

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Company No: 6311286

Charity Commission No: 1120572

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

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AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

COMPANY INFORMATION

Directors	Mr Andrew Conolly Mr David Scott Mr Mark Veale
Chief Executive Officer	Dr Norman Monks
Company Secretary	Stone Limited
Key management personnel	Directors as above Dr Norman Monks Mr David Youldon (resigned September 2018)
Company Number	6311286
Charity Number	1120572
Registered Office	10 Old Burlington Street London W1S 3AG United Kingdom
Independent Examiner	M A Wilkes FCA Wilkins Kennedy Audit Services Ashford Commercial Quarter 1 Dover Place Ashford Kent
Bankers	Lloyds Bank PLC 113-117 Oxford Street London W1D 2HW

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their report and examined financial statements of the charity for the year ended 31 December 2018. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014, as amended by Bulletin 1.

Objects of the charity

The objects of the Charity are for the public benefit:

- (1) To promote for the benefit of the public, the conservation, protection and improvement of the physical and natural environment of the African Lion.
- (2) To advance the education of the public in the conservation, protection and improvement of the physical and natural environment of the African Lion.
- (3) To further and benefit the community in Africa by ensuring that they receive tangible benefit from supporting conservation programmes in relation to the African Lion.

Public benefit statement

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Achievements and Performance in the Year

African Lion Environmental Research Trust Limited's (ALERT) aims, objectives and vision remain:

- To promote for the benefit of the public, the conservation, protection and improvement of the physical and natural environment of the African Lion.
- To advance the education of the public in the conservation, protection and improvement of the physical and natural environment of the African Lion.
- To further and benefit the community in Africa by ensuring that they receive tangible benefit from supporting conservation programmes in relation to the African Lion.

ALERT projects fall under five key programmes:

- in situ lion conservation
- ex situ lion conservation
- education matters
- social development
- conserving biodiversity

In selecting which projects to initiate, ALERT seeks to undertake efforts that:

- 1) Are relevant to the African communities with which we work;
- 2) Utilise locally conceived African solutions to African challenges;
- 3) Unite stakeholders towards a common goal;
- 4) Provide long term benefit;
- 5) Tackle the root causes of the challenges facing Africa's wildlife and its people;
- 6) Are requested by our stakeholders.

To date ALERT has successfully released two prides of lions into fenced, managed reserves. Research has shown that these lions are displaying all of the characteristics of wild lions; they have bonded and formed a close cohesive and cooperative unit and they are proficient hunters, including showing the cooperative behaviours one would see in wild lions engaged in hunts. As such the eleven offspring born within these release sites, and that have had no human contact, are being raised as wild lions, and are therefore suitable candidates for release into the wild.

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Review of activities - continued

Ngamo and Dambwa Prides

Detailed blogs on both prides can be found on our website <http://lionalert.org/page/ALERT-news-intro>

Ngamo Pride

The 6 adults (1 male and 5 females) of the 'Ngamo Pride' were captive born and released into the 'Ngamo Lion Release Site' in 2010, having been walked in the rehabilitation phase of the ex situ conservation project, the African Rehabilitation and Release into the Wild Programme. The pride's 5 offspring (1 male and 4 females) were born in the site and have had no human contact, display natural behaviours, and are intended for release into the wild in the final phase of the Programme.

Dambwa Pride

The 6 adults (1 male and 5 females) of the 'Dambwa Pride' were captive born and released into the 'Dambwa Lion Release Site' in 2011, having been walked in the rehabilitation phase of the ex situ conservation project, the African Rehabilitation and Release into the Wild Programme. The pride's 6 offspring (3 male and 3 females) were born in the site and have had no human contact, display natural behaviours, and are intended for release into the wild in the final phase of the Programme.

Whilst lion conservation is still the main focus of ALERT's activities, other wildlife species are also being studied, tying in with our holistic approach to conservation. This includes research on spotted hyena, giraffe and elephant. In order to properly manage the natural resources in Protected Area's (PA's) it is necessary for the managers of these areas to understand the population

In situ lion research

This major research activity is taking place in the combined Protected Areas of Chizarira National Park (1,919km²) and Chirisa (1,713km²) and Chete (1,080km²) Safari Areas. Mr Anele Matshisela (MSc) has been employed as the ALERT researcher based at Chizarira. To date 4 lions have been collared with GPS collars and significant population ecology data has been collected. One collared male with two male siblings moved over 250 kms from Chizarira to Hwange National Park. This is the first time that lion movement between Protected Areas through heavily settled land has been noted in this area. ALERT is investigating the possibility of the existence of a traditional wildlife corridor between P.A's. Through the use of camera traps other large carnivores have been noted, namely leopard and spotted hyena. A further three collars have been purchased and will be deployed on selected lions.

Combined with the in situ lion work at Chizarira is the assistance that ALERT provides buffer communities on the boundary of the park, to prevent livestock killings by large predators. Mobile livestock holding pens have been put in place and two workshops held with the Community to show them how to build proper carnivore-proof livestock holding facilities. In late 2018 ALERT won a consultancy with World Wide Fund for Nature (WWF) to carry out a full survey of the extent of human wildlife conflict in buffer communities, to identify and map out "hot spots" and to formulate a mitigation plan.

Other Wildlife Research

Whilst lion conservation is still the main focus of ALERT's activities, other wildlife species are also being studied, tying in with our holistic approach to conservation. This includes research on spotted hyena, giraffe and elephant (in Victoria Falls Zambezi National Park) and elephant in Chizarira National Park. In order to properly manage the natural resources in Protected Area's (PA's) it is necessary for the Park managers of these areas to understand the population. ALERT partners with the Parks Authority to provide empirical data that can be used for formulating management options.

Spotted Hyena

In 2015, ALERT initiated the Zambezi Hyena Project in partnership with the Zimbabwe Parks and Wildlife Management Authority. As the first project to focus on hyena in the area, the project aims to estimate hyena population size, assess recruitment, estimate home-range, identify key habitat elements such as den sites, determine prey preference and key food sources as well as examine possible interactions with livestock.

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Spotted Hyena

The movements and the home-ranges of two clans have been established. Clan composition (age and sex) is being established. This project is not receiving a great deal of support from the Park Authority since they are unable to supply a support ranger for the night surveys necessary for this nocturnal animal. Sufficient data has been collected to produce a short scientific article. The continuance of this project will be assessed in 2019.

Giraffe

ALERT began research on giraffe in the Zambezi National Park in February 2017 to assess the state of the giraffe population in the Park, with the aim of contributing to a continent-wide database produced by the Giraffe Conservation Foundation, an NGO focused on the conservation and management of giraffe throughout Africa. Work to date has progressed well with a photo data base being established which allows for a rapid identification of individuals in the field against the photo data base. Data is being shared with the GCF. This work, the first of its kind in Zambezi National Park will be invaluable for population monitoring and ultimately for conservation management of the species, locally, nationally and regionally.

African Elephant

As the human population increases and encroaches and sometimes invades Protected Areas, human-wildlife conflict incidences become an issue that can often become political. The elephant project which began in Livingstone, Zambia, across the Zambezi River from Victoria Falls and Zambezi National Park in Zimbabwe was begun with the aim of understanding the elephant population, its movements, herd composition, activities in human dominated areas, and conflict records. Due to logistical issues, the project was transferred to the Zimbabwe side of the Zambezi River. To date funds have been raised for satellite collars and plans are underway to employ a full-time elephant researcher who will look at the human-wildlife conflict issues as well as quantify vegetation damage. The collars have been ordered.

ALERT carried out a full aerial survey of Chizarira National Park and Chirisa Safari Area in late 2015. A large number of elephant carcasses were counted. ALERT decided to carry out a full elephant study based on the obvious poaching of elephant and has formulated a project proposal for carrying out the work. By collaring selected individuals in a herd, parks staff can be directed to where the elephant are in order to better protect them. In addition, in cases of human-wildlife conflict, ALERT researchers will be able to warn villagers to be vigilant and take precautions as a known herd approaches homesteads. A total of 5 collars will be deployed on elephants in five separate herds.

Human / Lion conflict mitigation

ALERT has initiated a Community assistance program to help prevent the killing of livestock by large predators. The method involves placing flashing LED lights around livestock holding facilities at night. To date 6 villages are being assisted in this way and no predator attacks have been made against holding facilities with the lights. Lion and spotted hyena have taken cattle, goats and donkeys during the day when they have been released for grazing. ALERT has been requested by the Community for further assistance, and donations are being sought to purchase more flashing lights and also put in place camera traps.

The impoverished Tonga Communities living on the Zambezi Valley Floor (part of the down-faulted Great African Rift Valley system), eek out a subsistence lifestyle where livestock is essentially their "bank". If a goat is killed by a predator, it could mean that one child cannot go to school as the goat is equivalent to school fees. Chief Sinansengwe of ward 5 has called up on ALERT to assist the Community with mitigation methods to protect their livestock. One mobile predator-proof facility has been erected for testing and by the year end no attacks had been made to livestock housed in the facility overnight. More such facilities will be erected.

ALERT has partnered with CIRAD (The French Agricultural Research Center for International Development) in assisting Communities facing issues with wildlife conflicts. ALERT will work in ward 4 where it initiated conflict mitigation in the area, and CIRAD will work in wards 3 and 5. WWF will be working in communities to the west and south of the park.

Whilst we are looking initially at predator mitigation through building proper livestock holding facilities, we will in time also need to consider assisting the community with elephant crop raiding. This will be researched but may entail placing flashing lights around crops at night, digging trenches that elephant cannot cross, putting in rock barriers that elephant cannot cross and place bee-hives in strategic points so that elephant are discouraged from entering fields by bees which they avoid.

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

The Building of a Research Station in Chizarira National Park

Since ALERT has a 10 year MoU to work in Chizarira with the Zimbabwe Parks Authority, it has been given permission to create a research base in the Park. Three separate burned out derelict buildings are being renovated and equipped as a research station that will house up to 4 researchers. The project has progressed well and by the end of 2019, the facility should be ready to be used.

Training and Equipping University Graduates for Conservation Work

ALERT provides opportunities for graduates who wish to gain experience in conservation to learn with experienced qualified staff. In Victoria Falls and Chizarira students from University of Zimbabwe, National University of Science and Technology, Midlands State University and Chinhoyi University have carried out research projects for BSc and MSc dissertations.

At the Research Station in Chizarira, ALERT will sponsor one National Park graduate a year in order that this person can learn how to collect field data, work with communities, carry out essential research and recognize ecological problems before they get too advanced e.g. poaching, erosion, vegetation degradation and so on. This manpower resource assistance is vital for the future of conservation as many graduates do not get the opportunity to actually carry out field work and yet can be placed in positions of authority in the conservation world.

Educational Matters

ALERT has a number of educational programmes running in Zimbabwe (Gweru, Victoria Falls and soon in Sinansengwe), and in Zambia (Livingstone). The programmes cover both Conservation Education and conventional education syllabi approved by the Educational Authorities in Zimbabwe. Children in schools are given supplementary education in the form of book clubs, literacy programmes and assisted learning. The program also supports students throughout the academic year. Funding is sourced from support organizations, ALERT, and from volunteers and interns who work on the programme. The academic performance of the children exposed to the learning programmes are assessed using accepted psychological and educational tests. Overall these children show a marked improvement in their academic performance. One of the many "make a difference" successes involved a school with 20 "special needs" children. These children had to leave main stream educational programs due to their problems. After one year, 19 of the 20 children who had been supported and taught by ALERT staff, interns and volunteers, were accepted back into conventional educational streams. This is an encouraging indication of the efficacy of the programme and the difference it can make in children's lives. A high percentage of the children who are involved in our reading clubs and who are involved in reading clubs and literacy classes are accepted into high school where proficiency in English is a prerequisite. ALERT Zimbabwe and Zambia, support 12 schools that serve over 4,000 children between them. Holiday and reading clubs operate outside of term-time and the children benefit from the one on one attention that they get.

Risk Management

The directors have examined the major risks to which the charity is exposed and confirm that systems have been established to mitigate those risks.

The main risk continues to be to the income the Charity generates through its visitor programmes as a result of the recovering interest in travelling to Africa as a result of the Ebola outbreak in West Africa, and the perceptions of facilities with captive lions arising from negative press regarding canned lion operations in South Africa. The Charity has diversified its income generating strategy to compensate for this risk, however the lead-time to receive funds from alternative sources of income are longer, and are, as yet not fully realised.

Investment Powers

Under the Memorandum and Articles of Association, the charity has the power to make any investment, which the directors see fit.

Financial Review

Income for the year amounted to £175,403 (2017: £163,092) an increase of around £12,000. Expenditure amounted to £169,170 (2017: £156,288) an increase of around £13,000. As a result of these movements, a surplus of £6,233 (2017: £6,804) was reported for the year. Retained reserves total £35,845 (2017: £29,612).

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Reserves Policy

It is the aim of the charity to build up unrestricted funds at a level which equates to six months budgeted total future operating expenditure. Based on expenditure over the last two years this would equate to £85,000 (2017: £76,000). At 31 December 2018, unrestricted funds amounted to £20,672 (2017: £24,013) so the balance of unrestricted funds at the period end had not yet reached this level. We continue to actively work to build the unrestricted cash reserves of ALERT.

Restricted funds at 31 December 2018 amounted to £15,173 (2017: £5,599) and further details can be found in note 7 to the financial statements.

Pay policy for key management personnel

The directors consider the directors and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The key management personnel who are involved in all decision making and responsible for the day to day management of the Scheme are Dr. Norman Monks, Dr. Jackie Abell and David Youldon. All directors give of their time freely and no trustee received remuneration in the year. The pay of the senior staff is reviewed annually and normally increased in accordance with market rates.

Plans for the future

The primary focus in 2018 will be the continued implementation of the African Lion Rehabilitation and Release into the Wild Programme, as well as the associated education and social development projects that are implemented alongside, in locations where the Programme operates. In addition, programmes to protect habitat and species that live alongside lions will be further developed. ALERT will continue to publish its programme results in peer-reviewed journals and popular press.

Structure

The company was incorporated as a limited company on 12 July 2007 and is governed by its Memorandum and Articles of Association. The company number is 6311286. The company is also registered with the Charity Commission, number 1120572.

Directors

The directors who served during the year were:

Mr Andrew Conolly
Mr David Scott
Mr Mark Veale

Appointment of directors

The number of directors shall not be less than three but is subject to no maximum. One-third of the directors must retire from office at each Annual General Meeting but is eligible for re-appointment. Directors may be appointed by ordinary resolution.

Each member of the Association has guaranteed to subscribe £1.00 in the event of the company being wound-up.

The power to appoint and discharge director is noted in the Memorandum and Articles of Association which are its governing documents.

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

Directors' Responsibilities

The directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue.

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

Small company exemption

The financial statements have been prepared in accordance with special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board

Mark Veale
Director
29 November 2019

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

I report to the trustees on my examination of the accounts of the Company for the year ended 31 December 2018.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of charity law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiners' statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
M A Wilkes (FCA)
For and on behalf of Wilkins Kennedy Audit Services
Ashford Commercial Quarter
1 Dover Place
Ashford
Kent
TN23 1FB

Date: 4 December 2019

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Restricted £	Unrestricted £	2018 Total funds £	2017 Total funds £
Income from:					
Donations					
General		15,472	6,292	21,764	23,790
From commercial partners		-	15,576	15,576	21,994
Charitable activities					
Research and educational programs					
Facilitated research program		-	17,218	17,218	9,356
Internship program		-	110,673	110,673	99,765
Volunteer program		-	4,078	4,078	-
Other trading activities					
Fundraising programs					
Sponsorship program		4,015	-	4,015	5,576
Merchandise sales		-	241	241	92
Membership income		-	510	510	848
Gift aid		1,072	256	1,328	1,071
Filming income		-	-	-	600
Total income		20,559	154,844	175,403	163,092
Expenditure on:					
Costs of raising funds					
		226	7,033	7,259	7,634
Charitable activities					
Operating research and educational programs					
		-	108,668	108,668	81,450
Other charitable activities		10,759	42,484	53,243	67,204
Total expenditure	2	10,985	158,185	169,170	156,288
Net movement in funds		9,574	(3,341)	6,233	6,804
Reconciliation of funds:					
Funds as at 1 January 2018		5,599	24,013	29,612	22,808
Funds as at 31 December 2018		15,173	20,672	35,845	29,612

All transactions are derived from continuing activities

All recognised gains or losses are included in the Statement of Financial Activities

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2018**

COMPARATIVE INFORMATION ONLY				2017
	Notes	Restricted	Unrestricted	Total funds
		£	£	£
Income from:				
Donations				
General		18,376	5,414	23,790
From commercial partners		-	21,994	21,994
Charitable activities				
Research and educational programs				
Facilitated research program		-	9,356	9,356
Internship program		-	99,765	99,765
Volunteer program		-	-	-
Other trading activities				
Fundraising programs				
Sponsorship program		5,576	-	5,576
Merchandise sales		-	92	92
Membership income		-	848	848
Gift aid		802	269	1,071
Filming income		-	600	600
Total income		24,754	138,338	163,092
Expenditure on:				
Costs of raising funds				
		438	7,196	7,634
Charitable activities				
Operating research and educational programs				
		-	81,450	81,450
Other charitable activities		21,433	45,771	67,204
Total expenditure	2	21,871	134,417	156,288
Net income / (expenditure) before transfers between funds		2,883	3,921	6,804
Transfer between funds	7	139	(139)	-
Net movement in funds		3,022	3,782	6,804
Reconciliation of funds:				
Funds as at 1 January 2017		2,577	20,231	22,808
Funds as at 31 December 2017		5,599	24,013	29,612

All transactions are derived from continuing activities

All recognised gains or losses are included in the Statement of Financial Activities

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
Fixed Assets					
Tangible assets	4		36,690		36,690
Currents Assets					
Debtors	5	4,527		85,506	
Cash at bank and in hand		<u>26,315</u>		<u>12,658</u>	
		30,842		98,164	
Creditors: amounts falling due within one year	6	<u>(31,687)</u>		<u>(105,242)</u>	
Net current liabilities			(845)		(7,078)
Net assets			<u>35,845</u>		<u>29,612</u>
Funds					
Unrestricted funds			20,672		24,013
Restricted funds	7		<u>15,173</u>		<u>5,599</u>
	8		<u>35,845</u>		<u>29,612</u>

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors on 29 November 2019 and were signed on its behalf by:

Mark Veale
Director

Company No: 06311286

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

1.1 Basis of preparation

African Lion Environmental Research Trust Limited is a registered charity with the Charity Commission in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities detailed in the Directors' Annual Report on page 2 under the heading 'Objectives and activities'.

The charity constitutes a public benefit entity as defined by FRS 102. 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 (FRS 102) issued on 16 July 2014 as amended by Bulletin 1, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

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

1.2 Funds accounting

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

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

1.3 Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- Voluntary income including donations and gifts is included in full in the Statement of Financial Activities when receivable.
- Research and educational program income is included in the Statement of Financial Activities in the period to which it relates. Where the program is not within the financial year, the appropriate element is deferred.
- Fundraising income is included in full in the Statement of Financial Activities when receivable.
- Membership income is included in full in the Statement of Financial Activities when receivable.

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis, is inclusive of VAT and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds are those costs incurred in attracting voluntary income.
- Charitable expenditure comprises of those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

The irrecoverable element of VAT is included with the item of expense to which it relates.

1.5 Support costs allocation

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies - continued

1.6 Tangible fixed assets

Individual fixed assets costing £250 or more are capitalised at cost. Depreciation is provided at rates calculated to write off the cost of the assets over their estimated useful lives as follows:

Lions and lionesses	Not depreciated
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1.7 Animals

The cost of acquisition of animals is capitalised to the extent a value can be placed upon them. Subsequent births and deaths are not included on the Balance Sheet.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.10 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.11 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

At 31 December 2018, the charitable company has net current liabilities amounting to £845. This is as a result of the deferment of intern fees received in the year where the internship does not commence until future years in accordance with accounting policy 1.3.

1.13 Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 5 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

1.14 Group and connected companies

The financial statements present information about the charitable company as an individual entity and not about its group. The charitable company has not prepared group accounts as the group's gross income is below the charity audit threshold of £1m.

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2 Expenditure				2018	2017
	Staff Costs	Direct Costs	Support Costs	Total	Total
	£	£	£	£	£
Costs of raising funds					
Marketing	-	240	-	240	-
Fundraising	6,500	515	-	7,015	7,611
Merchandise cost of sales	-	4	-	4	23
	<u>6,500</u>	<u>759</u>	<u>-</u>	<u>7,259</u>	<u>7,634</u>
Costs of charitable activities					
Costs of operating research and educational programs	4,500	104,168	-	108,668	81,450
Other charitable activities					
Projects	24,534	1,335	434	26,303	38,369
Transfer to other ALERT organisations	-	18,084	-	18,084	21,787
	<u>24,534</u>	<u>19,419</u>	<u>434</u>	<u>44,387</u>	<u>60,156</u>
Support costs					
Other	-	-	192	192	-
Communications	-	-	618	618	616
Bank charges	-	-	407	407	620
Legal costs	-	-	4,461	4,461	2,153
Professional fees	-	-	1,220	1,220	2,655
Accountancy fees (incorporating independent examination)	-	-	1,958	1,958	1,004
	<u>-</u>	<u>-</u>	<u>8,856</u>	<u>8,856</u>	<u>7,048</u>
	<u>35,534</u>	<u>124,346</u>	<u>9,290</u>	<u>169,170</u>	<u>156,288</u>
3 Staff costs				2018	2017
				£	£
Salaries				<u>35,534</u>	<u>45,313</u>

All employees are based overseas. The average number of employees was 3 (2017: 5). No employees received remuneration amounting to more than £60,000 in the year (2017: None).

None of the directors has received any emoluments during the period or reimbursed expenses (2017: None).

The trustees consider the board of trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. As detailed above, no trustees received remuneration during the period. The remuneration to the employees total £21,534 (2017: £25,145).

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4 Tangible fixed assets	Lions and lionesses £	Total £
Cost		
As at 1 January 2018 and 31 December 2018	36,690	36,690
Net Book Value		
As at 1 January 2018 and 31 December 2018	36,690	36,690
5 Debtors	2018 £	2017 £
Prepayments	2,513	46,421
Other debtors	2,014	39,085
	<u>4,527</u>	<u>85,506</u>
6 Creditors: amounts falling due within one year	2018 £	2017 £
Deferred income	2,865	66,097
Accruals	1,950	1,900
Other creditors	26,872	37,245
	<u>31,687</u>	<u>105,242</u>

7 Restricted funds	Balance brought forward £	Income £	Expenditure £	Balance carried forward £
Lion Release Program	387	4,411	(4,226)	572
Anti-Poaching Zambezi NP	3	640	(410)	234
MCHC Orphanage or Drop-In	3,465	4,620	(4,505)	3,580
School Fees Victoria Falls	-	135	(135)	-
Monde Primary School	9	111	(79)	41
Maunga Primary School	11	203	(199)	14
Matusadona National Park Lion Project	56	1,657	(1,432)	282
Anti-Poaching Training	252	-	-	252
Elephant Research in Livingstone	1,416	8,782	-	10,198
	<u>5,599</u>	<u>20,559</u>	<u>(10,985)</u>	<u>15,173</u>

Lion Release Program To create a source of lions for release into the wild to restore lost, and augment existing populations.

Anti-Poaching Zambezi NP To assist in the protection of national parks and other protected areas.

MCHC Orphanage or Drop-In To provide a safe and secure environment for orphans and vulnerable children.

School Fees Victoria Falls To empower communities through education

Monde Primary School To increase the capacity of these schools to offer higher learning possibilities to their pupils

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7 Restricted funds

Maunga Primary School	To Increase the capacity of this school to offer higher learning opportunities to its pupils
Matusadona National Park Lion Project	To assess the lion population within this Park to contribute to lion conservation action plans
Anti-Poaching Training	To provide training to anti-poaching units to enhance the effectiveness of anti-poaching activities
Elephant research in Livingstone	To provide research into the conservation and wellbeing of elephants in Livingstone

	Balance brought forward	Incoming	Outgoing	Transfer between funds	Balance carried forward
	£	£	£	£	£
Movement in funds - previous year					
Lion Release Program	100	15,069	(14,782)	-	387
Anti-Poaching Zambezi NP	3	37	(37)	-	3
MCHC Orphanage or Drop-In	2,464	3,429	(2,428)	-	3,465
School Fees Victoria Falls	-	246	(246)	-	-
Monde Primary School	8	111	(110)	-	9
Maunga Primary School	2	32	(23)	-	11
Matusadona National Park Lion Project	-	63	(7)	-	56
Anti-Poaching Training	-	3,616	(3,364)	-	252
Elephant Research in Livingstone	-	2,151	(735)	-	1,416
Other	-	-	(139)	139	-
	2,577	24,754	(21,871)	139	5,599

AFRICAN LION ENVIRONMENTAL RESEARCH TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8 Analysis of net assets between funds

	Tangible fixed assets	Net current liabilities	Total
Fund balances at 31 December 2018 are represented by:	£	£	£
Unrestricted funds	36,690	(16,018)	20,672
Restricted funds	-	15,173	15,173
	<u>36,690</u>	<u>(845)</u>	<u>35,845</u>

	Tangible fixed assets	Net current liabilities	Total
Fund balances at 31 December 2017 are represented by:	£	£	£
Unrestricted funds	36,690	(12,677)	24,013
Restricted funds	-	5,599	5,599
	<u>36,690</u>	<u>(7,078)</u>	<u>29,612</u>

9 Related party transactions

During the year cash funds totalling £18,084 (2017: £21,787) were donated to the following companies, of which Mr A Conolly and Mr D Scott are directors.

	2018 £	2017 £
ALERT Zambia	7,263	9,376
ALERT Zimbabwe	10,821	12,411
	<u>18,084</u>	<u>21,787</u>

During the year cash funds totalling £7,658 (2017: £14,624) were paid to Bowtracker Safaris t/a Antelope Park, of which Mr A Conolly is a director.

Mr M Veale and Mr P Quirk are directors of LJ Management (IOM) Limited. During the year the company incurred costs totalling £5,681 (2017: £4,601) in respect of administration, banking services and other legal costs.

During the year cash funds totalling £14,287 (2017: £22,706) were donated from African Impact Foundation Limited, a company in which Mr A Conolly is a director.

During the year £179 (2017: £339) was paid to The Happy Africa Foundation Limited, a company in which Mr A Conolly is also a director, for commissions and services provided.

Mr A Conolly is also a director of Lion Encounter, to which a total of £Nil. (2017: £32,176) was paid to during the year for services provided.

Mr A Conolly is also a director of Carnivore Enterprises t/a Lion Encounter (Zimbabwe) to which a total of £37,695 (2017: £37,330) was paid to during the year for services provided.

10 Connected parties

ALERT UK has connected registered charities in Zambia (Zambia Charity Registration Number ORS/102/35/3583), Zimbabwe (Zimbabwe Protocol No 68 – MA82/2008), and United States of America (Public charity status: 170(b)(1)(A)(vi)). ALERT UK, Zambia and Zimbabwe share common directors. The results of all four separate ALERT entities are produced in a consolidated annual report which can be requested from ALERT UK's head office.