



THE BORN FREE FOUNDATION



KEEP WILDLIFE IN THE WILD

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

FOR THE YEAR ENDED 31 MARCH 2017

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

THE BORN FREE FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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THE BORN FREE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 MARCH 2017

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 Michael Drake Peter Ellis Virginia McKenna OBE Sue Olsen Jenny Seagrove Kate Snowdon (appointed 20 th September 2017) Liz Tinlin (appointed 14 th June 2017) Anne Wignall David Wynne Morgan (resigned 14 th June 2017) Graeme Young Zara Boland (resigned 21 st September 2016)
Officers	President: Will Travers OBE CEO: Howard Jones Secretary to The Trustees: Kirsty Semple (Semple Associates Ltd)
Advisers	
Auditor	haysmacintyre, 26 Red Lion Square, London, WC1R 4 AG
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 & Haddock, 14 Carfax, Horsham, RH12 1DZ

THE BORN FREE FOUNDATION

CHAIR'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2017

CHAIR'S INTRODUCTION

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

2016/7 represented another strong year for the charity, in terms both of our external impact and our internal development. We had a good year in terms of fundraising, bringing in £4.3 million; whilst this was significantly down on the previous year, this was almost entirely driven by a return in our legacy income (as expected) to normal levels and performance was strong across most other income lines.

As a result of this revenue performance, together with our extremely healthy level of reserves at the start of the year (£7.9 million), we were once again able to raise our expenditure on charitable activities to record levels, by nearly £300,000. This expenditure underpins a wide range of important and impactful initiatives and programmes that are detailed later in the report. Our work falls into several areas. We run our own rescue and sanctuary operations, for example at Ensessakotteh in Ethiopia and Shamwari in South Africa, where we are investing in expanding our capacity and upgrading our facilities. We invest in third party conservation programmes where we judge there is the potential for real impact on the ground, as in our long-term support for the Ethiopian Wolf Conservation Project and Sea Sense in Tanzania. We campaign vigorously against the exploitation of wild animals in captivity, for example through our ongoing work on the EU Zoo Enquiry and our #TankFree campaign, and 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.

Even with this increased expenditure, investment gains meant that our reserves stood at £7.7 million at the end of March 2017. As explained in last year's annual report, this is about £2.0 million higher than our targeted levels and so we have developed and are executing plans to invest these funds in a range of specific initiatives as well as expanding our underlying programmatic activity further. The challenges faced by animals around the world remain varied, serious and urgent and there is much more that we would like to do to increase our impact still further. Given our level of reserves, we are comfortable running planned operating losses over the next two years as we invest further in key areas of charitable activity.

I should like, as ever, to thank our staff and our volunteers for their outstanding support, commitment and skill. In January 2017, after a rigorous search process that identified a strong group of candidates, we welcomed Howard Jones to the Born Free family as our new CEO. Will Travers, our President, has now refocused on his role as President, having stepped back into the CEO role on an interim basis, for which we were extremely grateful. Howard and Will are proving a great team and together will help us move the organisation to the next stage of our development. We are fortunate in having a skilled and experienced team to support them; the continued success of the charity over the last year is down to their efforts.

I would also like to thank our team of Trustees, along with our new secretary Kirsty Semple, for their support and counsel. During 2016/7, we said goodbye to Zara Boland, whose work took her to the United States; she was a valuable contributor to our discussions and we wish her well.

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 2017

STRUCTURE GOVERNANCE & MANAGEMENT

Status and Objects

The charity is a company limited by guarantee. Our governing document is a Memorandum & Articles of Association, which dates from 1998. Revised Articles of Association were registered on 18th November 2016.

On 30th September 2016 the company name was changed to The Born Free Foundation (dropping 'Limited').

Governing Body and Structure

Our governing body is a Board of Directors. The Directors are the Trustees of the charity. As at 31 March 2017 there were ten members.

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

We have an overseas branch in Kenya, a charitable non-profit subsidiary company in South Africa and two other subsidiaries – Born Free Trading Ltd, Born Free Films Ltd (which is dormant). We have a companion organisation in America called Born Free USA and in Ethiopia called Born Free Foundation Ethiopia.

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 President and the Chief Executive Officer. The Board is assisted by a Secretary who advises it on governance generally and a Treasurer monitors financial matters on its behalf.

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

Trustees

When we recruit, we follow a well-established practise. We carry out a skills audit to identify the qualities sought in potential candidates and a Trustees' working group manages the appointment process, reporting to the full Board. We provide new Trustees with 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

OBJECTIVES & ACTIVITIES

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

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

We seek to fulfil our mission in five main ways:

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

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

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

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

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

Full details of our activities in these and other areas are set out below.

THE BORN FREE FOUNDATION

OBJECTIVES & ACTIVITIES (continued)

FOR THE YEAR ENDED 31 MARCH 2017

Some of the key objectives in the year ended 31 March 2017 and the outcomes of this work include:

2016/17 Strategic Objectives	2016/17 Strategic Outcomes
Ensessakotteh, Ethiopia: Continue to upgrade animal care facilities with a view to attaining GFAS (Global Federation of Animal Sanctuaries) Standards.	A GFAS representative has visited Ensessakotteh and made recommendations as part of the process of upgrading the facilities. It is anticipated that this will be concluded in 2017/18.
Global Website: Create a new global website representing the best of Born Free around the world.	Although the project has been somewhat delayed, a rebranding process has taken place for Born Free Foundation and work to create an improved website platform will be completed in 2017/18.
CITES: Develop plans for attending CITES (Convention on the International Trade in Endangered Species of Wild Fauna and Flora) and promoting Born Free's precautionary agenda on key wildlife trade issues including: ivory trade, rhino horn trade, lion conservation, trophy hunting and pangolin scale trade.	CITES CoP 17 outcomes included improved protection for elephants; the upgrading of all pangolin species to CITES Appendix I; the rejection of a Proposal to legalise the international trade in rhino horn; the listing of all 300+ <i>dalbergia</i> (a tropical timber species) on CITES Appendix II. Disappointingly, there was no uplisting of African lions (from Appendix II to Appendix I) but, worryingly, a quota of 800 animals was set for trophies and bodies of lions bred in captivity in South Africa.
Supporters and donors: Develop and launch new initiatives to enhance our relationship with supporters and donors.	Our supporter 'offering' has been greatly simplified and improved, and the benefits of this are expected in to be realised in 2017/18
Grants: Hire a specific grant-writing officer to increase our ability to access resources available from grant-making trusts and foundations.	A grant-writing officer was hired in the autumn of 2016 and this role is now an intrinsic and valued part of our fund-raising activities.
Review of EU Zoos: Carry out investigations and publish a further report in the EU Zoo Enquiry series, evaluating the application of the EU Zoo's Directive at national level, exposing ongoing deficiencies in meeting effective minimum standards.	Investigation findings have been submitted to the EU Zoos Directive REFIT Evaluation initiative, which has reaffirmed that Member State competent authorities lack capacity to effectively implement zoo law. Born Free is now working to build capacity.
Circus campaigns: Seek to draw to a conclusion our 20 year campaign to end the use of wild animals in UK circuses and to expand the campaign into other territories.	Despite meetings with DEFRA, letters to the Prime Minister and a meeting at No 10, there is no conclusion to the UK campaign although moves to end the use of wild animals in circuses in the EU and elsewhere continue. The UK's influence over these matters internationally may be diminished following the Brexit decision in June 2016.
Overseas entities: Upgrade the capacity of our overseas entities in Kenya, Ethiopia, Sri Lanka and South Africa	The work to upgrade the capacity of our overseas entities continues, and with the appointment of a new and experienced CEO in January 2017, this process will be accelerated.
Board development: Create opportunities for sharing experience and expertise at Board level both at Born Free Foundation and Born Free USA.	Communications between the two Boards, particularly at Board Chair level, have been increased and it is proposed that, by invitation, a Born Free USA Board representative will participate in Born Free Foundation Board meetings and vice-versa.
Internal restructuring: To carry out a number of restructuring activities to take advantage of the wealth of experience and expertise that resides in Born Free.	As part of an ongoing process, a number of middle management positions have been created to add extra focus to our work and there will be further improvements in 2017/18 under the guidance of the new CEO.

UK portfolio: Enhance our current UK wildlife portfolio and our influence on UK-related wildlife protection policy.

Born Free Foundation is now a member of Wildlife & Countryside LINK and Born Free's Dr Mark Jones is the Co-Chair of the Wildlife Crime Trade Working Group of LINK. Efforts to bring additional protection to species, such as Britain's hares by promoting the introduction of a closed season, continue.

THE BORN FREE FOUNDATION

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

STRATEGIC REPORT

Achievements & Performance

Following the departure of Adam Roberts as Born Free Foundation's CEO in April 2016, Will Travers was asked to resume the role once more while a comprehensive search was undertaken for a new CEO. This search produced some high-quality candidates and resulted in the appointment of Howard Jones as CEO in January 2017. A brief introduction to Howard can be found on page 7.

Throughout the period, our efforts across the major activity strands of the Foundation continued unabated. The highlights included:

- The CITES international wildlife trade meeting took place in Johannesburg (September/October) and, despite many challenges, outcomes were largely those promoted by Born Free as a member of the Species Survival Network. It was notable that Botswana, formally a country heavily invested in trophy hunting and an advocate of the ivory trade, confirmed that it was no longer a supporter of either, joining Kenya as one of a growing number of countries to take a much more precautionary approach to wildlife conservation.
- A challenge to our recently approved membership of the International Union for the Conservation of Nature (IUCN) was successfully rejected, allowing us to bring Born Free's unique perspective to the world's largest conservation body.
- The year also marked the 50th anniversary of the film '*Born Free*' and this generated considerable awareness and media coverage including a Channel 4 documentary film entitled '*Virginia McKenna's Born Free*' which was well-received. Born Free also declared 2016 as our '*Year of the Lion*' where we revealed to millions, perhaps for the first time, the precipitous decline of wild lion numbers down from 100,000 in Africa when the film '*Born Free*' was made, to as few as 20,000. We used this platform not only to highlight the threats to lions but the actions Born Free and others are taking to try and address them.
- Our rescue and care work continued at a significant pace and involved a range of species including European brown bears, cheetah, lions, hyenas, pangolins, plus a range of UK wildlife species, some of whom we successfully released back into the wild.
- Our work was significantly assisted with the help of our wonderful volunteers, fundraisers, friends in the media, advertising and corporate sectors for which we, as always, offer profound thanks.
- Captivity: Perhaps the biggest single announcement of the year, following decades of campaigning, but most probably influenced more than anything else by the launch of the film '*Blackfish*' in 2013, was the announcement by SeaWorld in the USA that it would no longer breed orca in its captive facilities. According to their statement, within a few years its killer whales would be retired to natural sea-pens.
- A wildlife law enforcement highlight was the first outcomes of the grant made by the UK government to Born Free for our Border Point Project in Ethiopia, conducted in partnership with the Ethiopian Wildlife Conservation Authority. During the period the project team improved the knowledge of over 3,300 national wildlife law officers, regional police and customs officials, building capacity along the eastern border of Ethiopia (a wildlife smuggling hotspot) where wildlife crime, until recently, has been seen as a low risk and high reward activity.
- While our conservation efforts, historically focussed on elephants, lions, tigers, rhino, etc., continued undiminished, we also have increased our conservation efforts for species not normally associated with a conservation crisis, namely pangolins (scaly anteater) and the rare West Africa giraffe. All eight species of pangolin are threatened by international wildlife trade (their meat and scales are prized in the Far East) while the West Africa giraffe is under pressure from farming communities who see the species as a threat to crops. Born

Free, together with the Giraffe Conservation Foundation, has undertaken the first country profile of giraffes in Niger.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

- In co-operation with the Kenya Wildlife Service, Born Free, supported by Land Rover, undertook the first wild lion census in Meru National Park for many years revealing that over 50 lions live within the Park. Our aim now is not only to secure but to grow that population.

The world seems to be becoming a yet more perilous place for wildlife, threatened by development, loss of habitat, persecution and exploitation. Individual wild animals endure lives of deprivation and suffering. But while all this is as a result of human activities, a growing number of people are stepping up to do what they can to change things for the better. Born Free is at the forefront of that change as we seek to apply our Compassionate Conservation agenda and change animals' lives for good. If you share our values, you are most welcome to become part of the Born Free Family.

Will Travers, OBE

President

Howard Jones, Chief Executive Officer

Prior to taking the role of Chief Executive at Born Free, Howard had a varied career starting in the military, in diverse and specialist environments. His 16 years of active service included: Operational service across the globe, Leadership and Training, MOD Staff and Specialist Service.

After his time in the military, Howard took a role managing a horticultural business. Moving over to the Eden Project, Howard became their Development Director, holding responsibility for all organisational aspects of the new £28m turnover business, and the establishment of a resilient organisation including 650 staff, recruiting 200 volunteers from scratch, and handling 2m visitors per year. The role then extended to responsibility for directing external programmes, partnership and international reach.

After leaving the Eden Project, Howard held two posts concurrently. The first was as Founder and Chief Executive of Living Networks, a social business born from a set of programmes for regeneration, social justice and resilience, to foster a fairer, prosperous and more balanced society. He was also Founding Director of Shaping Places, a cross-disciplinary partnership, set up to deliver large-scale capital investment, on ethical grounds, for regeneration and renewal programmes across the UK.

Howard has various interests outside of work, including being a Fellow of the Royal Society for the Encouragement of Arts, a Member of RedR (Register of Engineers for Disaster Relief), on the Board of Architecture Sans Frontieres, and a Member of the Academy of Urbanism. He received an Honorary Doctorate in Arts, for impact on social justice and the community, University of Plymouth, in 2009.

For leisure, Howard enjoys longboard surfing, sculling, the natural world, mountain walking, fine art, reading and Rugby Union.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

Conservation

The Born Free Foundation's conservation field projects in Africa can be divided into several broad taxonomic categories: elephants, primates and carnivores. In addition, the foundation supports the conservation of the West African giraffe in Niger.

The foundation supports elephant conservation at Kafue National Park in Zambia through Game Rangers International, the Amboseli Elephant Trust in Kenya and the Babile Elephant Sanctuary in Ethiopia through Born Free Ethiopia. Born Free has been supporting Babile since 2014 but it is only since 2016 that a robust project focused on strengthening law enforcement and reducing poaching and other human pressures, has been implemented. Within the first year of the project, the rangers have undergone training and now conduct regular patrolling and elephant monitoring. Their work has resulted in a number of arrests, of which one is currently pending in court. This project is supported by the US Fish and Wildlife Service and Save the Elephants.

Born Free has also expanded its elephant field conservation work to forest elephants. Liz Greengrass, Associate Director Africa, returned to the Banyang-Mbo Wildlife Sanctuary in Cameroon in 2016 to conduct rapid surveys of this site and surrounding forests to determine something about the status and abundance of forest elephant. A decade ago, she had estimated the size of the elephant population, which at that time was being severely impacted by poaching. She confirmed their ongoing presence and began to put in place a strategy for their long-term conservation.

With regards primates, Born Free continues to support conservation of the Grauer's gorilla at the iconic Kahuzi-Biega National Park in eastern DRC, and the development of a national primate conservation management strategy in Guinea-Bissau, West Africa. This latter project is being led by the University of Porto and the University of Cardiff, and focusses on the Critically Endangered Western chimpanzee, and the threatened red colobus, the black and white colobus and the Guinea baboon. This year the Primate Society of Great Britain's (PSGB) Born Free Award was awarded to a Master's student at Oxford Brooks University, Alexandra Hofner, enabling her to conduct a study on the Critically Endangered Preuss's red colobus monkey at Korup National Park in Cameroon. Korup National Park is situated close to the Banyang-Mbo Wildlife Sanctuary and is part of the same landscape. Primate surveys led by Liz Greengrass, also continued at Banyang-Mbo Wildlife Sanctuary. A decade ago the site still supported a significant population of the rarest subspecies of chimpanzee, the Nigeria-Cameroon chimpanzee, but current surveys have revealed a severe decline.

Born Free has therefore identified an urgent need to put a conservation strategy in place for this population. In terms of carnivores, Born Free's long term support of the Ethiopia Wolf Conservation Project (EWCP) through WildCRU, University of Oxford, continues, as does its financial support for lion conservation and the Ewaso Lions project in northern Kenya. In addition, Born Free Kenya, in collaboration with the Kenya Wildlife Service implemented a survey of lions in Meru National Park, as part of its long-term strategy to protect this site.

Born Free continues to support marine conservation through two NGOs, Sea Sense in Tanzania and the Marine Megafauna Foundation in Mozambique. Born Free has supported Sea Sense for many years, while its support of the Marine Megafauna Foundation has been a more recent partnership. In 2016, Born Free supported their Sustainable Seas Project. The aim of this project is to protect threatened marine megafauna such as whale sharks and manta rays. The widespread use of gill-net fishing is thought to be a major factor in their decline over recent years. Through working with local communities to introduce sustainable fishing practices such as reef closures and reducing the use of gill-nets that will also see fish stocks recover, it is hoped that marine megafauna will also increase. This project, which has significant local community and local government buy-in, is likely to be a success in the longer-time, in part because the factors determining the decline in threatened species and fish stocks are the same and therefore the benefits of conservation action to biodiversity will benefit the human population too.

Captivity

Sadly, our much-anticipated reception at Portcullis House, where we had intended to launch our Priorities for Captive Animals in the UK for 2017, was postponed at the last minute as a result of the dreadful terrorist attack on Westminster. We hope to reschedule this event for later in 2018.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

Captivity (Continued)

Our research and investigation into the sale and keeping of exotic pets developed significantly, and we were able to present a report on our findings at the European Congress of Animal Welfare and Behavioural Medicine in Portugal. We also attended the World Organisation for Animal Health (OIE) Animal Welfare conference in Guadalajara, Mexico, with the aim of raising the profile of issues affecting the welfare of captive and free-living wild animals. This culminated in Born Free being accepted as a member in the International Coalition for Animal Welfare (ICFAW), which represents global animal welfare organisations at the OIE.

We were delighted to secure commitments from Virgin Holidays, Thomas Cook Group, Responsible Travel and Saga Holidays to implement animal welfare standards. Working with Etihad Airways and Cargo, we have helped to establish their Animal Protection Policy, to include a review, and reduction, of excursions with animals sold through their holidays, and restrictions in the trade of live wildlife and their products.

In 2016, Born Free launched our #TankFree campaign, seeking an end to the keeping of cetaceans in captivity for commercial and entertainment purposes. We undertook an evaluation of captive cetacean facilities in Europe, with the aim of assessing compliance with legislation and animal welfare.

The EU Zoo Inquiry continues, with investigations in 55 zoos in seven countries identified non-compliance with national legislation and consultation with 17 Member States confirmed the limited capacity of competent authorities to implement law seeking the protection of wild animals in captivity throughout the EU. We commissioned a series of investigative photographs by Britta Jaschinski and Jo-Anne McArthur to highlight the plight of wild animals in zoos across the EU; the photographs were exhibited in high profile events across the region.

Rescue & Care

In May 2016 Born Free undertook the relocation of three bear cubs from Georgia - where they were being held at the municipal animal shelter since the floods effecting Tbilisi in summer 2015, to our colleagues at Arcturos in Greece. The cubs are doing well and have spent their first winter in Greece (in the veterinary facility). Born Free has paid for a new shelter in the main sanctuary where they are due to be moved later this year.

In June 2016 Born Free Foundation Ethiopia undertook a rescue operation from Jijiga in Eastern Ethiopia, moving 3 lions, 2 cheetah and 3 lesser kudu from poor conditions in police and army facilities where they had been place following confiscation from the illegal wildlife trade. In addition, the team rescued 5 primates, several tortoises and a serval. Furthermore they conducted the release of a hawk eagle in December 2016 which is doing well. Unfortunately, in November 2016 a hyena pup was born to one of the females in our group. The management of hyena in captivity is complex and measures have since been taken to ensure breeding does not happen again, including building a new enclosure to ensure that both the males and females have sufficient space and can be managed safely.

Our vet John Knight visited Simba and Bella in the Lilongwe Wildlife Centre, Malawi, in November 2016 to undertake follow up health checks and monitor their various health concerns. Both animals are faring well at this point, but we will be keeping a closer watch on their progress as time passes.

Will Travers and Chris Draper visited the team at Shamwari to discuss future plans and review animal care at our sanctuaries. We were delighted with how everything is going there, and very excited for the future, which will include a redevelopment of the enclosures Jean Byrd centre.

Sadly, our 16 year old leopard Kuma passed away in June 2016, but we are pleased to have been part of his life and allowed him to reach a significant age. The man who originally had found Kuma for sale as a cub in Ivory Coast had visited him only four months earlier, when they spent a seemingly happy hour catching up.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

Wildlife Policy

Born Free's policy work continues to focus on Multilateral Environmental Agreements, specifically CITES (Convention on International Trade in Endangered Species) and CMS (Convention on the Conservation of Migratory Species of Wild Animals), and European Union and UK wildlife policy and legislation.

In September/October 2016, the 17th triennial Conference of the Parties (CoP17) to CITES took place in Johannesburg, South Africa. A Born Free delegation consisting of staff from the UK, US, Kenyan and Sri Lankan offices attended the meeting to promote Born Free's priorities and those of the Species Survival Network (SSN), alongside Will Travers in his role as SSN President. Born Free coordinated many SSN activities as co-chair of the SSN Elephant, Rhino, Lion, and Animals in Captivity Working Groups, and as a member of working groups on pangolins and Asian Big Cats.

At CoP17, a record number proposals to regulate (Appendix II) or prohibit (Appendix I) international commercial trade in various species were submitted, and the majority were adopted, many by consensus. These included Appendix I listings for African grey parrots, all eight species of pangolin, and barbary macaques. Silky and thresher sharks and Mobula rays were listed on Appendix II, as were a huge number of rosewood and palisander tree species that are being devastated for the timber trade. A host of reptiles and amphibians, many of which are in demand for the exotic pet trade and are seriously threatened, were listed or had their protection level increased. Attempts by trade proponent countries to downgrade existing protection for peregrine falcons, and to create a legal trade in horns from Swaziland's rhinos, were defeated. While a proposal to ban all international trade in Africa's beleaguered lions, which Born Free had helped draft and promote, was severely watered down, a moratorium on commercial exports of products from wild lions was agreed;

Born Free coordinated a side-event to highlight the need for greater protection for lions at the meeting, which was very well attended. Attempts by Namibia and Zimbabwe to allow them to trade ivory were blocked, the Convention sent strong signals that domestic ivory markets should be shut down, the development of a mechanism to decide on future ivory trading was abandoned, and measures to improve the effectiveness of National Ivory Action Plans and increase the scrutiny of live elephant trade were adopted.

CITES Parties also agreed to tighten rules on the export of hunting trophies, introduce a new process for investigating bogus claims for captive breeding, and initiate investigations into whether trade is a threat to African wild dogs. Measures were agreed that should help tackle the illegal trade in cheetahs, helmeted hornbills, rhinos and tigers.

Born Free chaired a side-event co-hosted by SSN highlighting the scale of live animal confiscations, associated enforcement challenges, and the role of wildlife rescue centres. Decisions were made by the Convention to investigate how Parties are tackling this challenge, and to improve data collection. Thanks to Born Free and SSN's efforts, Parties also agreed to develop guidance on how they go about determining whether destinations for live animals in trade are 'appropriate and acceptable' or 'suitably equipped to house and care for' them, determinations that are required by the Convention but for which there are currently no guidelines.

Born Free's policy team played a vitally important role, alongside Species Survival Network colleagues, in making a success of Cop17, and work continues to ensure adopted measures are effectively implemented. Born Free also continues to liaise closely with the UK and EU CITES authorities, and is playing a leading role in efforts to secure comprehensive bans on ivory trade in the UK and EU, and to ensure the EU Action Plan Against Wildlife Trafficking is comprehensively implemented.

In November 2016, Born Free attended the 45th Standing Committee meeting of the Convention on the Conservation of Migratory Species of Wild Animals (CMS), and promoted the need for CMS to coordinate collaborative efforts to protect and conserve lion populations across Africa. Born Free has subsequently been assisting key Parties in the development of a comprehensive proposal to list lions on CMS Appendix II at the CoP in Manila in October 2017.

In the UK, Born Free continues to work on wildlife policy issues principally through its membership of Wildlife and Countryside Link ('Link'), a coalition of 45 British voluntary organisations concerned with the conservation and protection of wildlife and the countryside. Born Free continues to chair Link's Wildlife Crime and Trade Working Group through which it is progressing efforts to increase wildlife crime recording, improve sentencing guidelines for wildlife crimes, encourage stronger wildlife protection legislation, and collectively liaise with the UK police, Border Agency,

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

Wildlife Policy (Continued)

judicial bodies, Home Office and CITES authorities. Born Free is also vice-chair of Link's Animal Welfare Strategy Group, and helps direct Link's strategic direction through its policy directors' forum. Through Link, Born Free is lobbying for wildlife protections to be retained and strengthened when the UK leaves the European Union.

Born Free continues to lobby against the unjustified, ineffective and inhumane culling of badgers in England, through its close association with the Badger Trust and wider organisations within the Team Badger coalition. In addition, Born Free continues to work with industry, government, retailers, researchers and other NGOs to eliminate the shooting of seals by aquaculture and fisheries interests in Scotland through its membership of the Salmon Aquaculture and Seals Working Group.

Born Free's membership of the International Union for the Conservation of Nature (IUCN) was formally confirmed in April 2016, and Born Free attended the IUCN World Conservation Congress in Hawaii in September 2016, significantly contributing to the adoption of a resolution calling for the closure of domestic ivory markets, and in discussions on the need for animal welfare considerations to be integrated into conservation initiatives.

Marketing

2016/17 was a challenging yet productive year for the marketing department. It was a year where the entire team embraced change, introduced new initiatives yet still delivered our core projects and materials. This activity once again saw our individual giving income increase, albeit it marginally (up 1% on the previous year), allowing the charity to increase our supporter base and engage with a larger audience across a number of different channels.

The biggest driver for our continued individual giving success is the adoption programme. The income for adoptions alone is now just under £670,000, out-performing budget by £70,000. The success can be attributed to a world class product, exceptional updates and increased out-reach through SEO, social media and bespoke advertising. Adoptions now account for over 40% of our total individual giving income.

The biggest disappointment for our individual giving in 2016/17 was the performance of our appeals, achieving only 51% of its budget, primarily due to the project focus within these appeals. We have informed the internal team and agreed that the project focus of the appeals should be considered when setting budgets.

Our membership programme has undergone a revamp in preparation for 2017/18. Following extensive research and member surveys, the decision was made to remove our membership offering. This has been replaced by a supporter programme, which allows the marketing team greater flexibility to grow our regular giving supporters.

One of the most exciting projects of the year was the review and relaunch of the Born Free logo and brand. This process was undertaken with design agency PMW with the brief of maintaining our heritage but providing a more contemporary and flexible brand, a process titled 'holding hands with the past'. This process was completed in February 2017 and is now active.

The team worked hard to ensure our printed literature and mailings engaged and inspired a wide range of supporters. This included our flagship publication Wildlife Times sent to 10,000 members, donors, corporates and business friends in July, November and March; Adopt magazine sent to 18,000 adopters in August and February; Born Free-mail e-newsletter sent to 65,000 electronic supporters every month, plus special mailings; monthly editions of Crew News, our Wild Crew kids' club e-magazine; and bimonthly Activate mailings. Three main appeals were each sent to 25,000 supporters in May, September and January, raising funds for lion and cheetah rescue in Ethiopia, CITES and tackling wildlife trafficking, and Beyond the Bars respectively. A smaller Christmas appeal to 10,000 supporters raised funds for tiger rescue. Raffles in June, October and February to 12,000 supporters raised funds for tiger conservation, lion rescue and rhino conservation. A new style legacy mailing was trialed in October, with other fundraising literature during the year including adoption and merchandise mailings, new Beyond the Bars posters, plus a selection of adverts. A large variety of campaigning literature was developed including reports, leaflets, posters, placards and banners with topics including trophy hunting, the UK badger cull, dolphinarium and the UK ivory trade.

Born Free's social media continues to be one of the most valuable channels to engage supporters and raise awareness of Born Free projects. Our social following continues to grow with over 300,000 followers on Facebook, 88,000 on twitter

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

Marketing (continued)

and 27,000 on Instagram. Social Media as a fund generation tool is going from strength to strength and plays a significant role in acquiring new supporters.

Traffic to the Born Free website remains strong with over 1.1m visitors in the last 12 months and generating 2.8m page views. Annual income through the e-commerce was down 5% on the previous year, primarily due to the Cecil factor in 2015. However, Christmas income was up 10%.

Development of the new Born Free website was not completed on scheduled due to various issues, however, this project is now one of the key projects for 2017/18. This project will also introduce the new Born Free brand and be consistent across our existing e-commerce platform.

Once again, our fundraisers have come out to support us. We have specifically signed up to a diverse range of activities to attract them whether they want to climb, cycle, run, walk or do nothing! They held their own additional activities too including a quiz night, musical evening, and theatre trip.

A number of high-profile events also took place including, the start of Running Wild which launched at Chichester theatre with Virginia McKenna and Michael Morpurgo in attendance. Born Free also partnered to host a conference in Birmingham about ethical travel and volunteering, and took part in the International Rotary conference in Manchester.

The events around Remembering Elephants, the photobook initiative launched by Margot Raggett in partnership with Born Free, were highly successful and more than £100,000 was granted to elephant conservation projects worldwide. We are working towards this year's Remembering Rhinos initiative, again inspired by Margot Raggett, which all indicators suggest will significantly surpass the efforts of the previous year.

A full review of our merchandising was undertaken. Our product list has been significantly reduced from over 150 items originally down to a rationalised core range of 15 items, these being identified as our best sellers. A range to tie in with our 'Year of the Lion' was a success and a strategy has been developed so that we can maximise sales for future years. The new Born Free branding being agreed has enabled us to re-vamp our core range which will be rolled during our 2017/18 financial year.

JLR remains our largest corporate partner. The 16/17 donation was successfully deployed towards the following projects: Ensessakotth, Kenya, SLTP, Sri Lanka, and the Cetacean Research & Rescue Unit in Scotland. We also received a new Land Rover Commercial Discovery for our events and education work in the UK and the handover took place with the MET police which resulted in an innovative PR opportunity for both Born Free and JLR. This vehicle was secured with donations raised from our 2016 JLR retailer engagement activity. Another notable success was securing their sponsorship of the Remembering Elephants book launch to the value of £25,000. The final income from the book has hit £138,000. Furthermore, we ensured substantial coverage of their vehicles in the Channel 4 Back to Born Free documentary, of which JLR funded a screening event which was hosted by our Taj Hotels partners at the Bombay Brasserie. Following a successful review meeting in March, the final year of funding for 17/18 to the value of £140,000 was allocated, and our aim is of course to secure an extension to the partnership for a further 5 years. Additionally, following this meeting, we secured a £25,000 sponsorship of our Beyond the Bars celebration, and the opportunity to submit proposals for additional funding in 17/18 onwards from their newly re-opened CSR budgets.

Another notable success was the donation of a valuable holiday prize trip from Kuoni and their Sri Lankan luxury holiday partners Shangri La to support our association with Michael Morpurgo's Running Wild. The prize has been an incentive to enhance ticket sales.

2016 also saw a focus on the development of our corporate partnership strategy and associated updated contracts and administration process with the aim to achieve greater donations from a far smaller quantity of partners. This has been undertaken with pro-bono support from Born Free industry contacts and Hewlett Packard Enterprise. There is opportunity to explore a financial corporate partnership with HP in 2017/18 – this is underway.

Promising contact was also made with potential new substantial corporate partnership opportunities, particularly in the travel industry including Thomas Cook and Saga Holidays who have both confirmed an interest in a mutually-beneficial working relationship with Born Free.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

Public Relations

Born Free's PR department has had a strong year and been adept and ambitious in accomplishing its many goals, promoting wildlife issues around the world. The fast pace of breaking global news, flanked by PR driven projects and opportunities, are all deftly handled by the dedicated team. The results have seen the Foundation develop a wide range of high profile and thought provoking news stories and events around the globe.

Born Free is a serious global participant in wildlife conservation and the stakes have never been higher, nor has there been more to lose. As species are extinguished and poachers continue their butchery it is imperative that the tables are turned in favour of our wildlife before it is too late. Garnering media support and celebrating the good news, as well as publicising the hard and difficult reports, is where the charity excels.

Born Free is brave enough to confront the real issues and our long standing message, principals and ethos often has a self-fulfilling prophecy like the terrifying events with Harambe the gorilla at Cincinatti Zoo a story that ricocheted around the world - or Kumbuka the gorilla's escape at London Zoo that put Britain's oldest established menagerie under fire. Born Free is always there: to urgently respond; to offer wise counsel; and provide sound advice. Born Free has a vision that has guided and informed change in conservation and animal welfare, the results of which we can see today in theme parks, such as Sea World, and in the zoos from a bygone era.

As a result our presence is sought and respected by the media and we are now the 'go to' organisation for the real story.

'Fake news' is a concept that is increasingly recognised, with an almost accepted position. It has no place at Born Free. The charity has an integrity and authority in our statements, and our reporting of the truth. This is why the Foundation has become a respected and intellectual voice for wild animals, this really counts, and has seen our stature and currency grow within the media, government offices, and beyond.

Equally the charity's housekeeping, guidance and compliance is so well managed and carefully supported by our wise and supportive Board of Trustees, led by our Chairman Michael Reyner, that in a year where the charity sector has been hit by controversy the Born Free Foundation has remained a solid and reliable voice in these extraordinary times.

At the heart and mind of the Foundation are the eminent Virginia McKenna OBE, and Will Travers OBE. Through their vision and pioneering spirit the charity retains a unique and special place. So it is especially pleasing that a major highlight this year has been a Channel 4 documentary film made by the award winning Daisybeck Productions that captured their story in such a heart-warming and moving way.

This year Born Free has been recognised and namechecked in thousands of broadcast and print articles worldwide. Our diverse and high impact coverage travels from the pages of hard news stories like the BBC in their expose of the brutal wildlife trade that laid bare the trappings of baby orphans chimps in West Africa through to sensational photo shoots to highlight the beauty of wildlife and our aims to conserve our natural world.

Our media highlights include:

- A partnership with the Foreign and Commonwealth office on a collaborative international media campaign to tackle the illegal ivory trade. Supported by HRH Prince William in Hanoi
- Mass media coverage complimenting the broadcast of *Virginia McKenna's Born Free* on Channel 4
- *Golden Years*, starring Virginia McKenna, was premiered in London to high acclaim and in aid of Born Free
- Born Free's position at CITES was international news with numerous comment and opinion pieces across world news networks
- Two major public events including:
 - o Acclaimed wildlife artist Gary Hodges's first exhibition in 10 years
 - o *Remembering Elephants* book and exhibition received extensive media coverage and was supported by Born Free's global partner Jaguar Land Rover

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

Public Relations (continued)

- Born Free launched the *Running Wild Tour* based on the writings of Michael Morpurgo
- Zambian authorities were called to account on the proposed culling of a wild population of hippo
- The work of the Lilongwe Wildlife Centre in Malawi featured in a major spread, and timed with a high level meeting in London with partner organisations, including the Olsen Animal Trust

- Jaguar Land Rover and their partner organisations, the Born Free Foundation and the Red Cross, won the *Gold Award for Best Collaboration For a Single Event* at the Corporate Engagement Awards

The impact we have, and our ability to reach out to so many, is greatly helped by the generous support and time given by so many. Our loyal and caring celebrity Patrons, the philanthropic companies that support us from Jaguar Land Rover and Taj Hotels, Palaces and Resorts, to name a few. Our superb and supportive film makers, Rawcut and Daisybeck, provide us with professional cutting-edge documentaries, boosting our content, output, and reach.

Supporter Services & Administration

The supporter services and administration team has continued to provide customer facing assistance in a timely and efficient manner throughout the year, working closely with the Marketing department on activities such as appeals and updating memberships and adoptions. The team has continued to expand their knowledge of our CRM system Raiser's Edge, through ongoing training and continued shared experience.

Financial Review

Although unable to match the record income of last year, which was enhanced by very significant legacies, income this year was still markedly higher (15%) than that of two years prior. Once again legacies provided a major contribution, almost 30% of the total. Income from adoptions also continues to perform strongly, growing by 20% year on year. Unfortunately a number of corporate relationships came to an end during the period which has depressed receipts from donations, and there was also no repetition of windfalls which benefited last year's income.

Despite the drop in revenue, we were pleased to increase our expenditure devoted to charitable activities by 8% to £3.7m (an additional £300k) as we drew on our reserves accumulated in earlier years. Details of project expenditure are set out in the Statement of Financial Activities and in the Strategic Report (Achievements and Performance).

The operating deficit of £790k was greatly mitigated by significant gains in our investment portfolio and in our foreign currency reserves (a total of £607k), which lessened the impact on our net assets to a reduction over the year of £183k.

Our net assets now stand at £7.7m, of which £7.2m are unrestricted reserves. This level still exceeds the total previously deemed appropriate to meet our significant long-term obligations (e.g. for animals in sanctuaries), but a programme of increased charitable expenditure for the next few years is ongoing.

Our investment portfolio is now under the control of two investment managers (previously three), and has grown to a valuation of £4.2m at the year-end. 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.

THE BORN FREE FOUNDATION

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

2016/17 Strategic Objectives

Since the appointment of the new CEO, Howard in January 2017 and working with the Foundation's President, a number of key objectives have been established for the period including:

Increasing the diversity and impact of our fund-raising effort.
Reviewing and improving our external messaging across all platforms and channels, including renewing our narrative and our capacity to change minds and build movements through effective story telling.
Consolidating all operational protocols amongst Born Free entities both in the UK and overseas.
Strengthening the team through recruitment, training and increased coherence, including forming collaborative teams and groupings. This includes showing best practice between our international teams and partners.
Carrying out a programmatic assessment to ensure that Born Free Foundation delivers consistently high outputs from all its projects, both those we manage and operate, and those that we support. This includes how we formulate, propose and pitch work for investment and then how this work is reviewed and reported on.
Developing a 5 Year Strategic Plan.
Adding to the Board skillset.
Forming and then further supporting Pangea.
Strengthening operational links between Born Free Foundation and Born Free USA.
Founding two new Board committees for Marketing & Partnerships and Programmes.
Ensuring that the new website initiative is completed, is available across all digital media, supports emerging media (such as VR/AR) and is an evolutionary platform.
Examining and evaluating the need for an European Wildlife Rescue Centre and Sanctuary.
Exploring and then taking to feasibility, expanded capacity for rescued big cats in sanctuary facilities in South Africa through partnership.
Continually evaluating and improving Born Free e-commerce and merchandise, to a meaningful commercial scale, reflecting our work, values and ethos, across all Born Free sales outlets.
Putting in place a 'full asset management' approach that properly registers, manages and supports all key assets. This to include key documents and agreements, mixed-media content, vehicles and technical equipment.

THE BORN FREE FOUNDATION

RISK MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2017

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. Loss of CEO (excluding by resignation/retirement).
Mitigation: No exceptionally high-risk activities. Trustees' key person policy in place.
2. Ultra vires activity.
Mitigation: Trustees to continue to receive regular reports on planned and active projects.
3. Major Information Technology failure.
Mitigation: Robust IT equipment and redundancy and replacement programme as part of IT Strategy.
4. Destruction of confidential data.
Mitigation: New Data Protection Policy reflecting latest ICO guidance. All confidential data backed up regularly and stored in line with ICO policy.
5. Staff workload Imbalance.
Mitigation: Monitoring of staff built into annual planning and APR process. Standing item for Finance and General Purposes Committee.
6. Civil action of charity libel up to £5m.
Mitigation: Specialist insurance in place. Cover up to £50m. Retention of specialist lawyers. Risk analysis and risk mitigation processes deployed when developing projects.

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 Practice 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 Practice.
- 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 Practice. 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.

THE BORN FREE FOUNDATION

RESERVES POLICY

FOR THE YEAR ENDED 31 MARCH 2017

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 the 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 downturn, change in global security, etc.

Based on advice from the CEO, in discussion with the Finance Director, 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 started 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.

The aim of these last two activities would be to, over the next 2-3 years, reduce the current reserve by slightly more than £2 million, thus achieving the Board's target of retaining £5 million in the reserve in real terms, benchmarked as of September 2016. Current free reserves are £1.9m.

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 FY2017/18).

THE BORN FREE FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2017

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 December 2017 and signed on their behalf by

Kirsty Semple
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BORN FREE FOUNDATION

We have audited the financial statements of The Born Free Foundation for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities Statement in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

26 Red lion Square
London
WC1R 4AG

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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 2017

		Unrestricted	Restricted		
		Funds	Funds	2017	2016
	Note	£	£	£	£
INCOME FROM:					
<i>Donations and legacies:</i>					
Donations	4	748,647	351,154	1,099,801	1,864,707
Legacies	4	1,051,712	141,886	1,193,598	3,002,356
Gift aid received		107,339	-	107,339	111,342
Membership base subscription		105,095	-	105,095	102,997
Membership subscriptions to specific projects	4	-	149,613	149,613	147,719
Adoptions	4	-	688,999	688,999	573,780
<i>Other trading activities:</i>					
Events, lotteries and other activities		685,758	-	685,758	369,800
Trading income of subsidiary undertaking	14	175,579	-	175,579	135,373
<i>Investment income</i>	3	102,551	-	102,551	109,009
<i>Other Income:</i>					
Royalties		18,315	-	18,315	21,805
Gains on disposal of fixed assets		-	-	-	131,443
Other operating income		14,885	-	14,885	36,255
Total income		3,009,881	1,331,652	4,341,533	6,606,586
EXPENDITURE ON:					
<i>Raising funds:</i>					
Donations		146,499	-	146,499	118,343
Legacies		8,853	-	8,853	13,519
Membership subscriptions		126,714	-	126,714	105,317
Fundraising and publicity		1,057,536	-	1,057,536	745,819
Cost of subsidiary trading company		100,494	-	100,494	111,411
Investment management costs		28,078	-	28,078	28,641

Charitable activities:

Zoocheck	-	328,234	328,234	345,041
Elephants	-	297,946	297,946	265,469
Bears	-	15,489	15,489	16,234
Wolves	-	37,845	37,845	231,396
Big cats	1,610	1,210,886	1,212,496	1,058,404
Primates	-	277,416	277,416	364,133
Marine	-	104,607	104,607	63,647
Information services and education	-	625,784	625,784	547,558
Other projects	-	763,050	763,050	498,286
		<hr/>	<hr/>	<hr/>
Total expenditure	5	1,469,784	3,661,257	5,131,041
		<hr/>	<hr/>	<hr/>

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 2017

		Unrestricted	Restricted		
		Funds	Funds	2017	2016
	Note	£	£	£	£
Net income/(expenditure) before gains/ (losses) on investment assets		1,540,097	(2,329,605)	(789,508)	2,093,368
Gains/(losses) on investment assets		583,695	-	583,695	(198,556)
Net income/(expenditure) before transfers	2	2,123,792	(2,329,605)	(205,813)	1,894,812
Transfers between funds	21,22	(2,376,086)	2,376,086	-	-
Net income/(expenditure) for the year		(252,294)	46,481	(205,813)	1,894,812
Foreign exchange differences on restatement					
of foreign currency opening reserves		23,288	-	23,288	(10,246)
Net movement in funds		(229,006)	46,481	(182,525)	1,884,566
Funds at 1 April 2016		7,425,206	430,448	7,855,654	5,971,088
Funds at 31 March 2017	19	7,196,200	476,929	7,673,129	7,855,654

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 2017

		2017		2016	
	Note	£	£	£	£
FIXED ASSETS					
Intangible fixed assets	9		1		1
Tangible fixed assets	10		866,742		827,611
Investment property	11		175,000		175,000
Investments	12		4,234,138		3,586,574
			<u>5,275,881</u>		<u>4,589,186</u>
CURRENT ASSETS					
Stocks		12,402		17,266	
Debtors	15	315,986		820,907	
Cash at bank and in hand		2,656,776		3,029,565	
		<u>2,985,164</u>		<u>3,867,738</u>	
CREDITORS: amounts falling due within one year	16	(264,192)		(269,946)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			2,720,972		3,597,792
			<u></u>		<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,996,853		8,186,978
Provision for liabilities	17		(323,724)		(331,324)
			<u></u>		<u></u>
NET ASSETS			7,673,129		7,855,654
			<u><u></u></u>		<u><u></u></u>
FUNDS OF THE GROUP:					
Unrestricted funds					
General			7,196,183		7,425,189

Minority interests		17	17
		_____	_____
	22	7,196,200	7,425,206
Restricted funds	21	476,929	430,448
		_____	_____
		7,673,129	7,855,654
		=====	=====

The financial statements were approved and authorised for issue by the Trustees on December 2017 and were signed on their behalf by:

Michael Reyner
Trustee

The accompanying notes form part of these accounts.

COMPANY BALANCE SHEET

AS AT 31 MARCH 2017

		2017		2016	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		866,601		827,423
Investment property	11		175,000		175,000
Investments	12		4,234,138		3,586,574
			<u> </u>		<u> </u>
			5,275,739		4,588,997
CURRENT ASSETS					
Debtors	15	384,674		816,317	
Cash at bank and in hand		2,571,417		2,975,952	
		<u> </u>		<u> </u>	
		2,956,091		3,792,269	
CREDITORS: amounts falling due within					
one year	16	(257,136)		(251,558)	
		<u> </u>		<u> </u>	
NET CURRENT ASSETS			2,698,955		3,540,711
			<u> </u>		<u> </u>
TOTAL ASSETS LESS CURRENT					
LIABILITIES			7,974,694		8,129,708
Provision for liabilities	17		(323,724)		(331,324)
			<u> </u>		<u> </u>
			7,650,970		7,798,384
			<u> </u>		<u> </u>
FUNDS OF THE CHARITY:					
Unrestricted funds	22		7,174,041		7,367,936
Restricted funds	21		476,929		430,448
			<u> </u>		<u> </u>
			7,650,970		7,798,384

=====

The financial statements were approved and authorised for issue by the Trustees on December 2017 and were signed
on their behalf by:

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 2017

	2017	2016
	£	£
Net (expenditure)/income for the reporting period	(205,813)	1,894,812
<i>Adjustments for:</i>		
Depreciation	191,205	140,913
(Gains)/losses on investments	(583,695)	198,556
(Profit)/loss on sale of fixed assets	8,016	(131,443)
Decrease/(increase) in stock	4,864	7,617
(Increase)/decrease in debtors	504,921	(388,946)
Increase/(decrease) in creditors	(5,754)	39,323
(Decrease)/increase in provisions	(7,600)	37,364
Dividends and interest from investments	(102,551)	(109,009)
Exchange adjustments in tangible fixed assets	(13,902)	7,548
Foreign currency opening reserves	23,288	(10,246)
	_____	_____
Net cash provided by/(used in) operating activities	(187,021)	1,686,489
	_____	_____
Cash flow from investing activities:		
Dividends and interest from investments	102,551	109,009
Purchase of tangible fixed assets	(224,450)	(188,445)
Purchase of investments	(1,971,337)	(2,315,140)
Proceeds from the sale of fixed assets	-	538,212
Proceeds from the sale of investments	1,907,468	2,247,999
	_____	_____
Net cash provided by/(used in) investing activities	(185,768)	391,635
	_____	_____
Change in cash and cash equivalents in the reporting period	(372,789)	2,078,124

Changes in cash and cash equivalents at the beginning of the period	3,029,565	951,441
	_____	_____
Cash and cash equivalents at the end of the period	2,656,776	3,029,565
	=====	=====

Analysis of cash and cash equivalents	Balance at 31 March 2017	Balance at 31 March 2016
	£	£
Cash in hand	1,440,174	2,501,676
Notice deposits	1,216,602	527,889
	_____	_____
	2,656,776	3,029,565
	=====	=====

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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 2017

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
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 2017

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	2017	2016
	£	£
Depreciation	191,205	140,913
Auditor's remuneration - audit fees (inc CftW: £Nil (2016: £8,000))	17,300	26,600
- other fees	1,000	950
Costs of branch audit	1,568	1,677
	<u> </u>	<u> </u>

3. INCOME FROM INVESTMENTS	Unrestricted	Restricted	2017	2016
	funds	funds	£	£
	£	£		
Dividend income	100,150	-	100,150	108,081
Interest received	2,401	-	2,401	928
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	102,551	-	102,551	109,009
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2017

4. RESTRICTED INCOME

	Donations/ Legacies £	Member Plus Contributions £	Adoptions £	2017 £	2016 £
Zoocheck	30,460	18,062	-	48,522	30,192
Elephants	149,127	26,556	199,136	374,819	407,682
Bears	1,852	16,587	51,776	70,215	66,184
Wolves	5,021	12,105	14,554	31,680	36,367
Big cats	72,335	39,164	252,500	363,999	483,674
Primates	23,241	14,562	49,537	87,340	103,058
Marine	6,410	12,565	36,151	55,126	51,284
Information services and education	20,886	10,012	-	30,898	15,411
Other projects	183,708	-	85,345	269,053	58,850
	<u>493,040</u>	<u>149,613</u>	<u>688,999</u>	<u>1,331,652</u>	<u>1,252,702</u>

5. EXPENDITURE

	Grant Funding Activities £	Activities Undertaken Directly £	Support Costs £	2017 £	2016 £
Raising funds					
Donations	-	81,771	64,728	146,499	118,343
Legacies	-	7,164	1,689	8,853	13,519
Membership subscriptions	-	69,721	56,993	126,714	105,317
Fundraising and publicity	-	932,833	124,703	1,057,536	745,819
Cost of subsidiary trading company	-	83,361	17,133	100,494	111,411
Investment management costs	-	28,078	-	28,078	28,641
Charitable activities					
Zoocheck	2,535	273,104	52,595	328,234	345,041

Elephants	82,816	175,777	39,353	297,946	265,469
Bears	10,150	2,565	2,774	15,489	16,234
Wolves	600	24,956	12,289	37,845	231,396
Big cats	328,285	521,224	362,987	1,212,496	1,058,404
Primates	145,584	100,454	31,378	277,416	364,133
Marine	73,085	20,827	10,695	104,607	63,647
Information services and education	23,770	285,187	316,827	625,784	547,558
Other projects	432,442	264,962	65,646	763,050	498,286
	<u>1,099,267</u>	<u>2,871,984</u>	<u>1,159,790</u>	<u>5,131,041</u>	<u>4,513,218</u>
	=====	=====	=====	=====	=====

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2017

5. EXPENDITURE (continued)

Included within grants funding of activities are grants to individuals of £5,608 (2016: £14,257). All remaining grants were made to institutions. £182,345 (2016: £173,115) was paid to Oxford University including £87,500 (2016: £85,000) for Ethiopian Wolf Conservation. There is a remaining commitment of £315,235 (2016: £314,845) to fund the Bill Travers Chair, 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	2017	2016
	£	£	£	£	£	£
Expenditure on:						
Raising funds						
Donations	2,534	25,399	31,817	4,978	64,728	65,250
Legacies	-	-	1,689	-	1,689	4,671
Membership subscriptions	2,678	32,285	20,366	1,664	56,993	48,710
Fundraising and publicity	5,091	45,012	70,001	4,599	124,703	118,581
Cost of subsidiary trading company	655	8,400	3,378	4,700	17,133	11,314
Charitable activities						
Zoocheck	562	5,919	45,797	317	52,595	59,622
Elephants	1,323	17,164	15,666	5,200	39,353	51,296
Bears	65	631	1,619	459	2,774	2,015
Wolves	581	5,611	5,890	207	12,289	16,504
Big cats	5,894	181,943	68,117	107,033	362,987	330,523
Primates	1,080	10,923	18,805	570	31,378	40,275
Marine	527	5,579	4,229	360	10,695	8,915
Information services and education	8,524	209,106	28,466	70,731	316,827	234,234
Other projects	2,846	29,037	31,166	2,597	65,646	56,523
Total support costs	32,360	577,009	347,006	203,415	1,159,790	1,048,433

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 £20,515 (2016: £35,877).

Governance costs include:

External audit	20,515	34,137
Internal staff costs	-	1,740
	<hr/>	<hr/>
	20,515	35,877
	<hr/> <hr/>	<hr/> <hr/>

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 (2016: £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 2017

8. TRUSTEES, DIRECTORS AND EMPLOYEES	2017	2016
	£	£
Staff costs were as follows:		
Wages and salaries	1,626,384	1,462,617
Social security costs	118,534	115,392
Pension costs	69,963	59,458
	<u>1,814,881</u>	<u>1,637,467</u>

The Trustees' remuneration was £Nil (2016: £Nil).

1 Trustee (2016: 1 Trustee) received reimbursement for travel and subsistence expenses amounting to £239 (2016: £1,517).

2 Employees' emoluments for the year exceeded £60,000 (2016: 3):

	2017	2016
	Number	Number
£60,001 - £70,000	1	2
£70,001 - £80,000	-	1
£100,001 - £110,000	1	-
	<u>2</u>	<u>3</u>

The total employee benefits of the key management personnel of the charity and group was £479,384 (2016: £435,653).

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

	2017	2016
	Number	Number
Charitable projects	22	24
Information services and education	4	4
Fundraising and publicity	9	8
Member and support services	7	5
Kenya branch	15	16
Ethiopia branch	5	4
Unpaid part time volunteers	4	5
	<u>66</u>	<u>66</u>

66	66
<u>=====</u>	<u>=====</u>

Of the non-voluntary staff, 9 (2016: 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 2017 they numbered 54 (2016: 44).

9. INTANGIBLE FIXED ASSETS	Group	Company
	£	£
Costs - film rights:		
Net book value at 31 March 2017	1	1
	<u>=====</u>	<u>=====</u>
Net book value at 31 March 2016	1	1
	<u>=====</u>	<u>=====</u>

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2017

10. TANGIBLE FIXED ASSETS

GROUP	Asset in the			Plant and	Education	Furniture	Computer	Total
	course of	Freehold	Leasehold	office	and	and		
	construction	property	premises	equipment	fundraising	equipment	equipment	
	£	£	£	£	£	£	£	£
Cost								
At 1 April 2016	400,763	-	126,481	99,753	381,499	58,780	288,474	1,355,750
Additions	115,024	-	-	2,987	58,228	8,941	39,270	224,450
Disposals	-	-	-	-	(45,300)	-	(24,689)	(69,989)
Transfers	(472,229)	-	472,229	-	-	-	-	-
Exchange adj	-	-	-	1,348	28,060	1,924	1,928	33,260
	-----	-----	-----	-----	-----	-----	-----	-----
At 31 March 2017	43,558	-	598,710	104,088	422,487	69,645	304,983	1,543,471
	-----	-----	-----	-----	-----	-----	-----	-----
Depreciation								
At 1 April 2016	-	-	21,059	79,415	222,520	47,092	158,053	528,139
Charge for the								
year	-	-	40,924	6,010	55,256	5,345	83,670	191,205
Disposals	-	-	-	-	(37,284)	-	(24,689)	(61,973)
Exchange adj	-	-	-	634	16,226	1,171	1,327	19,358
	-----	-----	-----	-----	-----	-----	-----	-----
At 31 March 2017	-	-	61,983	86,059	256,718	53,608	218,361	676,729
	-----	-----	-----	-----	-----	-----	-----	-----
Net book value								
At 31 March 2017	43,558	-	536,727	18,029	165,769	16,037	86,622	866,742
	=====	=====	=====	=====	=====	=====	=====	=====
At 31 March 2016	400,763	-	105,422	20,338	158,979	11,688	130,421	827,611
	=====	=====	=====	=====	=====	=====	=====	=====

COMPANY**Cost**

At 1 April 2016	400,763	-	126,481	96,525	381,499	57,980	288,474	1,351,722
Additions	115,024	-	-	2,987	58,228	8,941	39,270	224,450
Disposals	-	-	-	-	(45,300)	-	(24,689)	(69,989)
Transfers	(472,229)	-	472,229	-	-	-	-	-
Exchange adj	-	-	-	1,348	28,060	1,924	1,928	33,260
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2017	43,558	-	598,710	100,860	422,487	68,845	304,983	1,539,443
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Depreciation

At 1 April 2016	-	-	21,059	76,351	222,519	46,317	158,053	524,299
Charge for the								
year	-	-	40,924	5,968	55,257	5,339	83,670	191,158
Disposals	-	-	-	-	(37,284)	-	(24,689)	(61,973)
Exchange adj	-	-	-	634	16,226	1,171	1,327	19,358
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2017	-	-	61,983	82,953	256,718	52,827	218,361	672,842
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Net book value

At 31 March 2017	43,558	-	536,727	17,907	165,769	16,018	86,622	866,601
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	400,763	-	105,422	20,174	158,980	11,663	130,421	827,423
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2017

11. INVESTMENT PROPERTY	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Investment property	175,000	175,000	175,000	175,000
	=====	=====	=====	=====

The freehold investment property was valued by the Trustees on 31 March 2017 at £175,000.

12. FIXED ASSET INVESTMENTS	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
All investments are held within the UK				
At 1 April 2016	3,586,574	3,717,989	3,586,574	3,033,093
Additions	1,971,337	2,315,140	1,971,337	3,000,036
Disposals at market value	(1,794,876)	(2,397,870)	(1,794,876)	(2,397,870)
Change in market value	471,103	(48,685)	471,103	(48,685)
	-----	-----	-----	-----
Market value at 31 March 2017	4,234,138	3,586,574	4,234,138	3,586,574
	=====	=====	=====	=====
Historical cost at 31 March 2017	3,531,347	3,285,111	3,531,347	3,285,111
	=====	=====	=====	=====

13. INVESTMENT IN SUBSIDIARY UNDERTAKING	Company
	£
Cost at beginning and end of year	2
	=====

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 2017

14. SUBSIDIARY UNDERTAKINGS (continued)	Born Free	Born Free	Born Free	2017	2016
	Films	Foundation	Trading	2017	2016
	Limited	South Africa	Limited	Total	Total
	£	£	£	£	£
Turnover/Income	-	-	175,579	175,579	135,234
Cost of sales	-	-	(66,666)	(66,666)	(77,029)
Gross profit	-	-	108,913	108,913	58,205
Expenditure	-	-	-	-	-
Administrative expenses	-	(17)	(108,913)	(108,930)	(58,636)
Interest receivable	-	205	-	205	125
Exchange gains	-	837	-	837	-
(Deficit)/surplus on activities before taxation	-	1,025	-	1,025	(306)
Corporation tax	-	-	-	-	-
(Deficit)/surplus retained in the subsidiary	-	1,025	-	1,025	(306)
Net assets at 31 March 2017	(2,739)	3,047	30,548	30,856	29,943

15. DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Other debtors	64,592	43,981	57,604	43,971
Amounts owed by group undertakings	-	-	79,566	-
Prepayments and accrued income	251,394	776,926	247,504	772,346
	315,986	820,907	384,674	816,317

Prepayments and accrued income includes £Nil (2016: £21,000) with regard to legacies receivable which have not yet been received.

16. CREDITORS: amounts falling due within one year	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	79,887	71,711	78,747	52,551
Amounts owed to group undertakings	285	310	-	8,176
Accruals and deferred income	144,154	165,922	138,537	159,440
Other creditors	-	598	-	-
Corporation tax	14	14	-	-
Other taxes and social security	39,852	31,391	39,852	31,391
	<u>264,192</u>	<u>269,946</u>	<u>257,136</u>	<u>251,558</u>

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2017

17. PROVISIONS FOR LIABILITIES AND CHARGES	Other projects	Dilapidations	Total
	£	£	£
Group company			
Balance at start of year	331,324	-	331,324
Net movement in obligations in the period	(7,600)	-	(7,600)
	<u>323,724</u>	<u>-</u>	<u>323,724</u>
	<u><u>323,724</u></u>	<u><u>-</u></u>	<u><u>323,724</u></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 2017 the Foundation had been notified of legacy bequests estimated at £1,550,878 (2016: £1,354,655). 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 2017.

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted	Restricted	Total
	funds	funds	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>
	<u><u>7,196,200</u></u>	<u><u>476,929</u></u>	<u><u>7,673,129</u></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		At	
	1 April	Incoming	Outgoing	Transfers
	2016			2017

	£	£	£	£	£
Group and Company					
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>
	=====	=====	=====	=====	=====

21. RESTRICTED FUNDS (continued)

Restricted Funds

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

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

Zoo Check

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

Elephants

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

Bears

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

Wolves

- Protect the world's rarest canid and its environment

Big cats

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

Primates

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

Marine

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

Information Services and education

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

Other Projects

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

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2017

22. UNRESTRICTED FUNDS	At			Transfers	At	
	1 April		Expenditure		gains/losses	31 March
	2016	Income				
	£	£				
Group						
General unrestricted	7,425,206	3,009,881	(1,469,784)	(1,769,103)	7,196,200	
Company						
General unrestricted	7,367,936	2,894,666	(1,389,682)	(1,769,103)	7,174,041	

23. OPERATING LEASE COMMITMENTS	2017	2016
	£	£

At 31 March 2017 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	-	16,777
Between two and five years	192,820	224,172
	<u>201,209</u>	<u>240,949</u>

24. TRANSACTIONS WITH DIRECTORS AND TRUSTEES

The President is a son of Virginia McKenna who is a trustee. He received remuneration of £97,570 (2016: £64,364) 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 £8,201 (2016: £8,176).

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

26. FINANCIAL INSTRUMENTS

2017	2016
£	£

Financial assets

Financial assets measured at fair value through profit or loss	2,656,776	3,029,565
	=====	=====

Financial liabilities

Financial liabilities measured at amortised cost	216,773	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 2017

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2016)

	Unrestricte d Funds £	Restricted Funds £	2016 £
INCOME FROM:			
<i>Donations and legacies:</i>			
Donations	1,489,332	375,375	1,864,707
Legacies	2,832,356	170,000	3,002,356
Gift aid received	111,342	-	111,342
Membership base subscription	102,997	-	102,997
Membership subscriptions to specific projects	1	147,718	147,719
Adoptions	14,171	559,609	573,780
<i>Other trading activities:</i>			
Events, lotteries and other activities	369,800	-	369,800
Trading income of subsidiary undertaking	135,373	-	135,373
<i>Investment income</i>	109,009	-	109,009
<i>Other Income:</i>			
Royalties	21,805	-	21,805
Gains on disposal of fixed assets	131,443	-	131,443
Other operating income	36,255	-	36,255
	-----	-----	-----
Total income	5,353,884	1,252,702	6,606,586
	-----	-----	-----
EXPENDITURE ON:			
<i>Raising funds:</i>			
Donations	118,343	-	118,343
Legacies	13,519	-	13,519
Membership subscriptions	105,317	-	105,317

Fundraising and publicity	745,819	-	745,819
Cost of subsidiary trading company	111,411	-	111,411
Investment management costs	28,641	-	28,641
<i>Charitable activities:</i>			
Zoocheck	5,850	339,191	345,041
Elephants	1,406	264,063	265,469
Bears	56	16,178	16,234
Wolves	937	230,459	231,396
Big cats	6,356	1,052,048	1,058,404
Primates	2,708	361,425	364,133
Marine	406	63,241	63,647
Information services and education	2,967	544,591	547,558
Other projects	3,559	494,727	498,286
<i>Other expenditure:</i>			
Taxation	-	-	-
	_____	_____	_____
Total expenditure	1,147,295	3,365,923	4,513,218

THE BORN FREE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2017

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2016) CONTINUED

	Unrestrict ed Funds £	Restricted Funds £	2016 £
Net income/ (expenditure) before gains/ (losses) on investment assets	4,206,589	(2,113,221)	2,093,368
Gains/ (losses) on investment assets	(198,556)	-	(198,556)
	-----	-----	-----
Net income/ (expenditure) before transfers	4,008,033	(2,113,221)	1,894,812
Transfers between funds	(2,282,891)	2,282,891	-
	-----	-----	-----
Net income/ (expenditure) for the year	1,725,142	169,670	1,894,812
Foreign exchange differences on restatement of foreign currency opening reserves	(10,246)	-	(10,246)
	-----	-----	-----
Net movement in funds	1,714,896	169,670	1,884,566
	-----	-----	-----
Funds at 1 April 2015	5,710,310	260,778	5,971,088
	-----	-----	-----
Funds at 31 March 2016	7,425,206	430,448	7,855,654
	=====	=====	=====