

THE BORN FREE FOUNDATION



KEEP WILDLIFE IN THE WILD



**TRUSTEES' ANNUAL REPORT AND
AUDITED GROUP FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2018

Registered Company number 3603432. Registered Charity number 1070906
The Born Free Foundation is a Charitable Company Limited by Guarantee

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REPORT AND FINANCIAL STATEMENTS
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THE BORN FREE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2018

Name	The Born Free Foundation
Status	Born Free is a charitable company limited by guarantee. Its governing document is a Memorandum and Articles of Association.
Charity Registration Number	1070906
Company Registration Number	3603432
Principal Office and Registered Address	Broadlands Business Campus, Langhurstwood Rd., Horsham, West Sussex, RH12 4QP
Trustees	Michael Reyner (Chair) Adam Batty (resigned 13 th November 2018) Michael Drake Peter Ellis Virginia McKenna OBE Sue Olsen Jenny Seagrove Katie Snowdon (appointed 20 September 2017) Liz Tinlin (appointed 14 June 2017) Anne Wignall David Wynne Morgan (resigned 14 June 2017) Graeme Young
Officers	President: Will Travers OBE CEO: Howard Jones Secretary to The Trustees: Kirsty Semple (Semple Associates Ltd)
Advisers :	
Auditor	haysmacintyre, 10 Queen Street Place, London, EC4R 1AG
Bankers	HSBC, 67 West Street, Dorking, Surrey, RH4 1BW
Financial	Shipman Financial Planning Ltd, First Floor, Blackdown House, Blackbrook Business park, Taunton, TA1 2PX
Legal	Coole Bevis, 14 Carfax, Horsham, RH12 1DZ

THE BORN FREE FOUNDATION

CHAIR'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2018

I am delighted to introduce Born Free Foundation's Annual Report, which lays out, for our supporters and the general public, our key achievements over the last year and our future plans.

2017/8 was a year of continued progress for the charity, although the challenges facing the world's wildlife remain acute and there is so much more that we want and need to do. We had a strong year in terms of fundraising, bringing in £4.9 million; this was up 14% versus the previous year and was driven by well-balanced performance across all income lines, with a particularly strong contribution from legacies.

As a result of this revenue performance, together with our extremely healthy level of net assets at the start of the year (£7.7 million), we were once again able to raise our expenditure on charitable activities by over £450,000 to new record levels of £4.1 million. As described in last year's annual report, we deliberately ran an operating loss, choosing to invest from our reserves in a range of one-off projects, including for example in expanding our capacity and upgrading our facilities in our sanctuaries at Ensessa Koteh in Ethiopia and Shamwari in South Africa, thereby enabling us to rescue and care for more animals. Our net assets now stand at £6.7 million and we will continue to invest into key charitable activities out of reserves, as well as from operating income, in 2018/9.

Our expenditure underpins a wide range of vital, high-impact initiatives and programmes that are detailed later in the report. Our work continues to fall into four main areas. We invest directly in field conservation programmes, both to reduce poaching and to reduce human/wildlife conflict, through initiatives such as preventing elephant crop raiding in the Banyang-Mbo Wildlife Sanctuary in Cameroon or in lion-proof bomas in Amboseli in Kenya. We campaign vigorously against the exploitation of wild animals in captivity, making encouraging progress on the banning of wild animals in circuses in the UK and Ireland and highlighting the dangers of the exotic pet trade. We run our own rescue and sanctuary operations, welcoming two lions, Nelson and Ciam to Shamwari in South Africa, and building a pioneering vet clinic in Ensessa Koteh in Ethiopia. Finally, we continue to play a shaping voice in the conservation community on wildlife policy issues, both in the UK and internationally, including through the critical CITES discussions, securing a commitment to ban ivory trading in the UK, highlighting the threats from wildlife crime and leading the campaign against canned hunting.

I should like, as ever, to thank our staff and our volunteers for their outstanding support, commitment and skill. Led by Will Travers, our President, and Howard Jones, our CEO, the organisation has gone through a significant programme of change in 2017/8, including shaping a new 5-year strategy with nine clear priorities that will inspire and guide our efforts going forwards. We are fortunate in having a skilled and passionate team to support them; the continued success of the charity over the last year is down to their individual and collective efforts.

I would also like to thank our team of Trustees, along with our Secretary Kirsty Semple, for their support and counsel. During 2017/8, we welcomed two new Trustees in Liz Tinlin and Kate Snowdon, who have brought valuable new experience, insights and ideas. We have also said goodbye to David Wynne-Morgan, who retired from the Board; we will miss his sage advice and thank him for his contribution over many years. We continue to review the capabilities the Trustees need to bring and believe that carefully refreshing the Board's composition is important in ensuring its effectiveness.

Together with the management team, the Trustees look forward to continuing to drive our work in the coming year.

Michael Reyner
Chair of Trustees

THE BORN FREE FOUNDATION

STRUCTURE GOVERNANCE AND MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2018

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 2018 there were eleven 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. We also have a Remuneration Committee.

This year, two new Trustee Committees have been created. The Marketing & Partnerships Committee reviews and advises on commercial development and managing our supporter base, while the Programmes Committee appraises the management of field projects and policy. Executive authority and line management of both these areas remains with the CEO.

We have overseas branches in Kenya and Ethiopia, 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 companion organisation in America called Born Free USA.

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. A formal review of our governance arrangements was last carried out by Haysmacintyre in March 2014.

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 Chief Executive Officer. A Secretary who advises it on general governance assists the Board. This year this role was outsourced to Semple Associates Ltd.

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

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 Trustee's working group manages the appointment process, reporting to the full Board. We provide new Trustees with a structured induction that includes comprehensive documentation, individual briefings and the opportunity to visit our offices to meet staff.

THE BORN FREE FOUNDATION

OBJECTIVES & ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2018

MISSION & PRIORITIES

Our mission and purpose is to ensure that all wild animals, whether living in captivity or in the wild, are treated with compassion and respect and are able to live their lives according to their needs. As a leading wildlife charity, we oppose the exploitation of wild animals in captivity and campaign to keep them where they belong - in the wild.

We promote Compassionate Conservation to enhance the survival of threatened species in the wild and protect natural habitats while respecting the needs and safeguarding the welfare of individual animals. We seek to have a positive impact on animals in the wild and protect their ecosystems in perpetuity, for their own intrinsic value and for the critical roles they play within the natural world.

To achieve this, we adhere to nine working priorities:

1. We work to stop captive animal suffering, challenge the captive animal industry, and phase out zoos.
2. We strive to eliminate trophy and canned hunting by exposing its fundamental immorality and demonstrating alternative solutions.
3. We are fighting to end the illegal wildlife trade, with a particular focus on tackling the trade in ivory, lions, cheetah, pangolins, and trade in live animals and other animal parts.
4. We have been involved in the rescue and rehabilitation of countless individual animals, saving them from a life of suffering in captivity.
5. We protect threatened species and their natural habitats and find Compassionate Conservation solutions so that people and wildlife can live together.
6. We have developed an integrated wildlife protection model, with particular emphasis on wildlife law-enforcement and community engagement.
7. We work to protect habitats and threatened species, focusing initially in West Africa and the Horn of Africa.
8. We protect UK wildlife by engaging in issues including policy, captive welfare standards, and public education and engagement.
9. Our educational activities inspire people, young and old, to respect wildlife and natural habitats.

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

THE BORN FREE FOUNDATION

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

ACHIEVEMENTS & PERFORMANCE

This represents an especially exciting year for me, personally, as my first year in the role of Chief Executive, whilst it has been an exhilarating period for Born Free. We have put a huge collective effort into exploring our purpose, the impacts we must have, and the expectations placed upon us – by the public and ourselves. Similarly, we have examined our work, our effectiveness, ways in which we prioritise and make decisions, and how the whole team must be involved in our efforts to keep wild animals in the wild and to help safeguard our common future.

We have developed big ideas, built on our extraordinary legacy, and nurtured the multitude of small ideas and actions that make our work possible and that continue to carry the faith of our supporters and partners. My role has been to identify how we can achieve our ambitions, and then create the conditions for our team and our organisation to be the best it can be.

Central to these 12 months has been a full programme of organisational development, putting in place the many, coherent, elements that enable a great team and great efforts. We have reviewed all roles; created new teams matched to goals, recruited new people and have put in place an entire decision-making process. We have shared best practice across our international teams and we continue to work to build Born Free as an integrated, international, organisation made great by our people, and transformational by the partners with whom we work. This may all sound obvious, or maybe a paragraph of management stuff. However, our work, and our purpose must demand the very best of us, so we have spared no effort in getting ourselves fit for role. This will be a never-ending task, which is captured in our new Strategy, which will carry a 5-Year plan, rolling forward with each year. This strategy work has been built from scratch, drawing on the views and experience of the team, of partners, the public and our Board. We expect the result to be our reference point, our handrail to ensure the role of Born Free as the pre-eminent organisation driving the idea and practice of Co-existence, for the benefit of all.

Among all this, the essential duty of doing better business lies at the core. We have maintained a balanced position that ensures the majority of our expenditure is allocated to operational delivery, and we continue to demonstrate a very low level of administrative costs as a ratio of spend. This is below 'industry-standard' and is matched by our equally keen ratio of pay, between highest and lowest (4.3). Our proportion of females to males within the core organisation is 2:1, with 60% of middle/senior managers being female. On a broad, business scale, the year has been spent consolidating, during a period of change. Growth plans and new enterprises are programmed for the coming years, with this year being about stability in business terms.

Our new Enterprise and Fundraising teams have been building their capacity and expertise, working to renewed plans and new strategies, according to the demands to build more audience, engage more fully, provide more value, and tell better and better stories that reflect our outstanding work. Our reporting is being reviewed, so that performance can be scrutinised – not just in our business teams, but in our field-work, policy activity and welfare campaigns. As we get better at this, and leading into next year, we will be setting out to do better business in all senses – by putting in place the means by which to become the first truly sustainable wildlife NGO, with a net-neutral carbon impact. That's good business, and common sense.

As it should be clear, we each aspire to leave the world a little better, for our efforts, than we found it. It is a useful approach, and one worth sharing – and that is what we intend to do, doing great work, then telling stories about it – captivating minds and inspiring people to believe that they can make positive impacts themselves, whilst we build movements for change and for the wellbeing of wild-life on Earth.

Howard Jones
CEO

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

CONSERVATION

During this financial year, Born Free's Conservation Department started to implement a plan to expand its capacity, with the addition of a conservation assistant working under Dr Elizabeth Greengrass. A new conservation strategy, to guide Born Free's field conservation work, was also in development.

In 2017, there were clear signs that our protection efforts at the Babile Elephant Sanctuary in Ethiopia were having a positive impact; after the successful prosecution of an elephant poacher, no poaching incidents were recorded for seven months. However, after regional and local conflict increased at the end of 2017, elephant poaching resumed at the start of 2018, at a higher level than that recorded since the second phase of this project commenced in July 2016.

Fieldwork to investigate the status, relative abundance and distribution of forest elephant, chimpanzee and other endangered primates at the Banyang-Mbo Wildlife Sanctuary (BMWS) and in the greater Korup landscape in Southwest Cameroon, continued, with further work in the southern section of Nkwende Hills, an important corridor area between the BMWS and Korup National Park. In July 2017, project staff visited the PAMS Foundation's field site in Ruvuma, southern Tanzania, to learn how to implement chili fencing as a mitigation measure to prevent elephant crop raiding. In the latter half of 2017, this was implemented in one community around the BMWS and proved to be very effective. Although forest elephants were encountered around the farms, they did not enter them. As a result no elephants were shot. In addition, Born Free signed an MOU with the Korup Rainforest Conservation Society, which is working as Born Free's local partner in Cameroon. Unfortunately, by the end of the year the political situation in the Southwest and Northwest Regions worsened as these Anglophone regions called for secession from the predominantly Francophone regions. A field visit in March 2018 was marred by violence and fieldwork was completely disrupted.

In Kenya, our lion research at Meru National Park and our predator proof boma work in the Amboseli ecosystem, continued well this year. Towards the end of the 2017-2018 financial year, with members of the Kenya team visiting the UK, we started to conduct a review of our work in Kenya that would continue into the new 2018-2019 financial year and result in a country-wide strategy, to be rolled out in 2019.

All other Born Free conservation projects have been continuing well. During this financial year, through funding from the Remembering Elephants event, we supported the WILD Foundation and the Mali Elephant Project. Funds were used to support community participation in protection efforts, leading to a significant reduction in elephant poaching.

CAPTIVITY

The Captivity team underwent significant changes to personnel and roles, with the ground laid for a new coherent department focusing on Animal Welfare & Captivity, comprising our portfolio of captive animal and sanctuary / rescue work. With this came the need to review our specific activities relating to zoos, circuses, exotic pets, dolphinariums etc., to ensure best use of our time and resources and effect maximum change for captive animals. This process is ongoing, with an aim to reposition Born Free as the go-to organisation for issues relating to wild animals in captivity globally.

A campaign against the keeping of cetaceans in captivity, #tankfree, saw the production of a documentary on the issue featuring Born Free, and considerable activity and support on social media. This work will continue, through continued collaboration with colleagues in the Dolphinarium-Free Europe (DFE) coalition.

In the wake of the high-profile scandal surrounding conditions at South Lakes Safari Zoo in Cumbria, Born Free worked closely with MPs to push for change to the standards, inspection process and enforcement of zoo licensing in the UK. As consequence, a review was undertaken by one of the main political parties to inform their manifesto.

In 2017, we began research into the number of dangerous wild animals kept privately under licence in Great Britain, using data from the 380 local licensing authorities. This information will be turned into an awareness campaign to highlight the scale of the issue and the need for a review of the relevant legislation.

We are delighted that a bill to ban the use of wild animals in travelling circuses in Scotland was passed in late 2017, while a similar ban was put in place in the Republic of Ireland in early 2018. The issue remained stalled in England (with a promise of ban by 2020) although Wales made steps towards a ban in the near future. This issue is gaining increasing interest across Europe, and we hope to assist in pushing for an end to this exploitative practice in as many countries as possible in the coming few years.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

RESCUE & CARE

We sadly had to say goodbye to Bella and Simba, our rescued lion and lioness whom we had placed at Lilongwe Wildlife Centre in Malawi. Their health issues were ongoing and progressively deteriorating and after careful deliberation, we decided that the best course of action was to put them both to sleep. Everyone involved should be commended for their care and compassion at what was a difficult time.

May 2017 saw the move of two lions, Nelson and Ciam, from our friends at Natuurhulpcentrum in Belgium to our big cat rescue centre at Shamwari. Both lions had originated in France: Nelson, an older male, had been rescued from a zoo while three-year-old Ciam was confiscated having been kept as an exotic pet. Both boys settled in readily and continue to enjoy life under the African sky.

Significant infrastructure changes were planned and started at both Ensessa Kotteh and Shamwari. In Ethiopia, a new vet clinic and large lion and cheetah enclosures were initiated, all of which should provide much needed capacity and improve standards at the sanctuary. Plans were made for an overhaul of the Jean Byrd Centre in Shamwari, including the installation of new fencing and high-quality night houses. This programme of works continues, set for completion in 2018/2019.

Maggie Balaskas joined the new rescue and care team as Animal Rescue and Care Manager, having previously held positions at BirdLife and World Animal Protection. Hers is a new role with specific focus on the operation of our animal rescues, sanctuaries, and rehabilitation and release programmes.

WILDLIFE POLICY

During 2017-18 Born Free increased its resources for policy work through the addition of Adeline Lerambert to the team, and initiated a comprehensive review of its policy strategy. The review resulted in the development of a policy strategy document, which was close to completion and adoption by the end of the financial year. The policy strategy identifies the policy team's objectives and modus operandi, and aims to ensure alignment with Born Free's organizational mission, impact goals and priorities, and its conservation, welfare and educational programmatic strategies.

Born Free continued to work on both species-specific and cross-cutting international policy issues concerning wildlife conservation and trade, through engagement with the UN Conventions on International Trade in Endangered Species (CITES) and Conservation of Migratory Species (CMS). In October 2017, Born Free attended the Conference of the Parties to CMS in the Philippines, and successfully lobbied for the adoption of listing proposals for lions, leopards, giraffes and chimpanzees, bringing these species into the mandate of the Convention and providing opportunities to improve transnational and regional collaboration on their conservation and protection. During 2017-18, Born Free also attended the technical and standing committee meetings of both Conventions, and pursued protection- and welfare-focussed outcomes for elephants, rhinos, lions, Asian big cats, great apes, pangolins, cheetahs, and many other species, through its membership of a number of associated intersessional working groups.

In pursuit of our goal of ending the captive breeding of lions and other predators for commercial purposes (including tourism, canned hunting, and bone trade), Born Free produced a report in collaboration with South African researchers entitled 'Cash Before Conservation', providing a comprehensive overview of the industry. The report was scheduled to be published in Spring 2018 and was expected to generate significant public and media interest.

Born Free has continued to focus on persuading the UK Government and European Commission of the need for further action to curb elephant ivory trade, which contributed to both jurisdictions launching public consultations on the issue during the last quarter of 2017. Thanks to public outreach from Born Free (alongside that of partner organisations), both consultations received huge numbers of responses (more than 70,000 in the UK, and almost 90,000 in the EU), the overwhelming majority advocating trade bans. As a result, by the end of the financial year, DEFRA was developing a bill for submission to Parliament, banning ivory trade to, from and within the UK with limited and highly regulated exemptions. The European Commission was still considering its position. In its submissions, Born Free also emphasized the importance of including other ivory-bearing species in any trade bans.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

WILDLIFE POLICY (continued)

In the UK, Born Free continued to lead calls for a greater emphasis on tackling wildlife crime, and for the protection of wild animals to be given the highest priority when Britain leaves the European Union, primarily through its membership of Wildlife & Countryside Link. These efforts culminated in the publication of several government- and public-facing reports *inter alia* highlighting the need for comprehensive central recording, analysis and reporting of wildlife crime, and recommending how animal welfare legislation and provisions can be enhanced in a post-Brexit Britain. Born Free also continued to challenge the Government's policy of culling badgers as part of its efforts to control bovine TB in cattle, by highlighting the issue to the public, engaging with veterinary authorities, and lobbying government.

MARKETING

2017-18 saw a restructure of the Marketing department in-line with the vision of the new CEO. This restructure included the renaming of the department to Marketing & Fundraising and also the promotion of Matt Smithers to Head of the department. The newly formed M&F team will be responsible for overseeing individual giving activities (donations, adoptions, raffles and legacies), the production of all marketing materials and the management of all marketing channels.

In addition to the exciting changes within the team, two new roles were created to help the department fulfil their objectives. These roles are Communications Manager (fulfilled by Beth Brooks) and Video Production Manager (fulfilled by Filip Fortuna). These roles were recruited for at the end of March 2018.

The results of the marketing team showed steady growth again, with income up 4% on the previous year. The two biggest drivers for this activity are adoption and donations which equate to 87% of the total individual income.

Following the restructure of the membership offering, Donations & Supporters is now the largest individual giving platform driving 46% of all individual income. The adoption programme continues to grow up 5% on the previous year.

Data Protection is of extreme importance to BF with the impending change in legislation under the new GDPR regulations. The M&F team worked with an external agency (ClearComm) to ensure all processes were compliant and that supporter details were held securely. This process culminated in October 2017 when a mailing was sent to 130,000 supporters informing them of the changes made by the charity and informing them of their rights.

The website project underwent a complete review resulting in a new brief being developed and put out to tender. This project was subsequently awarded to PMW with a go live date scheduled for April 2018.

After the launch of the new BFF brand in February 2017 we focused our efforts on developing a new merchandise range and strategy. This strategy offered merchandise dedicated marketing activity and resource. To note, following the restructure of the department, trading will move to the Enterprise & Partnership team in 2018.

PUBLIC RELATIONS

2017/18 was a solid year for PR activities at Born Free. Once again, Born Free made headlines in media outlets across the world with its own stories.

One key story was a comment piece by Virginia McKenna placed in the Radio Times about the Antiques Roadshow's decision to continue to show ivory items. Virginia's article received coverage in 416 print and online articles, as well as three radio interviews and one TV interview. More importantly, it encouraged debate and led to the Antiques Roadshow reversing its decision.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

PUBLIC RELATIONS (continued)

Another highlight was the relocation of lions Nelson and Ciam to our big cat sanctuary in South Africa. For the first time on a big cat relocation, PR activity was extended to include social media, with tweets sent throughout the move. This proved very popular with supporters and, as a result, was greatly expanded and improved for a subsequent relocation. Celebrity patrons Vic Reeves and Nancy Sorrell were also on hand to meet Nelson and Ciam at their temporary home in Belgium. The relocation generated 85 pieces of coverage across print, online, radio and TV.

Born Free is an established and respected source for comment on wildlife stories. National and international media once again turned to us for our view on a number of high-profile stories, including animal deaths at South Lakes Zoo, a tiger attack at Hamerton Zoo, the death of Xanda – the son of Cecil the lion – and the launch of an online TV channel about trophy hunting.

PR also worked with internal departments and external partners to help raise awareness and encourage donations. These campaigns included '£1 coins go extinct', the release of Born Free on Blu Ray for the first time in the UK, and Virginia McKenna and Ian Redmond both receiving accolades at the Daily Mirror Animal Hero Awards.

Born Free is incredibly lucky to have an enviable list of loyal celebrity patrons and we thank them all for their selfless support and encouragement. A galaxy of stars, including Joanna Lumley, Martin Clunes and James Lewis, attended Born Free's Beyond the Bars gala event; celebrities such as Amanda Holden, Nick Knowles and Vic Reeves lent their support for Remembering Rhinos' Twitter campaign on World Rhino Day; and Lady Victoria Hervey helped launch our orca campaign at Westfield shopping centre on World Orca Day.

COMMERCIAL DEVELOPMENT

2017/18 was predominantly a planning year in terms of commercial development. Born Free has to date been commercially dependent on few large partnerships/individuals/grant funders, supported by numerous minor funders whose total income equated to a small percentage of overall profitable income. In December 2017, the main commercial partnership with Jaguar Land Rover ended, leaving Born Free scope to change its direction with regards to commercial activity.

With the recruitment of a new team, commercial activity is now very much focused towards generating longer term, more strategic partnerships/relationships offering sector or activity based exclusivity underpinned by a more sustainable income source. Commercial activity will now be much more focused around generating fewer but higher value partnerships supporting projects defined by subject areas such as species conservation and protection.

Plans also include a much more proactive commercial and partnership approach, which includes in-depth research on targeted potential corporates and grant funders and the development of new relationships with potentially significant individual funders.

ADMINISTRATION AND FACILITIES

The largest challenge for the Administration team this year was managing the aftermath of a fire that broke out in the IT server room of our office in July 2017. The fire was contained in the server room thanks to the fire door and wall ensuring the remainder of the office was untouched, but everything inside this room was destroyed through either flame or smoke damage. The heat also caused a water pipe to melt, flooding severely the offices below Born Free and the communal Northern stairwell of Broadlands, requiring remedial work that lasted six months.

Due to our established disaster recovery procedures and the excellent work of our IT Consultants, colleagues were able to resume working remotely within 48 hours and our retail operation, through the Born Free web shop, continued to function smoothly and without interruption. The office remained closed for ten weeks, during which time colleagues used their initiative to host business meetings in their homes. Three rooms were rented at the local branch of Regus for the Finance team to work from, and to provide additional meeting space in Horsham.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

ADMINISTRATION AND FACILITIES (continued)

The hard work of everyone at Born Free, combined with our established disaster recovery protocols, meant that many of our supporters and partner organisations remained completely unaware of the fire and the unusual working practices we adopted until we moved back into Broadlands.

In January of this year we undertook another staff survey to compare with the one conducted two years ago. The results proved very positive and provided proof that Born Free's working practices and culture are developing in a manner that everyone at Born Free understands and supports.

The Kenya team had their IT upgraded and their data and documents transferred to the Born Free servers in Horsham. Previously using individual external hard drives, this process will ensure that all Kenyan data is backed up daily and secured in one location and allow more transparent financial and date management between the two offices.

In November the freehold ownership of Broadlands Business Campus was purchased by Schroders, a multinational asset management company based in London and our third landlord in four years. Schroders have intimated that they want to refurbish the estate and relocate one of their subsidiary companies to the site.

FINANCIAL REVIEW

Our income for 2017/18 now stands at £4.95m, an increase of 14% from the previous year. Once again legacies have provided a major contribution, making up almost 35% of the total income, an increase of 7% from 2017. Income from adoptions has continued to increase, although has slowed down to 2% from 20% in previous years. Membership subscriptions have performed strongly in 2017, increasing by 75%. However donations decreased by 12%.

Underpinned by the increase in revenue performance, and a draw down on reserves accumulated in earlier years, our expenditure devoted to Charitable activities increased by 12% to £4.10m (an additional £442k) Details of project expenditure are set out in the Statement of Financial Activities, and in the Strategic Report.

The operating deficit of £1.05m was reduced slightly by gains in our investment portfolio of £108k, offset partially by losses in our foreign exchange currency reserves (£20k), which reduced the net benefit to £88k.

Our net assets now stand at 6.7m of which 6.47m are unrestricted reserves. This level still exceeds the £5.0m deemed appropriate to meet our long-term obligations (e.g. for animals in sanctuaries). The review of these obligations is ongoing, but already planned levels of charitable expenditure have been increased for the year 2018/19 where this has been deemed prudent.

Our investment portfolio has grown in the current year with a valuation now standing at £4.4m. This is under the control of two investment managers. The performance of these managers is monitored against individual benchmarks reflecting our asset allocation policy, and reviewed to ensure the application of our ethical criteria. We accept that these criteria may mean that gains are not always maximised (we will not, for example, invest in businesses associated with animal testing or that cause significant environmental damage), but our aim is to achieve a better return than we could through simply using cash deposits.

PLANS FOR THE FUTURE

In line with a comprehensive organisational review, including personnel, competencies, process and all systems, across all Born Free operations and territories, the first priority for the coming year is to produce an organisational strategy and 5-year plan, which will also re-determine our purpose and aims, whilst establishing priorities and impact goals for all of our work. This will entail involvement of all Born Free team members, most prominently, Trustees. From this will be developed all supporting systems, from team goals and objectives, to individual aims and objectives, appraisal and reporting processes and all supporting policies. From these basic foundations we will develop the competence and purpose of each of our teams, leading to recruitment in key areas of the organisation, particularly, Conservation, Welfare and Captivity, Enterprise and Partnerships (E&P), Marketing and Fundraising (M&F) and an entirely new team – Education. The latter, Education, will form the 4th pillar of our organisational activity, following Conservation, Welfare & Captivity and Policy.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

The E&P team will put particular emphasis on developing corporate sponsorship across several key partnerships, moving away from a vulnerability of dependence on one or two key sponsors. The team will also be instructed to put a main effort into developing and managing significant supporters and legacy earnings. M&F will be given a similarly challenging remit, to explore our brand value and the power of storytelling, such that we can reveal the great work that we do, translate the evidence for our audience in various forms, and encourage greater support (across a spread of demographics) whilst engaging the public with movements for change, to address the looming catastrophe of habitat loss and the collapse of wild animal populations. The task is urgent.

More prosaic, but important work, will be done to complete the implementation of all GDPR responsibilities, whilst, in other areas of business to produce and issue Finance Procedures along with delegated powers (to the CEO) and budgetary responsibility (with training) for all team leaders. Along similar lines, we will evolve a management development programme, which will build, year-on-year, to ensure that we address all aspects of competence, capacity, leadership, skills and succession.

An exciting development is that our new website will be launched early in the next Financial Year. This is intended to be transformational, in terms of clarity, and our capacity to engage different audiences, whilst informing our growing support base. Once bedded-in, it will be followed by an entire review of our communication, and our social media output – a body of work that will take us into the following Financial Year for implementation.

Our programmatic activity is undergoing a staged review. Clearly, there is a large body of work that is delivering on our objectives, on a daily basis, and – in line with our new strategy – we will be examining all of our work for effectiveness, and our capacity to report on outcomes, such that accurate decisions can be made on investment, commitment and future activity. To help with this, we will continue the putting together of governance arrangements, including expert working groups to consider project and programme performance across our four main pillars. These working groups will build in competence and will make recommendations for continued and new work, together with ending work that is no longer valid. Ultimately, our new Council will approve such decisions, and our budgetary and programmatic-setting cycle will respond to this. In addition, we will build the involvement and competence of two new Board Committees (Marketing and Partnerships; Programmes), to complement and support the executive and professional teams, and provide a bridge to the Board.

Finally, the following key work streams will be added to our activity in the year. The Kenya Strategy will be concluded towards the end of 2018, and will be implemented in FY 19/20, to direct all our work in Kenya. We also plan to complete the case for purchase of our (rented) office in Nairobi, from reserves, in order to secure our position, whilst reducing operating costs. When agreed, the purchase will be completed in the coming year. Our policy analysis of Ethiopia, intended to inform all of our commitment and investment in that country, will be complete by later 2018, providing us with the most informed base for any wildlife NGO working in Ethiopia. The Ethiopian Wildlife Conservation Authority has already asked for a copy, when published, in order to help inform its own understanding. In terms of major insight and investigation, we will embark upon a comprehensive study of trophy hunting: the motivations, economics, psychology and impacts. This will be informed by filmed evidence, local narrative, academic study and investigation, centred on Zambia. We expect this to empower and inform all of our trophy hunting campaigning, and our position, for some time to come, whilst we seek to have this practice legislated against, and deemed unacceptable, across Africa and wherever we can gain influence.

We have an ambitious, but realistic programme for the coming year, and it is entirely in line with our purpose, ambition and the expectations of our supporting public.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

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.

The more significant risks identified by the charity are as follows:

1. Civil conflict in Ethiopia
 - a. Maintain Strategic Reserve to enable significant funds applied in disaster recovery.
 - b. Suspension of all programmatic activity in affected area
 - c. Planned extraction of all ex-pat employees
 - d. Ensure safety of all local employees as far as possible
 - e. Close liaison with British Embassy and Ethiopian government departments to revive programmatic activity at the earliest and safest opportunity
2. Loss of single income corporate sponsor
 - a. Proactive strategy of engagement with potential corporate partners from a wide spectrum of industry sectors
 - b. Pipeline of 'warm' corporate prospects is maintained and potential business supporters are continually approached and their CSR policies established for future reference
 - c. Vertical engagement partnerships developed to ensure mutual corporate benefit
 - d. Robust and pro-active account management system established to include meetings with key influencers and decision makers
3. Loss of CEO
 - a. Trustees key person policy in place
 - b. Establishment of vertical management system to provide programme and policy monitoring at all levels
 - c. Regular meetings and reviews between CEO and Chair of Trustees and President to allow for short term leadership contingency.
 - d. Establishment of 5 year strategy plan and annual KPIs to ensure clarity of plans
4. Intentional or unintentional release of confidential personal data in violation of GDPR legislation
 - a. New Data Protection Policy drafted reflecting latest GDPR guidance
 - b. IP system Firewalls and Anti-Virus software installed and updated regularly.
 - c. Specialist GDPR firm sub-contracted as Data Protection Officer
5. Major damage to brand through programme failure, key staff impropriety or major mismanagement
 - a. Policies to mitigate any and all potential brand damage have been developed by Marketing team
 - b. Brand Manager to be sole guardian of all brand usage and deployment
 - c. Brand guidelines for use by third parties agreed and distributed
 - d. Establishment of internal working groups and committee to propose and agree programmatic activity going forward. Potential for failure assessed at early planning stage to mitigate potential negative impact to brand.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

FUNDRAISING

The charity undertakes fundraising activity to its supporters via direct postal mail, emails, social media, telephone, fundraising activities, sponsored events and gala dinners in line with the Fundraising Code of Practise set by Fundraising Regulator. Our Privacy Policy, (which is available on our website to reassure supporters of our approach), is

- We will never sell or share your contact details to anyone
- We will only contact you if you have expressed an interest in our work
- If we phone you, we will always check you are happy to take the call
- If you ask us to change how we communicate with you, or stop, we will respect that
- We will respect your 'right to be forgotten'
- We do not engage in cold-calling, door to door or street fundraising
- We try hard to ensure no one ever feels pressurised to support our work
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practise
- All our activities are open, fair, honest, and legal.

The Charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practise. A very small number of complaints about fundraising activity were received in the year and all were promptly resolved without the need for escalation to the regulator.

RESERVES POLICY

In line with the decision made by the Trustees some years ago, the Foundation retains reserves at a level designed to address any unforeseen circumstances, provide secure lifetime care for all animals in its care, to even out any temporary fluctuations in income, and to mitigate the impact of measures beyond its control that could reduce the predicted inflow of funds, for example, a loss in public confidence, economic down, and change in global security.

Based on advice from the CEO, in discussion with the Head of Finance, and in light of increased commitments to live animals cared for by the Foundation and its representatives, particularly in Ethiopia, it is proposed that the level of core retained reserves be set at £5 million.

Further, an active process of 'investing in our future' has been continued which incorporates suggestions made by senior members of the Born Free team to improve our service to wild animals in need, increase our capacity for the future and further build our support base.

Finally, a designated fund will be established to address some longer-term strategic objectives aimed, in particular, at providing greater security, and stability to some of our projects. For example the purchase of our Kenyan office in Nairobi.

The aim of these activities has been to reduce the current reserve by £1.7 million to the Board target of £5 million.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Foundation has a clear Remuneration Policy overseen by a Remunerations Committee comprising members of the Trustees, including the Chair, with input from the CEO. The remunerations process involves Charity Sector benchmarked salary analysis, consideration of Cost of Living increments, consideration of salary increases reflecting changes in roles and responsibilities, and the consideration of any annual bonuses based on merit. It is proposed that the Charity Sector benchmarking process is carried out every four years (next in FY2021/22).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 ... *12 December* ... 2018 and signed on their behalf by

Michael Reyner

Michael Reyner
Chair of Trustees

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE BORN FREE FOUNDATION
FOR THE YEAR ENDED 31 MARCH 2018**

Opinion

We have audited the financial statements of English Speaking Union of the Commonwealth for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheet, Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102.

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2018 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with FRS102; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity group 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 5, 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 group and parent 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 group and parent 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BORN FREE FOUNDATION
FOR THE YEAR ENDED 31 MARCH 2018**

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 group or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report (which incorporates the Strategic Report and Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report (which incorporates the Strategic Report and the Directors' Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

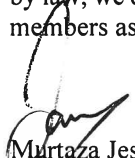
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report (which incorporates the Strategic Report and the Directors' Report).

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

- adequate accounting records have not been kept by the parent charitable company; 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

Use of our report

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.


Murtaza Jessa (Senior Statutory Auditor)

For and on behalf of haysmacintyre,

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

Dated: 12 December 2018

THE BORN FREE FOUNDATION

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 2018

	Note	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
INCOME FROM:					
<i>Donations and legacies:</i>					
Donations	4	380,139	583,054	963,193	1,099,801
Legacies		1,725,155	-	1,725,155	1,193,598
Gift aid received		141,180	-	141,180	107,339
Membership base subscription		315,286	-	315,286	105,095
Membership subscriptions to specific projects	4	-	128,897	128,897	149,613
Adoptions	4	-	705,469	705,469	688,999
<i>Other trading activities:</i>					
Events, lotteries and other activities		549,061	-	549,061	685,758
Trading income of subsidiary undertaking	14	214,379	-	214,379	175,579
<i>Investment income</i>	3	109,817	-	109,817	102,551
<i>Other Income:</i>					
Royalties		7,266	-	7,266	18,315
Gains on disposal of fixed assets		-	-	-	-
Other operating income		89,852	-	89,852	14,885
Total income		3,532,135	1,417,420	4,949,555	4,341,533
EXPENDITURE ON:					
<i>Raising funds:</i>					
Donations		175,457	-	175,457	146,499
Legacies		17,429	-	17,429	8,853
Membership subscriptions		143,144	-	143,144	126,714
Fundraising and publicity		1,411,890	-	1,411,890	1,057,536
Cost of subsidiary trading company		117,767	-	117,767	100,494
Investment management costs		32,670	-	32,670	28,078
<i>Charitable activities:</i>					
Zoocheck		-	293,400	293,400	328,234
Elephants		-	572,750	572,750	297,946
Bears		-	19,875	19,875	15,489
Wolves		-	86,920	86,920	37,845
Big cats		-	1,258,393	1,258,393	1,212,496
Primates		-	270,846	270,846	277,416
Marine		-	70,815	70,815	104,607
Information services and education		-	725,870	725,870	625,784
Other projects		-	805,777	805,777	763,050
Total expenditure	5	1,898,357	4,104,646	6,003,003	5,131,041

THE BORN FREE FOUNDATION

GROUP STATEMENTS OF FINANCIAL ACTIVITIES (continued)

(Incorporating the Income & Expenditure Account and the Statement of Total Recognised Gains and Losses)

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Net income/(expenditure) before gains/ (losses) on investment assets		1,633,778	(2,687,226)	(1,053,448)	(789,508)
Gains/(losses) on investment assets		108,131	-	108,131	583,695
Net income/(expenditure) before transfers	2	<u>1,741,909</u>	<u>(2,687,226)</u>	<u>(945,317)</u>	<u>(205,813)</u>
Transfers between funds	21,22	(2,448,637)	2,448,637	-	-
Net income/(expenditure) for the year		<u>(706,728)</u>	<u>(238,589)</u>	<u>(945,317)</u>	<u>(205,813)</u>
Foreign exchange differences on restatement of foreign currency opening reserves		(19,318)	-	(19,318)	23,288
Net movement in funds		<u>(726,046)</u>	<u>(238,589)</u>	<u>(964,635)</u>	<u>(182,525)</u>
Funds at 1 April 2017		<u>7,196,200</u>	<u>476,929</u>	<u>7,673,129</u>	<u>7,855,654</u>
Funds at 31 March 2018	19	<u><u>6,470,154</u></u>	<u><u>238,340</u></u>	<u><u>6,708,494</u></u>	<u><u>7,673,129</u></u>

All of the charitable group's activities are continuing.

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

The accompanying notes form part of these accounts.

GROUP BALANCE SHEET

AS AT 31 MARCH 2018

	Note	2018		2017	
		£	£	£	£
FIXED ASSETS					
Intangible fixed assets	9		1		1
Tangible fixed assets	10		905,797		866,742
Investment property	11		175,000		175,000
Investments	12		4,423,840		4,234,138
			<u>5,504,638</u>		<u>5,275,881</u>
CURRENT ASSETS					
Stocks		27,380		12,402	
Debtors	15	423,686		315,986	
Cash at bank and in hand		1,218,470		2,656,776	
		<u>1,669,536</u>		<u>2,985,164</u>	
CREDITORS: amounts falling due within one year	16	(333,801)		(264,192)	
NET CURRENT ASSETS			<u>1,335,735</u>		<u>2,720,972</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,840,373</u>		<u>7,996,853</u>
Provision for liabilities	17		(131,879)		(323,724)
NET ASSETS			<u><u>6,708,494</u></u>		<u><u>7,673,129</u></u>
FUNDS OF THE GROUP:					
Unrestricted funds					
General			6,470,137		7,196,183
Minority interests			17		17
	22		<u>6,470,154</u>		<u>7,196,200</u>
Restricted funds	21		<u>238,340</u>		<u>476,929</u>
			<u><u>6,708,494</u></u>		<u><u>7,673,129</u></u>

The financial statements were approved and authorised for issue by the Trustees on 12 Dec 2018 2018 and were signed on their behalf by:

Michael Reyner

Michael Reyner
Trustee

The accompanying notes form part of these accounts.

COMPANY BALANCE SHEET

AS AT 31 MARCH 2018

	Note	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		905,690		866,601
Investment property	11		175,000		175,000
Investments	12		4,423,840		4,234,138
			<u>5,504,530</u>		<u>5,275,739</u>
CURRENT ASSETS					
Debtors	15	423,285		384,674	
Cash at bank and in hand		1,125,275		2,571,417	
		<u>1,548,560</u>		<u>2,956,091</u>	
CREDITORS: amounts falling due within one year	16	<u>(329,960)</u>		<u>(257,136)</u>	
NET CURRENT ASSETS			<u>1,218,600</u>		<u>2,698,955</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			6,723,130		7,974,694
Provision for liabilities	17		<u>(131,879)</u>		<u>(323,724)</u>
			<u>6,591,251</u>		<u>7,650,970</u>
FUNDS OF THE CHARITY:					
Unrestricted funds	22		6,352,911		7,174,041
Restricted funds	21		238,340		476,929
			<u>6,591,251</u>		<u>7,650,970</u>

The financial statements were approved and authorised for issue by the Trustees on 12 December 2018 and were signed on their behalf by:

Michael Reyner

Michael Reyner
Trustee

The accompanying notes form part of these accounts.

THE BORN FREE FOUNDATION

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£	£
Net (expenditure)/income for the reporting period	(945,317)	(205,813)
Adjustments for:		
Depreciation	249,342	191,205
(Gains)/losses on investments	(108,131)	(583,695)
(Profit)/loss on sale of fixed assets	-	8,016
Decrease/(increase) in stock	(14,978)	4,864
(Increase)/decrease in debtors	(107,700)	504,921
Increase/(decrease) in creditors	69,609	(5,754)
(Decrease)/increase in provisions	(191,845)	(7,600)
Dividends and interest from investments	(109,817)	(102,551)
Exchange adjustments in tangible fixed assets	14,051	(13,902)
Foreign currency opening reserves	(19,318)	23,288
Net cash provided by/(used in) operating activities	<u>(1,164,104)</u>	<u>(187,021)</u>
Cash flow from investing activities:		
Dividends and interest from investments	109,817	102,551
Purchase of tangible fixed assets	(302,448)	(224,450)
Purchase of investments	(593,967)	(1,971,337)
Proceeds from the sale of fixed assets	-	-
Proceeds from the sale of investments	512,396	1,907,468
Net cash provided by/(used in) investing activities	<u>(274,202)</u>	<u>(185,768)</u>
Change in cash and cash equivalents in the reporting period	(1,438,306)	(372,789)
Changes in cash and cash equivalents at the beginning of the period	<u>2,656,776</u>	<u>3,029,565</u>
Cash and cash equivalents at the end of the period	<u><u>1,218,470</u></u>	<u><u>2,656,776</u></u>
Analysis of cash and cash equivalents	Balance at	Balance at
	31 March 2018	31 March 2017
	£	£
Cash in hand	1,017,821	1,440,174
Notice deposits	200,649	1,216,602
	<u><u>1,218,470</u></u>	<u><u>2,656,776</u></u>

THE BORN FREE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: 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 1 January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

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.

Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

Income

All income including donations are recognised once the charity has entitlement to the income, it is probable that income will be received and the amount of income receivable can be measured with reasonable accuracy. The following specific policies apply to categories of income:

Legacies, donations and gifts are recognised when receivable or it becomes probable that they will be received and the value can be measured with sufficient reliability. Membership and adoption income is recognised in the financial statements when it is received.

Income from investment: Income from investment is recognised in the financial statements when it is receivable.

Other trading activities comprise amounts receivable during the year from various fundraising events held by the charity and from income generated by its trading subsidiaries.

Expenditure

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.

Expenditure on raising funds represents the costs of fundraising and general publicity for the Foundation and includes the salaries and other direct costs of fundraising and publicity staff together with an allocation of support costs.

Expenditure on charitable activities include the costs of conservation and preservation of animals undertaken to further the purposes of the charity and their associated support costs.

Support costs, which assist the work of the charity but are not directly attributable to any specific activity are allocated across the categories of expenditure for raising funds and charitable activities. The basis of the cost allocation has been explained in note 6 to the financial statements. Governance costs which are included in support costs are those costs associated with the governance arrangements of the Foundation and includes costs associated with the strategic management of the Foundation's activities.

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are recorded at cost or, in cases where fixed assets have been donated to The Born Free Foundation, 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.

Freehold property	50 years straight line
Leasehold premises	Over life of the lease agreement (10 to 20 years)
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

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.

Cash and bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity and group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Fund accounting

Funds held by the charity and group are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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.

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

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. The Trust has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

Branches of the Born Free Foundation

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 INCOME BEFORE TRANSFERS

	2018 £	2017 £
Depreciation	249,342	191,205
Auditor's remuneration - audit fees	15,950	15,600
- other fees	3,100	2,950
Costs of branch audit	1,624	1,568
	<u>269,016</u>	<u>211,323</u>

3. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	2018 £	2017 £
Dividend income	108,517	-	108,517	100,150
Interest received	1,300	-	1,300	2,401
	<u>109,817</u>	<u>-</u>	<u>109,817</u>	<u>102,551</u>

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

4. RESTRICTED INCOME

	Donations/ Legacies £	Member Plus Contributions £	Adoptions £	2018 £	2017 £
Zoocheck	43,541	13,505	-	57,046	48,522
Elephants	63,647	23,497	198,791	285,935	374,819
Bears	1,905	11,066	55,130	68,101	70,215
Wolves	3,232	4,138	16,207	23,577	31,680
Big cats	207,664	42,010	245,407	495,081	363,999
Primates	122,470	19,857	49,062	191,389	87,340
Marine	1,091	4,937	44,800	50,828	55,126
Information services and education	19,150	1,941	-	21,091	30,898
Other projects	120,354	7,946	96,072	224,372	269,053
	<u>583,054</u>	<u>128,897</u>	<u>705,469</u>	<u>1,417,420</u>	<u>1,331,652</u>

5. EXPENDITURE

	Grant Funding Activities £	Activities Undertaken Directly £	Support Costs £	2018 £	2017 £
Raising funds					
Donations	-	100,458	74,999	175,457	146,499
Legacies	-	6,345	11,084	17,429	8,853
Membership subscriptions	-	68,845	74,299	143,144	126,714
Fundraising and publicity	-	1,250,088	161,802	1,411,890	1,057,536
Cost of subsidiary trading company	-	103,067	14,700	117,767	100,494
Investment management costs	-	32,670	-	32,670	28,078
Charitable activities					
Zoocheck	18,233	227,428	47,739	293,400	328,234
Elephants	280,493	238,736	53,521	572,750	297,946
Bears	13,668	2,464	3,743	19,875	15,489
Wolves	47,913	25,416	13,591	86,920	37,845
Big cats	424,585	447,475	386,333	1,258,393	1,212,496
Primates	123,317	104,311	43,218	270,846	277,416
Marine	38,874	19,524	12,417	70,815	104,607
Information services and education	21,170	337,985	366,715	725,870	625,784
Other projects	579,143	112,349	114,285	805,777	763,050
	<u>1,547,396</u>	<u>3,077,161</u>	<u>1,378,446</u>	<u>6,003,003</u>	<u>5,131,041</u>

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

5. EXPENDITURE (continued)

Included within grants funding of activities are grants to individuals of £6,519 (2017: £5,608). All remaining grants were made to institutions. £182,595 (2017: £182,345) was paid to Oxford University including £90,000 (2017: £87,500) for Ethiopian Wolf Conservation. There is a remaining commitment of £305,485 (2017: £315,235) to fund the Ethiopian Wolf Conservation and the Central Africa Lion Project.

6. ANALYSIS OF SUPPORT COSTS

	Property	General support Salaries	Finance, IT and general office costs	Other support and governance costs	2018	2017
	£	£	£	£	£	£
Expenditure on:						
Raising funds						
Donations	3,198	29,991	37,600	4,210	74,999	64,728
Legacies	883	6,505	3,696	-	11,084	1,689
Membership subscriptions	3,294	38,117	29,931	2,957	74,299	56,993
Fundraising and publicity	5,156	46,703	106,239	3,704	161,802	124,703
Cost of subsidiary trading company	648	4,578	3,474	6,000	14,700	17,133
Charitable activities						
Zoocheck	491	5,333	41,535	380	47,739	52,595
Elephants	1,174	16,014	30,996	5,337	53,521	39,353
Bears	52	653	2,585	453	3,743	2,774
Wolves	493	6,055	6,886	157	13,591	12,289
Big cats	5,201	158,702	100,006	122,424	386,333	362,987
Primates	956	10,669	30,319	1,274	43,218	31,378
Marine	465	4,982	6,632	338	12,417	10,695
Information services and education	14,658	222,926	28,847	100,284	366,715	316,827
Other projects	5,971	48,216	56,597	3,501	114,285	65,646
Total support costs	42,640	599,444	485,343	251,019	1,378,446	1,159,790

Support costs have been allocated based on estimated staff time spent on the activities of the Foundation. Included in Other Support Costs are Governance Costs of £25,185 (2017: £20,515).

Governance costs include:

Auditors' remuneration:

External audits (including Kenya and Ethiopia)	20,674	20,118
Other costs	4,511	397
	<u>25,185</u>	<u>20,515</u>

7. TAXATION

The Born Free Foundation 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 £Nil (2017: £Nil) is due by Born Free Trading Limited, a wholly owned subsidiary.

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

8. TRUSTEES, DIRECTORS AND EMPLOYEES

	2018	2017
	£	£
Staff costs were as follows:		
Wages and salaries	1,648,283	1,626,384
Social security costs	134,343	118,534
Pension costs	118,742	69,963
	<u>1,901,368</u>	<u>1,814,881</u>

The Trustees' remuneration was £Nil (2017: £Nil).

1 Trustee (2017: 1 Trustee) received reimbursement for travel and subsistence expenses amounting to £1,696 (2017: £239).

3 Employees' emoluments for the year exceeded £60,000 (2017: 2):

	2018	2017
	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity and group was £631,537 (2017: £479,384).

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

	2018	2017
	Number	Number
Charitable projects	31	22
Information services and education	4	4
Fundraising and publicity	14	9
Member and support services	8	7
Kenya branch	15	15
Ethiopia branch	5	5
Unpaid part time volunteers	4	4
	<u>81</u>	<u>66</u>

Of the non-voluntary staff, 11 (2017: 9) 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 2018 they numbered 52 (2017: 54).

9. INTANGIBLE FIXED ASSETS

	Group	Company
	£	£
Costs - film rights:		
Net book value at 31 March 2018	<u>1</u>	<u>1</u>
Net book value at 31 March 2017	<u>1</u>	<u>1</u>

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

10. TANGIBLE FIXED ASSETS

GROUP	Asset in the course of construction £	Freehold property £	Leasehold premises £	Plant and office equipment £	Educational and fundraising £	Furniture and equipment £	Computer equipment £	Total £
Cost								
At 1 April 2017	43,558	-	598,710	104,088	422,487	69,645	304,983	1,543,471
Additions	-	-	131,089	15,931	105,682	8,578	41,168	302,448
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Exchange adj	(4,823)	-	-	(1,372)	(22,494)	(2,005)	(1,868)	(32,562)
At 31 March 2018	38,735	-	729,799	118,647	505,675	76,218	344,283	1,813,357
Depreciation								
At 1 April 2017	-	-	61,983	86,059	256,718	53,608	218,361	676,729
Charge for the year	-	-	49,117	25,373	77,047	10,956	86,849	249,342
Disposals	-	-	-	-	-	-	-	-
Exchange adj	-	-	-	(777)	(15,025)	(1,302)	(1,407)	(18,511)
At 31 March 2018	-	-	111,100	110,655	318,740	63,262	303,803	907,560
Net book value								
At 31 March 2018	38,735	-	618,699	7,992	186,935	12,956	40,480	905,797
At 31 March 2017	43,558	-	536,727	18,029	165,769	16,037	86,622	866,742
COMPANY								
Cost								
At 1 April 2017	43,558	-	598,710	100,860	422,487	68,845	304,983	1,539,443
Additions	-	-	131,089	15,931	105,682	8,578	41,168	302,448
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Exchange adj	(4,823)	-	-	(1,372)	(22,494)	(2,005)	(1,868)	(32,562)
At 31 March 2018	38,735	-	729,799	115,419	505,675	75,418	344,283	1,809,329
Depreciation								
At 1 April 2017	-	-	61,983	82,953	256,718	52,827	218,361	672,842
Charge for the year	-	-	49,117	25,349	77,047	10,950	86,845	249,308
Disposals	-	-	-	-	-	-	-	-
Exchange adj	-	-	-	(777)	(15,025)	(1,302)	(1,407)	(18,511)
At 31 March 2018	-	-	111,100	107,525	318,740	62,475	303,799	903,639
Net book value								
At 31 March 2018	38,735	-	618,699	7,894	186,935	12,943	40,484	905,690
At 31 March 2017	43,558	-	536,727	17,907	165,769	16,018	86,622	866,601

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

11. INVESTMENT PROPERTY

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
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 2018 at £175,000.

12. FIXED ASSET INVESTMENTS

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
All investments are held within the UK				
At 1 April 2017	4,234,138	3,586,574	4,234,138	3,586,574
Additions	593,967	1,971,337	593,967	1,971,337
Disposals at market value	(555,395)	(1,794,876)	(555,395)	(1,794,876)
Change in market value	151,130	471,103	151,130	471,103
Market value at 31 March 2018	<u>4,423,840</u>	<u>4,234,138</u>	<u>4,423,840</u>	<u>4,234,138</u>
Historical cost at 31 March 2018	<u>3,655,022</u>	<u>3,531,347</u>	<u>3,655,022</u>	<u>3,531,347</u>

13. INVESTMENT IN SUBSIDIARY UNDERTAKING

	Company £
Cost at beginning and end of year	<u>2</u>

14. SUBSIDIARY UNDERTAKINGS

At the beginning of 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. 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:

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

14. SUBSIDIARY UNDERTAKINGS (continued)	Born Free Films Limited £	Born Free Foundation South Africa £	Born Free Trading Limited £	2018 Total £	2017 Total £
Turnover/Income	-	-	214,379	214,379	175,579
Cost of sales	-	-	(74,105)	(74,105)	(66,666)
Gross profit	-	-	140,274	140,274	108,913
Expenditure	-	-	-	-	-
Administrative expenses	-	(18)	(45,193)	(45,211)	(108,930)
Interest receivable	-	213	-	213	205
Exchange gains/(losses)	-	(58)	-	(58)	837
(Deficit)/surplus on activities before taxation	-	137	95,081	95,218	1,025
Corporation tax	-	-	-	-	-
(Deficit)/surplus retained in the subsidiary	-	137	95,081	95,218	1,025
Net assets at 31 March 2018	<u>(2,739)</u>	<u>3,184</u>	<u>125,629</u>	<u>126,074</u>	<u>30,856</u>

15. DEBTORS	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Other debtors	357,057	64,592	365,414	65,805
Amounts owed by group undertakings	-	-	-	71,365
Prepayments and accrued income	66,629	251,394	57,871	247,504
	<u>423,686</u>	<u>315,986</u>	<u>423,285</u>	<u>384,674</u>

Prepayments and accrued income includes £Nil (2017: £Nil) with regard to legacies receivable which have not yet been received.

16. CREDITORS: amounts falling due within one year	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	105,491	79,887	96,165	78,747
Amounts owed to group undertakings	-	285	13,630	-
Accruals and deferred income	109,799	144,154	103,670	138,537
Other creditors	74,195	-	72,193	-
Corporation tax	14	14	-	-
Other taxes and social security	44,302	39,852	44,302	39,852
	<u>333,801</u>	<u>264,192</u>	<u>329,960</u>	<u>257,136</u>

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

17. PROVISIONS FOR LIABILITIES AND CHARGES	Other projects £	Dilapidations £	Total £
Group company			
Balance at start of year	323,724	-	323,724
Net movement in obligations in the period	(191,845)	-	(191,845)
	<u>131,879</u>	<u>-</u>	<u>131,879</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 the Central Africa Lion Project, and funding for the Border Point Project in Ethiopia.

18. CONTINGENT ASSET

At 31 March 2018 the Foundation had been notified of legacy bequests estimated at £1,563,375 (2017: £1,550,878). The Foundation had not been informed of the final amount receivable by the year end or an estimate thereof as at the time of signing the accounts and as such these amounts have not been included within legacy income for the year ended 31 March 2018.

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2018 are represented by:			
Intangible fixed assets	1	-	1
Tangible fixed assets	905,797	-	905,797
Investment property	175,000	-	175,000
Investments	4,423,840	-	4,423,840
Net current assets	965,516	370,219	1,335,735
Provisions for liabilities and charges	-	(131,879)	(131,879)
	<u>6,470,154</u>	<u>238,340</u>	<u>6,708,494</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2017 are represented by:			
Intangible fixed assets	1	-	1
Tangible fixed assets	866,742	-	866,742
Investment property	175,000	-	175,000
Investments	4,234,138	-	4,234,138
Net current assets	1,920,319	800,653	2,720,972
Provisions for liabilities and charges	-	(323,724)	(323,724)
	<u>7,196,200</u>	<u>476,929</u>	<u>7,673,129</u>

20. 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.

21. RESTRICTED FUNDS	At 1 April 2017 £	Incoming £	Outgoing £	Transfers £	At 31 March 2018 £
Group and Company					
Zoo check	-	57,046	(293,400)	236,354	-
Elephants	302,938	285,935	(572,750)	-	16,123
Bears	173,991	68,101	(19,875)	-	222,217
Wolves	-	23,577	(86,920)	63,343	-
Big cats	-	495,081	(1,258,393)	763,312	-
Primates	-	191,389	(270,846)	79,457	-
Marine	-	50,828	(70,815)	19,987	-
Information services and education	-	21,091	(725,870)	704,779	-
Other miscellaneous projects	-	224,372	(805,777)	581,405	-
	476,929	1,417,420	(4,104,646)	2,448,637	238,340
	476,929	1,417,420	(4,104,646)	2,448,637	238,340

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

21. RESTRICTED FUNDS (continued)

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).

Comparative information in respect of the preceding period is as follows:

Group and Company	At 1 April 2016 £	Incoming £	Outgoing £	Transfers £	At 31 March 2017 £
Zoo check	-	48,522	(328,234)	279,712	-
Elephants	226,065	374,819	(297,946)	-	302,938
Bears	119,265	70,215	(15,489)	-	173,991
Wolves	629	31,680	(37,845)	5,536	-
Big cats	44,713	363,999	(1,210,886)	802,174	-
Primates	9,005	87,340	(277,416)	181,071	-
Marine	20,988	55,126	(104,607)	28,493	-
Information services and education	2,944	30,898	(625,784)	591,942	-
Other miscellaneous projects	6,839	269,053	(763,050)	487,158	-
	<u>430,448</u>	<u>1,331,652</u>	<u>(3,661,257)</u>	<u>2,376,086</u>	<u>476,929</u>

22. UNRESTRICTED FUNDS

Group	At 1 April 2017 £	Income £	Expenditure £	Transfers gains/losses £	At 31 March 2018 £
General unrestricted	<u>7,196,200</u>	<u>3,532,135</u>	<u>(1,898,357)</u>	<u>(2,359,824)</u>	<u>6,470,154</u>
Company					
General unrestricted	<u>7,174,041</u>	<u>3,317,756</u>	<u>(1,779,062)</u>	<u>(2,359,824)</u>	<u>6,352,911</u>

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

22. UNRESTRICTED FUNDS (continued)

Comparative information in respect of the preceding period is as follows:

	At 1 April 2016 £	Income £	Expenditure £	Transfers gains/losses £	At 31 March 2017 £
Group					
General unrestricted	7,425,206	3,009,881	(1,469,784)	(1,769,103)	7,196,200
Company					
General unrestricted	7,403,048	2,929,778	(1,389,682)	(1,769,103)	7,174,041

23. OPERATING LEASE COMMITMENTS

2018 £	2017 £
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At 31 March 2018 the Foundation had commitments under non-cancellable operating leases as set out below:

Operating leases expiring:		
Within one year	-	8,389
Between one and two years	94,601	-
Between two and five years	31,790	192,820
	<u>126,391</u>	<u>201,209</u>

24. TRANSACTIONS WITH DIRECTORS AND TRUSTEES

The President is a son of Virginia McKenna who is a trustee. He received remuneration of £90,627 (2017: £97,570) in the year.

25. RELATED PARTIES

Included within debtors in the financial statements are amounts owed from 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. Will Travers is President of Born Free Foundation and a Director of Born Free USA. The balance outstanding at the year-end was £56,909 (2017: £8,201). During the year, the charity paid £10,000 (2017 - £nil) for consultancy services to Nice Little Effort Limited, a company in which Will Travers is a director.

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

26. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,218,470	2,656,776
Financial liabilities		
Financial liabilities measured at amortised cost	333,801	211,150

Financial assets measured at fair value through profit or loss comprise funds in bank accounts. Financial liabilities measured at amortised cost comprise trade creditors and accruals at the balance sheet date.

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2017)

	Note	Unrestricted Funds £	Restricted Funds £	2017 £
INCOME FROM:				
<i>Donations and legacies:</i>				
Donations	4	748,647	351,154	1,099,801
Legacies	4	1,051,712	141,886	1,193,598
Gift aid received		107,339	-	107,339
Membership base subscription		105,095	-	105,095
Membership subscriptions to specific projects	4	-	149,613	149,613
Adoptions	4	-	688,999	688,999
<i>Other trading activities:</i>				
Events, lotteries and other activities		685,758	-	685,758
Trading income of subsidiary undertaking	14	175,579	-	175,579
<i>Investment income</i>	3	102,551	-	102,551
<i>Other Income:</i>				
Royalties		18,315	-	18,315
Gains on disposal of fixed assets		-	-	-
Other operating income		14,885	-	14,885
Total income		3,009,881	1,331,652	4,341,533
EXPENDITURE ON:				
<i>Raising funds:</i>				
Donations		146,499	-	146,499
Legacies		8,853	-	8,853
Membership subscriptions		126,714	-	126,714
Fundraising and publicity		1,057,536	-	1,057,536
Cost of subsidiary trading company		100,494	-	100,494
Investment management costs		28,078	-	28,078
<i>Charitable activities:</i>				
Zoocheck		-	328,234	328,234
Elephants		-	297,946	297,946
Bears		-	15,489	15,489
Wolves		-	37,845	37,845
Big cats		1,610	1,210,886	1,212,496
Primates		-	277,416	277,416
Marine		-	104,607	104,607
Information services and education		-	625,784	625,784
Other projects		-	763,050	763,050
Total expenditure	5	1,469,784	3,661,257	5,131,041

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2017) CONTINUED

	Note	Unrestricted Funds £	Restricted Funds £	2017 £
Net income/(expenditure) before gains/ (losses) on investment assets		1,540,097	(2,329,605)	(789,508)
Gains/(losses) on investment assets		583,695	-	583,695
Net income/(expenditure) before transfers	2	2,123,792	(2,329,605)	(205,813)
Transfers between funds	21,22	(2,376,086)	2,376,086	-
Net income/(expenditure) for the year		(252,294)	46,481	(205,813)
Foreign exchange differences on restatement of foreign currency opening reserves		23,288	-	23,288
Net movement in funds		(229,006)	46,481	(182,525)
Funds at 1 April 2017		7,425,206	430,448	7,855,654
Funds at 31 March 2018	19	7,196,200	476,929	7,673,129