born Free, TUI Travel plc and the Travel Association, ABTA, launched the Global Welfare Guidance for Animals in Tourism. The Guidance, covering all activities involving animals in global tourism, provides advice to tour operators and their excursion suppliers, on how to minimise their impacts on animal welfare and protection.

Further, customised advice has been provided to tour operators: Audley Travel, Explore and Responsibletravel.com, to help establish animal welfare policy.

Closer to home, the campaign to ban the use of wild animals in circuses in the England continued. Despite apparent 'commitments' from the Government to bring in a ban, and the drafting of a Bill to that effect, no significant action was taken by Government to move forward with a ban. Bringing the legislation through Parliament is dependent on Governmental will and Parliamentary time, and we are working to ensure that the Bill is passed before the end of the 2014-15 session.

Born Free submitted evidence to the Parliamentary Environment Food and Rural Affairs Committee (EFRA) on the keeping of primates as 'pets' in the UK, in line with our conviction that there should be a ban on the practice.

## Rescue and Care

Born Free works directly with five wild animal rescue facilities, four in Africa and one in India, and assists with the work of several others. The teams working in these facilities are involved in all aspects of their operation from rescue through to the care and rehabilitation of the animals and, where feasible, release back to the wild, with appropriate post-release monitoring. Such work is often stressful and emotional, however based on our considerable experience, the Born Free teams have been successful in relocating a lion from Belgium to Malawi, through to rescuing individual primates from ropes and chains in Zambia, followed by full rehabilitation and eventual release back to the wild, a programme that has achieved a 95% success rate.

'Simba' the ex-circus lion made headline news when Born Free rehomed him from a halfway house in Belgium to the Lilongwe Wildlife Centre in Malawi, a facility that Born Free helped to establish in 2007. Here Simba joined Bella, a lioness rescued in 2009.



George Logan

In Ethiopia, Born Free's rescue centre '*Ensessakotteh*' continued to take in wild animals rescued from trade and various captive situations. This is the only facility in the country and the rescue work being undertaken here assists the Ethiopian Wildlife Conservation Authority in their efforts to crack down on illegal trade. Along with primates and birds several jackals, caracals, servals and hyenas were also rescued. Two orphaned hyena were rescued in Addis Ababa when their mother was killed and two were taken in from a zoo. This takes our total number of rescued hyena to five; all now successfully integrated. Further activity in Ethiopia saw the closure of a zoo called 'Jungle Land' and the subsequent confiscation and rescue of all the animals.

The Zambia Primate Project, established by Born Free over a decade ago, continues to rescue individual animals, integrate them into troops and return them to the wild. Since its inception, more than 500 animals have been rescued and the current 'release' troops of vervets and baboons are fully adapting to life back in the wild. Born Free also supports a similar programme in Malawi.

# STRATEGIC REPORT

Each of these primate rescue initiatives works to help individual animals, facilitate the enforcement of wildlife laws and help educate the public.

At Shamwari in South Africa, plans have been agreed to upgrade the aging rescue facilities for big cats so that, along with the provision of high quality care to the cats currently there, more rescue work can be undertaken and the vital educational opportunities can continue with local communities. The lions and leopards at Shamwari are predominantly rescued from zoos and circuses and, via their stories, act as ambassadors for their numerous counterparts held in captivity around the world.

In India, after lengthy negotiations, a new ten-year Memorandum of Understanding (MoU) was signed between Born Free and the Karnataka State Forest Department governing operations at the Born Free Tiger Rescue Facility. The focus for this centre will now be the care of wild tigers rescued from conflict situations in India, including individuals which have been trapped following the killing of a person or cattle.

Together with the above initiatives, Born Free continued its support to the Elephant Transit Home (ETH) in Sri Lanka, a unique rescue, rehabilitation and release facility for elephants orphaned by human-elephant conflict. A number of orphans were adopted, the feeding station re-designed, and night-time care protocols amended (which included the provision of night worker wages), allowing for the dangerous practice of night tethering to be discontinued. The Foundation signed an MoU with the Sri Lanka Wildlife Department covering our working relationship with the ETH.

Born Free has also supported Animals Asia and its work to rescue of bears from bile farms in China and Vietnam; Limbe Wildlife Centre (Cameroon) and its rescue work, predominantly of primates rescued from the 'bushmeat' (meat from wild animals) trade; and Chipembele Wildlife Education Trust (Zambia) with its rescue of an orphaned hippo (Douglas) and his subsequent return to the wild.

Wild animal rescue remains a core component of Born Free activities, helping individual animals in need and raising awareness about issues such as illegal wildlife trade and the completely inappropriate conditions in zoos and circuses endured by so many wild animals.

Good news from Canada. In 2002, Born Free stepped forward to provide resources for the rescue and relocation of an orca (Springer) who had become separated from her family and was found alone and emaciated. After much debate on her future, she was captured and successfully reunited with her wild family. In 2013, 'Springer', now successfully living with her extended family, gave birth to her first calf, subsequently called 'Spirit', and, currently, mother and baby are doing well, and are living safe and free in the wild.

## **Marketing**

The marketing year as always, has proved busy and rewarding with our activities supporting the charity objectives and the campaigns and projects needs financially and strategically.

Outreach to existing and new supporters has grown via electronic media and literature. This has resulted in efficient communications and increased financial returns with donations to appeals, membership, animal adoptions and merchandise growing. The latter being supported by a new e-commerce platform during the year.

Corporate partners have been maintained, notably Thomson Airways and Land Rover who confirmed Born Free as their Global Conservation Partner, resulting in many opportunities worldwide starting with South Africa Land Rover pledging three years' support for the lion-proof boma project. New partnerships have been forged such as Kenya Airways who are implementing a major fundraising and awareness campaign worldwide.

Born Free was awarded the World Tourism Award for conservation at the World Travel Market. Many events and initiatives have taken place from individuals with the continuation of 'Save Wild Tigers' and a new gala fundraiser, 'Eze for Elephants', which resulted in substantial income in September. The end of the financial year marked the beginning of Born Free's 30th anniversary year, which started in style with a gala film evening at BAFTA.

# STRATEGIC REPORT

## **Public relations**

In an action packed year we have embraced the issues and plight of wild animals all around the world, extensively profiling their stories to the world's media. From the shocking images of dead elephants poached for their tusks in Burkina Faso that were featured in a major campaign in the *Sunday Mirror*, to the uplifting story of one orphaned hippo's journey back to the wild filmed for the ITV *Paul O'Grady's Animal Orphans* show.

The media play a central role in bringing their stories to life and engaging the public and politicians around the world to effect change. Assisted by the power of the media we saw a more significant commitment from world leaders to combat the illegal wildlife trade with comment from Born Free in major news print titles and broadcast media around the globe, from the BBC to *Sky News* and Aljazeera to popular magazine programmes like the BBC *One Show*.

Our rescue work was high profile with the international move of Simba the lion that crossed continents from the UK/Europe and Africa. As always the department would like to thank our dedicated celebrity patrons, who selflessly lend their voice and time to given issues and help spread the Born Free ethos for a more compassionate world. A major highlight for the charity was the *ITV British Animal Honours*, with recognition given in 'The Outstanding Contribution Honour' presented by Brian May CBE and Anita Dobson to Virginia McKenna OBE. There is always competition for column inches, with the fast pace of the news agenda, but thanks to sound data and a determination to give a voice to those animals in need we maintain and build on our high profile position within the media.

## **Supporter services & administration**

The past year has seen a number of changes to the team and its operation. One member moved to Marketing without replacement, thus reducing our headcount to four. Despite this, the section has continued to operate smoothly, fielding questions and queries from the public in a timely and efficient manner as well as completing all in-house administration requirements.

The fulfilment operation has been moved to Codestorm Ltd in Portsmouth. Codestorm, a company specialising in e-commerce, mass marketing and fulfilment services already host the Born Free Foundation webshop which has proved very successful since its launch in October 2013. This move will result in web faced orders, from instruction to despatch, being handled by one company and will ensure 48-hour delivery times from door to door. Not only will this enhance the experience of our customers and supporters, the new contract will save Born Free about £25,000 per annum.



# FINANCIAL REVIEW

## FOR THE YEAR ENDED 31 MARCH 2014

This was a much better year for us financially.

Our total income increased by over £1m to over £3.7m, with substantially higher donations and legacies.

Our trading subsidiary, which provides a vehicle for related commercial activity such as merchandise sales, again contributed well with a donation of £15,000 from its profits.

After having had to draw a significant amount from our Reserves last year to fund a substantial income shortfall, we were cautious in planning for this year and gave priority to balancing our budget and, if possible, to re-building our Reserves.

Expenditure on charitable projects was almost £2.3m, slightly down on last year. The breakdown by project is set out in the Accounts on page 15 and details of projects themselves are in the Achievements & Performance section.

Our policy continues to be to give priority to maintaining support for core projects and, where we can, to achieving a continuing, steady increase in spending, subject to maintaining Reserves adequate to underpin our long term commitments.

On Reserves, our policy remains unchanged - that is, having regard to our significant long-term obligations (eg for animals in sanctuaries), that we should maintain our reserves of about £4m in real terms (based on September 2011). With the capital gains on our investments (see below) we were able to rebuild our Reserves to just over £4m, which we regard as satisfactory even though it is slightly lower than the inflation-adjusted target.

Our investments performed satisfactorily. During the year we received income of £79,908, a bit lower than last year. Our investments increased in value by £142,188, all of which was unrealised, to just over £2.5m.

In monitoring the performance of our appointed fund managers we use individual benchmarks, reflecting our asset allocation policy.

As we have very specific constraints regarding ethical investments we accept that sometimes we may sacrifice the possibility of maximising gains (for example we will not invest in businesses that test their products on animals, such as cigarette manufacturers, or cause significant environmental damage, such as mining companies), so our core aim is to achieve a better return than we could through simply using cash deposits. We received reports from the ethical analysts we retain and remain satisfied with our holdings but keep the position under active review.

### Plans for the Future

We have a well-established planning process. Our strategy looks ahead several years and is periodically reviewed. Each year we consider an annual plan and budget at our March meeting.

A continuing theme is to maintain support for existing commitments.

### For 2014/5 we have identified several key objectives:

1. To consolidate the new Executive structure and publicising it to the wider animal welfare and conservation community and beyond
2. To meet or exceed all relevant operational and departmental targets
3. To move office to more suitable facilities following the end of our current lease (October 2014)
4. To review and further develop our Kenya operations to enhance our outputs, efficacy and profile in Kenya and the region
5. To strengthen the Programmes department with strategic recruitment in both animal welfare and conservation disciplines.
6. To complete the redevelopment of Born Free's online trading function and to restructure the main database.
7. To begin work to enhance the coordination between and alignment of all global Born Free entities.

# FINANCIAL REVIEW

## Risk Management

Our philosophy on risk management is well-established and has been steadily refined.

We have a formal policy and processes. A Risks Register is maintained and the assessment of risks on the register is documented and rated in terms of the likelihood of occurrence and the potential impact.

The whole situation is reviewed annually by a Risk Management Working Group comprising Trustees and members of the Executive.

We can confirm that the major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

# STATEMENT OF TRUSTEES' RESPONSIBILITIES

## FOR THE YEAR ENDED 31 MARCH 2014

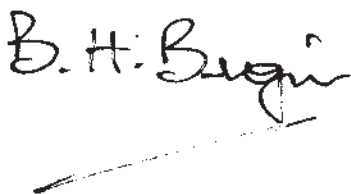
Under the Charities Act 2011 and the Companies Act 2006, the Trustees are required to prepare a Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on a 'going concern' basis unless it is inappropriate to presume that the company will continue its operations.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the regulations under the Charities Act 2011. 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.

This Report was approved by the Trustees on 9 September 2014 and signed on their behalf by



**Brian Bergin**  
Secretary

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF THE BORN FREE FOUNDATION LIMITED

We have audited the financial statements of The Born Free Foundation for the year ended 31 March 2014 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, 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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

**Murtaza Jessa, Senior Statutory Auditor**  
for and on behalf of haysmacintyre, Statutory Auditors

**26 Red lion Square**  
**London**  
**WC1R 4AG**

**Dated: 9 September 2014**

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# GROUP STATEMENTS OF FINANCIAL ACTIVITIES

(Incorporating the Income & Expenditure Account and the Statement of Total Recognised Gains and Losses)  
FOR THE YEAR ENDED 31 MARCH 2014

	Note	Unrestricted Funds £	Restricted Funds £	2014 £	2013 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income					
Donations	4	1,209,007	363,353	1,572,360	865,358
Legacies	4	984,871	21,319	1,006,190	597,096
Tax received		147,070	-	147,070	115,574
Membership base subscription		121,810	-	121,810	141,265
Membership subscriptions to specific projects	4	-	70,623	70,623	73,031
Adoptions	4	-	312,653	312,653	296,021
Activities for generating funds					
Events, lotteries and other activities		294,278	-	294,278	328,761
Trading income of subsidiary undertaking	15	112,419	-	112,419	133,140
Royalties		16,725	-	16,725	19,911
Investment income	3	79,908	-	79,908	93,256
Other income		27,747	-	27,747	41,635
<b>Total incoming resources</b>		<b>2,993,835</b>	<b>767,948</b>	<b>3,761,783</b>	<b>2,705,048</b>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Cost of generating voluntary income					
Donations		85,108	-	85,108	97,261
Legacies		8,214	-	8,214	8,117
Membership subscriptions		87,910	-	87,910	101,012
Fundraising and publicity		634,454	-	634,454	567,205
Cost of subsidiary trading company		94,725	-	94,725	108,135
Investment management costs		23,411	-	23,411	22,009
<b>Charitable activities</b>					
Zoocheck		-	256,433	256,433	212,548
Elephants		-	246,166	246,166	149,978
Bears		-	7,943	7,943	7,658
Wolves		-	209,288	209,288	218,924
Big cats		592	600,567	601,159	551,679
Primates		-	324,047	324,047	340,087
Marine		-	42,340	42,340	48,620
Information services and education		-	399,893	399,893	457,516
Other projects		-	251,076	251,076	480,405
<b>Governance</b>	7	25,570	-	25,570	33,940
<b>Other resources expended</b>					
Taxation	8	40	-	40	355
<b>Total resources expended</b>	5	<b>960,024</b>	<b>2,337,753</b>	<b>3,297,777</b>	<b>3,405,449</b>



# GROUP STATEMENTS OF FINANCIAL ACTIVITIES

**(Incorporating the Income & Expenditure Account and the Statement of Total Recognised Gains and Losses)  
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	Unrestricted Funds £	Restricted Funds £	2014 £	2013 £
Net incoming resources before transfers	2	2,033,811	(1,569,805)	464,006	(700,401)
Transfers between funds	22,23	(1,513,435)	1,513,435	-	-
<b>Net outgoings for the year</b>		<u>520,376</u>	<u>(56,370)</u>	<u>464,006</u>	<u>(700,401)</u>
Foreign exchange differences on restatement of foreign currency opening reserves		(7,794)	-	(7,794)	1,467
Gains on investment assets		92,501	-	92,501	266,642
<b>Net movement in funds</b>		<u>605,083</u>	<u>(56,370)</u>	<u>548,713</u>	<u>(432,292)</u>
Funds at 1 April 2013		<u>3,858,596</u>	<u>199,529</u>	<u>4,058,125</u>	<u>4,490,417</u>
Funds at 31 March 2014	20	<u><u>4,463,679</u></u>	<u><u>143,159</u></u>	<u><u>4,606,838</u></u>	<u><u>4,058,125</u></u>

The notes on pages 20 to 30 form part of these accounts.

# GROUP BALANCE SHEET

**AS AT 31 MARCH 2014**

**COMPANY NUMBER: 3603432**

	Note	2014		2013	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible fixed assets	10		1		1
Tangible fixed assets	11		448,409		317,463
Investment property	12		175,000		175,000
Investments	13		2,685,466		2,543,278
			<u>3,308,876</u>		<u>3,035,742</u>
<b>CURRENT ASSETS</b>					
Stocks		21,159		25,970	
Debtors	16	306,195		191,750	
Cash at bank and in hand		1,480,192		1,428,120	
		<u>1,807,546</u>		<u>1,645,840</u>	
<b>CREDITORS</b> : amounts falling due within one year	17	(199,611)		(324,594)	
<b>NET CURRENT ASSETS</b>			<u>1,607,935</u>		<u>1,321,246</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,916,811		4,356,988
Provision for liabilities	18		(309,973)		(298,863)
			<u>4,606,838</u>		<u>4,058,125</u>
<b>FUNDS</b>					
<b>Unrestricted funds</b>					
General			4,463,662		3,858,579
Minority interests			17		17
	23		<u>4,463,679</u>		<u>3,858,596</u>
<b>Restricted funds</b>	22		143,159		199,529
			<u>4,606,838</u>		<u>4,058,125</u>

The financial statements were approved and authorised for issue by the Trustees on 9 September 2014 and were signed on their behalf by:

*Michael Reyner*

**Michael Reyner**  
Trustee

The notes on pages 20 to 30 form part of these accounts.

# GROUP BALANCE SHEET

AS AT 31 MARCH 2014

COMPANY NUMBER: 3603432

	Note	2014		2013	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		448,239		317,237
Investments	13		2,685,466		2,543,278
Investment property	12		175,000		175,000
Investment in subsidiary	14		2		2
			<u>3,308,707</u>		<u>3,035,517</u>
<b>CURRENT ASSETS</b>					
Debtors	16	305,186		190,761	
Cash at bank and in hand		1,448,191		1,416,905	
		<u>1,753,377</u>		<u>1,607,666</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	(166,844)		(307,604)	
<b>NET CURRENT ASSETS</b>			1,586,533		1,300,062
Provision for liabilities	18		(309,973)		(298,863)
			<u>4,585,267</u>		<u>4,036,716</u>
<b>FUNDS</b>					
Unrestricted funds	23		4,442,108		3,837,187
Restricted funds	22		143,159		199,529
			<u>4,585,267</u>		<u>4,036,716</u>

The financial statements were approved and authorised for issue by the Trustees on 9 September 2014 and were signed on their behalf by:



Michael Reyner  
Trustee

The notes on pages 20 to 30 form part of these accounts.

# GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	2014 £	2013 £		
<b>Reconciliation of net incoming resources to net cash flow from operating activities</b>				
Net income for the year	464,006	(700,401)		
Taxation	(40)	(355)		
Depreciation	48,982	41,205		
Decrease in stock	4,811	9,313		
(Increase)/Decrease in debtors	(114,445)	60,278		
(Decrease)/increase in creditors	(124,983)	(206,954)		
Increase/(decrease) in provisions	11,110	203,787		
Investment income	(79,908)	(93,256)		
Exchange adjustments in tangible fixed assets	(4,051)	(895)		
Loss on sale of fixed asset	-	-		
Foreign exchange differences on restatement of foreign currency opening reserves	-	1,467		
	<u>205,482</u>	<u>(685,811)</u>		
<b>Net cash inflow from operating activities</b>	205,482	(685,811)		
<b>Returns on investments and servicing of finance</b>				
Investment income received	79,908	93,256		
<b>Taxation</b>	40	448		
	<u>285,430</u>	<u>779,785</u>		
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets	(183,979)	(121,576)		
Payments to acquire investments	(246,587)	(301,609)		
Receipts from sale of investments	197,208	244,534		
	<u>(233,358)</u>	<u>(178,651)</u>		
<b>Increase/(Decrease) in cash</b>	<u>52,072</u>	<u>(770,758)</u>		
<b>Analysis of changes in net funds</b>				
	<b>Balance at 1 April 2013 £</b>	<b>Cash Flows £</b>	<b>Other Changes £</b>	<b>Balance at 31 March 2014 £</b>
Cash at bank and in hand	1,428,120	52,072	-	1,480,192
Fixed asset investments	2,543,278	49,687	92,501	2,685,466
	<u>3,971,398</u>	<u>101,759</u>	<u>92,501</u>	<u>4,165,658</u>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards.

#### **Basis of consolidation**

The Group Statement of Financial Activities (SOFA) and Group Balance Sheet consolidate the financial statements of the Foundation and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis.

The Foundation has taken advantage of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulation 2008, Schedule 1 Part 1 and adapted the Companies Act formats to reflect the special nature of the Foundation's activities. No separate SOFA or Income and Expenditure Account have been presented for the Foundation alone as permitted by section 408(3) of the Companies Act 2006 and paragraph 397 of the SORP.

#### **Tangible fixed assets**

Tangible fixed assets are recorded at cost or, in cases where fixed assets have been donated to The Born Free Foundation Limited, at valuation at the time of acquisition.

#### **Depreciation**

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful lives. Assets in the course of construction are not depreciated until they are completed.

Leasehold premises	20 years straight line
Plant and office equipment	25% per annum reducing balance
Educational and fundraising vehicles	25% per annum reducing balance
Furniture and equipment	25% per annum reducing balance
Computer equipment	33% per annum straight line

#### **Incoming resources**

All incoming resources are included in the SOFA when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

**Voluntary income:** Voluntary income including legacies represents amounts receivable and recorded at offices and projects during the year. Membership and adoption income is recognised in the financial statements when it is received.

**Investment income:** Investment income is recognised in the financial statements when it is receivable.

**Activities for generating funds** comprises amounts receivable during the year.

#### **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources.

**Fundraising expenditure** represents the direct costs of fundraising and general publicity for the Foundation and includes the salaries and other direct costs of fundraising and publicity staff.

**Governance costs** are those costs associated with the governance arrangements of the Foundation as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the Foundation's activities.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

### 1. ACCOUNTING POLICIES (continued)

#### Resources expended (continued)

Support costs, which include the central office functions, are allocated across the categories of charitable expenditure, governance costs and costs of generating funds. The basis of the cost allocation has been explained in note 6 to the financial statements.

#### Investments

Investments in subsidiaries are stated at cost less provision for any impairment.

Investments listed on a recognised stock exchange are included in the balance sheet market value. Investments sold are revalued to market value at the date of sale. The change in the value of investments is reflected in the SOFA.

#### Investment property

The investment property is stated at market value at the balance sheet date in accordance with the Statement of Recommended Practice. Any surplus or deficit arising on the revaluation is taken directly to the fund as an unrealised gain or loss. No depreciation is charged on the investment property.

#### Value added tax

As the majority of the Foundations' activities are classified as exempt or non-business activities for the purposes of value added tax, the Foundations is unable to reclaim all the value added tax which it suffers on the purchases. Expenditure in these financial statements is therefore shown inclusive of value added tax where it is not recoverable.

#### Leased assets

All leases are regarded as operating leases and the payments made under them are charged to the SOFA on a straight line basis over the lease term.

#### Stocks

Stocks are consistently valued at the lower of cost and net realisable value less provision for slow moving items.

#### Pensions

The Foundation operates a defined contribution pension plan. Contributions are charged to the SOFA as they become payable.

#### Branches of the Born Free Foundation Limited

The branches produce audited branch financial statements to 31 March or 31 December each year. The financial statements are incorporated into the main financial statements at the year end to produce the financial statements for the group.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.

### 2. NET INCOMING RESOURCES BEFORE TRANSFERS

	2014	2013
	£	£
Depreciation	48,983	41,205
Auditor's remuneration - audit fees	16,800	17,400
- other fees	-	12,399
Costs of branch audit	675	645
Loss on disposal of fixed assets	-	-
	<u>          </u>	<u>          </u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

3. INVESTMENT INCOME		Unrestricted funds	Restricted funds	2014	2013		
		£	£	£	£		
Dividend income		75,670	-	75,670	80,171		
Interest received		4,238	-	4,238	13,085		
		<u>79,908</u>	<u>-</u>	<u>79,908</u>	<u>93,256</u>		
4. RESTRICTED INCOME		Restricted Donations	Restricted Legacies	Member Plus Contributions	Adoptions	2014	2013
		£	£	£	£	£	£
Zoocheck	19,227	-	9,080	-	28,307	25,046	
Elephants	49,410	21,319	10,221	88,442	169,392	108,022	
Bears	1,115	-	7,836	19,395	28,346	27,476	
Wolves	34,611	-	7,587	5,238	47,436	18,304	
Big cats	101,735	-	13,591	140,962	256,288	332,961	
Primates	148,212	-	7,929	24,883	181,024	75,296	
Marine	7,083	-	7,435	8,482	23,000	14,951	
Information services and education	1,960	-	6,944	281	9,185	15,101	
Other projects	-	-	-	24,970	24,970	8,121	
	<u>363,353</u>	<u>21,319</u>	<u>70,623</u>	<u>312,653</u>	<u>767,948</u>	<u>625,278</u>	
5. RESOURCES EXPENDED		Grant Funding Activities	Activities Undertaken Directly	Support Costs	2014	2013	
		£	£	£	£	£	
<b>Cost of generating funds</b>							
Cost of generating voluntary income							
Donations	-	47,077	38,031	85,108	97,261		
Legacies	-	7,306	908	8,214	8,117		
Membership subscriptions	-	51,200	36,710	87,910	101,012		
Fundraising and publicity	-	546,637	87,817	634,454	567,205		
Cost of subsidiary trading company	-	88,170	6,555	94,725	108,135		
Investment management costs	-	23,411	-	23,411	22,009		
<b>Charitable activities</b>							
Zoocheck	5,523	215,106	35,804	256,433	212,548		
Elephants	131,065	85,947	29,154	246,166	149,978		
Bears	5,000	1,694	1,249	7,943	7,658		
Wolves	165,000	28,896	15,392	209,288	218,924		
Big cats	355,603	166,725	78,831	601,159	551,679		
Primates	153,683	130,772	39,592	324,047	340,087		
Marine	26,305	10,808	5,227	42,340	48,620		
Information services and education	30,502	178,415	190,976	399,893	457,516		
Other projects	38,323	187,510	25,243	251,076	480,405		
<b>Governance</b>	-	25,570	-	25,570	33,940		
<b>Other resources expended</b>							
Taxation	-	40	-	40	355		
	<u>911,004</u>	<u>1,795,284</u>	<u>591,489</u>	<u>3,297,777</u>	<u>3,405,449</u>		

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

### 5. RESOURCES EXPENDED (continued)

Included within grants funding of activities are grants to individuals of £1,462 (2013: £1,914). All remaining grants were made to institutions. £157,890 (2013: £129,201) was paid to Oxford University including £82,508 (2013: £63,750) for Ethiopian Wolf Conservation. There is a remaining commitment of £299,973 (2013: £288,863) to fund the Bill Travers Chair, Ethiopian Wolf Conservation and the Central Lion Project.

### 6. ANALYSIS OF SUPPORT COSTS

	Property £	General support Salaries £	Finance, IT and general office costs £	Other support costs £	2014 £	2013 £
<b>Cost of generating funds</b>						
Cost of generating voluntary income						
Donations	1,988	13,645	21,652	746	38,031	41,671
Legacies	-	-	908	-	908	954
Membership subscriptions	2,132	21,508	12,933	137	36,710	41,106
Fundraising and publicity	3,336	32,050	52,100	331	87,817	96,278
Cost of subsidiary trading company	534	3,709	2,312	-	6,555	9,570
<b>Charitable activities</b>						
Zoocheck	589	5,818	29,364	33	35,804	27,501
Elephants	1,295	12,782	14,910	167	29,154	20,426
Bears	41	403	773	32	1,249	1,168
Wolves	679	6,704	7,956	53	15,392	25,416
Big cats	3,530	34,841	40,171	289	78,831	133,612
Primates	1,526	15,063	22,799	204	39,592	38,031
Marine	225	2,223	2,752	27	5,227	5,331
Information services and education	3,169	169,828	17,969	10	190,976	196,620
Other projects	1,295	12,782	11,138	28	25,243	58,509
<b>Total support costs</b>	<u>20,339</u>	<u>331,356</u>	<u>237,737</u>	<u>2,057</u>	<u>591,489</u>	<u>696,193</u>

Support costs have been allocated based on estimated staff time spent on the activities of the Foundation.

### 7. GOVERNANCE

Governance costs are made up of the following:

	2014 £	2013 £
External audit	16,800	18,045
Internal staff costs	8,770	15,895
	<u>25,570</u>	<u>33,940</u>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

### 8. TAXATION

The Born Free Foundation Limited is a registered charity and is thus exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Corporation tax of £40 is due by Born Free Trading Limited, a wholly owned subsidiary (2013:£355)

### 9. TRUSTEES, DIRECTORS AND EMPLOYEES

	2014 £	2013 £
Staff costs were as follows:		
Wages and salaries	1,099,421	1,137,959
Social security costs	102,755	95,445
Pension costs	49,403	49,271
	<u>1,251,579</u>	<u>1,282,675</u>

The Trustees' remuneration was £Nil (2013: £Nil).

2 (2013: 2) Trustees received reimbursement for travel expenses amounting to £430 (2013: £184).

Three Employees' emoluments for the year exceeded £60,000 (2013: 1). However, one-off, and non-repeatable, payments were made in 2013/14 to HMRC in respect of several employees relating to prior year incorrectly assessed tax liabilities.

The average number of staff employed by the Foundation during the year was as follows:

	2014 Number	2013 Number
Charitable projects	19	16
Information services and education	3	4
Fundraising and publicity	7	11
Member and support services	5	5
Governance	1	1
Kenya branch	9	8
Ethiopia branch	3	3
Unpaid part time volunteers	10	10
	<u>57</u>	<u>58</u>

Of the non-voluntary staff, 10 (2013: 8) are employed on a part time basis. In Ethiopia the charity also has locally contracted staff involved in its activities whose numbers can vary significantly from time to time according to project progress. At 31 March 2014 they numbered 41 (2013: 41).

### 10. INTANGIBLE FIXED ASSETS

	Group £	Company £
<b>Costs - film rights</b>		
At beginning of year	1	-
	<u>1</u>	<u>-</u>
<b>Net book value at 31 March 2014</b>	<u>1</u>	<u>-</u>
	<u>1</u>	<u>-</u>
Net book value at 31 March 2013	1	-
	<u>1</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

### 11. TANGIBLE FIXED ASSETS

GROUP	Asset in the course of construction £	Leasehold premises £	Plant and office equipment £	Educational and fundraising £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>							
At 1 April 2013	172,267	24,768	88,216	175,775	48,181	157,178	666,385
Additions	86,917	-	5,131	28,031	6,341	57,559	183,979
Disposals	-	-	-	-	-	(10,584)	(10,584)
Exchange adjustment	-	-	(154)	(8,995)	(380)	(793)	(10,322)
At 31 March 2014	259,184	24,768	93,193	194,811	54,142	203,360	829,458
<b>Depreciation</b>							
At 1 April 2013	-	1,238	66,791	102,521	33,781	144,591	348,922
Charge for the year	-	1,238	6,631	19,611	5,171	16,331	48,982
Disposals	-	-	-	-	-	(10,584)	(10,584)
Exchange adjustment	-	-	(123)	(5,212)	(324)	(612)	(6,271)
At 31 March 2014	-	2,476	73,299	116,920	38,628	149,725	381,049
<b>Net book value</b>							
At 31 March 2014	259,184	22,292	19,894	77,891	15,514	53,634	448,409
At 31 March 2013	172,267	23,530	21,425	73,254	14,400	12,587	317,463
<b>COMPANY</b>							
<b>Cost</b>							
At 1 April 2013	172,267	24,768	85,865	175,775	47,381	156,466	662,522
Additions	86,917	-	5,131	28,031	6,341	57,559	183,979
Disposals	-	-	-	-	-	(10,584)	(10,584)
Exchange adjustment	-	-	(154)	(8,995)	(380)	(793)	(10,322)
At 31 March 2014	259,184	24,768	90,842	194,811	53,342	202,648	825,595
<b>Depreciation</b>							
At 1 April 2013	-	1,238	64,519	102,521	33,041	143,967	345,286
Charge for the year	-	1,238	6,612	19,611	5,156	16,331	48,948
Disposals	-	-	-	-	-	(10,584)	(10,584)
Exchange adjustment	-	-	(123)	(5,212)	(324)	(635)	(6,294)
At 31 March 2014	-	2,476	71,008	116,920	37,873	149,079	377,356
<b>Net book value</b>							
At 31 March 2014	259,184	22,292	19,834	77,891	15,469	53,569	448,239
At 31 March 2013	172,267	23,530	21,346	73,254	14,340	12,500	317,237

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

12. INVESTMENT PROPERTY	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Investment property	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>

The freehold investment property was valued by the Trustees on 31 March 2013 at £175,000.

13. FIXED ASSET INVESTMENTS	Group and Company	
	2014 £	2013 £
<b>All investments are held within the UK</b>		
At 1 April 2013	2,543,278	2,219,561
Additions	246,896	301,609
Disposals at market value	(197,209)	(244,534)
Change in market value	92,501	266,642
Market value at 31 March 2014	<u>2,685,466</u>	<u>2,543,278</u>
Historical cost at 31 March 2014	<u>2,003,371</u>	<u>1,851,698</u>

14. INVESTMENT IN SUBSIDIARY UNDERTAKING	Company £
Cost at beginning and end of year	<u>2</u>

## 15. SUBSIDIARY UNDERTAKINGS

During the year, the Foundation held three subsidiaries, two of which are incorporated in England & Wales with the third registered in South Africa. Born Free Trading Limited makes gift aid payments out of profits to The Born Free Foundation Limited. Born Free Films Limited is a dormant company. Born Free Foundation South Africa has been set up predominantly to receive sponsorship for fundraising events to be held in South Africa.

Name	Nature of business	Type of share	Holding
Born Free Foundation South Africa	Fundraising for Born Free Foundation	-	100%
Born Free Trading Limited	Sale of Born Free merchandise and services	Ordinary	100%
Born Free Films Limited	Film Development	Ordinary	83%

The financial statements of the trading subsidiary companies are prepared to 31 March each year and the results of the companies are consolidated into these financial statements on a line by line basis and are summarised below:

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

15. SUBSIDIARY UNDERTAKINGS (continued)	Born Free Foundation South Africa £	Born Free Trading Limited £	Born Free Films Limited £	Total £
Turnover	-	112,419	-	112,419
Cost of sales	(3,719)	(72,412)	-	(76,131)
<b>Gross profit</b>	<u>(3,719)</u>	<u>40,007</u>	<u>-</u>	<u>36,288</u>
Administrative expenses	(592)	(39,800)	-	(40,392)
Interest receivable	866	-	-	866
Interest payable	-	-	-	-
<b>Profit on activities before taxation</b>	<u>(3,445)</u>	<u>207</u>	<u>-</u>	<u>(3,238)</u>
Corporation tax	-	(40)	-	(40)
<b>Profit retained in the subsidiary</b>	<u>(3,445)</u>	<u>167</u>	<u>-</u>	<u>(3,278)</u>
<b>Net assets at 31 March 2014</b>	<u><u>4,014</u></u>	<u><u>29,961</u></u>	<u><u>(2,739)</u></u>	<u><u>31,236</u></u>

16. DEBTORS	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Other debtors	102,160	87,620	73,196	86,611
Amounts owed by group undertakings	-	-	31,501	1,999
Prepayments and accrued income	204,035	104,130	200,489	102,151
	<u>306,195</u>	<u>191,750</u>	<u>305,186</u>	<u>190,761</u>

Prepayments and accrued income includes £Nil (2013: £6,600) with regard to legacies receivable which have not yet been received.

17. CREDITORS: amounts falling due within one year	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade creditors	77,596	50,819	61,042	45,840
Amounts owed to group undertakings	1,688	6,487	-	3,959
Accruals and deferred income	58,461	217,321	45,522	208,223
Other creditors	1,546	180	-	150
Corporation tax	40	355	-	-
Other taxes and social security	60,280	49,432	60,280	49,432
	<u>199,611</u>	<u>324,594</u>	<u>166,844</u>	<u>307,604</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

18. PROVISIONS FOR LIABILITIES AND CHARGES	Other projects £	Dilapidations £	Total £
<b>Group company</b>			
Balance at start of year	298,863	10,000	308,863
Additional obligations incurred in period	1,110	-	1,110
	<u>299,973</u>	<u>10,000</u>	<u>309,973</u>

The provisions included in the financial statements for other projects relate to the funding of the Bill Travers Chair at Oxford University, funding for the Ethiopian Wolf Conservation Programme and funding for the Central Lion Project.

## 19. CONTINGENT ASSET

At 31 March 2014 the Foundation had been notified of legacy bequests estimated at £Nil (2013: £746,042). The Foundation had not been informed of the final amount receivable by the year end and as such these amounts have not been included within legacy income for the year ended 31 March 2014.

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2014 are represented by:			
Intangible fixed assets	1	-	1
Tangible fixed assets	448,409	-	448,409
Investment property	175,000	-	175,000
Investments	2,685,466	-	2,685,466
Net current assets	1,164,803	443,132	1,607,935
Provisions for liabilities and charges	(10,000)	(299,973)	(309,973)
	<u>4,463,679</u>	<u>143,159</u>	<u>4,606,838</u>

## 21. SHARE CAPITAL

The Foundation is a company limited by guarantee and not having a share capital. Each member is a guarantor in the sum of £1. The Trustees are all members.

22. RESTRICTED FUNDS	At 1 April 2013 £	Incoming £	Outgoing £	Transfers £	At 31 March 2014 £
<b>Group and Company</b>					
Zoo check	-	28,307	256,433	228,126	-
Elephants	176,425	169,392	246,165	-	99,652
Bears	23,104	28,346	7,943	-	43,507
Wolves	-	47,436	209,289	161,853	-
Big cats	-	256,288	600,567	344,279	-
Primates	-	181,024	324,047	143,023	-
Marine	-	23,000	42,339	19,339	-
Information services and education	-	9,185	399,893	390,708	-
Other miscellaneous projects	-	24,970	251,077	226,107	-
	<u>199,529</u>	<u>767,948</u>	<u>2,337,753</u>	<u>1,513,435</u>	<u>143,159</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

### 22. RESTRICTED FUNDS (continued)

#### **Restricted Funds**

Funds which are categorised as Restricted arise from allocated membership income (members are given the choice of having their membership subscription support chosen programmes when they join), income for the adoption and support of specific animals, and donations and legacies where support for a particular project has been specified by the donor.

These projects and animals are grouped under various Programme headings and the objectives of those Programmes and the purposes for which the funds are held as follows :

#### **Zoo Check**

- Promote the core aim of keeping wildlife in the wild
- Campaign for tighter animal welfare legislation
- Investigate neglect and cruelty, and expose suffering and exploitation
- Respond to public concerns about captive wild animals
- Challenge the global zoo industry
- Engage with the travel industry to phase out bad practice within animal related attractions

#### **Elephants**

- Protect wild elephants and their habitats
- Fight the ivory trade
- Help care for rescued elephants
- Respond to public concerns about wild elephants

#### **Bears**

- Support the conservation of bear species in the wild
- Support the care of rescued bears in sanctuaries

#### **Wolves**

- Protect the world's rarest canid and its environment

#### **Big cats**

- Rescue big cats from captive conditions
- Support big cat conservation in the wild
- Develop solutions to mitigate human/big cat conflict
- Investigate the trade in big cats and their parts
- Respond to public concerns about wild big cats

#### **Primates**

- Fund sanctuaries for rescued great apes and monkeys
- Support rehabilitation and release programmes for rescued primates
- Support primate habitat protection
- Campaign against the illegal bushmeat trade
- Respond to public concerns about wild primates

#### **Marine**

- Fund the conservation of marine turtles, dugongs, sharks and dolphins
- Educate people about the conservation and protection of marine species and the environment
- Respond to public concerns about wild marine species

#### **Information Services and education**

- Support schools and communities close to Born Free funded projects
- Participate in international multi-species coalitions

#### **Other Projects**

Support species which do not fall into any other programme category (e.g. giraffe, hippopotamus)



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2014

23. UNRESTRICTED FUNDS	At 1 April 2013 £	Incoming £	Outgoing £	Transfers £	At 31 March 2014 £
<b>Group</b>					
General unrestricted	3,858,596	2,993,835	960,024	(1,513,435)	4,463,679
	<u>3,858,596</u>	<u>2,993,835</u>	<u>960,024</u>	<u>(1,513,435)</u>	<u>4,463,679</u>
<b>Company</b>					
General unrestricted	3,819,187	2,974,788	838,431	(1,513,435)	4,442,108
	<u>3,819,187</u>	<u>2,974,788</u>	<u>838,431</u>	<u>(1,513,435)</u>	<u>4,442,108</u>

24. OPERATING LEASE COMMITMENTS	2014 £	2013 £
At 31 March 2014 the Foundation has annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
One year	86,096	-
Between two and five years	17,934	21,240
Between two and five years	-	74,000
	<u>104,030</u>	<u>95,240</u>

## 25. TRANSACTIONS WITH DIRECTORS AND TRUSTEES

The Chief Executive Officer is a son of Virginia McKenna who is a trustee. He received remuneration of £84,722 (2013:£76,315) in the year.

## 26. RELATED PARTIES

Included within creditors in the financial statements are amounts owed to Born Free USA. Born Free USA is an independent registered not-for-profit organisation with common objectives to those of the Foundation but not under the control of the Trustees of the Foundation. Andrew Newton was a trustee of Born Free USA and the Foundation, but has now resigned from both. Adam Roberts is appointed Chief Executive Officer for both charities. Will Travers is President of Born Free Foundation and Secretary of Born Free USA. The balance outstanding at the year-end was £1,688 (2013: £6,487).

In the opinion of the trustees the Foundation is controlled by them.

