

**UNDERSTANDING ANIMAL RESEARCH**

**AUDITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2014**

**REGISTERED NUMBER: MS28954R**



Chartered Accountants and  
Statutory Auditors

**UNDERSTANDING ANIMAL RESEARCH  
REPORT OF THE COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Vision and mission**

Understanding Animal Research (UAR) wants everyone to understand and acknowledge the essential role that humane animal research plays in advancing basic and applied science, including the development of treatments for people and animals and a better understanding of the world we live in.

UAR fosters public understanding of the humane use of animals in bio-scientific research in the UK. It achieves this by engaging with and providing information for the public and by encouraging the bioscience sector to be open in explaining to the public why and how animals are used in research. UAR also works towards a favourable policy, regulatory and operating environment for the humane use of animals in research in the UK.

The UAR approved strategy for 2015 - 2018 has top level goals as follows:

- A. **Conversation with the public:** To improve public understanding and thereby acceptance of animal research, UAR will monitor and influence public opinion on the key issues that present challenges for animal research.
- B. **Supportive operating environment:** To ensure that the highest quality animal research can continue in the UK, UAR will engage both with policy and decision-makers within key legislative bodies and with the commercial organisations that provide essential services.

**Activities**

The major activities of the organisation are to communicate to the public, to influence policy development and to run a schools education programme.

During 2014, the work of UAR, alongside other organisations within the bioscience sector, continued to contribute to a favourable public debate and policy climate for animal research.

**Major achievements in 2014**

During the year, Understanding Animal Research:

- Published the Concordat on Openness on Animal Research in the UK with 72 signatory organisations at publication, rising to 90
- Spoke at many conferences and meetings about the development of the Concordat and the importance of openness on animal research
- Held the first Understanding Animal Research Openness Awards
- Reinstated the Paget Lecture as an annual event
- Finalised the incorporation of the European Animal Research Association as a separate, stand-alone organisation with its own Board and funding
- Held a series of talks at UK Veterinary Schools to help veterinary students understand the role of animals in human and veterinary research
- Organised the first 'Open Labs' whereby groups of school children visit animal facilities
- Provided support for its members in the media and in relation to Freedom of Information requests
- Expanded the Science Action Network and UAR's social media following to counter misleading claims about animal research online and in social media

**UNDERSTANDING ANIMAL RESEARCH  
REPORT OF THE COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Major achievements in 2014, continued**

- Maintained and developed new content for its three websites, moving all three to hosting platforms optimised for viewing on mobile devices:  
[www.understandinganimalresearch.org.uk](http://www.understandinganimalresearch.org.uk), [www.AnimalRightsExtremism.info](http://www.AnimalRightsExtremism.info) and [www.AnimalResearch.info](http://www.AnimalResearch.info)
- Continued its dialogue with transport companies and other sectors of the supply chain
- Attended conferences and science fairs to promote public engagement on animal research
- Created new videos for the UAR website and YouTube Channels
- Organised for MPs and journalists to visit animal research facilities
- Attended the main political party conferences in preparation for the 2015 General Election
- Supported members and stakeholders in communicating about their animal research, particularly in the context of planning applications
- Gained high-profile proactive and reactive media coverage of animal research
- Alongside the UK Bioscience Sector Coalition, worked with the Home Office, other government departments and politicians on guidance relating to the transposition of the new EU Directive 2010/63/EU
- Engaged with Government and Parliament to ensure a continued emphasis on good science and animal welfare
- Countered the campaigning of the animal rights movement, e.g. by having complaints upheld by the Advertising Standards Authority
- Achieved on average 100 school talks per term, reaching approximately 10,000 children in 2014, and trained new volunteers in industry and academia for the school speaker programme

**Governance issues for UAR**

In the first three months of 2014, UAR employed the Interim Director of the European Animal Research Association as the new organisation was being established and funding and strategy were being agreed with stakeholders. As EARA progressed towards being incorporated in its own right, UAR Council considered carefully the governance structure for the newly-formed Association. It was agreed that as the focus of EARA's work will not be in the UK, the new organisation should have its own separate governing body. Wendy Jarrett, UAR CEO, sits on the Board of EARA, which includes representatives from across the EU and from both industry and not-for-profit sectors. EARA took over the employment of its Executive Director in March 2014.

In January 2014 the UAR Council completed a training session on governance issues for non-executive directors, based on the Institute of Directors' Certificate in Company Direction.

**Staff and Council Changes**

Dr Ian Le Guillou (Science Writer) left UAR in 2014.

Miriam Rozenbaum joined as Science Writer in October 2014

Catherine Meaden stood down from Council in 2014 and was replaced by Audrey Yvernault. Professor Robin Lovell-Badge and Professor Jeremy Pearson were re-elected for a second three year term and Paul Sanders was re-elected as Honorary Treasurer.

**UNDERSTANDING ANIMAL RESEARCH  
REPORT OF THE COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**Funding of UAR**

The principal funding source of the organisation in 2014 was subscriptions from member organisations. UAR has over 100 institutional members, most of whom pay an annual subscription. These organisations are listed on the website. Project funding was also received from organisations wishing to support the establishment of the European Animal Research Association and for other UAR projects.

UAR achieved a surplus in 2013 and Council agreed that £60,000 of this would be used in 2014 and 2015 to pay for infrastructure improvements. Some of this money has been spent on refreshing the UAR websites and moving them to a new platform that will support access from mobile phones and tablets. UAR has also developed a new Contact Relationship Management system that will streamline and enhance its communications with its members and stakeholders. Although the Annual Accounts for 2014 show a loss, this is offset by this £60,000 taken from the reserves to pay for these improvements.

During 2014 UAR started the process of rebalancing its income in order to ensure that the University sector provides an appropriate proportion of the budget. Meetings and consultation with University members resulted in a new formula for academic funding of UAR which will be rolled out during 2015 and 2016.

The funding of UAR will remain a significant issue in 2015 but we are confident that the combination of the increased funding from Universities, diversification of income, and prudent control on outgoings will enable UAR to balance its budget in 2015 and continue to re-build its reserves in the medium to long term.

Approved by the Council on 27 May 2015 and signed on its behalf



**Professor Frances Balkwill OBE, FMedSci**  
Chair

**UNDERSTANDING ANIMAL RESEARCH**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**CONTENTS**

	<b>Pages</b>
List of Officers, Council members and Vice Presidents	1
Statement of the Council's responsibilities	2
Independent auditors' report	3
Income and expenditure account	4
Balance sheet	5
Notes to the financial statements	6 - 9

## **UNDERSTANDING ANIMAL RESEARCH**

### **President**

Lord Taverne QC

### **Chairman**

Professor Frances Balkwill OBE FMedSci

### **Honorary Treasurer**

Mr Paul Sanders

### **Chief Executive**

Ms Wendy Jarrett

### **Members of Council**

Mr Ken Applebee  
Professor Derek Bell  
Ms Karen Gardner  
Mr Andrew Gay  
Professor Max Headley  
Professor Robin Lovell-Badge  
Professor Jeremy Pearson  
Professor Angela Roberts  
Dr Patrick Sinnott-Smith  
Ms Audrey Yvernault

### **Honorary Vice Presidents**

Sir Colin Berry DSc FRCPath FRCP FFPM FMedSci  
Professor Colin Blakemore FMedSci FRCP(Hon) FRS  
Sir Walter Bodmer FRCPath FRS FMedSci  
Sir Arnold Burgen FRCP FRS FMedSci  
Sir Roy Calne FRCS FRS  
Mr Tam Dalyell  
Sir Colin Dollery FRCP  
Dr Leslie Iversen FRS  
Baroness Knight of Collingtree DBE  
The Lord Mayhew  
Sir Stanley Peart FRCP FRS FMedSci  
Dr Peter Read CBE  
Professor Nancy Rothwell DBE FRS  
Sir Richard Sykes DSc FRS FMedSci  
Lord Turnberg of Cheadle FRCP FMedSci  
Lord Walton of Detchant FRCP FMedSci  
Baroness Warnock of Weeke DBE  
Sir David Weatherall FRCP FRCPath FRS FMedSci  
Lord Winston of Hammersmith DSc FRCP FRCOG FMedSci

## **UNDERSTANDING ANIMAL RESEARCH**

### **COUNCIL'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

The Co-operative and Community Benefit Societies Act 2014 requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Understanding Animal Research and of the results of the society for that period. In preparing those financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis, unless it is inappropriate to assume that the society will continue in operation.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and to enable it to ensure that the financial statements comply with The Co-operative and Community Benefit Societies Act 2014. It is also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Council are aware:

- there is no relevant audit information of which the society's auditor is unaware; and
- the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## UNDERSTANDING ANIMAL RESEARCH

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNDERSTANDING ANIMAL RESEARCH

We have audited the financial statements of Understanding Animal Research for the year ended 31 December 2014 which comprise the income and expenditure account, the balance sheet 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 society's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF THE COUNCIL AND AUDITORS

As explained more fully in the Council's Responsibilities Statement, the Council is responsible for the preparation of the financial statements which 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 society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

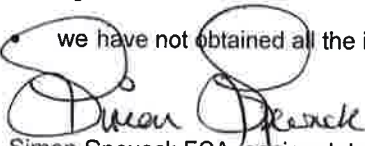
- give a true and fair view of the state of the society's affairs as at 31 December 2014 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and with the Co-operative and Community Benefit Societies Act 2014.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- proper books of account have not been kept by the society in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the society in accordance with the requirements of the legislation;
- the revenue account or the other accounts (if any) to which our report relates, and the balance sheet are not in agreement with the books of account of the society; or

we have not obtained all the information and explanations necessary for the purposes of our audit.

  
Simon Spevack FCA (senior statutory auditor)

For and on behalf of  
**Wellden Turnbull Ltd**  
Chartered Accountants  
Statutory Auditors

180 Piccadilly  
London  
W1J 9HF

Dated: 27 May 2015



**UNDERSTANDING ANIMAL RESEARCH**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	NOTES	2014 £	2013 £
<b>INCOME</b>			
Subscriptions and donations		444,427	452,189
Grants income		144,391	143,000
Interest received		223	215
Project income		39,936	179,988
Contribution to the set-up costs of EARA		-	51,658
EARA management charge		15,000	-
		<u>643,977</u>	<u>827,050</u>
<b>EXPENDITURE</b>			
Project costs		10,164	74,652
Staff salaries and costs	4	477,926	450,832
Premises expenses		42,748	65,931
Stationery, postage and telephone		2,620	7,855
Repairs and maintenance		293	364
Sundry expenses		1,449	1,930
Staff and Council expenses	5	20,035	31,484
Communications		21,591	34,263
Grants and subscriptions		5,985	4,029
Information technology costs		59,114	17,815
Education costs		1,218	3,351
Consultancy		1,112	838
Foreign exchange losses		61	1,179
Audit, accountancy and bookkeeping fees		19,399	18,000
Legal and professional fees		735	238
Interest expense and bank charges		381	711
Policy costs		15,033	-
		<u>679,864</u>	<u>713,472</u>
<b>OPERATING SURPLUS / (DEFICIT) FOR THE YEAR</b>	2	(35,887)	113,578
<b>CORPORATION TAX</b>	3	44	41
<b>RETAINED SURPLUS / (DEFICIT) FOR THE YEAR</b>		(35,931)	113,537
<b>ACCUMULATED SURPLUS BROUGHT FORWARD</b>		344,820	231,283
<b>ACCUMULATED SURPLUS CARRIED FORWARD</b>	11	308,889	344,820

**TOTAL RECOGNISED GAINS AND LOSSES** - There were no recognised gains or losses other than the gains and losses as shown above.

**CONTINUING OPERATIONS** - None of the organisation's activities was acquired or discontinued during the above two financial years.

*The notes on pages 6 to 9  
form part of these financial statements.*

**UNDERSTANDING ANIMAL RESEARCH**  
**REGISTERED NUMBER : MS28954R**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014		2013	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		-		-
<b>CURRENT ASSETS</b>					
Debtors	7	27,616		129,421	
Cash on deposit		400,051		450,000	
Cash at bank and in hand		30,907		74,175	
		458,574		653,596	
<b>LESS: CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	8	67,224		210,742	
<b>NET CURRENT ASSETS</b>			391,350		442,854
<b>CREDITORS: amounts falling due after more than one year</b>	9		(81,464)		(97,037)
<b>NET ASSETS</b>			309,886		345,817
<b>Financed by:</b>					
<b>SHARE CAPITAL</b>					
5 (2013 - 5) shares of £1 each fully paid	13		5		5
<b>RESERVES AND FUNDS</b>					
Capital reserve - cancelled shares	11		992		992
Accumulated surplus	11		308,889		344,820
			309,886		345,817

Approved by the Council on 27 May 2015 and signed on its behalf by



**Professor Frances Balkwill OBE, FMedSci**  
CHAIRMAN



**Mr Paul Sanders**  
HON. TREASURER



**Mrs Wendy Jarrett**  
CHIEF EXECUTIVE

*The notes on pages 6 to 9  
form part of these financial statements.*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

**1 ACCOUNTING POLICIES**

**1.1 Accounting conventions**

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

**1.2 Cash flow statement**

The Organisation has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small entity.

**1.3 Subscriptions income**

Subscriptions and donations are credited to the income and expenditure account in the year to which they relate but credit is not taken in the income and expenditure account for amounts received in advance.

Income relating to projects is taken to income as it is earned by the organisation.

**1.4 Depreciation of tangible assets**

Depreciation is provided on tangible assets, at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life as follows:

Computer equipment	25% to 50% on cost
--------------------	--------------------

**1.5 Taxation**

The Organisation is treated for corporation tax purposes as being mutually trading and is not liable to UK corporation tax on its operating surplus. The charge for taxation is based on investment income for the year.

**1.6 Operating lease commitments**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**1.7 Pension costs**

The Organisation operates a defined contribution pension scheme. Contributions payable to this scheme are charged to the income and expenditure account in the period to which they relate. These contributions are invested separately from the Organisation's assets.

**2 OPERATING SURPLUS / (DEFICIT) FOR THE YEAR  
BEFORE TAXATION**

	2014 £	2013 £
This is stated after charging:		
Audit fee	5,000	4,800
Operating leases - land and buildings	35,603	36,014
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2014

**3 CORPORATION TAX**

Corporation tax is payable on the interest income at a rate of 20%. The charge for the year is £44 (2013 - £41).

**4 EMPLOYEE INFORMATION**

	<b>2014</b>	<b>2013</b>
	£	£
<b>Staff costs:</b>		
Salaries	400,818	373,277
Social security costs	41,801	41,404
Childcare costs	1,860	744
Pension costs	28,625	25,960
Consultancy services	-	250
Recruitment, training and other staff costs	4,822	9,197
	<u>477,926</u>	<u>450,832</u>

**5 COUNCIL MEMBERS' EXPENSES**

During the year no member received remuneration. (2013 - None)

Included within staff and Council expenses are other costs in respect of Council members' travel and accommodation totalling £1,485 (2013 - £3,050).

**6 TANGIBLE FIXED ASSETS**

	<b>Office equipment</b>	<b>Total</b>
	£	£
Cost or valuation:		
At 1 January 2014	7,073	7,073
Additions	-	-
Disposals	-	-
At 31 December 2014	<u>7,073</u>	<u>7,073</u>
Depreciation:		
At 1 January 2014	7,073	7,073
Charge for the year	-	-
Disposals	-	-
At 31 December 2014	<u>7,073</u>	<u>7,073</u>
Net book value at 31 December 2014	<u>-</u>	<u>-</u>
Net book value at 31 December 2013	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

<b>7 DEBTORS</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	11,981	114,170
Other debtors	6,016	5,686
Prepayments and accrued income	9,619	9,565
	<u>27,616</u>	<u>129,421</u>
	<u><u>27,616</u></u>	<u><u>129,421</u></u>
<b>8 CREDITORS - amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	12,369	3,785
Corporation tax	44	43
Other taxation and social security costs	17,559	31,816
Accruals and deferred income	37,252	175,098
	<u>67,224</u>	<u>210,742</u>
	<u><u>67,224</u></u>	<u><u>210,742</u></u>
<b>9 CREDITORS - amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Provision towards pension deficit	81,464	97,037
	<u>81,464</u>	<u>97,037</u>
	<u><u>81,464</u></u>	<u><u>97,037</u></u>

In 2009 Understanding Animal Research was advised by the Scheme Trustees that there may be a future liability to provide funds to make up a possible shortfall of £122,573 on an historic pension scheme relating to 12 former employees dependent on the interpretation of the pension scheme rules.

The total estimated additional liability was fully provided for in 2012.

Legal guidance, subject to future actuarial valuations, indicates annual payments are £15,322 and this amount is included in current liabilities. The balance of the overall provision of £81,463 is payable in equal instalments from 2015 to 2020 and is included in creditors falling due after more than one year.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2014

**10 OBLIGATIONS UNDER OPERATING LEASES**

	<b>2014</b>	<b>2013</b>
	<b>Land and Buildings</b>	<b>Land and Buildings</b>
	<b>£</b>	<b>£</b>
Annual rental: amounts payable within one year on leases expiring:		
Within 1 year	-	-
Within 2 to 5 years	27,000	27,000
	<u>27,000</u>	<u>27,000</u>

**11 STATEMENT OF MOVEMENTS ON RESERVES**

	<b>Accumulated surplus</b>	<b>Capital reserve</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2014	344,820	992
Surplus / (deficit) for the year	(35,931)	-
Balance at 31 December 2014	<u>308,889</u>	<u>992</u>

**12 RELATED PARTY TRANSACTIONS**

European Animal Research Association (EARA), a company in which Chief Executive Mrs Wendy Jarrett is a director, was paid £27,240 by the society in regards to income and expenditure allocated to the company before incorporation. EARA were also charged management fees of £15,000 in the year. No balance was outstanding at the year end.

**13 SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
5 (2013 - 5) shares of £1 each fully paid	5	5
	<u>5</u>	<u>5</u>