

Company registration number: 09205984

Charity registration number: 1166558

# Animal Defenders International Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2016

MG Audit Services Ltd  
Chartered Accountants & Registered Auditors  
Audit House  
260 Field End Road  
Eastcote  
Middlesex  
HA4 9LT



# **Animal Defenders International Foundation**

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## **Animal Defenders International Foundation**

### **Reference and Administrative Details**

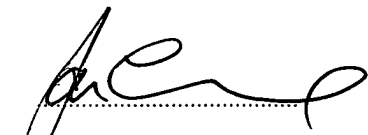
<b>Trustees</b>	Mr N Brice Ms D Cooper Mr T Phillips Ms L Norley Mrs O Stamberger Miss A Boxer Ms J Creamer
<b>Principal Office</b>	Millbank Tower Millbank London SW1P 4QP  The charity is incorporated in England.
<b>Company Registration Number</b>	09205984
<b>Charity Registration Number</b>	1166558
<b>Auditor</b>	MG Audit Services Ltd Chartered Accountants & Registered Auditors Audit House 260 Field End Road Eastcote Middlesex HA4 9LT

**Animal Defenders International Foundation**

**Strategic Report for the Year Ended 31 December 2016**

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2016, in compliance with s414C of the Companies Act 2006.

The strategic report was approved by the trustees of the charity on 13/8/17 and signed on its behalf by:

  
Trustee

## **Animal Defenders International Foundation**

### **Trustees' Report**

#### **Report of the Trustees for the Year Ended 31 December 2016**

The trustees are pleased to present their first report and the financial statements for the year ended 31 December 2016.

#### **Trustees of the Charity**

The trustees who held office during the year were as follows:

Mr N Brice

Ms A Boxer

Ms D Cooper

Ms J Creamer

Ms L Norley

Mr T Phillips

Ms O Stamberger

## **Animal Defenders International Foundation**

### **Trustees' Report**

The ADI Foundation was granted charitable status by the Charity Commission for England and Wales on 15th April 2016.

In order to fulfil the charity's object "To advance scientific research into alternative techniques and substitutes to replace the use of animals in medical and other research", the Lord Dowding Fund for Humane Research was transferred from its founding organisation the National Anti-Vivisection Society to ADI Foundation in a resolution approved by the directors of the NAVS on, and taking effect from, 26 June 2016. The purpose of the Lord Dowding Fund is to support, sponsor, and fund advanced methods of scientific and medical research without the use of animals and to develop techniques to replace the use of animals.

#### **OBJECTS**

The objects of the Charity are, for the public benefit:

- The prevention of cruelty to, and relief of suffering of, animals and the care of rescued, unwanted, neglected or abandoned animals;
- The conservation of endangered animals and their environments;
- The advancement of education of the public in animal health and care; and
- To advance scientific research into alternative techniques and substitutes to replace the use of animals in medical and other research.

#### **ACHIEVEMENTS**

In its first year of operation, ADI Foundation is now funding the ongoing care of over 80 wild animals at partner sanctuaries in Europe, Latin America and Africa, rescued from circuses, illegal wildlife trade and from laboratory research establishments. These include 33 lions, removed from circuses in Peru and Colombia during a mission to help enforce legislation prohibiting wild animal acts and relocated to a sanctuary in South Africa where the charity has funded the construction of natural bush habitats for each family group. All of the animals have suffered from abuse in the circuses and required veterinary work including dental surgeries and treatment for neurological and eye problems; they may also require surgery to their feet, following brutal removal of their toes to prevent their claws from growing. We have also sterilised them to breeding; this has all been funding by the ADI Foundation.

#### **The Lord Dowding Fund for Humane Research (LDF):**

As a department of the ADI Foundation, the specific objects of the LDF are to:

- Support and sponsor and fund better methods of scientific and medical research for testing products and curing disease, which replace the use of animals.
- To fund areas of non-animal fundamental research which lead to the adoption of non-animal research methodology.
- To work to fund, promote and assist learning and educational training and processes for the purposes of replacing animals and living creatures in education and training for medical and scientific research.
- To promote and assist any research for the purpose of showing that work on animals is harmful or unnecessary to humanity.

During our first six months, the LDF research team has commenced work on development of new projects for consideration by the Fund's Trustees: This includes a range of new grant proposals from scientists conducting non-animal scientific and medical research and a new report on the use of primates in research and their replacement with non-animal methods.

## Animal Defenders International Foundation

### Trustees' Report

#### Financial review

The Trustees are pleased to present our first financial report for the ADI Foundation for the period ending on 31st December 2016. Following the awarding of charitable status by the Charity Commission of England and Wales, the Foundation commenced work on rescued animal care projects previously funded by Animal Defenders International, as well as making preparations and plans for new projects to fulfil its objectives. We also set up our financial and donor systems, including registration with HMRC for gift aid, opening of credit/debit card donation processing facilities and outlining our strategy for the future.

The main source of funds for ADI Foundation in this first year has been donations and grants from our related non-profit organizations, Animal Defenders International and the National Anti-Vivisection Society and the boards of those organisations are committed to continue to assist in the growth and development of the ADI Foundation until the charity's income streams are fully developed. Already, a small amount of funds is being generated from donations, gift aid claims and legacies. With a continued increase in the profile of the Foundation and our steadily increasing base of donors, we expect our income to continue to rise.

At end of year the charity only has unrestricted funds at its disposal. No restricted funds grant has been received during this period.

#### Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the Board of Trustees on 13/8/17 and signed on its behalf by:

  
Ms J Creamer

Trustee

## Animal Defenders International Foundation

### Statement of Trustees' Responsibilities

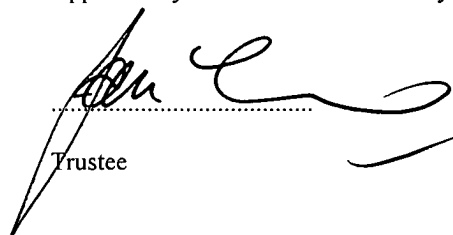
The trustees (who are also the directors of Animal Defenders International Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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

Approved by the trustees of the charity on 13/8/17 and signed on its behalf by:

  
Trustee



## **Animal Defenders International Foundation**

### **Independent Auditors' Report to the Members of Animal Defenders International Foundation**

We have audited the financial statements of Animal Defenders International Foundation for the year ended 31 December 2016, which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 6), 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. 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 (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

**Animal Defenders International Foundation**

**Independent Auditors' Report to the Members of Animal Defenders International  
Foundation**

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



.....  
Gavin Fernandes FCA, CTA (Senior Statutory Auditor)  
For and on behalf of MG Audit Services Ltd, Statutory Auditor

Audit House  
260 Field End Road  
Eastcote  
Middlesex  
HA4 9LT

Date: 7/9/17

# Animal Defenders International Foundation

## Statement of Financial Activities for the Year Ended 31 December 2016 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2016 £	Total 2015 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	229,392	229,392	3,736
Total Income		229,392	229,392	3,736
<b>Expenditure on:</b>				
Charitable activities	4	(232,110)	(232,110)	(3,736)
Total Expenditure		(232,110)	(232,110)	(3,736)
Net expenditure		(2,718)	(2,718)	-
Net movement in funds		(2,718)	(2,718)	-
<b>Reconciliation of funds</b>				
Total funds brought forward		4,000	4,000	4,000
Total funds carried forward	12	1,282	1,282	4,000

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2015 is shown in note 12.

# Animal Defenders International Foundation

(Charity Registration number: 1166558)  
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors	10	12,020	-
Cash at bank and in hand		<u>13,834</u>	<u>5,000</u>
		25,854	5,000
<b>Creditors: Amounts falling due within one year</b>	11	<u>(24,572)</u>	<u>(1,000)</u>
<b>Net assets</b>		<u>1,282</u>	<u>4,000</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>1,282</u>	<u>4,000</u>
<b>Total funds</b>	12	<u>1,282</u>	<u>4,000</u>

The financial statements on pages 9 to 17 were approved by the trustees, and authorised for issue on 13/6/17 and signed on their behalf by:

Trustee

## **Animal Defenders International Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **1 Charity status**

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £Nil towards the assets of the charity in the event of liquidation.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

Animal Defenders International Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Transition to FRS 102**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

##### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

##### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

## **Animal Defenders International Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### ***Taxation***

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### ***Trade debtors***

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## Animal Defenders International Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

### 3 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2016 £	Total 2015 £
Donations and legacies;			
Legacies and bequests	75,750	75,750	-
Subscriptions	28,706	28,706	-
Fundraising	39	39	-
Grants, including capital grants;			
Grants - other agencies	124,897	124,897	3,736
	<u>229,392</u>	<u>229,392</u>	<u>3,736</u>

## Animal Defenders International Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### 4 Expenditure on charitable activities

	Unrestricted funds	Total 2016	Total 2015
	General £	£	£
Direct campaign costs	121,493	121,493	-
Employment costs	48,726	48,726	-
Establishment costs	23,434	23,434	-
Repairs and maintenance	1,099	1,099	-
Computer software and maintenance costs	-	-	236
Printing, postage and stationary	1,480	1,480	-
Subscriptions and donations	2,189	2,189	-
Sundry and other costs	5,221	5,221	-
Travel and subsistence	14	14	-
Legal and professional costs	22,788	22,788	2,625
Bank charges	1,486	1,486	-
Support costs	3,047	3,047	875
Governance costs	1,133	1,133	-
	<u>232,110</u>	<u>232,110</u>	<u>3,736</u>

£232,110 (2015 - £3,736) of the above expenditure was attributable to unrestricted funds and £Nil (2015 - £Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £1,133 (2015 - £Nil) which relate directly to charitable activities. See note 5 for further details.

#### 5 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds	Total 2016
	General £	£
Audit fees		
Audit of the financial statements	<u>1,133</u>	<u>1,133</u>
	<u>1,133</u>	<u>1,133</u>



## **Animal Defenders International Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **6 Trustees remuneration and expenses**

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

#### **7 Staff costs**

The aggregate payroll costs were as follows:

	<b>2016</b>
	<b>£</b>
<b>Staff costs during the year were:</b>	
Wages and salaries	46,911
Director's pension (Defined contribution) - pension scheme 1	<u>1,815</u>
	<u><u>48,726</u></u>

No employee received emoluments of more than £60,000 during the year.

#### **8 Auditors' remuneration**

	<b>2016</b>
	<b>£</b>
Audit of the financial statements	<u><u>1,133</u></u>

# Animal Defenders International Foundation

## Notes to the Financial Statements for the Year Ended 31 December 2016

### 9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 10 Debtors

	2016 £	2015 £
Prepayments	11,624	-
Other debtors	396	-
	<u>12,020</u>	<u>-</u>

### 11 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	9,478	1,000
Due to group undertakings	13,961	-
Accruals	1,133	-
	<u>24,572</u>	<u>1,000</u>

### 12 Funds

	Incoming resources £	Resources expended £	Balance at 31 December 2016 £
<b>Unrestricted funds</b>			
General	<u>(229,392)</u>	<u>228,110</u>	<u>(1,282)</u>
	Incoming resources £	Resources expended £	Balance at 31 December 2015 £
<b>Unrestricted funds</b>			
General	<u>(3,736)</u>	<u>(264)</u>	<u>(4,000)</u>

### 13 Analysis of net assets between funds

## Animal Defenders International Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2016

	Unrestricted funds General £	Total funds £
Current assets	25,854	25,854
Current liabilities	<u>(24,572)</u>	<u>(24,572)</u>
Total net assets	<u>1,282</u>	<u>1,282</u>

#### 14 Analysis of net funds

	At 1 January 2016 £	Cash flow £	At 31 December 2016 £
Cash at bank and in hand	5,000	8,834	13,834
Net debt	<u>5,000</u>	<u>8,834</u>	<u>13,834</u>

#### 15 Related party transactions

During the year the charity made the following related party transactions:

##### **Animal Defenders International**

(3 of the directors are also on the board of directors of Animal Defenders International)

During the year, the Charity received a grant of £110,827 (2015: £3,736) from Animal Defenders International.

At the balance sheet date the amount due from Animal Defenders International was £13,961 (2015 - £Nil).

##### **The National Anti-Vivisection Society Ltd**

(3 of the directors are also on the board of directors of The National Anti-Vivisection Society Ltd)

During the year, the Charity received a grant of £14,070 (2015: £nil) from the National Anti-Vivisection Society Ltd. At the balance sheet date the amount due to/from The National Anti-Vivisection Society Ltd was £Nil

(2015 - £Nil).

#### 16 Transition to FRS 102

No opening balance adjustments were required on the adoption of FRS102.