

World Society for the Protection of Animals

Annual report and accounts 2010

WSPA

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Reference and administrative details

Governing instrument

The World Society for the Protection of Animals (WSPA) is registered with the Charity Commission as a charity and with Companies House as a company limited by guarantee. WSPA is governed by its Memorandum and 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 Dominique Bellemare	President – retired as President June 2010, remained a Trustee
Ms Hanja Maij-Weggen	Elected President June 2010
Dr Andrew Rowan	Treasurer
Dr Bjarne Clausen	
Dr Chinny Krishna	
Mr Carter Luke	
Mr Peter Mason	
Ms Marcelle Meredith	
Dr Toralf Metveit	Retired June 2010
Professor Ranald Munro	Retired June 2010
Dr Dennis Turner	
Ms Sonja Van Tichelen	
Ms Cecilia Vega Leon	
Mr Mark Watts	
Dr Hugh Wirth	

Chief Executive Officer Mr M Baker

Investment Mangers UBS Wealth Management (UK) Limited
1 Curzon Street, London W1J 5UB

Bankers The Co-operative Bank
62-64 Southampton Row, London WC1B 4ND

Solicitors Bates, Wells and Braithwaite
2-6 Cannon Street, London EC4M 6YH

Auditors Grant Thornton UK LLP
Grant Thornton House, Melton Street, London NW1 2EP

Trustees' report

The Trustees present their report together with the financial statements of the World Society for the Protection of Animals (WSPA) for the year ended 31 December 2010. The financial statements have been prepared according to the accounting policies set out in the principal accounting policies section of this document and comply with the current statutory requirements, the Memorandum and Articles of Association, applicable law and the Statement of Recommended Practice within *Accounting and Reporting by Charities* (issued in April 2005).

Structure, governance and management

Global structure

WSPA is a registered charity and a company limited by guarantee. It is part of a global network of WSPA offices grouped into four regions: Europe, Middle East and Africa; North America; Latin America; and Asia and Oceania. Every WSPA office is constituted and registered as a legal entity in the local country as required and has a licence to use the WSPA trademark. These offices focus either solely on their own country or on agreed geographical regions. They carry out a range of fundraising and animal welfare activities united under one global WSPA strategy, developed in consultation with all the offices and approved by the Trustees of the UK charity.

WSPA as registered in the UK includes WSPA International, the country office for the UK, WSPA Middle East and two other country offices, WSPA Thailand and WSPA Africa, which are branches of the UK charity. WSPA has been in existence for 30 years but has been registered in the UK since 4 August 2000 and was incorporated on 7 July 2000. WSPA International's role is to develop the global strategy, co-ordinate activities of the separate offices, set global standards and provide central corporate services where it is most efficient to do so. Its governing instrument is its Memorandum and Articles of Association which were updated in 2007. Prior to 2000 WSPA operated in the UK as a branch of a not-for-profit charitable company registered in the District of Columbia, USA.

The Board of Trustees consists of not more than fifteen individuals. The Board meets three times a year to review the performance of the charity and make any decisions necessary to its governance and strategic direction. There is also a Finance Committee which reviews and makes recommendations to the Board on financial policy, the annual audit and accounts and the investment policy. The Finance Committee comprises four Trustees, namely Dr A Rowan (Treasurer), Mr B Clausen, Mr C Luke and Mr M Watts, alongside the Chief Executive Officer (CEO), the Deputy CEO and the Director of Resources. The committee meets three times a year to review the management accounts and performance in relation to the budget. The committee reviews the annual budget before it is presented to the Trustees. The Board regularly reviews the risk register and at least once each year WSPA's investment managers attend a meeting to review the investments. The day-to-day management of the investments is administered by UBS Wealth Management, with which the Trustees are satisfied.

Mr Michael Baker, the CEO, is appointed by the Trustees to manage the day-to-day operations of the charity with the Senior Leadership Team (SLT). The SLT consists of John Trampleasure, Deputy CEO; Andy Turnbull, Director of Resources; and Carol McKenna, Director of Programmes.

The Board's Nominations Committee continually reviews the skill requirements and performance of Trustees and makes recommendations to the Board as appropriate. If new Trustees are required the Board and CEO are asked to recommend suitable candidates which the remainder of the Board should approve before inviting the individual to consider the position.

The induction process for any newly appointed Trustee comprises an initial meeting with the CEO and the Board in order to brief them on the work of WSPA. The induction pack includes a history of the charity, the current global strategy, previous board minutes, prior year statutory accounts and *Global Review*, the Memorandum and Articles of Association, current budgets and plans and guidance notes from the Charity Commission on the responsibilities and powers of Trustees.

The charity employs a team of staff in London who carry out the global work of WSPA. Regular senior leadership and operational management team meetings take place to keep staff fully informed and involved in the running of the charity.

Internal controls and risk management

The Trustees have responsibility for ensuring that WSPA has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the charity is operating efficiently and effectively. The systems of financial control are continually reviewed and improved where necessary to provide reasonable assurance against material misstatement or loss.

In line with the recommendations of the Statement of Recommended Practice from *Accounting and Reporting by Charities*, the Trustees have approved a risk management policy to assess business risk and implement risk management strategies. A process of identifying risks and development of a continuous programme of activities to monitor and mitigate risks has been undertaken and is regularly reviewed by SLT. This is reviewed annually by the Board.

This work entails:

- clarifying management responsibility for risks in each category
- prioritising risks in terms of potential likelihood of occurrence
- assessing risks in terms of possible impact
- assessing types of risk and determining acceptable tolerance levels
- adopting suitable counter measures to mitigate risks.

The key risks and uncertainties that face the charity as identified in the risk register include: economic uncertainty which may adversely affect fundraising income and, owing to the scale and ambition of the new strategy, potential difficulties in delivery owing to the need to build appropriate skills in key locations and to develop policies and processes to support a robust global infrastructure. A programme of work is underway to diversify fundraising activities and further develop the capacity of the organisation in order to address these risks.

Public benefit requirement

Under the Charities Act 2006, from April 2008 charity trustees have had 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 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 sorts of charitable purposes falling within this description include:

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

In accordance with the requirements of the Charities Act 2006, the Trustees have paid due regard to the Charity Commission's guidance on public benefit when deciding on and planning WSPA's activities.

All Trustees give their time voluntarily and receive no benefits from the charity. The charity operates a policy that ensures Trustees are reimbursed for expenses incurred in their role to ensure that no one is excluded from contributing on financial grounds. Any expenses reclaimed by Trustees are disclosed in note 23 to the accounts.

The sections which follow demonstrate how WSPA met its charitable purposes in 2010 and its principal achievements under its respective strategic priority areas of work.

Our objectives

WSPA's objectives are to prevent animal cruelty and relieve animal suffering and to do all such lawful acts as the organisation may consider conducive or incidental to the attainment of those objectives.

WSPA's vision is: "A world where animal welfare matters and animal cruelty has ended".

WSPA strives to:

- promote the protection of animals, prevent animal cruelty and relieve animal suffering in every part of the world
- promote humane education programmes to encourage respect for animals
- lobby for laws and enforcement structures which will provide legal protection for animals
- promote cooperation between animal protection societies on an international scale.

Our work and achievements in 2010

2010 saw the development of WSPA's vision for animal protection and a refocus of our priorities.

As well as transforming our strategy, we achieved some notable successes through our programmes, detailed below. Our programmes are led, co-ordinated and funded by the UK registered charity and implemented with and through WSPA organisations, member societies and other partners around the world.

Ending inhumane culling

During 2010 we supported humane population control projects in Argentina, Chile, Colombia, Costa Rica, Greece, India, Kuwait, Mexico, Nepal, the Philippines, Sierra Leone, Sri Lanka, Tanzania and the United Arab Emirates.

Hundreds of thousands of dogs and cats were saved from suffering through our projects. We vaccinated, sterilised and treated them for wounds and diseases.

Working with partner organisations in Bali, we implemented a mass vaccination project that effectively halted the mass culling of dogs with strychnine in response to an outbreak of rabies. More than 140,000 dogs were vaccinated in 2010.

Our work with the Merlo Municipality in Argentina convinced them to adopt sterilisation as the means of humane dog population control. Catching and killing alone is no longer the accepted way of controlling the population, and the lives of hundreds of dogs will be saved each year as a result.

Since 1990 we have helped our member society SLAWS in Freetown, Sierra Leone, deal with the city's stray dog problem. In 2010, the success of our vaccination and sterilisation work meant the national government will establish a committee to develop a country-wide rabies prevention and control programme.

Our largest programme in vaccination and humane population management continued in Colombo, Sri Lanka. By the end of the year it had cut the number of dog rabies cases from more than 30 to around 15. Our member society, the Blue Paw Trust, with whom we run the programme, reported that the dogs on the streets are in better condition and health than ever before. Colombo's municipal authorities have now abandoned inhumane methods of stray control and this project has been promoted to visitors from 11 governments.

Our National Rabies Control Workshop held in Nepal resulted in the government considering a proposal for a national rabies control plan. Three new municipalities in Nepal have said they will end inhumane culling.

Humane and sustainable agriculture

Through our campaign work, research evidence and farming expertise we aim to convince consumers, industry and international policymakers that a commitment to humane and sustainable agriculture brings about enormous benefits to animals, people and the environment.

The horrors endured by farm animals involved in long distance transport in Canada were exposed through our report, *Curb the cruelty: Canada's farm animal transport system in need of repair*. More than 10,000 Canadians wrote to their MPs asking them to support our campaign. Due to the power of politicians speaking out on the issue the Canadian Food Inspection Agency (CFIA) announced they would double fines for violations of Canada's 'humane transportation of animals' regulations.

We mounted *Not in my Cuppa* – a groundbreaking campaign against the intensification of dairy farming – to stop the building of an indoor intensive dairy factory in Lincolnshire, UK. The proposal was withdrawn in early 2011, but had it gone ahead the dairy would have subjected up to 8,100 cows to a miserable existence and put the local environment at risk.

More than ten million animals in Brazil and over four million in China each year are likely to be prevented from suffering the nightmare of inhumane slaughter through the support of our training programme for staff at more than 60 slaughterhouses in China and 100 in Brazil.

We ensure that animal welfare is high on the agenda when key international standards and regulations are being introduced, considered or amended. In 2010 we joined forces with Compassion in World Farming, The Brooke and Humane Society International to successfully persuade the International Finance Corporation (IFC) to include animal welfare and sustainability in its draft performance standards. We also contributed to the drafting of the World Organisation for Animal Health's global standards.

Working animals

Eighty community facilitators have been trained and are hard at work helping local people give their equines better care through our projects in Cambodia, China, Colombia, Israel, Nicaragua, Palestine and Thailand.

Eight thousand horses, donkeys and mules were given veterinary care and treatment via clinics attached to our projects and many more owners received advice through either the clinics or through the community facilitators.

In Palestine and Cambodia, horses and donkeys are being given shade and water more regularly. Communities in Cambodia are also banding together to repair badly-made roads to protect their horses from lameness.

The number of pressure sores treated by the clinic attached to our Palestine project dropped by 34 per cent between the first and second half of 2010. Pressure sores cause prolonged pain and suffering and are usually caused by badly-fitting equipment and overloading – problems that the community facilitators are encouraging owners to address.

Our five-year project with our Nicaraguan member society AMARTE, which finished in 2010, has been responsible for thousands of horses getting better care and treatment. It has also made equine welfare a talking point through Communities for Horses, a group set up by owners dedicated to sharing advice and information on equine care.

Horses and donkeys passing through the border crossings between Palestine and Israel are in better condition thanks to the work of WSPA member society Pegasus in Israel. The number of equines confiscated by the Israeli authorities on poor health grounds reduced by 21 per cent during 2010.

Disaster management

Haiti

When the worst earthquake in Haiti's history struck in January we formed the Animal Relief Coalition for Haiti (ARCH), funding vets and disaster experts to relieve terrible suffering and hardship. Working in difficult conditions and travelling through Haiti's devastated landscape the ARCH team treated around 200 animals a day. By the end of 2010 we had helped an incredible 53,000 animals get vital treatment and care.

Peru

The lives of thousands of farm and companion animals were threatened and a 60-day state of emergency was declared when heavy rains caused floods and landslides in Peru in early 2010. We worked side-by-side with our member society Unidos por los Animales in five affected communities, providing food and veterinary care – including vaccinations – to 5,214 farm animals.

Mongolia

We reached out to farm animals at risk of starving and freezing to death in the harshest Mongolian winter in 40 years. In March we gave hope back to some of the most desperate communities when we provided fodder and milk powder for 15,000 livestock fighting for survival.

Pakistan

Without the help of our supporters thousands more farm animals would have perished after the worst floods in 80 years swept through Pakistan in September. We funded veterinary students and staff from the Vets Care Club (VCC) and the University of Veterinary and Animal Science in Lahore to save stranded, sick and injured farm animals in the Layyah District of Punjab. Nearly 6,000 suffering animals were saved. We also donated equipment to VCC to help them in future emergencies.

Bolivia

While other parts of the world suffered from horrific floods in the autumn, Bolivia's arid El Chaco region was facing its most severe drought in 20 years. Farm animals were suffering and slowly dying from thirst. We saved the lives of more than 14,000 farm animals by paying for three lorries (each with a capacity of 15,000 litres) to deliver water to livestock owners twice a day for three months.

Guatemala

In May, two disasters struck Guatemala within days of each other. The Pacaya volcano erupted, causing debris and ash to rain down on many cities, and then Tropical Storm Agatha caused landslides and widespread flooding across the country. An astonishing 30 per cent of the country's animals died in the devastation; survivors suffered injury, eye and lung problems from the ash and disease. We provided food and veterinary care for around 75 per cent of the animals in eight communities.

Vietnam

When floodwaters destroyed stockpiles of animal feed, washed away veterinary equipment and medication and damaged animal shelters in the Tan Hoa commune, north-east Vietnam, we helped suffering farm animals still working despite lack of food and shelter. We supplied enough food for 600 cattle and buffalo and 750 pigs, repaired 550 animal shelters and supplied local vets with the equipment they desperately needed to care for the animals that were at risk of disease from the flood waters and starvation.

Hungary

Hundreds of animals faced death in a toxic landscape in October after between 600,000 and 700,000 cubic metres of poisonous waste and water escaped from an alumina processing plant. We helped save their lives by giving our Hungarian member society the Rex Foundation a grant. This, along with grants and assistance from other organisations including the Dogs Trust and the RSPCA in the UK, funded emergency veterinary help to treat and care for hundreds of affected pet animals and livestock.

Risk reduction

- The screening of WSPA's family preparedness public service announcement on the Warner Channel to an audience of 40 million in Latin America was undoubtedly the highlight of 2010. A renegotiation of this partnership means that in 2011 this will be extended to 140 million viewers.
- WSPA completed the pilot phase of work on risk reduction and preparedness. Some projects will continue either to be measured against the new strategy or to undertake appropriate exits. The ongoing projects are in Myanmar and India.
- Kenya saw the launch of the first veterinary emergency response unit (VERU) in Africa.
- The Canadian civil defence purchased training from WSPA in contingency planning for animals in Manitoba province.
- WSPA completed its two-part technical rescue training course for Colombian civil defence and the fruits of this interaction are already being seen in more integrated responses for animals in the recent floods.
- The disaster management team published their findings from the Urban Risk Study research undertaken in San José (Costa Rica), Bogotá (Colombia) and Guadalajara (Mexico). The study looked at issues relating to the evacuation of people and their animals and found that on average 80 per cent of animal owners would refuse to evacuate without their animals. This work has been accepted for publication in the peer-reviewed journal *Disaster Prevention and Management*.

Global advocacy for animals

Our teams of international and regional experts work worldwide to ensure that scientific and academic expertise relating to animals is shared with government and organisational policymakers and that animal welfare becomes entrenched in formal and informal education curriculums.

We believe that a global network of organisations advocating and providing practical care for animals in their own countries is key to raising awareness of animal welfare issues with both governments and local people. We proudly support more than 1,000 animal welfare organisations to this end by providing access to resources, networking opportunities and training.

We are campaigning for the United Nations (UN) to adopt a Universal Declaration on Animal Welfare (UDAW) in the belief that it will encourage countries to improve protection for animals including the way they are treated and kept. By the end of the year the governments of Bolivia, Canada, Chile, Peru, Singapore, Suriname and Tonga had given their support along with ministries in India, Indonesia and Thailand. Shashi Tharoor – at the time Indian Minister of External Affairs – became the two millionth signatory of the Animals Matter campaign that supports the development of a UDAW. He immediately tweeted this news to his 600,000 followers. Altogether 43 governments had announced their support for a UDAW and 2.2 million people had signed up to *Animals matter* by the end of the year.

We pressed for animal welfare to be considered integral to sustainable development at a number of key national and international events throughout the year. This included the first in a series of animal welfare meetings which we organised and co-hosted in New York, to support our strategy to promote animal welfare at the UN and particularly within preparatory discussions relating to the 2012 Earth Summit. We were delighted when our statement “Sustainable development allows humanity to protect and improve life in all its forms and expressions” was included in the Chair’s summary at the Commission for Sustainable Development in May.

We trained more than 1,300 primary and secondary school teachers in nine different countries. This has the potential to spread vital animal welfare messages to thousands of students worldwide for years to come. Highlights included our work with the National Curriculum Development Centre in Uganda, which led to animal welfare being integrated into the curriculum for primary classes six and seven, and Costa Rica and Peru renewing their agreements with us to continue the teacher training and professional development courses that we started formally in 2008.

Targeting educationalists at colleges and universities is also an essential part of our work. Without our input many courses in veterinary and agricultural sciences would have little or no emphasis on animal welfare. During 2010, through our workshops and lectures, 617 lecturers and senior staff from universities and colleges in 14 countries were reached with animal welfare messages and the reasons why these messages should be integrated into their teaching.

We were delighted when a number of establishments, including the Veterinary Society of Argentina, endorsed *Concepts in animal welfare*, our resource for veterinary lecturers, and committed to promote its use. Additionally, our signing of a Memorandum of Understanding with the Department of Veterinary Services in Kenya means that work to integrate animal welfare education into the curriculum for the country’s five animal health and industry training institutes is underway.

Member societies

WSPA aims to collaborate with and support animal welfare groups through the WSPA Member Society Network. The network has grown extensively over the last few years and is now the largest international alliance of animal welfare organisations in the world. Seventeen new societies joined the Network in 2010, including the Hong Kong SPCA, Stop Live Animal Exports in Australia and the Mozambique Animal Protection Society, our first society from Mozambique. By the end of the year the network contained 1,006 societies from 157 countries.

Member societies include other large national organisations, covering a range of welfare issues, as well as smaller specialist groups, working on specific problems. Over the last five decades WSPA and its predecessors have implemented effective and sustainable animal welfare projects around the world through the Member Society Network and this work has benefited greatly from the local skills and knowledge that these groups contribute.

Throughout 2010 WSPA provided direct support to over 200 member societies, including ten WSPA workshops, more than ten regional conferences and bespoke training as well as facilitating training exchanges.

Commercial exploitation of wildlife

Through educating local people, training officials in wildlife protection and the provision of alternative livelihood schemes, we have helped to eradicate bear dancing from most areas of India. Our 2010 survey, carried out with our member society the Wildlife Trust of India, revealed that it now survives only in a few extremely remote areas. Numbers of bears 'dancing' had dropped from 1,000 in 1997 to between 20 and 30 bears by the end of the year.

Bear baiting in Pakistan has also greatly declined. With our member society the Bioresource Research Centre we have encouraged thousands of religious leaders in bear-baiting areas to speak out against this cruel entertainment and have challenged the powerful landlords who organise the events on their land to hand over the bears. At the end of the year only 47 fairs out of the 285 held by landlords included bear baiting, compared with 95 out of 305 in 2009.

WSPA's lobbying work with our member society Green Korea United resulted in a Korean member of parliament tabling a bill in September to ban bear farming. Bear farming in South Korea currently confines around 1,400 bears to horrific captive conditions where they live until they are around 10 years old. At this age they are slaughtered for their bile which is sold for use in Traditional Asian Medicine products. We hope the bill will be considered in mid-2011 and that it will bring about an end to Korean bear farming once and for all. More than 85,000 WSPA supporters around the world joined our online campaign to end the cruelty.

We are successfully working with the Vietnamese government to stop bears being taken from the wild for bear bile farming. The monitoring and microchipping project that we introduced in 2005 in Vietnam's central provinces has shown that the number of bears and farms in these areas has dropped by 50 per cent. And thanks to our support for the campaign led by our partner Education for Nature Vietnam 75,000 Vietnamese people had pledged not to use bear bile by the end of the year.

A major Chinese pharmaceutical company has decided to end its involvement in bear bile sales. We worked with a UK member of parliament and multinational business contacts to bring this decision about. Inspired by this success we will continue to encourage other companies to follow suit.

The treatment of wild animals in the world's oceans is also a key concern. A proposed 'compromise' package which would have effectively lifted the international moratorium on commercial whaling failed, in part due to the public campaigning actions and lobbying activities of WSPA and other Whalewatch network groups. WSPA Latin America partnered with the Argentinian government to host a workshop focussed on whale watching, to support the development of whale watching as an alternative to whaling itself. WSPA, as part of Whalewatch, worked with the UK government on a proposal to hold a workshop on whale ethics and welfare. This would be aimed at advising the International Whaling Commission on its future strategic role regarding whale welfare.

Grant making policy

WSPA makes grants to other WSPA entities, member societies and other bodies to fund their undertaking of activities which contribute either to fulfilling its own strategic animal welfare objectives or to tackling grantees' particular animal welfare priorities.

Fundraising

Total income for 2010 was £22.6 million, an increase of £3 million over 2009. The increase was mainly due to increased grants and donations from other WSPA organisations which totalled £10 million. For further information on the entirety of WSPA's income around the world, please refer to the *WSPA Global Review 2010* which includes a financial summary drawn from the accounts of all the WSPA entities. Our appeals and gift income continues to be the most significant portion of our revenue and we thank our supporters for their continued generosity.

It was a year of several 'firsts' for WSPA UK, including: negotiations with the Tubney Trust, which were finalised early in 2011, for what would be our first seven figure gift; the development and launch of our first integrated animal welfare campaign (Not in my Cuppa); and the first time WSPA has achieved a seven figure equivalent value for its media coverage – WSPA would have had to pay an extraordinary £2.3 million for advertising to have achieved the same level of media coverage.

Some other highlights include:

- our raffle to support WSPA's work on bear baiting raising £367k – our highest performing WSPA appeal ever.
- a major donor visit to Sierra Leone, resulting in a £150k pledge over three years to support our work with stray dogs.

Volunteers

Over the year approximately 30 volunteers contributed about 450 days of office administration support. In addition approximately 1,030 fundraising volunteers assisted with mail outs, street fundraising and support for those raising money for WSPA's work at sponsored events.

WSPA would like to take this opportunity to express our gratitude to all our volunteers for their dedication, hard work and support throughout 2010.

Financial review

Summary of 2010

Total income has increased by £3 million (14 per cent) over 2009 which is mainly due to an increase in donations from other WSPA organisations. Corporate donations increased by 42 per cent to £605k (from £426k). Our appeals and legacies remained fairly consistent with a slight increase in both (appeals £9.2 million, a 10 per cent increase over 2009, and legacies £2.6 million, a 1 per cent increase). Overall the results were very positive and stand us in good stead to launch our new five-year strategy from 2011.

Our total charitable expenditure was £18.7 million, an increase of 15 per cent over 2009. Expenditure continued to be closely monitored to ensure that our funds are used effectively and in line with our charitable objectives.

The year finished with a net surplus on unrestricted funds of £1.7 million which allowed us to increase our reserves to support our planned strategic activities over the coming years.

Reserves policy

The Trustees have established a reserves policy to protect the organisation and its charitable programme by providing time to adjust to changing financial circumstances.

The main objectives of the reserves policy are to:

- provide unrestricted working capital for day-to-day operations worldwide
- protect the work of WSPA around the world against fluctuations in voluntary income and reductions in the value of fundraised income due to adverse foreign exchange movements
- protect the work of WSPA around the world in the event of expenditure increasing due to adverse foreign exchange movements
- enable WSPA entities around the world to restructure operations in an orderly manner, in the event of such action being necessary
- spread the use of legacies or large gifts that cannot be used immediately over time through planned expansion
- secure the continued employment of staff through adverse financial periods
- provide a lump sum to meet any contingencies other than those detailed above.

As WSPA is a global organisation with separate legal entities in different countries, some with their own reserves requirements, not all of the global reserves are held by the UK registered charity. General reserves are not restricted to or designated for a particular purpose.

The Reserves Policy establishes an appropriate target range for the level of general reserves – the target range for 2010, and throughout the forthcoming period of the five-year strategy, has been established as between four and six months of unrestricted annual expenditure for the UK registered charity. In addition, the Global Reserves Policy, taking all WSPA organisations together as a whole, has established a target range of between four and six months of global unrestricted annual expenditure. The Reserves Policies and the target ranges are reviewed annually to reassess the risks and reflect changes in WSPA's income, financial obligations and expenditure.

The range is based on a risk assessment of the probability and likely impact on WSPA's charitable programme that might be caused by a decline in income, an increase in costs or an inability to reduce expenditure in the immediate short term.

Total reserves for the UK registered charity as at 31 December 2010 were £7.3 million (2009: £6.1million) and for 2010 unrestricted expenditure was £17.2 million (2009: £15.0 million) and so reserves represent 5 months (2009: 4.9 months) of unrestricted expenditure and this is within the target range.

Total global reserves, taking all WSPA organisations together as a whole, as at 31 December 2010 were around £10.7million (2009: £9.3million) and for 2010 unrestricted global annual expenditure was around £33.3million (2009: £28.7million) and so reserves represent around 3.9 months (2009: 3.9 months) of unrestricted global annual expenditure and this is at the lower end of the target range.

Investment policy

The Trustees have established an investment policy for the reserves that are held by the WSPA UK entity.

The objective of the policy is to balance various requirements:

- to maintain high 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 WSPA's investments as well as to generate a return while observing WSPA's investment restrictions.

The investment manager, UBS Wealth Management, manages WSPA funds using strategic and tactical approaches to asset allocations within strictly agreed parameters on a medium balanced basis (to achieve a balance between income and growth). An income yield portfolio typically has a low risk profile with the lowest exposure to equities; a growth portfolio is typically oriented towards capital growth and has a more risky profile. WSPA's portfolio is a balanced one, sitting between these two approaches. When investing in equities the focus is on the long-term potential of companies with sustainable high underlying returns, strong cash-flow and the ability to pay growing dividends, however these must meet WSPA's ethical investment restrictions.

The Trustees have agreed the following investment restrictions to reflect our ethical standards:

- food producers involved with animals
- food packagers involved with animals
- pharmaceutical companies
- arms companies
- fast food companies
- tobacco companies.

The future: WSPA's Global Strategy 2011–2015

WSPA's vision is of a world where animal welfare matters and animal cruelty has ended. To achieve this vision, the organisation has developed a five-year strategy based on a number of principles.

Firstly, WSPA will work to create a *global agenda for animal protection*. Most successful sectors in our globalised age have both global organisations and a clear global agenda. Animal protection to date does not. This is not something WSPA can simply invent on its own or presume to own. We are however possibly the only organisation in a position to act as a catalyst to bring it together.

Alongside initiatives to create and advance a global agenda for animal welfare, WSPA will focus its work on *making animals matter* by making them relevant to established global concerns. Animal protection is one of a host of issues policymakers face and not one that many of them will prioritise. We have to 'earn' our right to be heard, and that means demonstrating that animal protection is not some unaffordable luxury but an important part of solutions to some of the most severe problems facing people today, from food security to health to climate change. It is important that we maintain the ethical case for animals in their own right and be clear about our motivations. However, we firmly believe that without putting animal protection in the wider context of the world around us and unless we engage with the concerns and needs facing policymakers, we are unlikely to make an impact for animals.

WSPA's success for animals will depend upon its ability to *bring together advocates* from the animal welfare and other sectors. We already have in place a network of partners that gives us the potential to provide a platform for animal welfare worldwide, to help inform and broaden the debate. Ultimately, we believe we should be acting as a 'portal' for animal protection, a 'one-stop shop' for anyone involved in or who wants to engage with or understand animal welfare, from policymakers to the general public. However, this is only part of our goal. WSPA will act to engage with organisations and influencers in the environmental, development, health and other relevant fields and encourage them to consider the welfare of animals in their work as well as to lend their voice to ours.

With these principles in mind, WSPA has developed a set of priority programmes that will deliver measurable results for animals across the world. For each programme we have developed clear goals, strategies and milestones to measure our progress and impact in the following areas:

- **Ending inhumane culling.** Millions of dogs are at risk of being killed every year by cruel and inhumane methods, often in response to our fear of rabies. We will work with governments, communities and other organisations to drive the implementation of humane, sustainable solutions to control rabies, and prevent thousands of human deaths, without the unnecessary and appalling culling of millions of dogs.
- **Humane and sustainable agriculture.** Animals in farming are a high priority for WSPA because of the scale of the cruelty – they are counted in billions – and intensity of suffering they endure in some parts of this global industry. WSPA will make an impact by working in partnership with governments, food businesses, farmers and consumers to develop and build a momentum for the adoption of humane farming solutions for animals.
- **Disaster management.** Natural and man-made disasters affect people and animals alike and WSPA is committed to develop its unique role as a leading specialist in providing fast and practical help to animals in emergencies and in putting preparedness plans in place. WSPA believes in the intrinsic value of animals and our work in emergencies such as the earthquake in Haiti or tsunami in Japan, where tens of thousands of animals were affected, is an expression of that firm belief.

- **Global advocacy for animals.** At the broadest level, to inspire and motivate people to think and act in ways that create lasting change for animals. To achieve this aim, WSPA will work in partnership with governments, those organisations working to deliver a more sustainable world, and influential people and businesses who directly impact on animal welfare.
- **Commercial exploitation of wildlife.** Wildlife is under threat across the world and many millions of animals are subject to cruel practices. WSPA believes this cruelty has to be identified and stopped if we are to help create a world in which animals are valued and respected as sentient beings whose pain and suffering should be of concern to all of us. To this end, WSPA will build partnership programmes and encourage the development and implementation of humane and practical solutions to issues that lead to the cruel treatment of wild animals. We will focus our attention on an emblematic issue that has been a significant campaign for WSPA over a number of years: *bears in captivity* and especially the elimination of the cruellest of practices, the farming of bile. WSPA has also identified the trade in *live wildlife* as a major concern that causes untold suffering right across the world, and finally we will build on a successful track record in tackling the cruelty perpetrated in our oceans with particular attention paid to the ‘forgotten whales’.

Statement of Trustees' responsibilities

The Trustees (who are also directors of the World Society for the Protection of Animals for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in Accounting and Reporting by Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the charitable group will continue in business.
- be responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are 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 so far as each of the Trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are 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.

ON BEHALF OF THE BOARD

A Rowan

Trustee

Auditor's report

Independent auditor's report to the members and Trustees of World Society for the Protection of Animals

We have audited the financial statements of World Society for the Protection of Animals for the year ended 31 December 2010 which comprise the consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Summary Income and Expenditure Account and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2010, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Carol Rudge

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

Principal accounting policies

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable United Kingdom accounting standards.

In preparing the financial statements, the group and charity follow best practice as set out in Accounting and Reporting by Charities Statement of Recommended Practice (SORP) issued in April 2005.

The principal accounting policies of the group and charity are set out below.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned trading subsidiary WSPA Trading Company Limited. A separate Statement of Financial Activities (SOFA) is not presented because the charity has taken advantage of the provisions of paragraph 397 of the SORP and Section 408 of the Companies Act 2006.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Any gain/loss on revaluation is credited/charged to the SOFA.

Tangible fixed assets

The cost of tangible fixed assets over £5,000 is written off by equal annual instalments over their expected useful lives as follows:

Improvements to leasehold property	10 years
Computer equipment	3 years
Office equipment	5 years
Office move	Life of lease – 32 months

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the SOFA over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the SOFA on a straight-line basis over the lease term.

Funds accounting

Funds held by the charity are:

Unrestricted funds – Funds which can be used in accordance with the charitable objects and at the discretion of the Trustees.

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.

Eberle expendable endowment funds – This fund represents assets received from a legacy in 1991 which should, where possible, be held permanently by the charity, principally as investments. Income arising on the endowment fund must be used for small animals, which falls within the objects of the charity.

Ruth Whist permanent endowment – This fund arises from a donation for animals in need. The capital of the fund cannot be spent and interest should be withdrawn annually for use at the discretion of WSPA's Director of Programmes.

Incoming resources

Appeals, donations and member society subscriptions

Income from appeals, donations and member society subscriptions are included in incoming resources when they are receivable, except as follows:

- When donors specify that donations and grants given to WSPA must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before WSPA becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- When donors specify that donations and grants are for particular restricted purposes which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacies

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Grants

Revenue grants are credited as incoming resources when they are receivable provided that the conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Interest receivable

Interest is included when receivable by the charity.

Commercial trading activities

Income from commercial activities is included in the period in which the group is entitled to receipt.

Resources expended and basis of cost allocation

Resources expended are included in the SOFA on an accruals basis, inclusive of any irrecoverable VAT which is included as part of the expenditure to which it relates.

Cost of generating funds

The costs of generating funds comprise the costs associated with generating voluntary income, the costs of trading for fundraising purposes and the costs directly attributable to managing the investments as well as costs relating to educating and informing the public on animal welfare issues.

Charitable expenditure

Charitable expenditure comprises those costs directly related to the objects of WSPA. It includes both the costs which can be directly allocated to such activities and costs of an indirect nature necessary to support them. These costs are apportioned on an appropriate basis as set out in Note 5.

Governance costs

Governance costs include those associated with meeting the constitutional and statutory requirements of WSPA and include audit and legal fees linked to the strategic management of WSPA.

Grants

Grants payable are accounted for as expenditure in the year in which an irreversible binding commitment to make payment is entered into.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are credited or charged to the SOFA.

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.

Consolidated financial statements

Consolidated statement of financial activities

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2010 £'000	Total 2009 £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	1	18,546	3,927	-	22,473	19,605
Activities for generating funds	2	21	-	-	21	42
Investment income	3	89	-	-	89	67
Total incoming resources		18,656	3,927	-	22,583	19,714
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	4	1,637	-	-	1,637	1,391
Fundraising trading	2	24	-	-	24	13
Investment manager fees		16	-	-	16	9
Net incoming resources available for charitable application		16,979	3,927	-	20,906	18,301
Charitable activities						
Ending inhumane culling	5	2,054	369	-	2,423	1,636
Humane and sustainable agriculture		3,111	312	-	3,423	3,038
Disaster management		2,265	891	-	3,156	1,920
Global advocacy for animals		5,212	154	-	5,366	5,072
Commercial exploitation of wildlife		2,619	1,732	-	4,351	4,700
Total charitable expenditure		15,261	3,458	-	18,719	16,366
Governance costs	8	275	-	-	275	291
Total resources expended		17,213	3,458	-	20,671	16,657
Net incoming resources before gains and losses	9	1,443	469	-	1,912	1,644
Realised and unrealised gains on investment assets		214	-	51	265	246
Net movement in funds		1,657	469	51	2,177	1,890
Fund balances brought forward		6,456	197	847	7,500	5,610
Fund balances carried forward		8,113	666	898	9,677	7,500

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 accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated and charity balance sheet at 31 December 2010

	Note	Consolidated 2010 £'000	Charity 2010 £'000	Consolidated 2009 £'000	Charity 2009 £'000
Fixed assets					
Tangible assets	11	671	671	249	249
Investments	12	3,073	3,073	2,749	2,749
		3,744	3,744	2,998	2,998
Current assets					
Stock	13	-	-	5	-
Debtors	14	1,363	1,380	855	897
Cash on deposit	26	2,735	2,735	-	-
Cash at bank and in hand	26	3,413	3,387	4,960	4,911
		7,511	7,502	5,820	5,808
Creditors: amounts falling due within one year	15	(1,578)	(1,573)	(1,318)	(1,312)
Net current assets		5,933	5,929	4,502	4,496
Creditors: amounts falling due after more than one year		-	-	-	-
Net assets		9,677	9,673	7,500	7,494
Unrestricted funds					
Designated funds	17	811	811	389	389
Revaluation funds		342	342	178	178
General funds		6,960	6,956	5,889	5,883
		8,113	8,109	6,456	6,450
Restricted funds	18	666	666	197	197
Capital funds					
Endowments	19	898	898	847	847
		9,677	9,673	7,500	7,494

The financial statements were approved by the Board of Trustees on

A Rowan
Trustee

Registered company no: 4029540

Registered charity no: 1081849

Consolidated cashflow statement

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Net cash inflow/(outflow) from operating activities	25		1,802		2,808
Returns on investments and servicing of finance					
Interest received		10		5	
Interest paid on finance lease		-		-	
Investment income		79		62	
Net cash inflow from returns on investments and servicing of finance			89		67
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(644)		(11)	
Purchase of investments		(767)		(1,146)	
Sale of fixed asset investments		298		105	
			(1,113)		(1,052)
Net cash inflow/(outflow) before management of liquid resources and financing			778		1,823
Financing					
Repayment of finance lease		-		(9)	
					(9)
Increase/(decrease) in cash	26		778		1,814

The accompanying accounting policies and notes form an integral part of these financial statements.

Summary of income and expenditure account

The WSPA Group

	2010 £000	2009 £000
Income		
Voluntary income	22,473	19,605
Activities for generating funds	21	42
Investment income	89	67
	22,583	19,714
Expenditure		
Costs of generating voluntary income	1,637	1,391
Fundraising trading	24	13
Investment managers fees	16	9
Charitable activities	18,719	16,366
Governance costs	275	291
	20,671	18,070
Surplus of income over expenditure before realised gains	1,912	1,644

An income and expenditure account is an alternative summary of the information contained in the Statement of Financial Activities. As recommended in the Charity SORP, this statement excludes gifts of capital that are not currently available for revenue expenditure (See Note 19). The income and expenditure account is included in the accounts in order to comply with the Companies Act 2006.

Notes to the consolidated financial statements

1. Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	2010 £'000	2009 £'000
Appeals and gifts	7,878	1,367	9,245	8,427
Legacies	2,170	422	2,592	2,574
Corporate donations, trusts, foundations and society grants	374	231	605	426
Donations from WSPA organisations (Note 23)	8,107	1,907	10,014	8,162
Member Society subscriptions	17	-	17	16
	18,546	3,927	22,473	19,605

2. Activities for generating funds

The charity has a wholly owned subsidiary, WSPA Trading Company Limited, incorporated in the United Kingdom, which sells Christmas cards and receives taxable donations from companies operating mail order catalogues, affinity cards, promotional merchandise and other ancillary activities. A summary of its trading results is shown below:

	2010 £'000	2009 £'000
Turnover	21	42
Cost of sales	(3)	(3)
Gross profit	18	39
Administration expenses	(21)	(10)
Gift aid donation	-	(29)
Net (loss)/income from trading before interest	(3)	-
Interest receivable	-	-
Interest payable	-	-
Corporation tax payable	-	-
Result for the financial year	(3)	-

Turnover excludes charitable donations raised as a consequence of trading activity. These are shown within Charity voluntary income. Included within 2010 administration expenses are exceptional items relating to the write-off of stock (£5k) and one-off postage costs relating to trading company catalogue (£8k).

3. Investment income and interest

	Unrestricted funds £'000	Restricted funds £'000	2010 £'000	2009 £'000
Interest receivable on bank deposits	10	-	10	5
Investment income - UK equities	79	-	79	62
	89	-	89	67

4. Cost of generating voluntary income

	Unrestricted funds	
	2010 £'000	2009 £'000
Appeals and gifts	869	880
Legacies	115	102
Corporate donations, trusts, foundations and society grants	218	124
Regional and volunteer	207	210
Major donors	228	75
	1,637	1,391

5. Charitable activities

	Grants £'000	Direct expenditure £'000	Support costs £'000	Total 2010 £'000	Total 2009 £'000
Ending inhumane culling	88	1,573	762	2,423	1,636
Humane and sustainable agriculture	33	2,567	823	3,423	3,038
Disaster management	-	2,454	702	3,156	1,920
Global advocacy for animals	160	3,599	1,607	5,366	5,072
Commercial exploitation of wildlife	761	2,586	1,004	4,351	4,700
	1,042	12,779	4,898	18,719	16,366

2009 comparatives have been amended to reflect the changes in the charitable activities headings in 2010.

6. Grants

Grants were made to the following institutions as detailed below:

	2010 £'000
Borneo Orangutan Survival Foundation	410
Wildlife Trust of India	101
Doga Dernegi	76
Fauna and Flora International	70
Yayasan Bali Animal Welfare	56
Green Korea United	45
University of Bristol	40
SPANNA	29
Dyrebeskyttelsen Norge	25
NOAH	17
ACRES	14
Cretan Animal Welfare Group	13
Dyrenes Alliance	10
Fur Free Alliance	8
Fundacion Luca A.C.	8
Appalachian Black Bear Rehabilitation and release centre	8
ORCA	7
Brooke Hospital for Animals	5
Callisto	5
Species Survival Network	5
	952
Other grants to institutions (all under £5,000)	13
Grant support costs	77
	1,042

7. Support costs

Support costs are apportioned on the basis of headcount across all areas of charitable activities.

	Ending inhumane culling £'000	Humane and sustainable agriculture £'000	Disaster management £'000	Global advocacy for animals £'000	Commercial exploitation of wildlife £'000	Governance costs £'000	2010 Total £'000	2009 Total £'000
Office and IT	305	329	281	643	401	-	1,959	1,563
Staff costs	175	189	161	369	231	61	1,186	1,110
Supporter services	36	39	33	77	48	-	233	137
Fundraising support	246	266	227	518	324	-	1,581	1,362
	762	823	702	1,607	1,004	61	4,959	4,172

8. Governance costs

	Unrestricted £'000	Restricted £'000	2010 Total £'000	2009 Total £'000
Audit fees	37	-	37	40
Legal fees	66	-	66	82
International management	111	-	111	119
Support	61	-	61	50
	275	-	275	291

9. Net incoming resources

	2010 £'000	2009 £'000
This is stated after charging:		
Operating lease - premises	250	283
Depreciation:		
Tangible fixed assets owned	222	205
Tangible fixed assets held under finance lease	-	9
Auditors remuneration		
- 2010	37	-
- 2009	-	40
Investment manager fees	16	9

10. Employees and staff costs

The payroll costs of these were as follows:

	2010 £'000	2009 £'000
Wages and salaries	3,964	3,955
Social security costs	424	406
Other pension costs	132	112
	4,520	4,473

In addition, a great amount of time, the value of which it is impossible to reflect in these financial statements, is donated by approximately 1060 volunteers (2009: 1320 volunteers). The 2009 figure has been amended to provide accurate comparison.

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

	2010 Number	2009 Number
Charitable activities	39	42
Fundraising	21	30
Campaigns and publicity	17	11
Managing and administration	21	21
Governance	5	3
	103	107

The emoluments of members of staff, including benefits in kind within the range £60,000 to £119,999 are:

	2010 Number	2009 Number
£60,000 - £69,999	-	3
£70,000 - £79,999	4	3
£80,000 - £89,999	1	1
£90,000 - £99,999	1	-
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-

The pension costs paid in respect of these employees amounted to £30,632 (2009 £20,891).

11. Tangible fixed assets (consolidated and charity)

	Leasehold Property £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2010	546	162	633	1,341
Additions	558	5	81	644
Disposals	(508)			(508)
At 31 December 2010	596	167	714	1,477
Depreciation				
At 1 January 2010	535	125	432	1,092
Additions	74	32	116	222
Disposals	(508)			(508)
At 31 December 2010	101	157	548	806
Net book amount at 31 December 2010	495	10	166	671
Net book amount at 31 December 2009	11	37	201	249

Included within the net book value of £671,000 is £ nil (2009: £19,000) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £ nil (2009: £9,000).

12. Fixed assets investments (consolidated and charity)

	2010 £'000	2009 £'000
Market value as at 1 January 2010	1,901	614
Less: disposals at opening book value	(298)	(105)
Add: acquisitions at cost	767	1,146
Realised/unrealised gain on revaluation	265	246
Market value at 31 December 2010	2,635	1,901
Cash	438	848
	3,073	2,749
Historical cost at 31 December 2010	2,293	1,723

An analysis of the market value of investments at 31 December 2010 is as follows:

	2010 £'000	2009 £'000
UK equities	1,955	1,405
Overseas equities	242	199
UK fixed interest stock	438	297
	2,635	1,901
Cash	438	848
	3,073	2,749

At 31 December 2010 the charity owned the entire issued share capital of WSPA 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 2. At 31 December 2010, the amount of this company's assets, liabilities, share capital and reserves was:

	2010 £'000	2009 £'000
Current assets	39	68
Creditors: amounts falling due within one year	(33)	(59)
Creditors: amounts falling due in more than one year	-	-
	6	9
Called up share capital	-	-
Profit and loss account	6	9
	6	9

13. Stock

	Consolidated 2010 £'000	Charity 2010 £'000	Consolidated 2009 £'000	Charity 2009 £'000
Christmas cards for resale	-	-	5	-
	-	-	5	-

14. Debtors

	Consolidated 2010 £'000	Charity 2010 £'000	Consolidated 2009 £'000	Charity 2009 £'000
Owed by WSPA Trading Company Limited	-	28	-	53
Accounts receivable	21	11	26	23
Accrued income	995	995	555	547
Prepayments	318	318	253	253
Other debtors	29	28	21	21
	1,363	1,380	855	897

The residual balance on the loan of £203,500 to the Trading Company repayable over 10 years was fully repaid in the year.

15. Creditors: amounts falling due within one year (consolidated and charity)

	Consolidated 2010 £'000	Charity 2010 £'000	Consolidated 2009 £'000	Charity 2009 £'000
Trade creditors	594	594	478	477
Other creditors	22	22	25	25
Amount owing under finance lease	-	-	9	9
Tax and social security	127	127	118	117
Dilapidations provision	18	18	150	150
Accruals	817	812	538	534
	1,578	1,573	1,318	1,312

16. Borrowings

Borrowings are repayable as follows:

	Consolidated 2010 £'000	Charity 2010 £'000	Consolidated 2009 £'000	Charity 2009 £'000
Finance lease:				
Within one year	-	-	9	9
After one and within two years	-	-	-	-
	-	-	9	9

17. Unrestricted funds

	Balance at 1 January 2010 £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Balance at 31 December 2010 £'000
Designated funds	389	-	-	-	422	811
General & revaluation funds	6,067	18,656	(17,213)	214	(422)	7,302
Total unrestricted funds	6,456	18,656	(17,213)	214	-	8,113

As at 31 December 2010, designated funds incorporated:

Funds held as fixed assets and used in the charity's operations which are therefore not available to fund short-term expenditure (£671,000) and funds held for disaster management to enable the charity to respond quickly to natural disasters (agreed at £140,000 by the Trustees)

18. Restricted funds

	Balance at 1 January 2010 £'000	Income £'000	Expenditure/ transfers £'000	Balance at 31 December 2010 £'000
Companion animals	23	505	483	45
Libearty	159	1,536	1,201	494
Farmwatch	3	180	183	-
Disaster management	-	954	890	64
Borneo Orangutan Survival Foundation	-	511	460	51
Other wildlife	3	91	93	1
Other	9	148	146	11
	197	3,925	3,456	666

These funds are allocated for specific projects as follows:

Fund	Purpose
Companion animals	WSPA aims to help companion animals around the world by supporting the work of animal shelters, persuading local authorities to stop the brutal slaughter of pet animals, to set up neutering programmes and to educate people in the care of companion animals. Income arising from the Eberle Revenue Fund is used to fund projects related to small animals.
Libearty	Funds are used for a variety of bear protection projects including bear sanctuaries and ongoing campaigns on the Chinese bear farm and bear trade issue, dancing bears in Asia and bear baiting in Pakistan.
Farmwatch	The aim of the Farmwatch campaign is to oppose the development of factory farming and achieve measurable improvements in farm animal welfare in strategically key areas of the world. This will be achieved by persuading international agencies (e.g. Food and Agriculture Organization, World Health Organization) to take account of farm animal welfare concerns and multinational food businesses (retailers, fast food outlets, etc.) to incorporate high farm animal welfare standards in their products.
Disaster management	WSPA received funds for general disaster relief work to be used in emergencies such as the tsunami in Samoa.
BOS	WSPA committed to supporting the Nyaru Menteng sanctuary, run by the Borneo Orangutan Survival Foundation (BOS) which rehabilitates rescued orphaned orangutans for release back into the wild.
Other wildlife	Funds were received and used on a variety of wildlife projects including whaling, bonobos and human-elephant conflicts.
Other	Funds were received to support our work on small grants, animal welfare education, a Universal Declaration on Animal Welfare and anti-snaring in Africa.

19. Endowment funds

	Eberle capital £'000	Ruth Whist capital £'000	Total £'000
Balance at 1 January 2010	513	334	847
Net realised and unrealised gains	51	-	51
Balance at 31 December 2010	564	334	898

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 the 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 WSPA's Director of Programmes. The income arising from this fund is part of unrestricted investment income.

20. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	671	-	-	671
Investments	2,175	-	898	3,073
Net current assets	5,267	666	-	5,933
	8,113	666	898	9,677

21. Commitments

Capital Commitments: There were no capital commitments by the charity or group, contracted or authorised at 31 December 2010 or 31 December 2009.

22. Operating lease

Operating lease payments relate to the rent of the premises of the Charity. The lease expires in 2018.

	Consolidated 2010 £'000	Charity 2010 £'000	Consolidated 2009 £'000	Charity 2009 £'000
Due within one year	196	196	58	58

23. Trustees, directors and related parties

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

Ten Trustees received payments totalling £25,121 (2009: nine trustees; £24,949) as reimbursement of travel costs.

The charity enters into transactions with other charities connected with the World Society for the Protection of Animals. The nature of the transactions is principally the transfer of funds to or from those organisations to fund specific charitable projects within the Society's objectives and which by their nature need to be funded on a local level.

	Paid by WSPA £'000	Received by WSPA £'000
WSPA Australia	-	2,671
WSPA Brazil	1,481	-
WSPA Canada	-	760
WSPA China	387	-
WSPA Colombia	-	-
WSPA Costa Rica	-	-
WSPA Denmark	-	2,132
WSPA Germany	-	357
WSPA India	-	-
WSPA Netherlands	-	2,981
WSPA New Zealand	-	718
WSPA Sweden	-	-
WSPA USA	1,798	395
	3,666	10,014

Payments made to branches in the year were as follows:

Africa £769,035; Asia £1,903,691 (2009: Africa £689,931; Asia £1,893,932).

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. Reconciliation of surplus of income to net cash inflow from operating activities

	2010 £'000	2009 £'000
Net movement in funds for the year before investment gains	1,912	1,644
Investment income	(89)	(67)
Interest paid on finance lease	-	-
Depreciation	222	214
(Increase)/decrease in stock	5	(5)
(Increase)/decrease in debtors	(508)	617
Increase/(decrease) in creditors	260	405
	1,802	2,808

26. Analysis of net cash resources

	At 1 Jan 2010 £'000	Cashflow £'000	At 31 Dec 2010 £'000
Cash held on short term deposit by investment managers	848	(410)	438
Cash on deposit	-	2,735	2,735
Cash at bank and in hand	4,960	(1,547)	3,413
	5,808	778	6,722

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

27. Pensions

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

28. Members

The members of the Society are representatives from a range of national and international animal welfare organisations.

29. 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 £1.3m (2009: £1.8 million).

30. Forward contracts

WSPA is a sterling based organisation, with foreign exchange exposures in a number of other currencies. Primarily WSPA receives funding in sterling, Australian dollars, euros, Danish kroner and Canadian dollars. The Society has funding costs both in terms of funding overseas project offices, in addition to overseas project costs. These cash outflows are predominantly in US Dollars. There is very good forecasting ability in terms of overseas office costs up to 12 months forward (90%), and with respect to project costs, forecasting confidence is lower (50% - 60%) up to 12 months forward. Forecasting accuracy of incoming funds is generally less predictable, with good visibility three months forward.

WSPA has two main foreign exchange risk management objectives:

- Improve the level of certainty, and minimisation of volatility, with respect to foreign exchange transactions; and
- Reduce costs of foreign exchange transactions through an efficient process and optimising the timing of hedging transactions.

In order to achieve this, a rolling, layered hedging strategy is in place with a 12-month hedging horizon. The hedge ratios (minimum and maximum) decline on a four-month basis. Within this there is flexibility to actively manage exposures based on market conditions and outlook.

This strategy ensures that WSPA has sufficient hedging in place at all times to provide a degree of protection against adverse foreign currency moves. The rolling and layered approach also ensures that the degree to which foreign currency volatility impacts the financial statements is minimised. This also leaves flexibility to actively manage the risk based on market conditions.

There were no contracts outstanding at 31 December 2010.

Thank you to our supporters

WSPA would like to say a sincere thank you to all our supporters who have continued to donate generously throughout 2010. With your continued generous support and the implementation of our new strategy we are confident in our ability to reduce animal suffering around the world in a sustainable way.

World Society for the Protection of Animals

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The logo for WSPA, featuring the letters 'WSPA' in a bold, white, sans-serif font. The letters are stylized with horizontal lines passing through them, creating a sense of motion or a modern, dynamic feel. The logo is positioned in the bottom right corner of the page, above a white wavy line that spans the width of the page.