



# Annual report and accounts 2017

World Animal Protection is registered with the Charity Commission as a charity and with Companies House as a company limited by guarantee. World Animal Protection is governed by its Articles of Association.

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## Contents

### Our trustees' annual report

A message from our chair and chief executive	3
Moving the world in numbers	4

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### Our strategic report 5

Strategy on a page	5
Protecting animals in communities	6
Protecting animals in disasters	11
Protecting animals in the wild	16
Protecting animals in farming	23
Our global reach	28
Financial review	29
Our income	29
Our expenditure	31
Our fundraising approach	32
Financial policies	33
Risks and uncertainties	35
Structure, governance and management	37

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Reference and administrative details	39
Public benefit requirement	40
Statement of trustees' responsibilities	41
Independent auditor's report to the members of World Animal Protection	42

### Consolidated financial statements 44

Consolidated statement of financial activities	45
Consolidated and charity balance sheets	45
Consolidated statement of cash flows	46
Summary income and expenditure account	47
Notes to the consolidated financial statements	48

Thank you	63
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Contact us	64
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#### About the cover:

Elephants at a higher welfare venue in Thailand, where they have a natural environment to roam in and express natural behaviour.

A message from our chair and chief executive

# Moving the world in 2017

Boldly challenging big brands and organisations to work with us, to join our supporters in moving the world for animals, was central to our work in 2017.

Through our Wildlife. Not Entertainers campaign we uncovered such horrific animal cruelty behind tourist selfies that social media giant Instagram acted swiftly, warning its users about animal abuse. The advisory notices Instagram posted are now a permanent part of the site intended to galvanise its 800 million visitors to steer clear of using wildlife as photo props.

We also took on KFC, one of the most iconic food brands in the world, unveiling the appalling suffering endured by chickens used by the fast-food industry. We challenged them to improve the lives of the millions of chickens they use. More than 250,000 people worldwide have now joined our call urging KFC to take action. As a result, KFC UK and Ireland have agreed to hold further meetings with us to explore how they could introduce chicken welfare improvements.

The world is a noisy place - lots of causes and issues; we have to be forceful to get our messages across. Our Instagram and KFC successes show we are confident and willing to engage powerfully to do so. And our supporters' positive responses to our calls to actions are tremendous motivators.

Being a catalyst for change is central to our approach. Our three-year dog population management work project, focussing on the elimination of dog-mediated rabies in Makueni county, Kenya, is a prime example of this in action. Galvanised by Makueni's success, the Kenyan government is using the project as a model to roll out nationwide.

Throughout the year we continued to be an organisation distinguished by our strong teamwork. The extraordinary efforts of our disaster staff travelling from all over the world at a moment's notice to protect the thousands of animals in Hurricane Irma's aftermath exemplified this.

Working with local partners to build robust infrastructure afterwards to reduce a future disaster's impact is key. We will continue to do this to ensure the sustainability of our interventions for animals.

Ensuring the sustainability of World Animal Protection as a whole is vital too. The problems we are dealing with will not go away overnight. Thankfully, our current financial position and our structure are secure, enabling us to consider new initiatives and increase our expenditure in our four areas of focus. This could involve the direct expansion of work in our four programme areas, and increasing funding for partner organisations' initiatives that support our mission.

Like many other organisations, we work across a diverse range of countries and societies, and recognise our responsibilities to local communities and to the wider public. Protecting the people we work with and for has always been a priority and we are continually looking at ways in which we can improve this further. This year we introduced a global safeguarding policy which will be implemented and monitored wherever we operate.

We are looking forward to realising our vision in exciting ways. Thank you for the support you have so generously given us this year and for your continued commitment to protecting animals.



**Paul Baldwin**  
Chair



**Steve McIvor**  
Chief executive

# Moving the world in numbers

## In 2017 we...

Gave 321 million  
animals better lives.

Provided relief to nearly  
610,000  
disaster-stricken  
animals in  
16 countries.

Welcomed  
12 governments  
to our Global Ghost Gear  
Initiative that's dedicated to  
protecting marine animals  
from entanglement, injury and  
death in abandoned, lost  
and discarded fishing gear.

Worked with 192  
travel operators  
to make sure they stop  
offering elephant rides.

Motivated 250,000  
people to sign up  
to our Wildlife Selfie  
Code and protect wild  
animals from being used  
as photo props.

Vaccinated nearly  
80,000 dogs  
against rabies in Makueni  
county, Kenya.

Delivered life-saving food,  
water and veterinary  
care to 50,000  
animals whose lives  
were turned upside down  
by Hurricane Irma.

Celebrated the commitment  
of Betagro, Thailand's  
biggest pork producer,  
to give 250,000  
mother pigs  
cage-free lives by 2027.

Moved Kwaliti Dairy  
in India to commit to our  
Dairy Welfare Leadership  
Alliance, improving the  
lives of 430,000  
dairy cows  
and buffaloes.

# Our strategic report

## Our vision is of...

A world where animals live free from suffering

## To make our vision a reality...

We move the world to protect animals using our theory of change



Educating and mobilising



Lobbying and advocating



Catalysing sustainable solutions  
to protect animals

To most effectively deliver our vision we will focus on the issues and activities where we can have the biggest impact on reducing the scale, duration and intensity of animal suffering, through the four priority programmes in our 2015-2020 strategy.



### Animals in communities

We will convince the governments of 25 countries to adopt humane and ethical dog population management policies and practices. These will improve the lives of at least 50 million dogs.



### Animals in disasters

We will directly benefit the lives of at least 5 million animals through our disaster response and improve the lives of a further 270 million animals by working with target governments to change policy and practice.



### Animals in farming

We will transform the lives of at least 1 billion farm animals, secure commitments from four global retail brands and 12 national chicken retailers to source higher welfare chicken, and move seven of the top 10 global pig producers to end close confinement and barren environments.



### Animals in the wild

We will directly save at least 100,000 wild animals from being traded and used for entertainment, as luxury pets or products, and as traditional medicines. We will also save 1 million marine animals.



# Protecting animals in communities

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**“People are extremely happy by the work we are doing to protect them and their animals. So many had told me that they had lost family members, friends, dogs and cattle to the disease.”**

Dr Emily Mudoga, companion animal campaign manager

**Next page:** A stray dog in Freetown, Sierra Leone. World Animal Protection has been working with our partner group, the Sierra Leone Animal Welfare Society, for many years. In July 2017 we met with the government taskforce and paravets we are training to help manage the local dog population.



Giving unconditional comfort, friendship and warmth... Bravely guarding homes...  
Protecting and herding farm animals...

Dogs have deep bonds with people developed over thousands of years. Yet despite being one of the world's most loved animals, they are also the most abused. Millions die slow, excruciating deaths in cruel culls annually – killed by people terrified primarily of rabies. Millions more, suffering in the world's poorest regions, are without the food, health care and protection they deserve.

But we are moving the world to give dogs better lives. Through our full-cycle dog population management approach, we are inspiring governments and communities to respect and value them, and live harmoniously side by side with them.

## What we said we would do in 2017...

## And what we did...

Continue our pilot project in Makueni county while the Kenyan government uses it as an example to extend the rabies elimination programme to Kenya's 46 other counties.

- In Makueni county we vaccinated 79,977 dogs against rabies. Our original target of 120,000 dogs was difficult to achieve due to two national elections disrupting timelines. In some areas during vaccination drives, fewer people were available to help, and local authorities with which we cooperate were focussed on the elections.
- 49 teachers were trained in Makueni county to deliver responsible dog ownership lessons. They join the 59 teachers that we trained last year.

Convince Sierra Leone's government to draft a humane and holistic national dog management strategy. This will aim to end the threat of inhumane culling, eliminate rabies and control the numbers, health and welfare of the country's dog population.

- We supported the government of Sierra Leone, through its National Livestock Animal Welfare and Rabies Control Taskforce, in finalising its 'National Strategy for the Elimination of Rabies and Enhancement of Dog Population Management'. This was then ratified by the ministries of health and agriculture and officially launched in September. We input into an animal welfare and a livestock bill which were finalised at workshops supported by us. The bills have been sent to cabinet for review. The former incorporates responsible dog ownership and humane euthanasia; the latter includes public health and zoonotic diseases – diseases that can be transmitted from animals to humans.
- We also supported the Taskforce and Freetown city council by launching a pilot project in the city's Constituency 109. This resulted in 1,434 dogs being vaccinated against rabies and 155 dogs neutered. We expect the project will be adopted by all districts in Freetown by July 2018.

Work in Serbia with our local partner ORCA to convince the national government to set up a stakeholder committee to design a national dog population management action plan.

- During the year we helped the National Alliance for Local Economic Development to develop the working committee that will design a national dog population management action plan. This project will continue in 2018 and a national conference on dog population management, postponed from 2017, is scheduled for 2018.

Explore the most effective ways to end the inhumane culling of dogs on a global scale and begin engagement with new international stakeholders by the end of 2017.

- We decided, based on our monitoring and review processes, that our existing strategy was not delivering the impact we intended, either at the speed or with the breadth of scope expected. We therefore started reviewing our Better Lives for Dogs strategy and agreed to develop a new strategy and campaign based on a new mandate and direction.



## During 2017 we also...

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- Continued our ongoing work with partners Global Anti-Rabies Coalition (GARC) in Zanzibar. This resulted in the vaccination of 758 dogs and 144 cats. Zanzibar is nearing rabies-free status.
  - Celebrated World Rabies Day in Ghana by enabling the training of 10 teachers and more than 400 pupils on dog ownership and rabies, and the vaccination of more than 2,000 dogs.
  - Supported Save The Dogs in opening a veterinary centre in Cernavoda, Romania. This clinic will care for more than 2,000 sick and injured dogs annually.
  - Delivered online training on humane dog population management to 200 veterinarians and government representatives in Brazil; and further training in Sao Paulo state to 500 other government representatives. We also launched a manual on this subject with the public ministry (of public prosecutors). This will be distributed to more than 400 magistrates.
  - Presented at the Pan-African Rabies Control Network meeting for 19 anglophone African countries. We took advantage of the opportunity to work at national, regional and partner level to promote humane dog population management as part of their national rabies elimination strategies.
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**Below:** So far, in Suhum in the south of Ghana, more than 2,000 dogs have been vaccinated against rabies and a rabies education programme is being rolled out in 985 schools in five different towns.



## In 2018 we want to...

Influence African continent-wide and regional organisations, including the African Union and regional economic communities, to create better lives for dogs. Our specific long-term goal is for dog population management to feature in current or future rabies elimination strategies and plans of every African state.

Continue our direct work to create better lives for dogs across Africa by protecting them from rabies.

Revise our strategy to ensure that we achieve our goals more efficiently and to make our Better Lives for Dogs campaign applicable to a wider range of countries worldwide. Our new strategy, focusing on a full-cycle dog population management approach, will run from mid-2018 until 2020.

## We will do this by...

- Encouraging and involving countries in our work through the Pan-African Rabies Control Network, which we help fund.
- Ensuring that the Africa Platform for Animal Welfare, that we helped found in 2017, is recognised as the leading forum for animal protection issues by all African countries.

- Working with respective government authorities and partners in Kenya and Sierra Leone to expand on the work completed in 2017 and to vaccinate an additional 43,000 dogs.
- Training teachers in at least 15 schools in Kenya and Sierra Leone to train other teachers and reach children across the country with positive messages about dog welfare.

- Using the global 'End Rabies Now' campaign to eliminate human rabies transmitted by dog bites by 2030. This will be an effective medium through which to promote our new strategy. The campaign, of which we are a partner organisation, has been created by the World Health Organization and GARC. It also aligns with the UN Sustainable Development Goal to eliminate epidemics of neglected tropical diseases by 2030.

**Right:** In Sierra Leone, Raphael Omondi (education and outreach liaison officer) gives five-month-old Tiger a blue collar to show he has been vaccinated. Tiger is held by owner Agnes Amara.





# Protecting animals in disasters

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**“After a disaster like Irma, where devastation is widespread, and in some places nearly complete, the needs of animals and those that depend on them are enormous. Despite the challenges, our priority is to help as many of the animals as we can and help the owners rebuild their lives and livelihoods.”**

Gerardo Huertas, programme director, animals in disasters

**Next page:** Hurricane Irma tore through the Caribbean on 7 September 2017. Many island countries were devastated and thousands of local people had to evacuate their homes. World Animal Protection deployed teams to four countries and worked with local partners to distribute food and provide veterinary care.



Natural disasters can plunge an estimated 40 million animals annually into crisis, causing trauma, highly infectious diseases, serious injuries and painful deaths – the impact of such suffering is enormous. Many of these animals are owned or cared for by a billion of the world's poorest people who depend on them for food, livelihoods and companionship.

As the only animal protection and welfare organisation with full-time staff dedicated to disaster response, we deliver aid swiftly and strategically where it is needed most. As part of our emergency response operations, we have assisted nearly 3 million animals between 2015 and the end of 2017.

We also use our 50 years of disaster response expertise to help international organisations, governments, communities and animal owners prepare to protect animals from future disasters.

## What we said we would do in 2017...

Deliver our emergency relief and response work where it's needed the most, to directly and indirectly alleviate the suffering of an expected 700,000 animals during the year.

Work with global organisations, including the International Federation of Red Cross and Red Crescent Societies (IFRC), in emergencies to develop and promote best practice procedures for animals.

## And what we did...

- We provided relief to almost 610,000 animals in 14 different response operations in 16 different countries. Our operations ranged from the extreme cold of the 'dzud' in Mongolia to wildfires in the Argentinian pampa. We also deployed to floods in India, Nepal and Sri Lanka and to an extreme drought in Kenya. Our final operation of the year was our response to the extreme devastation caused by Hurricanes Irma and Maria as they tore through the Caribbean. We sent teams to four different countries: Barbuda, Turks and Caicos, Haiti and Dominica where they helped more than 50,000 animals.
- We ensured that most of our deployments were performed more quickly than in previous years. We did this by streamlining and speeding up the necessary field assessments and procedures. This included empowering disaster operation team leaders to offer more immediate help through fodder and veterinary medicines.

- We completed our successful three-year project with the Mexican Red Cross. Through the project, we helped the communities of Tabasco state increase their resilience against floods and protect their poultry.
- In total 546 poultry racks, based on our demonstration models, were built and installed in 10 communities in 2017. At least 2,500 birds and 546 families are expected to benefit from these solutions.
- We also developed aquaponics systems – combined hydroponics (water-only crop growing systems) – and aquaculture (fish or shellfish farming). They can be used to grow crops and create animal feed even when fields are badly flooded.
- As a direct result of the Mexican example, IFRC's Regional Office for Latin America is considering adding the issue of animals to their 'Vulnerability and Capacity Assessment' community training tool.
- In Mongolia, we collaborated directly with the national Red Cross Society during the dzud of early 2017, to help 1,740 herder households and 144,420 sheep, goats, cattle and horses. We focused on distributing nutritional supplements for weak, new-born and sick animals to ensure their survival through the winter.

## What we said we would do in 2017...

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Continue our work at UN level pressing for animals, their protection and welfare to be included in regional, national, local and personal disaster preparedness plans worldwide.

## And what we did...

- We organised events at the United Nations International Strategy for Disaster Reduction (UNISDR) regional platform in Canada and at its global platform in Mexico. Our work at these events raised the profile of animal protection globally among the 200 delegates - influential representatives from UN organisations, governments, NGOs and academics.
  - Through our cooperation with the Indian government, the states of Uttar Pradesh, Tamil Nadu and Tripura integrated animals into their disaster management policies.
  - We supported the National Centre for Disaster Prevention of Mexico (CENAPRED) in developing an 'Animals in disasters drill manual', presented in late 2017 for official adoption in 2018.
  - We started the planning and development of a website for national governments and animal owners for our forthcoming International Animals in Disasters Initiative (IAiD). IAiD will be launched in 2018 and its aim is to improve the lives of 395 million animals through inclusion in national disaster risk reduction management plans.
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## During 2017 we also...

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- Successfully encouraged CEPREDENAC, the Central American organisation that fosters civil defence, to include animals for livelihoods in their regional policy, the first regional body to do so. This results from our input into the UN Sendai framework and the relationship developed with them.
  - Became recognised as expert evaluators for our efforts in evaluating the quality of attention animals received, their evacuation and re-homing in the aftermath of the September earthquake in Mexico City.
  - We provided financial and technical support in developing the Animal Welfare Strategy for Africa (AWSA) and the African Platform for Animal Welfare (APAW). These structures were both validated by their 54 member states towards the end of 2017 and endorsed by the 54 Heads of State (in January 2018). We will be part of APAW's coordinating committee. As it becomes fully functional, APAW will monitor implementation of the AWSA. This will support our Animals in Disasters work in Africa, as getting animals into disaster policies and plans will be driven through this platform. It will also support our wider campaign work.
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## In 2018 we want to...

Help 400,000 animals directly through our disaster relief work.

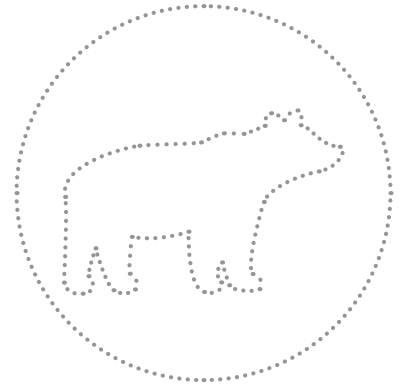
Launch and promote our IAiD initiative which will see animals included in national disaster risk reduction management plans in priority countries. This could benefit 395 million animals.

## We will do this by...

- Deploying our disaster response teams to the areas that need our help most.
- Launching the IAiD at the regional UNISDR platform in June in Colombia. We'll also present it at UNISDR regional platforms and promote it to regional bodies including the African Union and the South Asian Association for Regional Cooperation.
- Inspiring the governments in the countries which benefit from our disaster relief work to work with us on the IAiD.
- Working with the IFRC to ensure it understands and supports the IAiD. We'll work directly with regional IFRC offices in Fiji, Malaysia, Kenya and Panama and approach national Red Cross Societies in the countries where we conduct our response operations. We will also conduct at least one relief operation with the IFRC, promote a joint training exercise with them and explore potential locations for a disaster risk reduction pilot.
- Developing a public mobilisation pilot campaign in one country. This will encourage its national government to support the IAiD initiative and include animals in disaster management plans and relevant policies, to reflect the reliance of many people on their pets and livestock.

**Below:** On the island of Barbuda all animals were abandoned when residents were forced to evacuate. This dog is looking for food.





# Protecting animals in the wild

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**“These animals are being poached from the rainforest, often snatched as babies from their mothers, with some kept in filthy, cramped conditions or repeatedly baited with food.”**

Dr Neil D’Cruze, global wildlife advisor

**Next page:** Local animals, like this squirrel monkey, are taken from the wild and used for harmful selfies with tourists, in Puerto Alegre, Peru.  
Photo: Nando Machado for World Animal Protection





More than 500,000 wild animals worldwide endure horrendous abuse for tourist entertainment annually, including several thousand in Thailand. Even more are cruelly snatched from the wild, held in captivity, bred and traded as exotic pets. Others suffer years of mistreatment and are brutally killed in their millions for their body parts because of demand for traditional medicine. And millions of marine animals, including whales, seals and turtles, are threatened with mutilation and death from the 640,000 tonnes of ghost fishing gear left in our oceans annually. We're building a movement to change this - to protect our wildlife from such unacceptable suffering. We're bringing together people, industry and governments to drive the long-term sustainable changes needed to keep wild animals in the wild, where they belong.

## What we said we would do in 2017...

Influence the UN, governments and the seafood and fishing industry to commit to take real action to tackle the problem of ghost gear, saving millions of marine animals from suffering.

## And what we did...

- We moved the governments of 12 countries - including Belgium, Dominican Republic, the Netherlands, New Zealand, Panama and the UK - to join the Global Ghost Gear Initiative (GGGI) as 'official supporters'. This largely resulted from our involvement in the first UN Oceans Conference in July. The Belgian and Dutch governments donated a total of 150,000 euros to help fund the initiative. The FAO (Food and Agriculture Organization) and the United Nations Environment Programme also contributed financially.
- New members in 2017 included PADI, the international diving body, and WWF. We did not manage to secure any new seafood corporates, though other corporates did join. By the end of the year the GGGI included 66 influential members from the fishing industry, academia and NGOs.
- We secured a formal relationship with the European Commission, through a letter of support for the GGGI, and with which we now have a scientific data sharing agreement. We are also building a closer relationship with the FAO in this area. Having run a practical project for them in Indonesia, we aim to establish the GGGI as the key partner agency for delivering future projects on ghost gear.
- We also supported governments, including Australia, to develop national marine action plans to free their seas of ghost gear.
- We ensured the UN sustainable fisheries resolution included language highlighting the ecological impact of ghost gear and its effect on social and economic livelihoods. We also further elevated ghost gear to a global level by connecting it to pressing international issues including Illegal, Unreported and Unregulated fishing (IUU) and microplastics.
- We ran eight projects during the year to demonstrate solutions to the ghost gear issue, saving many thousands of marine animals - seals, fish, seabirds, crustaceans and cetaceans - from injury or death.
- We launched our 'Best practice framework for the management of fishing gear'. It was developed with more than 50 GGGI seafood industry participants and highlights successful local and national initiatives and their application to the whole industry. Sainsbury's and Youngs Seafood committed to the framework and have incorporated it into their sourcing policies.

## What we said we would do in 2017...

Inspire even more people and travel companies to demand an end to tourism that exploits wild animals.

## And what we did...

- Through our Wildlife. Not Entertainers campaign we mobilised 906,100 supporters to become a part of our movement. More than 1.6 million supporters have taken action on this campaign to date. We are well on track to achieve our campaign goal of 2 million supporters by 2020.
- We moved 155,000 people to pledge their support for an elephant-friendly travel industry, free from the cruelty of elephant rides.
- We galvanised Instagram to highlight the cruelty of wildlife selfies, and encourage their 800 million users to learn more about the abuse of wild animals as props in photos.
- We influenced still more travel companies – including for the first time three Chinese travel companies (Cassia Tourism Group, FX Trip and ZANADU Trip) – to commit to stop promoting and selling cruel elephant rides and shows. This support is highly significant. In 2017, Chinese citizens constituted 27.7% of all tourists to Thailand where several thousand elephants are cruelly held in captivity and used and abused for riding. This brings the total of elephant-friendly companies we have worked with through this campaign to 192.
- We also gained support from a further 49 travel companies that signed our Wildlife Statement of Intent. This means they have removed all wildlife entertainment products from their attractions. Thirty of these companies are under The Travel Corporation umbrella; they operate in more than 60 countries and serve more than 1.5 million customers annually.
- We collaborated with leading travel companies to present an elephant-friendly business model to encourage changed practices to meet a new elephant-friendly market. This first meeting of the Proving Demand Working Group (PDWG) we co-founded brought together in Bangkok elephant venues from across Thailand and major travel companies from the PDWG coalition. This has motivated 10 of the venues in attendance to apply for support or to undertake the elephant-friendly transition themselves. A selection process is underway for two venues to be used as models for the transition and to pioneer this process in 2018.

**Right:** Liberty is a bear sanctuary in Zarnesti, Romania. It is run by World Animal Protection partner organisation Asociația Milioane De Prieteni (AMP) who provide a safe home for bears rescued from captivity and poor-quality zoos. Jexi (pictured) spent 10 years in a small cage before her rescue in 2012.



## What we said we would do in 2017...

Secure lasting changes in Asia to stop bears being cruelly abused for entertainment and for their bile.

## And what we did...

- We marked the completion of a government-funded sterilisation programme of captive bears farmed for their bile in South Korea. This was the culmination of 14 years of campaigning with our local partner, Green Korea United, to end the bear bile industry, and will prevent any new bears entering the industry.
- We submitted policy recommendations to the government of Myanmar to increase protection of bears in the wild to prevent them being taken to supply bear bile farms.
- We formulated a plan, requiring government involvement, to end the bear bile industry in Vietnam with our partners Education for Nature (ENV). However, the government did not officially accept the plan for various reasons, including a reticence to commit to defined activities. We will therefore carry out activities under the plan with our partners and seek government support on a case-by-case basis.
- Also in Vietnam, we worked with ENV to move 40,265 people to take action against the bear bile industry. They signed pledges to not consume bear bile and to report crimes on bears.
- In China we used a government-sanctioned think-tank report to help formulate policy recommendations on ending the bear bile industry. These were submitted to the government through our partners. We also conducted research among bear bile consumers in China where at least 20,000 bears are farmed for their bile and where most bear bile is sold.

Protect bears from being abused for entertainment (baiting and dancing) in Pakistan.

- We continued working with our local partner, the Pakistan Bioresource Research Centre (BRC), to microchip baiting and dancing bears and to secure legislation to protect bears in the long term. We microchipped 88 bears in Pakistan – 60% of the total number of bears used in dancing and baiting activities. Microchipping bears in the Punjab region was hampered because of difficulties in engaging with the ministry of forestry.
- 2017 was the second year in a row without any public bear baiting events in Pakistan. We rescued nine bears from private bear dancing and baiting activity.
- We worked with BRC to successfully lobby the Pakistan government to implement the amended Prevention of Cruelty to Animals Act. We also continued to push for the implementation of the Punjab Provincial Wildlife Act prohibiting the use of bears for entertainment.

## Other achievements

We microchipped 230 captive bears in Vietnam, adding to the 100 microchipped or confiscated in 2016. This covered three new provinces (the target was previously one province). These efforts will hamper

future attempts to illegally remove bears from the wild and place them into captivity. One bear was also voluntarily given up by its owner and transferred to a high-welfare sanctuary.

## In 2018 we want to protect animals in the wild by focusing on...

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### Protecting bears

### We will do this by...

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We will work towards ending the bear bile industry throughout Asia.

- Focusing mainly on China, where 20,000 bears are in captivity in bear bile farms.
  - Working with our local partner in Vietnam to ensure the continued enforcement of legislation aimed at ending bile farming.
  - Rolling out the microchipping of captive bears in Vietnam to two additional provinces to strengthen monitoring and to ensure that no more bears are brought into the industry. We will also start work on securing a breeding ban on bears on bear farms – expected by 2019.
  - Conducting research and investigation to position us for an effective launch of the Wildlife. Not Medicine campaign in 2019. This will focus not only on the use of bears in traditional medicine but upon the use of lions and tigers too.
- 

In Pakistan we will work to protect bears from baiting and dancing.

- Working with BRC to ensure that remaining key provincial legislation is adopted.
  - Accepting between eight and 12 surrendered bears to our sanctuary, to be expanded in 2018.
  - Microchipping all remaining bears used for dancing and baiting.
  - Initiating the creation of a sustainability plan with BRC to develop their autonomy from World Animal Protection's funding.
  - Pressing key stakeholders and officials in Pakistan to ensure the Punjab Provincial Wildlife Act is implemented, making use of bears in entertainment and private ownership of bears illegal in the region.
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In Romania, we will continue to work with our partner Asociația Milioane de Prieteni (AMP – Millions of Friends) to ensure sustainability of the Liberty Bear Sanctuary.

- Supporting AMP to reach 55% self-funding by the end of 2018, from 50% in 2017.
  - Helping to ensure continued national awareness of the illegality of keeping bears in captivity.
  - Providing sanctuary to those bears rescued from captivity.
-

## Protecting exotic pets

## We will do this by...

Launch our exotic pets campaign. We will help the animals caught in the trade by reducing demand and sales and pressing for transport regulation enforcement.

- Engaging with a range of corporate stakeholders while influencing international bodies and national governments to adopt and enforce policies for improved regulation.

## Wildlife. Not Entertainers

## We will do this by...

Move people, governments and travel organisations to demand an end to tourism that exploits wild animals.

- Mobilising our existing supporters and reaching more people to join our Wildlife. Not Entertainers campaign and take meaningful action. We will remain on track to meet our strategic goal of reaching 2 million people by 2020.
- Continuing to work to not only convince travel companies to stop promoting elephant rides and shows, but to phase out all other cruel wildlife attractions. We will particularly target Chinese travel companies and tourists because of the wildlife affected by China's rapidly expanding tourist industry and market. We will also target the tourist industry in the USA which has not been a focus for this campaign before.
- Pioneering elephant-friendly tourism in Thailand. We will help two elephant venues meet our elephant-friendly criteria. Through our existing relationships with the travel industry we will secure support to ensure the success of these venues. We will also inspire another three venues to express their interest in becoming elephant-friendly for 2019.
- Narrowing the focus of our campaigning work, and moving forward with specific asks of the Thai government. We want them to ban tiger breeding to prevent significant future suffering. We also want them to commit to legislation that will outlaw the use of elephants in show performances.

## Sea Change

## We will do this by...

Transition the Global Ghost Gear Initiative to a new home, securing its workstreams, core costs and future leadership.

- Working with a new lead partner organisation to take over leadership of the GGGI.
- Continuing to grow sustainable funding for GGGI through engagement with governments as well as foundations, outlined by the GGGI Case For Support.
- Expanding the GGGI's membership of seafood and industry corporates to bring 10 household names on board by the end of the campaign.
- Ensuring ghost gear is included in international policy, for example in guidelines for the marking of fishing gear via the FAO's Committee of Fisheries meeting in July 2018.



# Protecting animals in farming

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**“Keeping mother pigs (sows) in cages causes them acute psychological and physical suffering. We convinced producers that getting them out of cages and into groups with materials like straw to explore and manipulate is better for animals and better for business.”**

Jacqueline Mills, global campaign head for pigs

**Next page:** A 19-day-old broiler (meat chicken) in an indoor, deep litter system. The shed on this independent farm has open sides for better ventilation and natural light, and the chickens are able to display natural behaviours.





Two thirds of the 70 billion animals consumed annually are farmed intensively. They endure unacceptable suffering, crammed in their hundreds and thousands into giant sheds, to provide the meat, eggs and dairy products people demand. Within these harsh artificial systems, where fast growth and maximum production is paramount, the animals' attempts to move and behave naturally are constantly thwarted. They feel unimaginable distress.

But we are working to change all this. Our practical, solution-focused approach is mobilising consumers, the food industry, governments and farmers to transform the lives of farm animals and build a better world for people too.

## What we said we would do in 2017...

Rally a vibrant global movement of people to influence the food industry and secure commitments to improve the lives of millions of chickens, pigs and dairy cows.

## And what we did...

- We explored different ways of building public support for the Change for Chickens campaign. Our work over the last 18 months has shown that we can effectively build support around this issue. For example, our KFC petition is one of the most effective actions in terms of building new support in important markets such as the US, and our chickens-focused Twitter conferences in Kenya are proving popular. This gives us confidence as we continue to deliver the campaign.
- We did not achieve our target regarding the number of people we wanted to sign our global petition to improve the welfare of chickens in the fast-food supply chain. We reached around 75,000, which is lower than our 300,000 target for the year. However, more than 250,000 people have signed up to the campaign overall. We will be ramping up our efforts in the build-up to the KFC petition hand-in in October.
- For the first time we convinced a Chinese company, Zhejiang Qinglian Foods, to publicly commit to ending the confinement of mother pigs (sows) in cages during pregnancy. They announced they would end this practice by 2025 and instead keep the animals in groups. All animals will have comfortable flooring and materials that can be manipulated to allow them to express their natural behaviour.
- We tried to persuade Qinglian to communicate about pig welfare direct to customers in their own retail outlets. However, the company feels that independent certification of their systems is necessary to reassure consumers. We continue to engage them and other stakeholders such as the Charoen Pokphand group and New Hope on improving pig welfare.
- We have been in dialogue with McDonald's in China. In 2017 we convened a meeting with them, their pork supplier, Keystone, and farms supplying them, Qinglian Foods with whom we are working, and the Chinese Veterinary Medical Association. McDonald's and Keystone have since introduced a draft standard for pig welfare in the farming period for their suppliers.

## What we said we would do in 2017...

Collaborate with livestock producers around the world to develop and expand new animal-friendly farming systems.

## And what we did...

- We encouraged Thai producer Betagro to publicly announce their commitment to phase out sow stalls and farrowing crates on company farms by 2027. They are the first producer in the Asia-Pacific region to commit to end all confinement systems for sows. Their decision will improve the lives of at least 250,000 sows during this 10-year period and many more beyond. This announcement, made with World Animal Protection, was widely reported in the Thai media, and in China and international trade media.
- We supported Betagro in developing single-tier, cage-free egg layer hen housing. In January 2018 they released cage-free eggs from this system to the public as a trial via key retailers, following our support and encouragement. We are monitoring the progress of the initiative. The housing benefitted 15,000 birds in 2017. Within the new system the animals have significantly more freedom to move and behave naturally.
- The National Dairy Code that we developed with India's National Dairy Research Institute was adopted by three state governments (Karnataka, Uttar Pradesh and Telangana). These governments issued directives to ensure the welfare of dairy animals by calling for all dairies in their states to be registered and use the code. These commitments could potentially benefit around 67 million dairy cows and buffaloes, including 50 million in Uttar Pradesh.

Create change for the billions of chickens used annually by food companies worldwide.

- We did not ultimately manage to achieve all our global targets. However, we did achieve a North American commitment to improve chicken welfare, through more space and better lighting (by 2024) from Restaurant Brands International (owner of Burger King, Tim Hortons and Popeye's). We hope to move this to a global commitment in 2018, which will likely improve the lives of more than 50 million chickens per year when the commitments are activated.
- We convinced Cheesecake Factory International to meet our proposals globally, by 2025.

## During 2017 we also...

- Helped Betagro improve the lives of more than 508,000 pigs on farms. We worked with them to refine their sow housing system to minimise the number of days spent in pregnancy stalls. We also supported them to add enrichment such as pig pens with dry solid areas for resting and chewable mats to encourage natural nesting behaviour for sows and growing pigs, and to phase out tail docking. They have also agreed to phase out tooth grinding, from 2018.
- Prompted Betagro to introduce numerous changes to the slaughter process of meat chickens and pigs, which, for example, reduce wing-flapping and pre-stun shocks for the chickens.
- Supported Betagro to make welfare improvements on farms for meat chickens and breeders, benefitting almost 1.3 million birds. They added enrichment such as pecking objects, so reducing feather loss, and phased out the beak trimming of male breeders.
- Inspired Kwaliti Dairy, India's third largest dairy company, to be the first to commit to our Dairy Welfare Leadership Alliance. This will improve conditions for all dairy animals - 430,000 cows and buffaloes - in their supply chain across 4,000 villages. The company will check all dairies they use to ensure they operate legally and to the high standards required.
- Made the lives of almost 68 million animals better through our India Dairy campaign. With the two million achieved in the previous years, we are already 20 million above the overall strategy target of improving the lives of 50 million dairy cows and buffaloes.
- The Business Benchmark on Farm Animal Welfare (BBFAW), which World Animal Protection supports, ranks the world's biggest food and farming companies on their animal welfare performance year on year. 2017 saw six of the 40 producer companies in the index improved, potentially benefitting an estimated 6 billion farm animals. BBFAW is an important tool to ensure companies focus on improving their animal welfare policies and performance.

## In 2018 we want to...

## We will do this by...

Improve the lives of at least half a million dairy cows and buffaloes in India by ensuring provision of basic welfare to positively contribute to their health and well-being.

- Getting the Delhi state government to activate the Registration of Cattle Premises Rule to ensure legal protection of dairy animals, and one other state to begin the process of activating it.
- Persuading two dairy companies to commit to ensuring the welfare of dairy animals in their own supply chains and indirect ones by joining the Dairy Welfare Leadership Alliance.

Show target fast-food brands where they stand on chicken welfare alongside their peers and use this to drive improvements on chicken welfare.

- Launching a robust ranking which gives each company a score and shows their position amongst their peers. We will also use this ranking to inspire supporters to put pressure on the lowest-performing companies.

Improve the lives of 2.35 million mother pigs.

- Extending our successful pilot group housing projects with pig producers in China, Thailand and Latin America. This will give 65,000 sows and 917,000 pigs raised for meat better lives.
- Persuading 13 supermarkets to use their market power to ensure their suppliers keep sows in groups, not in cages. This could benefit 2.3 million pigs.

**Below:** Pregnant mother pigs in group pens are able to display natural behaviour such as foraging, nesting and playing, as well as to rest comfortably with straw bedding.



# Our global reach

World Animal Protection is a truly global organisation, working in over 50 countries across the world, with offices in every continent.



## Our offices

- |               |               |           |              |                  |
|---------------|---------------|-----------|--------------|------------------|
| 1 Costa Rica* | 4 Brazil      | 7 Denmark | 10 India     | 13 Australia**   |
| 2 Canada      | 5 UK*         | 8 Sweden  | 11 Thailand* | 14 New Zealand** |
| 3 USA**       | 6 Netherlands | 9 Kenya*  | 12 China**   |                  |

\* These offices form part of the UK-registered charity and are included in the 'charity' accounts.

\*\* These offices are subsidiaries of the UK charity and are included in the 'consolidated' accounts.

# Financial review:

## Our income

### Every dollar, baht and pound fuels our work to protect animals.

Our fundraising is part of our commitment to build a global movement, giving us the reach and resources to end animal suffering by growing and diversifying our global income. With generous support from our donors, we made significant progress in making our animal protection vision a reality in 2017.

Our priorities were to both deliver sustainable income, that is, income that is reliable, diverse and matched to our mission goals, and to maintain our supporter base globally. In 2017, World Animal Protection secured £37.4m of income (this shows income growth KPI of +10% compared to 2016).

We are mindful how we spend our income and ensure that our fundraising is effective and efficient. We re-invest a proportion of the donations we receive in finding new supporters and raising further funds to make sure we can deliver our animal protection work now and into the future. Fundraising expenditure therefore included £1.7m of additional investments in activities to ensure our income is sustainable, largely attracting new supporters.

Most of our income was given by our individual supporters. This was around £17.7m, around £0.5m/3% more than our plan, although this was lower than the previous year. Furthermore, we achieved our priority for 2017 of maintaining our supporter base globally and this was partly due to the additional investments noted above.

**Below:** Our disaster response team was in Kajiado county, Kenya, providing fodder and veterinary care to animals affected by severe drought.



In terms of diversifying our income, legacy giving continued to be a significant income stream and an all-time high of £10m was received from thoughtful bequests given by individual donors. This is an increase of £2.2m /28% compared to 2016 (£7.8m).

Gifts from partnership giving, that is, major gifts from individuals, businesses, governments and trusts and foundations, was just over £2.1m. This put us closer to our aim to diversify by securing 8-10% of global income in this way. In fact, trusts and foundations more than doubled to £1.3m, thanks in large part to our partnership with the US-based Open Philanthropy Project, which is making a step change in our work to improve the lives of intensively farmed pigs and chickens bred for meat. In addition, we secured income from governments for the first time in 2017. Our Global Ghost Gear Initiative (GGGI) welcomed a collaboration with the Netherlands

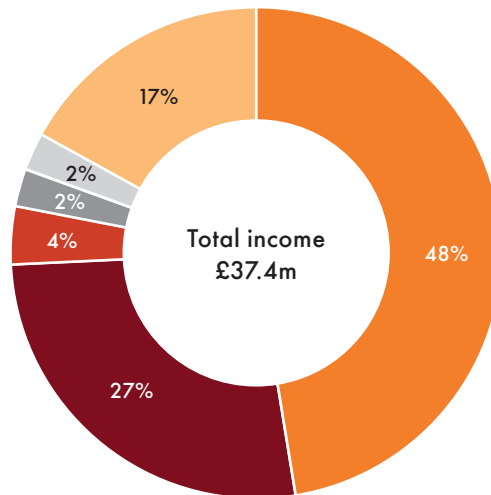
ministry of infrastructure and water management and the ministry of economic affairs and climate policy to mark fishing gear in Indonesia. The Kingdom of Belgium also became a GGGI financial partner in 2017, funding a project in the South Pacific to improve the management of a particular type of fishing gear.

In 2018, we plan to achieve further progress on the global priorities set out above, although we expect our income to be lower than this year, largely because we do not expect to repeat the exceptional year for legacy giving.

For more information on our global fundraising efforts, please see our 2017 Global Review, which includes a financial summary of all entities of the World Animal Protection group.

## Income 2017

- Individual supporters
- Legacies
- Corporates, trusts and foundations, and governments
- Gifts-in-kind
- Major donors
- World Animal Protection affiliates



# Our expenditure

During 2017 our expenditure rose to £31.8m; a key KPI is the direct spend on charitable activities and this accounted for 77.1% of our total organisational spend. This year staffing costs reduced to 36% of total expenditure, a reduction of 6% since 2016. This was due to a lower cost base following the structural operating model changes which occurred during 2016.

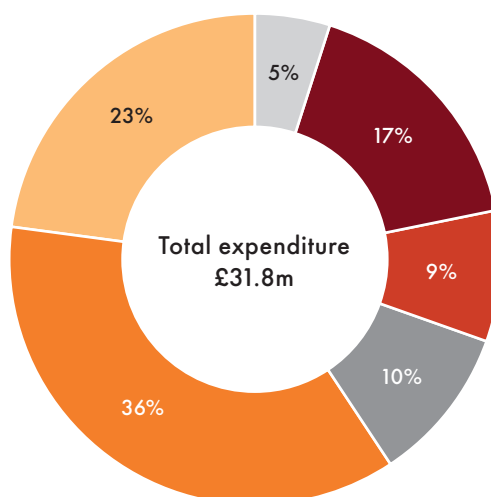
Another key KPI is our reserves level and this is covered in more detail in our reserves policy on page 33.

As well as our four key programmatic areas, we also highlight our expenditure in relation to global advocacy. This activity is key to our theory of change as we move the world to protect animals. These costs relate to communication, education and advocacy across the world.

At the end of 2016, we designated funds to invest in our income so that we could build support for our mission. During 2017 we made strategic investments of £1.7m from this designated fund. The results of these investments have been positive and will enable us to build support for our future endeavours.

## Expenditure 2017

- Animals in communities
- Animals in farming
- Animals in disasters
- Global advocacy for animals
- Animals in the wild
- Fundraising



# Our fundraising approach

World Animal Protection UK endeavours to adhere to the highest standards of fundraising practice and all fundraising and data protection regulations. With the new General Data Protection Regulation (GDPR) coming into effect on 25 May 2018 across the European Union, including the UK, we embarked in 2017 on a GDPR compliance project by conducting firstly a comprehensive data audit and drawing up an action plan towards being compliant by May 2018.

We are registered with the Fundraising Regulator. Fundraising staff have individual membership of the Institute of Fundraising, of which we also hold corporate membership. This gives us access to their Compliance Directorate and User Panels. We are members of the Direct Marketing Association, the Lotteries Council, the Institute of Legacy Management, the Withers Indemnity Project and the National Council for Voluntary Organisations. We are also licensed by the Gambling Commission.

We create much of our fundraising marketing activity in-house. However, in seeking to make best use of our resources and to deliver value for money, we recognise that third-party partners are better placed to deliver some of our fundraising campaigns. Therefore, we have continued working with these suppliers who are trained in relevant areas of our work and compliance. We employ two telemarketing agencies and monitor telephone activity through an agreed call listening process, shadow professional fundraisers and provide feedback on their performance.

In 2017 we continued to build on our direct response television advertising. However, with the changing landscape in fundraising, we ceased our face-to-face activity with YFR towards the end of the year. We had contracted professional fundraisers to acquire new supporters, but this did not work out, owing to their lack of staff capacity.

Following action in 2016, we implemented further measures to enhance supporter experience and to ensure they receive a responsible service from us. Based on supporter feedback, we no longer send reminder mailings for appeals to minimise the number of fundraising communications they receive. Consequently, we have seen a reduction in supporter complaints.

Additionally, we have further refined the processes and procedures that sit beneath our fundraising policy and which allow our management and trustee board to monitor the quality and delivery of our work in this area. We established a Fundraising Working Group, comprising trustees and senior management. Its purpose is to ensure that we are accountable, open, honest and responsive to our supporters and funders in how and why we undertake fundraising. The group equally looks at governance, risk management and performance and effectiveness. In 2017, from over 2,610,000 direct interactions with the UK public, we received a total of 69 complaints that were all effectively resolved; 43 of these related to Fundraising, out of which two were referred to the Fundraising Regulator. One related to the Fundraising Preference Service and the other to our BLES (Boon Lott's Elephant Sanctuary, in Thailand) fundraising appeal. We worked closely with the Regulator who was satisfied with our approach and the resolution of the issue.

We recognise our work in protecting animals appeals to a breadth of supporters, and are vigilant in safeguarding vulnerable people and other members of the public. We have a 'vulnerable people' policy and collaborate with our partners to ensure they adhere to this and our other relevant policies. Measures include running briefings for their fundraisers and, as part of our call listening quality control, regularly monitoring calls to people aged over 70 on a random basis. Equally, we do not solicit donations from anyone under 18, as per the Code of Fundraising Practice; all of our fundraising suppliers have been instructed to decline or return donations from anyone they should find to be under 18. We are mindful not to put undue pressure on a person to donate; our processes and protocols work across telephone, face-to-face and gaming activity.

As part of our approach to offering greater choice to supporters to donate, we also run raffle and lottery campaigns. To operate, we hold gold level membership of the Lotteries Council, and make a modest charitable contribution to the Gamble Aware Trust to assist people with gambling addictions. Furthermore, in all our gaming communications, we offer clear ways to supporters to opt out of any further communications and provide sign-posts to the Gamble Aware Trust for those seeking advice on gambling addiction. In 2017, to be transparent to our supporters, we published for the first time all gaming proceeds we made for the charity.



# Financial policies

## Reserves policy

An important role for trustees is to manage the long-term sustainability of the organisation. The reserves policy sets out the basic principles that it should:

- give confidence to funders by demonstrating good stewardship and active financial management
- demonstrate, to beneficiaries, funders and the public, the charity's resilience and capacity to manage unforeseen financial difficulties
- give voluntary funders an understanding of why funding is needed to undertake a project
- give assurance to lenders and creditors that the charity can meet its financial commitments
- manage the risk to a charity's reputation from holding substantial unspent funds at the year-end without explanation.

As part of this policy, trustees decided to move away from traditional methods of calculating reserves to a method linked to liquid cash balances.

Our minimum reserves level will incorporate the following principles:

- include liquid cash and investment balances in our branches and subsidiaries
- ensure we have sufficient cash holdings to meet our organisational needs
- embed monitoring of this target into our management information.

In 2016 we designated a fund of £8.7m to support income growth. During 2017 we spent £1.7m of this. Due to the successful financial outcome in the year, the trustees have designated £4m to invest in the mission from 2018.

## Reserves performance

At the end of 2017 our liquid reserves were £23.1m, of which £17.5m was held in the UK. This considerably exceeded the minimum target set for the year which was £5.3m.

For 2018, our minimum liquid reserves target is £9.8m, of which we expect 75% or £7.4m will be held in the UK.

The minimum liquid reserve target is calculated as follows: Restricted plus endowment reserves plus 10 per cent of budgeted 2018 income; with 25% contingency added to the total.

## Investment policy

The trustees reviewed the investment policy during 2017 for the cash holdings which are held by the World Animal Protection UK entity.

The objective of the policy is to balance various requirements:

- to maintain appropriate liquidity in case reserves are needed at short notice
- to achieve the highest possible return on investments
- to minimise risk
- to meet our ethical standards.

The investment policy is to invest surplus funds for the short term in fixed-term or call deposits with a high security rating.

Funds which are not expected to be needed except in the longer term are transferred to an investment manager, whose role is to protect World Animal Protection's investments and generate a return while observing our investment restrictions. As part of the trustees' oversight of this portfolio, the investment manager attends a committee meeting each year to present the results of the investment.

## Investment performance

In the UK we increased our investments by £3m and our overall investment in a passive fund is now £6m. Over the years the value of this fund has risen to £7.1m. In 2017 it increased by 4.9%. Following conversations with our investment manager, the trustees are content with the performance of the fund. During 2018 we will continue to invest our cash balances to maximise returns in line with our investment policy.

## Grant-making policy

We make grants to other entities in the global World Animal Protection network to contribute to their running and programme costs. We also give grants on a proactive basis to independent partner organisations and institutions to support joint work on strategic campaigns and projects. We may occasionally offer financial support to other bodies for their own activities which clearly contribute to fulfilling our strategic animal welfare objectives.

Grants to entities within the World Animal Protection network are routinely monitored through narrative and financial management reports which include explanations of variance from agreed budgets. Grants to other organisations are awarded only after a due diligence process has been carried out with them in accordance with the detailed procedures that sit beneath our Partnership and Finance policies. This process is aimed at giving us assurance that grantees are financially stable and that they can reliably manage and account for all the funds they may receive from us. Grants are subsequently governed by formal agreements which lay out agreed terms of reference and requirements for regular reporting, so as to ensure the effective use of funds and delivery of our strategic objectives.

## Remuneration policy

We operate a global remuneration policy, approved by the Board, which requires an annual review of all salaries. Reviews take into account factors such as local market rates, the level of salary increases within the sector in a given year, general inflation and affordability. Any proposed increases are in line with budgets approved by the Board as a part of the annual budget process. Where there are proposed salary increases as per external data on inflation, the cost of living and affordability, these are awarded to staff in July.

Aligned with our overall pay policy, we benchmark the chief executive's salary against salaries of chief executives in global charities of a similar size and income. For the Global Leadership Team, salaries are based on data relating to senior roles in comparable organisations in their respective countries.

**Below:** A loggerhead turtle is trapped in abandoned fishing gear in the Mediterranean Sea. Image: Jordi Chas / naturepl.com



# Risks and uncertainties

The following major risks are reflected on our risk register. Our full global risk register is reviewed at each meeting of the Board. Risks relating to the work of each of the Board's committees are reviewed as a matter of course at all their meetings.

## Risk description

## Mitigation in place

### 1 Financial stability

In an uncertain financial environment, ensuring our long-term financial stability is of paramount importance if we are to deliver our strategic campaign objectives.

- We have robust finance, reserves and investment policies in place.
- The Finance and Audit Committee reviews and provides assurance to the Board on our detailed financial position on a quarterly basis.
- The Board undertakes regular and thorough reviews of our financial position and projections.
- We have improved budgeting and forecasting accuracy to help ensure this risk is managed.
- We diversify our fundraising streams and explore new fundraising markets.
- The Board has approved a medium-term Income Road Map to ensure that we maintain a focus on managing income stability.
- A Fundraising Working Group has been set up to review progress.
- We have carried out extensive counter-fraud and bribery training and other relevant activity.

### 2 Long-term impact of our work

Assessing and ensuring the long-term impact of and outcomes from our programmatic campaigns remains a priority and a challenge.

- We have in place a quarterly performance review process to monitor performance across all aspects of our operations and will continue to refine the process to ensure that it allows our Board and leadership teams to accurately gauge the impact and outcomes of our work and refine our approach where necessary.
- We have a campaign management process which provides rigour to the planning, implementation, monitoring and evaluation of campaigns and projects.
- The Board has a Policy and Programmes committee which keeps under quarterly review the impact we are delivering and the tools we use to monitor and evaluate our work; and provides assurance to the Board in this respect.

## Risk description

## Mitigation in place

### 3 Fundraising methodology

The way World Animal Protection acts and is perceived as a fundraiser is of crucial importance if we are to continue to develop the strength and integrity of our brand and our financial support base.

- We have in place a fundraising policy which formalises our standards and approach in this area.
- Greater emphasis has been placed on the Board's oversight of fundraising performance and methodology through regular quarterly reporting in this area.
- Review of our fundraising policy and supporting procedures ensures our fundraising methods are consistent with best practice, through the Fundraising Working Group.
- We are redoubling our efforts to ensure our work with third-party providers is consistent with our own high standards.

### 4 Robust governance and leadership

Operating in over 50 countries, often with staff working remotely, sometimes in disaster situations, and with a range of funded partners, we are mindful of the need to ensure consistent compliance with our global policies to ensure the most effective delivery of our strategic objectives.

- We have created a comprehensive assurance framework which the trustees are committed to developing further.
- Compliance with our global policies is monitored through our assurance processes.
- We regularly review all geographical and functional risk registers.
- We operate internal control procedures which are constantly reviewed.
- Both the external and internal audit functions report observations on compliance with internal controls and make recommendations for enhancements as needs be.
- Collaboration agreements with World Animal Protection affiliates are to be refreshed during 2018.
- Our internal audit provision has been refreshed and strengthened.
- A global accountability framework is in place.
- The bullying and harassment policy has been strengthened to reinforce our zero-tolerance approach. This is being reinforced by proactive management and training.

### 5 Management of personal information

As a global organisation, we take very seriously our obligations to responsibly manage the personal information we hold which relates to our staff, supporters and advocates.

- A global data protection policy is in place.
- During 2017 we undertook a GDPR audit for the UK-based operations, with similar steps being taken in other countries. This resulted in action plans which are being executed to ensure compliance with the regulations.
- Our senior leadership team and Board will monitor compliance with our policy and with relevant legislation through our quarterly performance review and internal audit programmes.

# Structure, governance and management

## Our structure

World Animal Protection is a global organisation which comprises a network of national offices, coordinated by an International office. This coordination role includes developing the global strategy, setting and maintaining compliance with global policies and standards, and providing central corporate services where it is most efficient to do so.

World Animal Protection national offices are constituted and registered as legal entities as required by local legislation. Our offices carry out a range of animal protection and fundraising activities united under one global World Animal Protection strategy, developed in consultation between all the offices and approved by the Board of trustees of the UK charity. World Animal Protection as registered in the UK includes our International office, the country office for the UK, and three other offices, in Kenya, Thailand and Costa Rica, which are branches of the UK charity. Our offices in Australia, New Zealand, the United States of America and China are subsidiaries of the UK charity. Our offices in Brazil, Canada, Denmark, India, the Netherlands and Sweden are legally independent but functionally affiliated with the UK charity through a collaboration agreement which licenses them to use the World Animal Protection brand.

## Governance

The Board of trustees consists of not more than 13 people. The Board meets four times a year (as do its committees) to review the performance of the charity and make any decisions necessary to its governance and strategic direction. The Board also reviews the organisation's risk register at each of its meetings and receives assurance from each of its committees on risks relating to their area of work as a matter of course. Updated information about the trustees and governance of World Animal Protection can be found on our website at: [www.worldanimalprotection.org/world-animal-protection-governance](http://www.worldanimalprotection.org/world-animal-protection-governance)

The Board has a Finance and Audit Committee which considers and makes recommendations to the Board on financial policies and the annual external audit and accounts. The Committee keeps under review:

- the annual budget before it is presented to the Board of trustees
- the management accounts and performance in relation to the budget
- financial controls and policies
- policies on investments and reserves
- fundraising performance
- external audit.

The Board's Nominations and Governance Committee ensures that World Animal Protection's governance processes and practices are robust, geared towards enabling the most effective delivery of its global strategy and in line with best practice. To ensure optimum objectivity in relation to our internal compliance framework, the Committee also has responsibility for oversight of our internal audit provision and processes, currently outsourced to RSM, who were appointed in December 2017, replacing CCW. Their focus will be on ensuring compliance with the organisation's suite of global policies which cover all our areas of operation. In addition, the Committee continually reviews the skill requirements of the Board of trustees and makes recommendations to the Board as appropriate. New trustees are recruited following a global advertising process, with the aim of identifying and appointing candidates with the particular skills and experience required by the Board to support the delivery of organisational strategy. Trustees are appointed for a four-year term, with the possibility of renewal for one further four-year term. The performance of the Board and of individual trustees is appraised formally on an annual basis.

The induction process for any newly appointed trustee has two main elements.

- An induction pack containing key documents relating to:
  - the Board specifically, including: a trustee role description and code of conduct, to make clear their duties and obligations as a trustee of a UK charity; and terms of reference for the Board committees
  - the wider organisation, including: our Articles of Association, the current strategy, financial health and global policies.
- A series of meetings with Board and staff members to:
  - establish key relationships
  - receive briefings on the strategy, World Animal Protection's structure and governance practices and processes, and the organisation's expectations of the new trustee. Training is offered on new legislation and best practice.

The Human Resources and Remuneration Committee is constituted to keep under review the chief executive officer's (CEO's) performance and remuneration as well as our organisational policies on human resources, remuneration and reward, to ensure that they are consistent with the Board's requirements, current legislation and best practice. The Committee also monitors and supports the ongoing development of a progressive and positive organisational culture.

**Below:** Judy Kimaru (disaster operations manager) talks to a cattle owner who has been affected by severe drought in Kajiado County, Kenya.

The Policy and Programmes Committee is responsible for ensuring that our programme and campaign activity delivers demonstrable and lasting change for animals across our four programme areas, and that our mission-focused work remains in line with our long-term strategic goals and objectives.

In addition, the Committee will keep under review World Animal Protection's global animal protection policy, ensuring that it is consistent with international best practice and World Animal Protection's own strategy and brand.

Finally, the Board also operates a Standing Committee whose principal role is to carry out the functions of the full Board between its regular meetings. This might include advising on matters referred to it by the CEO.

## Management

The CEO is appointed by the Board of trustees to manage the day-to-day operations of the charity. The CEO works with a Global Leadership Team (GLT) which comprises the directors of the key functions. The role of global director of marketing, communications and fundraising is being replaced by the role of global director of development. A new GLT role of global director of people was agreed in 2017, and an appointment will be made in 2018. The Board also directly appoints the company secretary who oversees organisational governance, legal services, policy compliance, internal audit and statutory reporting requirements.

The full list of 2017 and current members of the GLT and Board can be found on page 39 under Reference and administrative details.



## Reference and administrative details

World Animal Protection is registered with the Charity Commission as a charity and with Companies House as a company limited by guarantee. World Animal Protection is governed by its Articles of Association.

Charity registration number 1081849  
Company registration number 4029540  
Registered office 222 Gray's Inn Road, London WC1X 8HB

## Board of trustees

(who are directors for Companies Act purposes)

**Mr Paul Baldwin**<sup>1, 2, 5</sup> Chair

**Ms Nesta Hatendi**<sup>3, 4, 5</sup> Deputy chair

**Mr Dominique Bellemare**<sup>3</sup> (retiring June 2018)

**Ms Sarah Ireland**<sup>4</sup>

**Mr Thomas Jones**<sup>2</sup> (appointed June 2017)

**Ms Anna Lemessany**<sup>2</sup>

**Ms Christine Lloyd**<sup>1, 5</sup>

**Mr Carter Luke**<sup>3, 4, 5</sup> (retiring June 2018)

**Ms Mwikali Muthiani**<sup>1</sup>

**Mr Joseph Nhan-O'Reilly** (resigned May 2017)

**Mr Mark Watts**<sup>2, 3, 5</sup>

**Ms Karen Winton**<sup>3</sup> (appointed June 2017)

<sup>1</sup>Member of Human Resources and Remuneration Committee; <sup>2</sup>Member of Finance and Audit Committee;

<sup>3</sup>Member of Nominations and Governance Committee; <sup>4</sup>Member of Policy and Programmes Committee;

<sup>5</sup>Member of Standing Committee

Chief executive officer **Mr Steve Mclvor**

Company secretary **Mr Stephen Corri**

### Investment managers

Vanguard Asset  
Management Limited  
4th floor, The Walbrook Building  
25 Walbrook  
London EC4N 8AF

### Bankers

Barclays Bank PLC  
99 Hatton Garden  
London EC1N 8DN

### Solicitors

Bates Wells and Braithwaite LLP  
10 Queen Street Place  
London EC4R 1BE

### Auditors (External)

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2A 1AG

### Auditors (Internal)

CCW  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

RSM (from December 2017)  
25 Farringdon Street  
London EC4A 4AB

## Global leadership team

### Steve Mclvor

Chief executive

### Lena Ahlby

Global director of programmes

### Kevin Geeson

Chief operating officer

### To be confirmed

Global director of people  
(from August 2018)

### Phil Talbot

Global director of marketing,  
communications and fundraising  
(resigned September 2017)

### To be confirmed

Global director of development  
(from August 2018)

## Our public benefit requirement

Under the Charities Act 2011, charity trustees have a duty to explain in their annual report how they meet the requirement to demonstrate public benefit within the meaning of the Act. They are also obliged to explain the charity's achievements, measured by reference to the charity's aims and to the objectives set by the Board of trustees. The advancement of animal welfare is specified as an admissible charitable purpose and is taken to include any purpose directed towards the prevention or suppression of cruelty to animals or the prevention or relief of suffering by animals. Examples of the charitable purposes falling within this description include:

- charities promoting kindness and seeking to prevent or suppress cruelty to animals
- animal sanctuaries
- the provision of veterinary care and treatment
- charities concerned with the care and rehoming of animals that are abandoned, mistreated or lost
- feral animal control, eg neutering.

In accordance with the requirements of the Charities Act 2011, the Board of trustees has paid due regard to the Charity Commission's guidance on public benefit when deciding on and planning the activities of World Animal Protection.

The report on pages 4-27 demonstrates how we met our charitable purposes in 2017 and our principal achievements under our respective strategic priority areas of work.

**Below:** Chocoana is released into the forest after a three-month stay at AIUNAU sanctuary, Colombia. Chocoana had been rescued from captivity in July 2017 and taken to the sanctuary, which is part funded by World Animal Protection.





## Statement of trustees' responsibilities

The Board of trustees (who are also directors of World Animal Protection for the purposes of company law) is responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations. Company law requires the Board of trustees to prepare financial statements for each financial year.

Under that law, the Board of trustees has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Board of trustees is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements and accounting 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 including Financial Reporting Standard FRS 102
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the charitable group will continue in business.

The Board of trustees is responsible for ensuring that adequate accounting records are maintained 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 company and enable them to ensure that the financial statements comply with the Companies Act 2006.

It is also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In the case of trustees in office at the date the Trustees' Annual Report is approved:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

### Going concern

The trustees have reviewed the consolidated position of World Animal Protection. They have taken into account the level of reserves and cash, the annual business plan and forecast process, and the systems of financial and risk management.

As a result of this review, the trustees believe that World Animal Protection is well placed to manage operational and financial risks successfully. Accordingly, the trustees expect that World Animal Protection has adequate resources to continue in operational existence for the foreseeable future. Consequently, it can continue to adopt the 'going concern' basis of accounting in preparing the financial statements. This report, including the Strategic Report, was approved by the Board of trustees and signed on their behalf by:



**Paul Baldwin**

Chair

6 June 2018

# Independent auditor's report to the members of World Animal Protection

## Opinion

We have audited the financial statements of World Animal Protection (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows, the Summary Income and Expenditure Account and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

## Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Who we are reporting to

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

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 3 to 41 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

### **Matter on which we are required to report under the Companies Act 2006**

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

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

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 41, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs [UK] will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Grant Thornton UK LLP

### **Jennifer Brown**

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

Date: 13 June 2018

# Consolidated financial statements

## Consolidated statement of financial activities for year ended 31 December 2017

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2017 £'000	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2016 £'000
Income and endowment from:									
Donations and legacies	2	33,108	4,170	-	37,278	32,357	1,599	-	33,956
Other trading activities	4	38	-	-	38	25	-	-	25
Investments	3	117	-	-	117	125	-	-	125
<b>Total</b>		<b>33,263</b>	<b>4,170</b>	<b>-</b>	<b>37,433</b>	<b>32,507</b>	<b>1,599</b>	<b>-</b>	<b>34,106</b>
Expenditure on:									
Raising funds	5	(7,244)	-	-	(7,244)	(6,447)	-	-	(6,447)
Charitable activities	6	(22,466)	(2,111)	-	(24,577)	(22,263)	(1,654)	-	(23,917)
<b>Total</b>		<b>(29,710)</b>	<b>(2,111)</b>	<b>-</b>	<b>(31,821)</b>	<b>(28,710)</b>	<b>(1,654)</b>	<b>-</b>	<b>(30,364)</b>
Net gains on investments		458	-	-	458	610	-	-	610
Net income/(expenditure)		4,011	2,059	-	6,070	4,407	(55)	-	4,352
<b>Net movement in funds</b>		<b>4,011</b>	<b>2,059</b>	<b>-</b>	<b>6,070</b>	<b>4,407</b>	<b>(55)</b>	<b>-</b>	<b>4,352</b>
Reconciliation of funds:									
Fund balances brought forward		15,521	13	1,831	17,365	10,526	56	1,668	12,250
Foreign exchange movement		(176)	3	(68)	(241)	588	12	163	763
<b>Fund balances carried forward</b>		<b>19,356</b>	<b>2,075</b>	<b>1,763</b>	<b>23,194</b>	<b>15,521</b>	<b>13</b>	<b>1,831</b>	<b>17,365</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All the incoming resources and resources expended derive from continuing activities.

The income for the Charity was £27,959,937 (2016: £27,550,901) and expenditure was £23,281,484 (2016: £23,558,604). The Charity also generated £348,373 (2016: £565,691) of net realised and unrealised gains/(losses) leading to an overall net income of £5,026,826 (2016: £4,557,988).

The notes on pages 48 to 62 form part of these accounts.

## Consolidated financial statements

Consolidated and charity balance sheets at 31 December 2017

	Note	Consolidated 2017 £'000	Charity 2017 £'000	Consolidated 2016 £'000	Charity 2016 £'000
<b>Fixed assets</b>					
Tangible assets	11	214	120	495	221
Other non-current assets		-	-	-	-
Investments	12	8,148	7,128	4,782	3,795
		<b>8,362</b>	<b>7,248</b>	<b>5,277</b>	<b>4,016</b>
<b>Current assets</b>					
Stock		6	-	5	-
Debtors	13	1,808	2,160	2,639	2,527
Cash on deposit	25	1,130	628	2,213	1,711
Cash at bank and in hand	25	14,397	11,236	10,013	7,807
		<b>17,341</b>	<b>14,024</b>	<b>14,870</b>	<b>12,045</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(2,358)</b>	<b>(1,628)</b>	<b>(2,538)</b>	<b>(1,306)</b>
Net current assets		<b>14,983</b>	<b>12,396</b>	<b>12,332</b>	<b>10,739</b>
<b>Provisions</b>	15	<b>(151)</b>	<b>(94)</b>	<b>(244)</b>	<b>(232)</b>
<b>Net assets</b>		<b>23,194</b>	<b>19,550</b>	<b>17,365</b>	<b>14,523</b>
<b>Unrestricted funds</b>					
Designated funds	16	11,959	11,959	9,212	9,212
Revaluation funds		1,134	1,134	800	800
<b>General funds</b>		<b>6,263</b>	<b>3,395</b>	<b>5,509</b>	<b>3,511</b>
		<b>19,356</b>	<b>16,488</b>	<b>15,521</b>	<b>13,523</b>
<b>Restricted funds</b>	17	<b>2,075</b>	<b>2,075</b>	<b>13</b>	<b>13</b>
<b>Endowments</b>	18	<b>1,763</b>	<b>987</b>	<b>1,831</b>	<b>987</b>
<b>Total funds</b>		<b>23,194</b>	<b>19,550</b>	<b>17,365</b>	<b>14,523</b>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. The notes at pages 48 to 62 form part of these accounts. The financial statements were approved and authorised for issue by the trustees on 6 June 2018.



**P Baldwin**  
Chair

Registered company no: 4029540

# Consolidated financial statements

Consolidated statement of cash flows for year ended 31 December 2017

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
<b>Cash flows from operating activities:</b>					
Net cash provided in operating activities			6,249		3,904
<b>Cash flows from investing activities:</b>					
Interest received	3	33		53	
Investment income	3	84		72	
Purchase of tangible assets	11	(65)		(16)	
Purchase of investments	12	(3,000)		(7)	
Sale of fixed-asset investments		-		7	
<b>Net cash (used in)/provided by investing activities</b>			<b>(2,948)</b>		<b>109</b>
<b>Change in cash and cash equivalents in the reporting period</b>			<b>3,301</b>		<b>4,013</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>			<b>12,226</b>		<b>8,213</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	25		<b>15,527</b>		<b>12,226</b>

## Reconciliation of net income to net cash flow from operating activities

<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>			<b>6,070</b>		<b>4,352</b>
<b>Adjustments for:</b>					
Depreciation charges	11		141		273
Gifted assets	2		(57)		-
Net gains on investments			(449)		(602)
Foreign exchange differences			(126)		518
Investment income	3		(117)		(125)
Loss on disposal of fixed assets			199		11
Decrease in other non-current assets			-		13
Decrease/(increase) in debtors			899		(764)
(Decrease)/increase in creditors			(311)		228
<b>Net cash provided by operating activities</b>			<b>6,249</b>		<b>3904</b>

The notes on pages 48 to 62 form part of these accounts.

## Consolidated financial statements

Summary income and expenditure account for the year ended 31 December 2017  
The World Animal Protection Group

	Note	2017 £'000	2016 £'000
<b>Income</b>			
Voluntary income	2	37,278	33,956
Activities for generating funds	4	38	25
Investment income	3	117	125
		<b>37,433</b>	<b>34,106</b>
<b>Expenditure</b>			
Costs of generating voluntary income	5	(7,217)	(6,434)
Fundraising trading	5	(14)	(5)
Investment manager's fees	5	(13)	(8)
Charitable activities	6	(24,577)	(23,917)
		<b>(31,821)</b>	<b>(30,364)</b>
Surplus of income over expenditure before realised/unrealised gains		<b>5,612</b>	<b>3,742</b>
Unrealised gains on investment	12	460	610
Foreign exchange movement		(241)	763
<b>Net movement in funds</b>		<b>5,829</b>	<b>5,115</b>

An income and expenditure account is an alternative summary of the information contained in the Statement of Financial Activities. As recommended in the Charities SORP, this statement excludes gifts of capital that are not currently available for revenue expenditure (see Note 18). The income and expenditure account is included in the accounts in order to comply with the Companies Act 2006.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 48 to 62 form part of these accounts.

# Notes to the consolidated financial statements

## 1. Accounting policies

### a) Basis of preparation

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.

World Animal Protection 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 note(s).

These financial statements are for the legal entity which is World Animal Protection, a charity incorporated in the UK, registered with the Charity Commission and with Companies House as a company limited by guarantee. All figures have been converted into sterling.

### b) Basis of consolidation

The consolidated financial statements of the group incorporate the accounts of the charity including branches in Costa Rica, Thailand and Kenya, and its wholly owned trading subsidiary World Animal Protection Trading Company Limited. The branches are also registered as legal entities in their local jurisdictions to comply with the relevant laws and regulations.

The charity is the sole member of World Animal Protection USA, World Animal Protection Australia, World Animal Protection New Zealand and World Animal Protection China. These are included in the consolidated accounts as subsidiaries. The registered offices for the subsidiaries are listed on our website: <https://www.worldanimalprotection.org/contact-us>

A separate Statement of Financial Activities (SOFA) is not presented because the charity has taken advantage of the provisions of Section 408 of the Companies Act 2006.

### c) Fixed asset investments

Fixed asset investments are stated at their market value at the balance sheet date. Any gain/loss on revaluation is recognised in the consolidated SOFA.

### d) Tangible fixed assets

Tangible fixed assets over £5,000 are depreciated on a straight line basis over their expected useful lives as follows:

Computer equipment	3 years
Software	3 years
Office equipment	3 years
Short leasehold property	The life of the lease

### e) Fund accounting

Funds held by the charity are:

**Unrestricted funds** – funds which can be used in furtherance of the charity's objectives at the discretion of the Board of trustees.

**Designated funds** – funds which have been designated by the Board of trustees for a particular purpose, but this designation does not legally restrict the Board of trustees' discretion to apply the funds.

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

**Endowment funds** – funds that have been given to the charity to be held as capital. Endowments can either be permanent endowment funds which means that they cannot be converted to funds, or expendable endowment funds where the trustees do have a discretionary power to use the funds as income. The endowment funds are accounted for on the basis of any restrictions imposed by the donors.

### f) Incoming resources

#### Appeals, grants and donations

Income from appeals, grants and donations is included in incoming resources when: the charity has entitlement to funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

#### Legacies

Entitlement to legacies is taken as the earlier of the date on which either: the charity is aware probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

#### Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and reference should be made to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### Interest receivable

Interest is included when receivable by the charity.

#### Commercial trading activities

Income from commercial activities of World Animal Protection Trading Company Limited is included in the period in which the group is entitled to receipt.



# Notes to the consolidated financial statements

## g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs incurred in generating donations, the costs of trading for fundraising purposes and the costs directly attributable to managing the investments
- Expenditure on charitable activities comprises those costs directly related to the objects of World Animal Protection. It includes both the costs which can be directly allocated to such activities and the costs of an indirect nature necessary to support them. These costs are apportioned on an appropriate basis as set out in Note 6.
- Other expenditure represents those items not falling into any other heading.

## Grants

Grants payable are accounted for as expenditure in the period in which an irreversible binding commitment to make payment has been entered into and upon receipt of satisfactory management reports.

## Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. These costs have been allocated between costs of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated have been set out in Note 8.

## h) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

## i) Cash at bank and in hand

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

## j) Creditors and provisions

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

## k) Financial instruments

The charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## l) Foreign currency

Transactions in foreign currencies are translated at the exchange rate in effect at the time of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Exchange differences are included in the consolidated SOFA for the period in which they are incurred.

## m) Pensions

The charity operates a defined-contribution pension scheme. The assets of the scheme are held separately from the charity in an independently administered fund. The amount charged in the SOFA represents the contributions payable to the scheme in respect of the accounting period.

World Animal Protection USA contributes to a multi-employer defined-benefit scheme, but the charity is unable to separately identify its share of the scheme's assets and liabilities and hence has accounted for the scheme under a defined-contribution basis.

## n) Significant accounting estimates and judgments

In determining the carrying amounts of certain assets and liabilities, the charity makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The charity's estimates and assumptions are based on historical experience and expectation of future events and are reviewed annually. The main estimates in the financial statements relate to depreciation, legacies and provisions. Further information about key assumptions concerning the future, and other key sources of estimation of uncertainty, are set out in the notes.

# Notes to the consolidated financial statements

## 2. Income from donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	2017 £'000	Unrestricted funds £'000	Restricted funds £'000	2016 £'000
Appeals and gifts (individual donations)	17,560	168	17,728	18,133	174	18,307
Legacies	8,183	1,822	10,005	7,112	718	7,830
Corporate donations, trusts, foundations and society grants	280	910	1,190	504	36	540
Governments	-	78	78	-	-	-
Major donors	202	663	865	242	523	765
Gifts in kind	877	-	877	651	-	651
Other income	5	-	5	17	-	17
Donations from World Animal Protection organisations	5,944	529	6,473	5,698	148	5,846
Gifted assets	57	-	57	-	-	-
	<b>33,108</b>	<b>4,170</b>	<b>37,278</b>	<b>32,357</b>	<b>1,599</b>	<b>33,956</b>

## 3. Investments

	Unrestricted funds £'000	Restricted funds £'000	2017 £'000	Unrestricted funds £'000	Restricted funds £'000	2016 £'000
Interest receivable	33	-	33	53	-	53
Investment income from UK investments	84	-	84	72	-	72
	117	-	117	125	-	125

## 4. Subsidiary companies

	Trading company		USA		Australia		New Zealand		China	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Income	38	25	5,697	4,292	6,140	6,806	2,068	2,054	978	854
Expenditure	(14)	(4)	(5,029)	(4,158)	(6,140)	(6,806)	(2,067)	(2,053)	(873)	(862)
Net incoming/(outgoing) resources before gains and losses and gift aid	24	21	668	134	-	-	1	1	105	(8)
Gift aid	(17)	-	-	-	-	-	-	-	-	-
Net incoming resources before gains and losses	7	21	668	134	-	-	1	1	105	(8)
Gains on investments	-	-	114	45	-	-	-	-	-	-
Net movements in funds	7	21	782	179	-	-	1	1	105	(8)
Assets	35	72	3,603	3,206	1,324	1,364	283	247	274	166
Liabilities	(3)	(47)	(699)	(870)	(688)	(714)	(168)	(122)	(73)	(64)
Funds	32	25	2,904	2,336	636	650	115	125	201	102

## Notes to the consolidated financial statements

### 5. Expenditure on raising funds

	Unrestricted funds 2017 £'000	Unrestricted funds 2016 £'000
Appeals and gifts (individual donations)	6,525	5,717
Legacies	92	97
Corporate donations, trusts, foundations and society grants	532	536
Major donors	68	82
Fundraising trading	14	5
Investment manager's fees	13	10
	<b>7,244</b>	<b>6,447</b>

Included in the above are governance costs of £161,127 (2016: £210,972)

### 6. Charitable Activities

	Grants £'000	Direct expenditure £'000	Support costs £'000	Governance costs £'000	Total 2017 £'000	Grants £'000	Direct expenditure £'000 (Restated)	Support costs £'000 (Restated)	Governance costs £'000 (Restated)	Total 2016 £'000 (Restated)
(see note 7)										
Animals in communities	304	856	363	44	1,567	443	1,162	522	68	2,194
Animals in farming	46	3,915	1,261	160	5,382	-	4,022	1,608	259	5,889
Animals in disasters	103	1,891	678	101	2,773	6	2,188	603	80	2,877
Global advocacy for animals	86	2,368	752	99	3,305	19	2,706	1,115	170	4,012
Animals in the wild	1,189	7,356	2,666	339	11,550	894	5,398	2,309	344	8,945
	<b>1,728</b>	<b>16,386</b>	<b>5,720</b>	<b>743</b>	<b>24,577</b>	<b>1,362</b>	<b>15,476</b>	<b>6,157</b>	<b>921</b>	<b>23,917</b>

The 2016 figures have been restated to account for the reallocation of costs from direct expenditure to support and governance costs.

## Notes to the consolidated financial statements

### 7. Grants

<b>Grants were made to the following institutions:</b>	<b>2017</b>	<b>2016</b>
<b>Institution name:</b>	<b>£'000</b>	<b>£'000</b>
Asociatia de Protectie a Animalelor	281	166
Bioresource Research Centre	256	246
University of Oxford	182	147
Global Alliance for Rabies Control	100	128
Sierra Leone Animal Welfare Society	89	59
Education for Nature Vietnam	88	118
Compassion in World Farming	81	-
Makueni County Government	64	25
Zoological Research Museum Alexander Koenig	60	-
Antigua & Barbuda Humane Society Inc	45	-
Green Korea United	43	23
University of Nairobi	37	83
University of Surrey	35	-
China Association for the Promotion of International Agricultural Cooperation	34	34
Manchester Metropolitan University	29	-
Organisation for Respect and Care of Animals (ORCA)	27	24
World Parrot Trust	25	-
Boon Lott's Elephant Sanctuary	24	14
China Association for NGO Cooperation	23	-
Save the Dogs and other animals	20	7
Borneo Orangutan Survival Foundation	20	20
The Jane Goodall Institute Nepal	19	-
Ghost Fishing UK	18	6
Marine Mammals of Maine	15	15
Mahouts Elephant Foundation	15	-
Biodiversity and Nature Conservation Association	11	8
Instituto Oikos	11	-
Wild Welfare	10	-
Elephant Valley Thailand	10	-
MandaLao Elephant Sanctuary	9	-
Vanuatu Fisheries Department	8	-
Rabies in West Africa	8	-
Zoonotic Disease Unit, Kenya	8	-
Fathoms Free	5	7
AITA Foundation	-	66
Development Research Center of the State Council, China	-	31
SO-AK (Social Aktivering)	-	24
Hillswick Wildlife Sanctuary	-	20
Ethiopia Wildlife Conservation Authority	-	17
Kenya Veterinary Board	-	12
Douglas Indian Association	-	10
Kommunenes Internasjonale Miljøorganisasjon (KIMO UK)	-	10
Top Think Tank (Beijing)	-	8
Department of National Parks, Wildlife and Plant Conservation, Thailand	-	7
TRAFFIC	-	7
Olive Ridley Project	-	6
Other grants to institutions (all under £5,000)	18	13
	<b>1,728</b>	<b>1,362</b>

## Notes to the consolidated financial statements

### 8. Analysis of support and governance costs

	Animals in communities £'000	Animals in farming £'000	Animals in disasters £'000	Global advocacy for animals £'000	Animals in the wild £'000	Consolidated 2017 £'000	Consolidated 2016 £'000 (Restated)
CEO and executive management	104	251	143	135	496	<b>1,129</b>	1,511
Finance	91	258	182	141	498	<b>1,170</b>	965
IT	35	149	64	104	353	<b>705</b>	582
Facilities	92	383	210	212	802	<b>1,699</b>	1,993
HR	41	219	80	159	518	<b>1,017</b>	1,106
Governance	44	160	101	99	339	<b>743</b>	921
	<b>407</b>	<b>1,420</b>	<b>780</b>	<b>850</b>	<b>3,006</b>	<b>6,463</b>	<b>7,078</b>

### 9. Net income

<b>This is stated after charging:</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Operating lease expense	<b>1,010</b>	1,207
Depreciation charges	<b>141</b>	273
Loss on disposal of fixed assets	<b>204</b>	8
Auditor's remuneration:		
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<b>68</b>	73
Fees payable to the charity's auditor and its associates for other services:		
- Audit of the accounts of subsidiaries	<b>44</b>	63
- Other non-audit services	<b>14</b>	28
Amounts paid to other auditors - internal audit	<b>20</b>	73
Amounts paid to other auditors - Marks Paneth	<b>33</b>	
Investment manager's fees	<b>13</b>	10

Audit remuneration in relation to the group audit was £46,680 (2016: £60,349) and this was paid to Grant Thornton UK LLP. It includes £2,520 of over-accrued fees from 2016.

Audit remuneration for overseas offices was £65,571 (2016: £75,819) and this was paid to Grant Thornton International member firms.

Non-audit services were provided by Grant Thornton UK LLP and member firms and were for tax advice and forensic audit work. Internal audit remuneration was paid to Crowe Clark Whitehill.

## Notes to the consolidated financial statements

### 10. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	Consolidated 2017 £'000	Consolidated 2016 £'000
Wages and salaries	9,881	11,216
Social security costs (national insurance and other taxes)	817	850
Other pension costs	643	740
	11,341	12,806

In addition, a great amount of time, the value of which is impossible to reflect in these financial statements, was donated by our volunteers.

#### The average number of contracted employees throughout the year, calculated on a full-time equivalent basis, was:

	2017 Number	2016 Number
Charitable activities, campaigns and publicity	115	118
Fundraising	50	48
Managing and administration	48	49
Leadership and governance	11	15
	224	230

#### The emoluments of members of staff, including benefits in kind within the range of £60,000 to £139,999, are:

	2017 Number	2016 Number
£60,000 - £69,999	18	16
£70,000 - £79,999	10	9
£80,000 - £89,999	5	9
£90,000 - £99,999	1	1
£100,000 - £109,999	4	2
£110,000 - £119,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	1	1
	40	39
	£186,808	£176,498

The pension costs paid in respect of these employees amounted to

The key management personnel of the charity are considered to be the Global Leadership Team (GLT). Up until October 2016, the GLT also included the regional directors. The GLT comprises the CEO, chief operating officer, the global director of marketing, communications and fundraising and the global director of programmes. The key management personnel of the charity received £405,118 (2016: £742,405) in salaries and fees. The employer contributions into the charity's pension scheme with respect to key management personnel amounted to £29,210 (2016:£42,857). The total employee benefits of the key management personnel of the charity were £639 (2016:£5,668).

	2017	2016
Redundancy/termination payments (£'000)	55	732
Number of employees made redundant	3	23

Payments in both the current and prior year were made as compensation for loss of office. Such payments are recognised in the period they arise. During 2016, there was an organisational restructure with a view to streamlining the way the group operates, improving our accountability to donors and delivering more impact for animals. In addition, the restructure will deliver cost savings going forward, which can be used to fund our work to protect animals.

#### Trustee expenses

Total Board/Committee expenses incurred in respect of travel, accommodation and subsistence was £19,668 (2016 : £29,420)

Included in the above are £3,142 (2016: £23,001) of expenses reimbursed to five trustees (2016: nine)

None of the trustees receive any remuneration for their services as trustees of the charity.

# Notes to the consolidated financial statements

## 11. Tangible fixed assets (consolidated)

	Short leasehold property £'000	Office equipment £'000	Computer equipment £'000	Software £'000	Total £'000
<b>Cost</b>					
At 1 January 2017	1,316	319	472	225	2,332
Additions	-	24	32	9	65
Acquisition	-	15	12	-	27
Foreign exchange differences	(10)	(51)	(2)	(3)	(66)
Disposals	(567)	(10)	(99)	(3)	(679)
<b>At 31 December 2017</b>	<b>739</b>	<b>297</b>	<b>415</b>	<b>228</b>	<b>1,679</b>
<b>Depreciation</b>					
At 1 January 2017	966	242	407	222	1,837
Disposals	(379)	(8)	(90)	(3)	(480)
Foreign exchange differences	(6)	(19)	(5)	(3)	(33)
Depreciation in year	68	29	41	3	141
<b>At 31 December 2017</b>	<b>649</b>	<b>244</b>	<b>353</b>	<b>219</b>	<b>1,465</b>
<b>Net book amount at 31 December 2017</b>	<b>90</b>	<b>53</b>	<b>62</b>	<b>9</b>	<b>214</b>
Net book amount at 31 December 2016	350	77	65	3	495

## Tangible fixed assets (charity)

	Short leasehold property £'000	Office equipment £'000	Computer equipment £'000	Software £'000	Total £'000
<b>Cost</b>					
At 1 January 2017	1,018	61	284	164	1,527
Additions	-	24	2	-	26
Acquisition	-	15	12	-	27
Foreign exchange differences	-	(30)	6	-	(24)
Disposals	(344)	-	(13)	-	(357)
<b>At 31 December 2017</b>	<b>674</b>	<b>70</b>	<b>291</b>	<b>164</b>	<b>1,199</b>
<b>Depreciation</b>					
At 1 January 2017	841	54	248	163	1,306
Foreign exchange differences	-	(3)	3	1	1
Disposals	(279)	-	(13)	-	(292)
Depreciation in year	35	5	24	-	64
<b>At 31 December 2017</b>	<b>597</b>	<b>56</b>	<b>262</b>	<b>164</b>	<b>1,079</b>
<b>Net book amount at 31 December 2017</b>	<b>77</b>	<b>14</b>	<b>29</b>	<b>-</b>	<b>120</b>
Net book amount at 31 December 2016	177	7	36	1	221

## Notes to the consolidated financial statements

### 12. Fixed-asset investments (consolidated and charity)

	Consolidated 2017 £'000	Charity 2017 £'000	Consolidated 2016 £'000	Charity 2016 £'000
Market value as at 1 January 2017	4,782	3,795	3,996	3,238
Add: acquisitions at cost	3,000	3,000	7	-
Less: disposals at opening book value	-	-	(8)	-
Less: investment manager's fees	(11)	(11)	(8)	(8)
Foreign exchange differences	(81)	-	185	-
Unrealised gains on revaluation	458	344	610	565
Market value at 31 December 2017	<b>8,148</b>	<b>7,128</b>	4,782	3,795
Historical cost at 31 December 2017	<b>6,876</b>	<b>5,995</b>	3,768	2,995

An analysis of the market value of investments at 31 December 2017 is as follows:	Consolidated 2017 £'000	Charity 2017 £'000	Consolidated 2016 £'000	Charity 2016 £'000
Overseas equities	3,201	3,179	1,700	1,692
UK stock/bond mixed indexed funds	1,525	1,525	812	812
US stock indexed funds	587	-	534	-
Bonds	2,208	2,167	1,199	1,154
Bond indexed funds	566	257	470	137
US fixed-interest stock	61	-	67	-
	<b>8,148</b>	<b>7,128</b>	4,782	3,795

At 31 December 2017, the charity owned the entire issued share capital of World Animal Protection Trading Company Limited (£2 cost), a company which supports the charity by carrying out ancillary trading activities. The trading results are set out in Note 3. At 31 December 2017, the amount of this company's assets, liabilities, share capital and reserves was:

	2017 £'000	2016 £'000
Current assets	35	72
Creditors: amount falling due within one year	(3)	(47)
Creditors: amount falling due after more than one year	-	-
	<b>32</b>	25
Called-up share capital - (£2 rounded down to nil)	-	-
Profit and loss account	32	25
	<b>32</b>	25



## Notes to the consolidated financial statements

### 13. Debtors

	Consolidated 2017 £'000	Charity 2017 £'000	Consolidated 2016 £'000	Charity 2016 £'000
Trade debtors	101	92	22	6
Amounts owed by subsidiary undertakings	-	875	-	935
Amounts owed by other World Animal Protection entities	86	86	23	21
Accrued income	664	490	1,610	847
Prepayments	689	510	784	652
Other debtors	268	107	200	66
	<b>1,808</b>	<b>2,160</b>	<b>2,639</b>	<b>2,527</b>

### 14. Creditors: amounts falling due within one year

	Consolidated 2017 £'000	Charity 2017 £'000	Consolidated 2016 £'000	Charity 2016 £'000
Trade creditors	1,074	773	652	556
Other creditors	148	22	156	2
Taxes and social security	287	252	283	237
Accruals and deferred income	632	350	1,308	368
Amounts owed to other World Animal Protection entities	217	194	139	139
Amounts owed to subsidiary undertakings	-	37	-	4
	<b>2,358</b>	<b>1,628</b>	<b>2,538</b>	<b>1,306</b>

### 15. Provisions

	Consolidated 2017 £'000	Charity 2017 £'000	Consolidated 2016 £'000	Charity 2016 £'000
Opening balance	244	232	229	193
Provision released during the year	(109)	(154)	(36)	-
Provision built up in the year	16	16	51	39
Closing balance	<b>151</b>	<b>94</b>	<b>244</b>	<b>232</b>

The provision relates to lease dilapidations for the London and Australian offices.

## Notes to the consolidated financial statements

### 16. Unrestricted funds (Consolidated and Charity)

Consolidated	Balance at 1 January 2017 £'000	Income £'000	Expenditure £'000	Realised and unrealised gains and losses £'000	Transfers £'000	Balance at 31 December 2017 £'000
Designated funds	9,212	453	(1,706)	-	4,000	11,959
General and revaluation funds	6,309	32,810	(28,004)	282	(4,000)	7,397
<b>Total unrestricted funds</b>	<b>15,521</b>	<b>33,263</b>	<b>(29,710)</b>	<b>282</b>	<b>-</b>	<b>19,356</b>

As at 31 December 2017, the trustees made a decision to create a designated fund to invest in the mission of the organisation as from 2018.

Charity	Balance at 1 January 2017 £'000	Income £'000	Expenditure £'000	Realised and unrealised gains and losses £'000	Transfers £'000	Balance at 31 December 2017 £'000
Designated funds	9,212	453	(1,706)	-	4,000	11,959
General and revaluation funds	4,311	23,337	(19,464)	345	(4,000)	4,529
<b>Total unrestricted funds</b>	<b>13,523</b>	<b>23,790</b>	<b>(21,170)</b>	<b>345</b>	<b>-</b>	<b>16,488</b>

### 17. Restricted funds

Consolidated	Balance at 1 January 2017 £'000	Income £'000	Expenditure/ transfers £'000	Exchange differences £'000	Balance at 31 December 2017 £'000
Animals in farming	-	679	(157)	-	522
Animals in the wild	13	2,739	(1,322)	3	1,433
Animals in communities	-	127	(127)	-	-
Global advocacy for animals	-	-	-	-	-
Animals in disasters	-	625	(505)	-	120
	<b>13</b>	<b>4,170</b>	<b>(2,111)</b>	<b>3</b>	<b>2,075</b>

Charity	Balance at 1 January 2017 £'000	Income £'000	Expenditure/ transfers £'000	Exchange differences £'000	Balance at 31 December 2017 £'000
Animals in farming	-	679	(157)	-	522
Animals in the wild	13	2,739	(1,322)	3	1,433
Animals in communities	-	127	(127)	-	-
Global advocacy for animals	-	-	-	-	-
Animals in disasters	-	625	(505)	-	120
	<b>13</b>	<b>4,170</b>	<b>(2,111)</b>	<b>3</b>	<b>2,075</b>

## Notes to the consolidated financial statements

### 18. Endowment funds

Consolidated	Italy/ Isle of Capri £'000	General Operations £'000	Eberle Capital £'000	Ruth Whist Capital £'000	Total £'000
Balance at 1 January 2017	38	806	654	333	1,831
Net realised and unrealised gains	-	-	-	-	-
Sale of assets - realised gains/losses	-	-	-	-	-
Foreign exchange differences	(3)	(65)	-	-	(68)
Balance at 31 December 2017	<b>35</b>	<b>741</b>	<b>654</b>	<b>333</b>	<b>1,763</b>

Charity	Eberle Capital £'000	Ruth Whist Capital £'000	Total £'000
Balance at 1 January 2017	654	333	987
Net realised and unrealised gains	-	-	-
Sale of assets - realised gains/losses	-	-	-
Balance at 31 December 2017	<b>654</b>	<b>333</b>	<b>987</b>

The Eberle Capital Investment Fund arises from a legacy received in 1991 for the protection of small animals "if possible". The capital of the fund cannot be used for other charitable purposes unless prior approval is given by the trustees.

The Ruth Whist Capital Cash Fund arises from a donation for use in work for animals in need. The capital of the fund cannot be spent and interest should be withdrawn annually for use at the discretion of World Animal Protection's global director of programmes. The income arising from this fund is part of unrestricted investment income.

In World Animal Protection USA, since 1980, numerous donors have contributed to the endowment fund for General Operations. In 1990 the estate of Mona Bismarck contributed an endowment gift for Italy/Isle of Capri.

## Notes to the consolidated financial statements

### 19. Analysis of net assets between funds

#### For 2017

<b>Consolidated</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	214	-	-	214
Investments	6,385	-	1,763	8,148
Net current assets	12,908	2,075	-	14,983
Provisions	(151)	-	-	(151)
	<b>19,356</b>	<b>2,075</b>	<b>1,763</b>	<b>23,194</b>

<b>Charity</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	120	-	-	120
Investments	6,141	-	987	7,128
Net current assets	10,321	2,075	-	12,396
Provisions	(94)	-	-	(94)
	<b>16,488</b>	<b>2,075</b>	<b>987</b>	<b>19,550</b>

#### For 2016

<b>Consolidated</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	495	-	-	495
Investments	2,951	-	1,831	4,782
Net current assets	12,319	13	-	12,332
Provisions	(244)	-	-	(244)
	<b>15,521</b>	<b>13</b>	<b>1,831</b>	<b>17,365</b>

<b>Charity</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total funds £'000</b>
Tangible fixed assets	221	-	-	221
Investments	2,808	-	987	3,795
Net current assets	10,726	13	-	10,739
Provisions	(232)	-	-	(232)
	<b>13,523</b>	<b>13</b>	<b>987</b>	<b>14,523</b>

### 20. Commitments

Capital commitments: There were no capital commitments by the charity or group, contracted or authorised, at 31 December 2017 or 31 December 2016.

## Notes to the consolidated financial statements

### 21. Operating lease

Operating lease payments relate to rent for premises within the Group.

	Consolidated 2017 £'000	Charity 2017 £'000	Consolidated 2016 £'000	Charity 2016 £'000
Due in one year or less	1,119	774	1,038	601
Between one and five years	3,140	2,964	659	173
In five years or more	1,755	1,755	-	-
	<b>6,014</b>	<b>5,493</b>	<b>1,697</b>	<b>774</b>

### 22. Affiliate partners transferred

In November 2017, it was decided to change the status of the Costa Rica office from being an affiliate to being a branch. The branch is registered as World Animal Protection in Costa Rica.

The net assets brought into the branch from the affiliate have been treated as gifted assets within income. The treatment adopted is in line with the guidance from Charities SORP (FRS 102), which says that if assets and liabilities of one charity are transferred into the control of another charity at nil or nominal consideration, the excess of the fair value of the assets acquired over the fair value of the liabilities assumed should be treated as a gain and recognised as income.

	Charity & Consolidated 2017 £'000
Fixed assets	27
Debtors and prepayments	69
Cash and cash equivalents	-
Creditors and other liabilities	(39)
	<b>57</b>

### 23. Related party transactions

	Paid by World Animal Protection £'000	Received by World Animal Protection £'000	Amounts owed by World Animal Protection £'000	Amounts owed to World Animal Protection £'000
World Animal Protection Brazil	1,004	-	117	-
World Animal Protection Canada	-	832	21	66
World Animal Protection Costa Rica	531	-	78	-
World Animal Protection Denmark	-	2,719	-	-
World Animal Protection India	144	-	-	15
World Animal Protection Netherlands	-	1,786	-	-
World Animal Protection Sweden	-	1,135	-	5
	<b>1,679</b>	<b>6,472</b>	<b>216</b>	<b>86</b>

## Notes to the consolidated financial statements

### 24. Guarantee

The charity is also a company limited by guarantee. In the event of winding up, its members would be liable to pay an amount not greater than £1.

### 25. Analysis of cash and cash equivalents

	At 1 January 2017 £'000	Cash flows £'000	At 31 December 2017 £'000
Cash at bank and in hand	2,213	(1,083)	1,130
Cash on deposit	10,013	4,384	14,397
	<b>12,226</b>	<b>3,301</b>	<b>15,527</b>

Some of the year-end cash balances are held in a number of foreign currency accounts including US dollars and euro.

### 26. Pensions

The charity contributed towards a defined contribution scheme for the benefit of employees.

World Animal Protection USA contributes to a multi-employer defined benefit scheme, but the charity is unable to separately identify its share of the scheme's assets and liabilities and hence has accounted for the scheme under a defined contribution basis.

### 27. Legacies

The value of legacies notified to the Society but which do not meet the recognition criteria (and so are not accounted for within the financial statements) is approximately £2.5 million (2016: £4.8 million).

### 28. Post balance sheet events

There are no post balance sheet events to report.

# Thank you

## To our supporters

We would like to say a sincere thank you to all our supporters. Ending animal suffering starts with moving people to care and contribute; you have made life-changing work for animals possible in 2017. With your continued generous support, we will work hard in 2018 and beyond to move the world to join us in protecting animals.

## To our volunteers

Volunteers are important to World Animal Protection in many ways, from raising vital funds to helping with office administration and support. Many thousands give their time and support by engaging with us in forms of campaign action. So we would like to express our warmest thanks to you all for your dedication and hard work during 2017. You make a fundamental contribution to our mission to move the world to protect animals.

**Below:** Boon Lott's Elephant Sanctuary (BLES) in Thailand rescues elephants which have been used in the entertainment industry. World Animal Protection supported BLES in 2017 to fund two night-time habitats.



**We are** World Animal Protection.

**We end** the needless suffering of animals.

**We influence** decision makers to put animals on the global agenda.

**We help** the world see how important animals are to all of us.

**We inspire** people to change animals' lives for the better.

**We move** the world to protect animals.

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