

**WORLD SOCIETY FOR THE
PROTECTION OF ANIMALS**

**CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

31 DECEMBER 2009

Charity no 1081849
Company no 4029540

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

Legal and administrative details

Governing instruments

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

Board of Trustees (who are directors for Companies Act purposes):

- Dr B Clausen
- Mr D Bellemare
- Dr C Krishna
- Mr C Luke
- Ms H Maij-Weggen
- Mr P Mason
- Ms M Meredith
- Dr T Metveit
- Professor R Munro
- Dr A Rowan
- Ms S Van Tichelen
- Dr D C Turner
- Ms C Vega Leon
- Mr M Watts
- Dr H Wirth

Chief Executive: Mr M Baker

Principal office: 222 Grays Inn Road
London
WC1X 8HB

Charitable company secretary: Mr P Mason

Investment managers: UBS Wealth Management (UK) Limited
1 Curzon Street
London
W1J 5UB

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

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

Solicitors: Sherrards
18 Bentinck Street
London
W1U 2AR

Auditors: Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

INDEX	PAGE
Report of the trustees	1 – 15
Report of the auditors	16 - 17
Principal accounting policies	18 – 20
Consolidated statement of financial activities	21
Consolidated and charity balance sheets	22
Consolidated cashflow statement	23
Other primary statements	24
Notes to the consolidated financial statements	25 – 38

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

The trustees (who are directors for Companies Act purposes) present their report together with the financial statements of the World Society for the Protection of Animals (WSPA) for the year ended 31 December 2009. The financial statements have been prepared according to the accounting policies set out on pages 18 to 20 of the financial statements and comply with the current statutory requirements, the Memorandum and Articles of Association, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in April 2005.

Structure, governance and management

WSPA is a company limited by guarantee and is a registered charity. It has been in existence for 27 years but has been registered in the UK since 4 August 2000 and was incorporated on 7 July 2000. Its governing instrument is its Memorandum and Articles of Association which were updated in 2007. Prior to this 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 covering financial policy, review of the annual audit and accounts and investment policy. The Finance Committee comprises four trustees, namely Dr A Rowan (Treasurer), Dr 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 along with a balance sheet and cash flow statement. The committee reviews the annual budget before it is presented to the trustees. The risk register is regularly reviewed. At least once each year the investment managers attend a meeting to review the investments. The day-to-day management of the investments is administered by UBS Wealth Management, with whom the trustees are satisfied.

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 trustees who held office during the year and to the date of signing were as follows:

Mr Dominique Bellemare	President
Dr Ranald Munro	Sr Vice President
Ms Hanja Maij-Weggen	Jr Vice President
Mr Peter Mason	Secretary
Dr Andrew Rowan	Treasurer
Dr Bjarne Clausen	
Dr C Krishna	
Mr Carter Luke	
Ms M Meredith	
Dr Toralf Metveit	
Dr Dennis Turner	
Ms Sonja Van Tichelen	
Ms Cecilia Vega Leon	
Mr Mark Watts	
Dr Hugh Wirth	

The board continually reviews the skill requirements and performance of trustees. 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.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

The induction process for any newly appointed trustee comprises an initial meeting with the Chief Executive Officer and the board in order to brief them on the work of WSPA. The induction pack includes a history of the charity, previous board minutes, prior year statutory accounts and global review, the Memorandum and Articles, 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 travel around the world as required in order to carry out the global work of WSPA. Regular senior and middle management meetings take place to keep staff fully informed and involved in the running of the charity.

WSPA in the UK is deemed to be the head office of a network of 16 other WSPA legal entities around the world. Ten of these are separate legal entities each with its own board of trustees but they all have a license to use the WSPA trade mark. The offices in Tanzania and Bangkok are branches of the UK entity.

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 for 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 the senior management team. 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.

Objectives, activities and performance

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 ends"; its mission is: "To build a global animal welfare movement."

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

- promote cooperation between animal protection societies on an international scale.

WSPA's current five-year strategy (ending in 2010) focuses on the following four major priority areas of work:

- companion animal welfare
- Commercial exploitation of wildlife welfare
- Farm animal welfare
- Disaster management.

WSPA also 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, with over 1,000 groups in 156 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.

Educating to develop compassion and respect is also at the heart of WSPA's work. Animals can experience pleasure, pain and suffering. When humans interact with animals we have a responsibility to safeguard their welfare. These values are at the heart of WSPA's educational aim – to develop compassion, a sense of justice and to teach others to respect animals.

The charity provides funds to WSPA work in Africa; Europe; the Middle East; Mexico, Central America and the Caribbean; South America; and Asia.

Public benefit requirement

Under the Charities Act 2006, from April 2008 charity trustees have had a duty to explain in their Trustees' 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.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

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 25 to the accounts.

The sections which follow demonstrate how WSPA met its charitable purposes in 2009 and its principal achievements under its respective strategic priority areas of work.

Companion animal welfare

WSPA's Companion and Working Animal Unit seeks to end the cruel treatment and irresponsible ownership that leads to the poor welfare of companion and working animals worldwide. In 2009 the unit's objectives targeted the following groups: stray animals that endure persecution, disease and starvation across the globe; working equines forced to work despite malnutrition, injury and little or no veterinary care; and animals exploited for commercial benefit (fur).

There are hundreds of millions of stray animals globally. Many face poor welfare on the streets or are subject to cruel methods of control in attempts to reduce their numbers and eliminate the risk of zoonotic diseases. WSPA's aim is for each country to adopt comprehensive, humane and effective methods of population management that also result in disease control.

During 2009:

- WSPA continued to build on experience gained through project work and prove its worth and influence as a global expert in the field of dog population management, particularly by working with international organisations such as WHO and OIE (WSPA supported the latter in the development and adoption of new guidelines on dog population management). These strategic alliances help add credibility to WSPA's lobbying efforts against cruel methods of control.
- As coordinator of the International Companion Animal Management (ICAM) Coalition, which includes some of the largest international animal welfare organisations, WSPA has become formally engaged in reviewing and providing recommendations for maintaining acceptable animal welfare standards in three Gates Foundation funded rabies projects in Tanzania, South Africa and the Philippines.
- WSPA and fellow ICAM members continued to use the coalition's *Humane Dog Population Management Guidelines* document to good effect throughout the year, presenting it at conferences and meetings including the intergovernmental meeting on rabies for the ASEAN +3 countries, Rabies in the Americas, and Asia for Animals. It was also disseminated to various relevant audiences ranging from intergovernmental bodies to small NGOs, potentially impacting on the welfare of millions of dogs that could be subject to inhumane culling in the name of rabies or population control.

There are an estimated 90 million working equines in the world. Over half the world's human population are reliant on the power provided by draught animals, which suffer from a range of welfare issues caused primarily by insufficient or uninformed care and husbandry.

During 2009:

- WSPA launched the 'human behaviour change' approach in Palestine, Uruguay and Thailand, following successes in Nicaragua and Cambodia. This approach seeks to develop a strategy that can be used by WSPA and other organisations to achieve improvements in animal welfare through changes in the husbandry practices of owners. The approach was also piloted for roaming dog populations in Costa Rica.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

In 2009 WSPA also increased its support of the Fur Free Alliance (FFA), the world's largest coalition of animal protection groups working peacefully to bring an end to the exploitation and killing of animals for their fur. This support helped fund campaigns such as the international Fur Free Retailer programme and the Design Against Fur competition. There were a number of considerable legislative achievements in 2009 attributable to the dedicated campaigns of FFA members; perhaps the greatest of these was in May when the European Parliament voted overwhelmingly in favour of banning the trade in seal products, despite the implications of the inevitable World Trade Organization challenge by Canada. Such legislation has created an international momentum for legislation against the production and trade of fur and sends a crucial message: fur is unacceptable. WSPA was elected on to the Executive Committee of FFA, and has taken up duties accordingly, voting on all key strategic and administrative decisions and advising on strategy.

Commercial exploitation of wildlife

WSPA works on a range of wildlife welfare issues through a combination of field work, lobbying and public campaigning, with the vast majority of work being done in partnership with member societies. Issues addressed are wide ranging but all are specifically involved in the welfare of the animals concerned; there may also be conservation benefits but these are secondary.

During 2009:

- WSPA's work to ensure the phase out of bear farming in Vietnam continued with more confiscations of bears in 2009 than any other year. WSPA has been helping the Vietnamese authorities to devise an effective means of monitoring bear farms to ensure no new bears are brought into the trade from the wild. As a result of this work and previous microchipping, 12 bears are now free from suffering in bear farms and living in rescue centres run by other animal welfare organisations, and bear farmers are being sent a strong message that bear farming is an industry on its way out.
- The relatively new programme of work on international zoo animal welfare is already showing results in Malaysia. Discussions between WSPA, member society ACRES and the Malaysian Zoo Association (MAZPA) have led to agreement that national legislation is needed to eradicate the worst zoo conditions in the country. A number of Malaysian NGOs that previously did not focus on this issue have been brought together to work with WSPA and MAZPA to get legislation passed and enforced.
- WSPA's ongoing work in Pakistan ensured that 75 per cent of planned bear baiting events (216) were stopped in 2009 before they even took place. The success of the programme has meant the Kund Park sanctuary is now full and construction is underway to build a second sanctuary just outside Islamabad. The second sanctuary will ensure there is the space to home the bears that remain involved in baiting while WSPA and its local member society work to eradicate the culture of bear baiting for good.
- WSPA took a lead role at the 61st International Whaling Commission (IWC61), co-ordinating NGOs in an online action to ensure the ban on commercial whaling remained secure. A potential deal to allow Japan to open up new forms of coastal whaling was opposed at the meeting, thanks in part to a WSPA-led petition which allowed 70,000 people in over 60 countries to write to their governments opposing the deal.
- Member society the Wildlife Trust of India (WTI) and WSPA now believe that there could be as few as 50 dancing bears left in the country and it may well be that the practice is completely eradicated by the end of 2010. The alternative livelihood programme has continued, with ongoing support provided to Kalandars (traditional dancing bear owners) that have given up their bears.
- It was a busy year at the WSPA-funded BOS Nyaru Menteng sanctuary with 39 new orangutan orphans brought into this safe haven. In addition, 25 wild orangutans were rescued (most of whom were relocated to safer areas

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

of forest) and 46 orangutans were successfully released back into the wild – the highest number in any year for the sanctuary.

- Work continues in Romania to rescue the remaining captive bears. Another seven were confiscated in 2009 and homed in the forest enclosures of the bear sanctuary near Zarnesti.
- WSPA and member society Doğa Derneği have continued to work in partnership with the Turkish Ministry of Environment and Forestry to train officials in humane management of Human–Bear Conflict (HBC). It is hoped that the continued partnership will lead to the Turkish Ministry of Environment and Forestry developing the ability and skill to humanely address the issue across all affected areas of Turkey.
- Internationally WSPA has been pushing animal welfare up the Human–Bear Conflict (HBC) agenda by working to set international good practice standards through a document called *Principles of Human–Bear Conflict Reduction*. As a result, an HBC expert team has been created within the Bear Specialist Group of the International Union for the Conservation of Nature (IUCN); two WSPA staff have been appointed to the expert team.

Farm animal welfare

More than 60 billion animals are farmed annually to produce meat, milk and eggs. Many live in appalling industrial ‘factory farm’ conditions throughout their lives; many are also transported and killed inhumanely. With factory farming continuing to grow in the Global South, WSPA is strategically targeting Latin America and Asia to improve the lives of farm animals in these two key regions.

WSPA seeks to influence governments and farmers to adopt non-industrial practices by showcasing humane farming alternatives and providing farm animal welfare training. WSPA and its member societies are working together to mobilise public audiences and key stakeholders and are lobbying governments and institutions to introduce stronger farm animal welfare laws, policies and practice.

During 2009:

- WSPA funded campaign activities for pig welfare in Taiwan and co-organised a second conference on animal welfare in China.
- The second conference of the Latin American Coalition for Farm Animals was held in Cartagena, Colombia, preceded by a Latin American Conference on farm animal welfare which brought together representatives from academia, industry, government and civil society.
- In Brazil, the Model Farm Project (an FAI initiative supported by WSPA) commenced hosting humane cattle handling courses, run in partnership with the ETCO Group at San Paulo University to demonstrate high welfare farming alternatives. More than 200 people have now been trained in animal welfare and humane handling.
- In China, development of the Model Farm Project’s network of small free-range poultry farmers continued; welfare training courses on poultry biosecurity, nutrition and disease were carried out on the core farms.
- WSPA also launched the humane slaughter programme in Brazil, already resulting in significant improvements at the targeted slaughterhouses and increasing the use of humane slaughter methods. The humane slaughter programme also progressed in China, with 77 training sessions in humane approaches reaching 3,423 specialists.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

- Handle with Care – the global coalition campaign against long distance transport – resulted in significant achievements on key routes and successfully stopped the resumption of live export trade from New Zealand.
- WSPA was invited to draft animal welfare standards as part of Global Halal Standards and were asked to input into humane slaughter standards, which could have a positive impact of millions of animals worldwide.

Disaster management

WSPA's disaster management (DM) Team works globally to protect the animal victims of disasters through a combination of emergency response, risk reduction, advocacy for animals in disasters and member society development.

During 2009:

- Despite it being a quiet year than 2008 for extreme events globally, the team deployed assessment and response teams to 18 disasters including earthquakes in Costa Rica and Indonesia, floods in Brazil and Mexico and a tsunami in Samoa. This work alleviated the suffering of just under 23,000 animals. This number is considerably lower than 2008, due in part to fewer disasters in the year and to the nature of those disasters making it difficult to quantify numbers due to safety and access issues.
- Risk reduction work included participating in the largest urban risk exercise in South America's history – a simulated earthquake in Bogota in which all citizens were evacuated within half an hour. As part of the exercise, a variety of rescue teams were asked to carry out 40 simulations; their performances were analysed by external experts. WSPA was asked to undertake two of these exercises: the rescue of companion animals from a collapsed multi-storey structure and the veterinary assessment and treatment of an accident involving equines. Feedback by assessors on WSPA's performance during these scenarios was excellent.
- Risk reduction and preparedness measures during 2009 also included educational materials: posters to inform farmers about the risk to cattle and public service announcements for pet owners in the Caribbean. Visits to shelters by DM staff led to advice on building resilience and contingency planning, and in Bermuda during Hurricane Bill a preparedness seminar was held by DM staff while sheltering from the storm itself. The highlight of the year for preparedness was undoubtedly working with the Warner channel, which agreed to show WSPA's DM public service announcement on their network for a month, reaching over 40 million viewers.
- The WSPA DM team improved the capacity of a large number of member societies by helping to ensure their facilities are now more robust against key disaster risks in their region as well offering mentoring and training key groups to respond to disasters in their locality, either independently or as part of WSPA teams.

As well as these four priority areas, WSPA also covered the following areas of work in 2009:

Member society development

Through its Member Society Network, WSPA seeks to: build a powerful global voice to set animal welfare firmly on the international agenda; campaign against animal cruelty worldwide; and raise the standard of animal welfare. These goals require animal welfare groups and organisations to work together to lend weight to campaigns and deliver best-practice animal welfare work. To underpin this, WSPA aspires to build a strong Member Society Network that will reach out globally to create a world where animal welfare matters and animal cruelty ends. WSPA does this by providing support, networking opportunities, targeted grants and training, and in doing so,

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

The aim of the Member Society Development unit is to build the WSPA member society network into a powerful alliance of effective animal welfare organisations. WSPA delivers targeted support for developing organisations, and promotes cohesion and communication throughout the animal protection community. Through this development work WSPA also aims to improve the quality of animal welfare programmes being delivered by member societies across the globe.

During 2009:

- 54 new member societies joined the network, including our first from St Kitts and Nevis. By the end of the year the network contained 1,018 member societies across 156 countries.
- The small grant programme ran very successfully, with grants awarded to groups in Europe, Africa, the Middle East, Asia, the Pacific, the US, Canada and Latin America. The grants funded a wide variety of items and work including animal rescue vehicles, veterinary equipment, humane education programmes and equine welfare projects.
- WSPA provided training and development support to over 230 member societies: supporting best practice animal welfare; helping groups focus strategically on more in-depth and longer term planning; and building accountability and sustainability. By doing so, WSPA is making considerable improvements to the quantity and quality of the animal welfare work being delivered worldwide. Specific examples of training provided include: disaster risk reduction; volunteer management; veterinary skills; programme planning; board development; and media training.
- The fundraising programme continued in its second year, with 38 member societies receiving training and mentoring. The original pilot fundraising programmes in Brazil, Latin America, East Africa, Estonia and Jordan finished, and the evaluations showed that they have achieved the original programme objectives: societies that completed the course are stronger and more confident, better able to communicate their organisational goals, more visible and better known, more accountable, have more sources of income and are implementing clear and workable fundraising plans. Overall the total increase in income by participants was 24 per cent more than the total cost of the pilot programme.
- The Animal Welfare Online website was launched during World Animal Week (October 2009). Available in English, Spanish and Portuguese, it contains an online resource library containing more than 400 publications as well as images, events, news, job opportunities and more. The site aims to act as a central hub where animal protectionists can access and share a range of information relating to animal welfare and NGO management. The site was instantly successful, receiving over a thousand visitors from 83 countries within one week of the launch. By the end of December 2009 it had attracted over 5,000 unique visitors from 111 countries, with visitors accessing all areas of the site.

As well as these five priority areas the WSPA covered the following areas of work:

Education

The WSPA Education Unit works with colleagues in Latin America, Africa and South East Asia towards its goal: the inclusion of animal welfare education into official teaching curricula at primary, secondary and tertiary education level. The unit also supports the educational work of member societies worldwide.

During 2009:

- WSPA formed networks and partnerships across the globe, including attendance at international veterinary education conferences run by the OIE and by the American Veterinary Medical Association. WSPA was invited

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

to join the Humane Literacy Coalition and two Animal Welfare Education Forums focusing on UK-based and global education programmes.

- The database of resources available at www.animal-education.org continues to grow; in addition a new website is in development which will enable multi-lingual access to a wider variety of teaching resources.
- The development of draft monitoring and evaluation tools was the start of a comprehensive attempt to evaluate the effectiveness of all of the Education Unit's work. These tools have been translated and pilot tested in regional offices. The tools have been further developed as a result of the findings, a process that will continue into 2010.
- The London-based WSPA Education Unit has also supported other WSPA programmes and departments. These activities include working with Human Resources to develop an induction programme for new starters and working with the UK Fundraising Team to develop educational fundraising tools for the UK market, as well as developing a training programme for volunteer speakers.

Universal Declaration on Animal Welfare

A Universal Declaration on Animal Welfare (UDAW) would be an agreement among people and nations to recognise that animals are sentient and can suffer, to respect their welfare needs and to end animal cruelty for good. WSPA and its key partner organisations, including the American Society for the Prevention of Cruelty to Animals (ASPCA), Humane Society International (HSI), International Fund for Animal Welfare (IFAW), Royal Society for the Prevention of Cruelty to Animals (RSPCA) and Compassion in World Farming (CIWF), campaign for the adoption of a UDAW by the United Nations General Assembly, working towards this goal through a combination of political and public advocacy work around the world.

During 2009:

- WSPA capitalised on the considerable momentum it had built in 2008 by expanding the number of political stakeholders engaging with the campaign for a UDAW and promoting animal welfare in a United Nations (UN) context. Briefings on animal welfare were secured with all the major political blocs at the UN, including the G77, JUSCANZ and the European Union. During the course of the year 31 supportive governments backed the campaign (including all EU member states), creating a total of 36.
- Governments and UN agencies are also showing their support in different ways – Tanzania proposed incorporating animal welfare language into a UN resolution and a Food and Agriculture Organization of the United Nations (FAO) expert panel recognised a UDAW as a 'valuable guiding philosophy'. The variety of methods by which political stakeholders can engage with the campaign is enabling us to build strong and lasting relationships with influential figures and bodies within the UN system.
- There is also already evidence of the positive impact of WSPA's campaign on animals' lives. Following the Samoan government's announcement of support, they increased the funding that will go into government-led animal welfare activities in 2010. In Brazil, the Minister of Environment followed his support for a UDAW with a clear statement against the removal of companion animals from the country's animal protection legislation, explicitly stating a UDAW as the inspiration for his position.

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 animal welfare objectives or to tackling grantees' particular animal welfare priorities.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

WSPA's grant-funding ranges from proactive or strategic large, long-term grants to key member societies to small grants in response to immediate needs and local opportunities. Wherever possible it seeks to address the causes of poor animal welfare rather than symptoms. Although it still supports ongoing running costs, for example of animal sanctuaries, WSPA generally now prefers to avoid such ongoing expenditure. While WSPA makes grants globally, it awards the majority in countries where conditions are particularly difficult for animal welfare and where there are few if any alternative funding sources.

Fundraising

Despite a tough economic climate, total income for 2009 was £19.7 million, a record amount for WSPA and an increase of £2.8 million (16 per cent) over 2008. The increase was mainly due to increased donations from other WSPA organisations which totalled £8.2 million in 2009 (£5.5 million 2008). Costs of generating voluntary income increased by 6 per cent.

WSPA's appeal and gift income increased from £7.9 to £8.4 million (6 per cent) which was an excellent achievement. A sincere thank you goes out to all WSPA's generous supporters.

Fundraising highlights included:

- a tremendous response to appeals for one-off donations, including the most successful appeal since mid-2007, raising over £313,000 for a second sanctuary in Pakistan where bears rescued from the cruelty of bear baiting will be given a safe home
- the continuation of WSPA's partnership with the Tubney Charitable Trust, which has provided significant support for the long-distance transport campaign over a three-year period
- the Borneo Jungle Explorer trek, the first time a UK charity had taken a group of supporters to trek through the rainforest of Kalimantan, raising over £65,000 to help care for orphaned and injured orangutans at the WSPA-funded Nyaru Menteng sanctuary
- the first interactive digital issue of *WSPA News*, including videos of WSPA's work and links to the website, provided supporters with engaging follow-up information on the appeals they donated to and campaigning actions they took to help protect animals around the world from neglect and cruelty.

Volunteers

Over the year approximately 20 volunteers contributed about 300 days of office administration support. In addition approximately 300 fundraising volunteers assisted with mail outs, street fundraising and support for those raising money for WSPA's work at sponsored events.

Accountability

Apart from its obligations to the general public (met through statutory reporting to the Charity Commission), WSPA considers itself mainly accountable to its donors and supporters, member societies and other beneficiary communities. WSPA is pursuing an ongoing programme of actions to improve the level of accountability it achieves and its organisational effectiveness and efficiency.

In 2009 WSPA's principal measure in this area was the development of a new system for planning, monitoring and evaluating its delivery of animal welfare work, undertaken to facilitate the identification and communication of the changes and impact which our work brings about. This system was rolled out across the organisation in the UK and overseas through a series of workshops and other support mechanisms and was in place in time for the planning of

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

2010 programmes. Its operation at all stages and levels will be closely monitored to ensure that it meets the essential information needs of external and internal stakeholders.

In addition WSPA's newly-appointed internal auditor undertook a full programme of reviews within WSPA UK and other WSPA entities, and reported back on these to the Board of Trustees. WSPA also took steps towards making monitoring and evaluation an integral part of its organisational culture by designating a member of staff in each international WSPA office as a monitoring and evaluation (M&E) 'champion' to support local M&E processes alongside the UK-based group which regularly discusses M&E issues generally and monitors WSPA practice.

Financial review

Review of 2009

Total income has increased £2.8 million (16 per cent) over 2008 which as stated above is mainly due to an increase in donations from overseas WSPA organisations (increase of £2.7 million) and appeal income (increase of £513,000). Legacies, which are generally volatile for most charities, fell by £342,000 (12 per cent); other income categories remained consistent with prior year. This is an extremely positive result in the year's uncertain economic climate.

Expenditure on charitable activities has increased by 11 per cent from £14.9 million in 2008 to £16.4 million in 2009. Due to the uncertainty over income at the beginning of the year expenditure was closely monitored and non-essential activities postponed. As a result of this and a net unrealised gain on investments of £246,000 (2008: loss of £185,000) there was an overall surplus of £1.9 million in 2009 (2008: £244,000 surplus) and funds carried forward remain healthy at £7.5 million allowing for further expansion of charitable activities in coming years.

The trading subsidiary income increased from £29,000 in 2008 to £42,000 in 2009 mainly due to selling Christmas cards for the first time.

Reserves policy

Reserves are required in order to ensure WSPA's long-term viability against an unforeseen reduction in income or increase in expenditure and to ensure the continuity of committed programmes of work. The Finance Committee recommended to the board that the WSPA maintains free reserves at a ratio of not less than 0.5 and not more than 1.0 times working capital and annual fixed costs. Fixed costs include rent and all other property costs, administration costs, salaries and on-costs and any other contractually committed expenses. Working capital means assets that can be liquidated within three months and which have no restrictions on their use.

At 31 December 2009 WSPA's free reserves and working capital were £5.2 million (2008: £4.4 million) and fixed costs in 2009 were £6.3 million. Based on the above reserves policy the ratio of working capital to fixed costs is 0.83 (2008: 0.77) which is towards the top of the target range.

Investment policy

The investment managers' role is to protect WSPA's investments as well as to generate a return. UBS manage portfolios based on tactical allocations within strictly agreed parameters. A yield portfolio has a low risk profile with the lowest exposure to equities. A growth portfolio is oriented towards capital growth and has a more risky profile. WSPA's portfolio is a balanced one, sitting between these two approaches. Stress testing is used to illustrate how extreme events may impact a particular investment strategy.

The Investment Committee has reviewed WSPA's investment policy and has advised the investment managers to exclude from our portfolio companies involved in five sectors: fast food; meat packaging (factory farming); pharmaceuticals; arms; and tobacco.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

After a difficult start to the year financial markets became more positive during 2009 with hopes of economic recovery. The third quarter saw a strong market rally with optimism over recovery and a number of surprise positive company results. As a result there was an overall gain on investments in 2009 of £246,000 (2008: £185,000 loss). The global economy is expected to continue recovery in 2010, but we are still in times of great uncertainty. Our investment managers advise that a well diversified portfolio should help smooth performance.

Plans for future periods

Post balance sheet events

In March 2010 the trustees approved a strategic framework that will provide the basis for a review of WSPA's plans for the next five years. This programme of work will culminate in the submission of a five-year strategic plan at the November 2010 Board meeting and will include consideration of the charity's programme priorities, governance and international structures.

Some of the key aims and objectives in each specific area of activity for 2010 follow.

Companion animal welfare

- In 2010 WSPA will pursue its campaign against the use of inhumane dog population management by providing inspirational and practical examples of humane dog population management that both improve dog welfare and community health; these examples will support our lobbying against the use of cruel control.
- Work will continue to contribute to the development of new ICAM resources in 2010, including cat population management guidelines and a comprehensive euthanasia policy.
- WSPA will carry forward its work towards long-term improvements in the welfare of hard-working equines by engaging with their owners to enhance the care they provide and by facilitating changes in the behaviour of equine owners and carers, in the Americas, Middle East and Asia. WSPA will continue to develop expertise in its pioneering 'human behaviour change' approach to improving animal welfare, which allows more animals to be reached with restricted resources. WSPA will also sustain its work supporting vets in developing their capacity to treat equines effectively in China, where equine medicine is sadly lacking from the veterinary curriculum.
- In 2010 WSPA will continue to support FFA as a member of the Executive Committee and will fund research into the motivations for fur consumption to gain an in-depth understanding of the growing fur-consuming countries. This information will be invaluable for FFA's campaign to end this indefensible and inherently cruel trade.

Commercial exploitation of wildlife

- WSPA will continue the monitoring of bear farms as part of its agreement with the Vietnamese government. Work will also continue with an agency of the Vietnamese Ministry of Health, the National Institute of Medicinal Materials (NIMM), to produce a report on the herbal alternatives to bear bile available in Vietnam and with Member Society ENV, to ensure the illegal sale and advertising of bear bile is prosecuted and that public support for a phase out of bear farming is increased.
- Following the launch of the public whaling campaign WSPA delivered the results of the petition to the Norwegian Fisheries Minister in April which reached 4,000 signatures. This will be supported by a larger international petition which is hoped will achieve 100,000 signatures in total.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

- With regard to dancing bears, WSPA and member society WTI will be conducting a review of the situation on the ground in India to assess work to date and to guide future strategy. The review will ascertain the number of bears still on the streets, the location of bears that have been rescued so far, the number of Kalandars that have been retrained and the number still in need of alternative livelihoods.
- The Kalandars currently participating in our alternative livelihood programme (approximately 80) will continue to be monitored to ensure they are given the support needed to remain in their new profession. It is also hoped to educate 10,000 people in areas where bear dancing and poaching is still happening to ensure people know it is illegal, that they are aware of all the dangers involved in the exploitation of wildlife and that they begin to value wildlife.
- In Pakistan the second sanctuary for bears rescued from baiting will be sufficiently completed to take in bears from April 2010 and should be totally complete by September 2010. WSPA will continue its monitoring of bear baiting events and aims to stop 90 per cent of planned events in 2010. Expansion of the alternative livelihood work will take place, with up to 15 bear owners being provided with new livelihoods. Their bears will be surrendered and placed into the new sanctuary.

Farm animal welfare

In 2010 WSPA will continue the following programmes of work in order to achieve its farm animal welfare objectives:

- The Chinese humane slaughter training programme will be focusing on training in 3-4 provinces. Theoretical online distance-learning training programmes on animal welfare in pre-slaughter and slaughter will be developed to enable more training for undergraduate and postgraduate veterinary students in China. In Brazil, the pilot scheme in St. Catarina will be finished by July 2010; the training team will then move to Parana state for the second half of the year.
- The WSPA-supported Model Farm Project in Brazil will continue to build on the success of the humane cattle handling courses that ran throughout 2009. Work is also underway on the high welfare cattle unit, which aims to develop solutions to some of the worst welfare problems affecting Brazilian cattle such as dehorning, hot branding and high stocking densities. The project team will continue its work to develop high welfare solutions for broiler chickens to help demonstrate to legislators, producers and retailers that humane chicken farming is possible.
- In China, the Model Farm Project (MFP) network will continue to grow in 2010 improving the lives of thousands more animals. Research will take place in 2010 to assess the higher welfare/organic market in Beijing to ensure that MFP farmers can maximise their potential in this niche market.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

Disaster management

While extreme events in 2009 were not as prevalent as the historical average, the addition of a risk reduction programme led to a busy year for the Disaster Management Team. Looking forward to 2010, the team are planning on a year of consolidation which will allow: longer term commitments to be made to projects to effect sustainable change; a growing role in providing technical advice to governments and other authorities; and the development of more collaborative working to better benefit animals in disasters.

Member society development

The overall objective in 2010 is to continue to provide capacity development and funding support to identified societies, to ensure that they are sustainable and are effecting long-term improvements to animal welfare. WSPA will also provide development support to member societies which it is partnering with on projects and campaigns to ensure that these programmes can continue in the long term without continued WSPA support.

Education

Many of the lines of work active in 2009 will be continued in 2010 and the facilitation of the global team effort will remain the key role of the team in London. Strategy and programme development will form a large part of the work carried out in 2010. The development of the strategy will emphasise:

- developing suitable tools to measure the effectiveness of the programmes
- ensuring that programme delivery is standardised where appropriate and regionally specific where necessary to maximise effectiveness
- establishing areas for future growth of the programme in terms of new target audiences
- developing the programme in line with the organisational objectives.

Universal Declaration for Animal Welfare

Campaigning at national, regional and international levels will continue into 2010 to further expand support for a UDAW, as well as to cultivate existing partnerships to ensure momentum is clearly visible and the issue's status is elevated within relevant political circles. The campaign's active champions (both governments and agencies) will be encouraged to increase their support for animal welfare within key regional and UN processes and forums to benefit the promotion of animal welfare as a cross cutting issue.

At the same time, other influential governments who have given little or no support to the development of a UDAW so far will be targeted, primarily to understand the relevance of animal welfare to the UN, but also then to build on their commitment and involvement with the campaign at all levels. WSPA is creating the tools necessary to achieve support from multiple countries no matter what their current position on animal welfare is and will utilise partnerships with agencies such as the Food and Agriculture Organization of the United Nations (FAO), which will be crucial to establish the issue's credibility and importance across all regions (particularly in the developing world).

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

For the year ended 31 DECEMBER 2009

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of 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 the Charities 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 the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The trustees are 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. They 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.

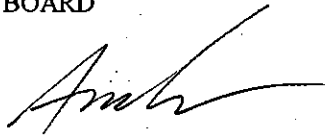
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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


7 June 2010

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE AUDITORS

For the year ended 31 DECEMBER 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

We have audited the group and parent charitable company financial statements (the 'financial statements') of World Society for the Protection of Animals for the year ended 31 December 2009 which comprise the principal accounting policies, the group statement of financial activities, the group and charitable company balance sheets, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees' (who are also the directors of World Society for the Protection of Animals for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether the information given in the Report of the Trustees is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE AUDITORS

For the year ended 31 DECEMBER 2009

are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

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 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements for the year ended 31 December 2009.

Grant Thornton UK LLP

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

8 June 2010

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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 follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (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 - these are funds which can be used in accordance with the charitable objects and at the discretion of the trustees.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

PRINCIPAL ACCOUNTING POLICIES

Restricted funds these are 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 the WSPA's Director of Programmes.

INCOMING RESOURCES

Appeals, donations, and member society subscriptions

Income from appeals, grants 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 the 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 the 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.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

PRINCIPAL ACCOUNTING POLICIES

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.

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 comprises those costs directly related to the objects of the 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 8.

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

FOREIGN CURRENCIES

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.

GRANT MAKING POLICY

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

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 SOCIETY FOR THE PROTECTION OF ANIMALS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 DECEMBER 2009

	Note	Unrestricted income funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2009 £'000	Total 2008 £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	1	16,807	2,798	-	19,605	16,804
Activities for generating funds	2	42	-	-	42	29
Investment income	3	38	29	-	67	102
Other income	4	-	-	-	-	6
Total incoming resources		16,887	2,827	-	19,714	16,941
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	5	1,391	-	-	1,391	1,309
Fundraising trading	2	13	-	-	13	9
Investment managers fees		9	-	-	9	6
Net incoming resources available for charitable application		15,474	2,827	-	18,301	15,617
Charitable activities						
Companion animals	6	2,744	624	-	3,368	2,978
Commercial exploitation of wildlife		2,745	1,796	-	4,541	4,038
Farm animal welfare		2,833	482	-	3,315	3,206
Disaster management		1,695	108	-	1,803	1,930
Member society development		3,308	31	-	3,339	2,701
Total charitable expenditure		13,325	3,041	-	16,366	14,853
Governance costs	9	291	-	-	291	335
Total resources expended		13,616	3,041	-	16,657	15,188
Net incoming resources before gains and losses						
Realised and unrealised (losses)/gains on investment assets	10	1,858	(214)	-	1,644	429
		149	-	97	246	(185)
Net movement in funds		2,007	(214)	97	1,890	244
Fund balances brought forward		4,449	411	750	5,610	5,366
Fund balance carried forward		6,456	197	847	7,500	5,610

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.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 DECEMBER 2009

	Note	Consolidated 2009 £'000	Charity 2009 £'000	Consolidated 2008 £'000	Charity 2008 £'000
Fixed assets					
Tangible assets	12	249	249	452	452
Investments	13	2,749	2,749	1,962	1,962
		<u>2,998</u>	<u>2,998</u>	<u>2,414</u>	<u>2,414</u>
Current assets					
Stock	14	5	-		
Debtors	15	855	897	1,472	1,502
Cash at bank and in hand		4,960	4,911	2,646	2,604
		<u>5,820</u>	<u>5,808</u>	<u>4,118</u>	<u>4,106</u>
Creditors: amounts falling due within one year	16	<u>(1,318)</u>	<u>(1,312)</u>	<u>(913)</u>	<u>(907)</u>
Net current assets		<u>4,502</u>	<u>4,496</u>	<u>3,205</u>	<u>3,199</u>
Creditors: amounts falling after more than one year	17	-	-	(9)	(9)
Net assets		<u>7,500</u>	<u>7,494</u>	<u>5,610</u>	<u>5,604</u>
Unrestricted funds					
Designated funds	19	389	389	70	70
Revaluation funds		178	178	(105)	(105)
General funds		5,889	5,883	4,484	4,478
		<u>6,456</u>	<u>6,450</u>	<u>4,449</u>	<u>4,443</u>
Restricted funds	20	197	197	411	411
Capital funds					
Endowments	21	847	847	750	750
		<u>7,500</u>	<u>7,494</u>	<u>5,610</u>	<u>5,604</u>

The financial statements were approved by the Board of Trustees on

7 June 2010.

A Rowan
Trustee



Registered company no: 4029540

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 DECEMBER 2009

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Net cash inflow/(outflow) from operating activities	27		2,808		(873)
Returns on investments and servicing of finance					
Interest received		5		46	
Interest paid on finance lease		-		-	
Investment income		62		56	
Net cash inflow from returns on investments and servicing of finance			67		102
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(11)		(172)	
Purchase of investments		(1,146)		(69)	
Sale of fixed asset investments		105		64	
			(1,052)		(177)
Net cash inflow/(outflow) before management of liquid resources and financing			1,823		(948)
Financing					
Repayment of finance lease		(9)		(9)	
			(9)		(9)
Increase/(decrease) in cash	28		1,814		(957)

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 DECEMBER 2009

THE WSPA GROUP

	2009 £	2008 £
Income		
Voluntary income	19,605	16,084
Activities for generating funds	42	29
Investment income	67	102
Other income	-	6
	<u>19,714</u>	<u>16,941</u>
Expenditure		
Costs of generating voluntary income	1,391	1,309
Fundraising trading	13	9
Investment managers fees	9	6
Charitable activities	16,366	14,853
Governance costs	291	335
	<u>18,070</u>	<u>16,512</u>
Surplus of income over expenditure before realised gains	<u>1,644</u>	<u>429</u>

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 21). The income and expenditure account is included in the accounts in order to comply with the Companies Act 2006.

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

1 VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	2009 £'000	2008 £'000
Appeals and gifts	7,659	768	8,427	7,914
Legacies	2,354	220	2,574	2,916
Corporate donations, trusts, foundations and society grants	40	386	426	422
Donations from WSPA organisations (Note 25)	6,738	1,424	8,162	5,529
Member Society subscriptions	16	-	16	23
	<u>16,807</u>	<u>2,798</u>	<u>19,605</u>	<u>16,804</u>

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:

	2009 £'000	2008 £'000
Turnover	42	29
Cost of sales	(3)	-
Gross profit	<u>39</u>	<u>29</u>
Administration expenses	(10)	(9)
Gift aid donation	(29)	(21)
Net (loss)/ income from trading before interest	<u>-</u>	<u>(1)</u>
Interest receivable	-	2
Interest payable	-	(1)
Corporation tax payable	-	-
Result for the financial year	<u>-</u>	<u>-</u>

3 INVESTMENT INCOME AND INTEREST

	Unrestricted funds £'000	Restricted funds £'000	2009 £'000	2008 £'000
Interest receivable on bank deposits	5	-	5	46
Investment income - UK equities	33	29	62	56
	<u>38</u>	<u>29</u>	<u>67</u>	<u>102</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

4 OTHER INCOME

	Unrestricted funds £'000	Restricted funds £'000	2009 £'000	2008 £'000
Other	-	-	-	6
	-	-	-	6

5 COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	2009 £'000	2008 £'000
Appeals and gifts	880	-	880	907
Legacies	102	-	102	56
Corporate donations, trusts, foundations and society grants	124	-	124	75
Regional and volunteer	210	-	210	177
Major donors	75	-	75	94
	<u>1,391</u>	<u>-</u>	<u>1,391</u>	<u>1,309</u>

6 CHARITABLE ACTIVITIES

	Grants £'000	Direct expenditure £'000	Support costs £'000	Total 2009 £'000	Total 2008 £'000
Companion animals	143	2,354	872	3,369	2,978
Commercial exploitation of wildlife	994	2,563	984	4,541	4,038
Farm animals	33	2,466	816	3,315	3,206
Disaster relief	11	1,213	578	1,802	1,930
Member society development	187	2,280	872	3,339	2,701
	<u>1,368</u>	<u>10,876</u>	<u>4,122</u>	<u>16,366</u>	<u>14,853</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

7 GRANTS

Grants were made to the following institutions as detailed below:

	2009 £'000
Borneo Orangutan Survival Foundation	461
Fauna and Flora International	144
Wildlife Trust of India	124
Green Korea United	63
Doga Dernegi	60
SPANNA	41
IBBR	27
Dyrebeskyttelsen Norge	24
University of Bristol	19
Cretan Animal Welfare Group	18
ACRES	17
BAWA	14
Yayasan Bali Animal Welfare	14
EAST	11
Matar Cilia	11
SLAWS	11
Eesti Loomakaitse Selts	10
MENAW	10
USPCA	10
HCAW	9
GAPA	9
Wildlife Conservation Society	9
University of Cambridge	6
BOTO Research	6
PAWS	5
Species Survival Network	5
	<u>1,138</u>
Other grants to institutions (all under £5,000)	119
Grant support costs	111
	<u><u>1,368</u></u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

8 SUPPORT COSTS

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

	Companion animals	Wildlife	Farm animals	Disaster management	Member society development	Governance costs	Total 2009	Total 2008
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Office & IT	331	373	309	219	331	-	1,563	855
Staff costs	224	253	210	149	224	50	1,110	1,356
Supporter services	29	33	27	19	29	-	137	259
Fundraising support	288	325	270	191	288	-	1,362	1,152
	<u>872</u>	<u>984</u>	<u>816</u>	<u>578</u>	<u>872</u>	<u>50</u>	<u>4,172</u>	<u>3,622</u>

9 GOVERNANCE COSTS

	Unrestricted £'000	Restricted £'000	2009 Total £'000	2008 Total £'000
Audit fees	40	-	40	40
Other auditor services	-	-	-	10
Legal fees	82	-	82	87
International management	119	-	119	133
Support	50	-	50	65
	<u>291</u>	<u>-</u>	<u>291</u>	<u>335</u>

Liability Limitation Agreement with the auditor

The Directors propose that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 December 2009. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and will be proposed for approval at the forthcoming Annual General Meeting in June 2010.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

10 NET INCOMING RESOURCES

This is stated after charging:

	2009 £'000	2008 £'000
Operating lease - premises	283	283
Depreciation:		
Tangible fixed assets owned	205	193
Tangible fixed assets held under finance lease	9	9
Auditors remuneration		
- 2009	40	-
- 2008	-	40
- other services	-	10
Investment manager fees	9	6

11 EMPLOYEES AND STAFF COSTS

The payroll costs of these were as follows:

	2009 £'000	2008 £'000
Wages and salaries	3,955	3,619
Social security costs	406	370
Other pension costs	112	123
	<u>4,473</u>	<u>4,112</u>

In addition, a great amount of time, the value of which is impossible to reflect in these financial statements is donated by approximately 320 volunteers.

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

	2009 Number	2008 Number
Charitable activities	42	39
Fundraising	30	29
Campaigns and publicity	11	11
Managing and administration	21	17
Governance	3	3
	<u>107</u>	<u>99</u>
Staff based overseas on local contracts	0	1
	<u>107</u>	<u>100</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

The emoluments of members of staff, including benefits in kind within the range £60,000 to £159,999 are:

	2009 Number	2008 Number
£60,000 - £69,999	<u>3</u>	<u>-</u>
£70,000 - £79,999	<u>3</u>	<u>1</u>
£80,000 - £89,999	<u>1</u>	<u>2</u>
£90,000 - £99,999	<u>0</u>	<u>0</u>
£100,000 - £109,999	<u>1</u>	<u>2</u>
£150,000 - £159,999	<u>-</u>	<u>1</u>

The pension costs paid in respect of these employees amounted to £20,891 (2008: £33,514).

12 TANGIBLE FIXED ASSETS (CONSOLIDATED AND CHARITY)

	Improvements to leasehold property £'000	Office equipment £'000	Office move £'000	Computer equipment £'000	Total £'000
Cost					
At 1 January 2009	508	162	38	622	1,330
Additions	-	-	-	11	11
Disposals	-	-	-	-	-
At 31 December 2009	<u>508</u>	<u>162</u>	<u>38</u>	<u>633</u>	<u>1,341</u>
Depreciation					
At 1 January 2009	474	92	20	292	878
Additions	27	33	14	140	214
Disposals	-	-	-	-	-
At 31 December 2009	<u>501</u>	<u>125</u>	<u>34</u>	<u>432</u>	<u>1,092</u>
Net book amount at 31 December 2009	<u>7</u>	<u>37</u>	<u>4</u>	<u>201</u>	<u>249</u>
Net book amount at 31 December 2008	<u>34</u>	<u>70</u>	<u>18</u>	<u>330</u>	<u>452</u>

Included within the net book value of £249,000 is £19,000(2008: £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 £9,000 (2008: £9,000).

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

13 FIXED ASSETS INVESTMENTS (CONSOLIDATED AND CHARITY)

	2009 £'000	2008 £'000
Market value as at 1 January 2009	614	794
Less: disposals at opening book value	(105)	(64)
Add: acquisitions at cost	1,146	69
Realised gain/(loss) on revaluation	246	(185)
Market value at 31 December 2009	<u>1,901</u>	<u>614</u>
Cash	848	1,348
	<u>2,749</u>	<u>1,962</u>
Historical cost at 31 December 2009	<u>1,723</u>	<u>719</u>

An analysis of the market value of investments at 31 December 2009 is as follows:

	2009 £'000	2008 £'000
UK equities	1,405	361
Overseas equities	199	115
UK fixed interest stock	297	138
	<u>1,901</u>	<u>614</u>
Cash	848	1,348
	<u>2,749</u>	<u>1,962</u>

At 31 December 2009 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 2009, the amount of this company's assets, liabilities, share capital and reserves was:

	2009 £'000	2008 £'000
Current assets	68	57
Creditors: amounts falling due within one year	(59)	(38)
Creditors: amounts falling due in more than one year	-	(10)
	<u>9</u>	<u>9</u>
Called up share capital	-	-
Profit and loss account	9	9
	<u>9</u>	<u>9</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

14 STOCK

	Consolidated 2009 £'000	Charity 2009 £'000	Consolidated 2008 £'000	Charity 2008 £'000
Christmas cards for re-sale	5	-	-	-
	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>

15 DEBTORS

	Consolidated 2009 £'000	Charity 2009 £'000	Consolidated 2008 £'000	Charity 2008 £'000
Owed by WSPA Trading Company Limited	-	53	-	42
Accounts receivable	26	23	25	13
Accrued income	555	547	1,094	1,094
Prepayments	253	253	261	261
Other debtors	21	21	92	92
	<u>855</u>	<u>897</u>	<u>1,472</u>	<u>1,502</u>

A loan of £9,903 (2008: £9,903) to WSPA Trading Company is secured and earns interest at 2.5% above base rate. The facility (original loan balance £203,500) must be repaid in equal instalments on December 31 each year over a period of ten years. The loan falls due within one year.

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONSOLIDATED AND CHARITY)

	Consolidated 2009 £'000	Charity 2009 £'000	Consolidated 2008 £'000	Charity 2008 £'000
Trade creditors	478	477	295	295
Other creditors	25	25	17	15
Amount owing under finance lease	9	9	10	10
Tax and social security	118	117	105	105
Dilapidations provision	150	150	98	98
Accruals	538	534	388	384
	<u>1,318</u>	<u>1,312</u>	<u>913</u>	<u>907</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONSOLIDATED AND CHARITY)

	2009 £'000	2008 £'000
Grant commitments	-	-
Amounts due under finance leases and hire purchase contracts	-	9
	<u>-</u>	<u>9</u>

Amounts due under finance leases and hire purchase contracts are secured on the assets to which they relate.

18 BORROWINGS

Borrowings are repayable as follows:

	Consolidated 2009 £'000	Charity 2009 £'000	Consolidated 2008 £'000	Charity 2008 £'000
Finance lease:				
Within one year	9	9	10	10
After one and within two years	-	-	9	9
	<u>9</u>	<u>9</u>	<u>19</u>	<u>19</u>

19 UNRESTRICTED FUNDS

	Balance at 1 January 2009 £'000	Income £'000	Expenditure £'000	Investment losses £'000	Transfers £'000	Balance at 31 December 2009 £'000
Designated funds	70	-	-	-	319	389
General & revaluation funds	4,379	16,887	(15,029)	149	(319)	6,067
Total unrestricted funds	<u>4,449</u>	<u>16,887</u>	<u>(15,029)</u>	<u>149</u>	<u>-</u>	<u>6,456</u>

In 2009 a designated fund was created to identify funds held as fixed assets and used in the charity's operations which are not therefore available to fund short term expenditure (£249,000). A designated fund was also created for Disaster Management to enable the charity to respond quickly to natural disasters (£140,000). The £70,000 designated in 2008 for the Romanian Sanctuary was transferred back to unrestricted funds.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

20 RESTRICTED FUNDS

	Balance at 1 January 2009 £'000	Income £'000	Expenditure/ transfers £'000	Balance at 31 December 2009 £'000
Companion animals	-	647	624	23
Libearty	320	1,015	1,176	159
Farmwatch	61	424	482	3
Disaster Management	3	105	108	-
Borneo Orangutan Survival Foundation (BOS)	-	406	406	-
Other Wildlife	27	161	185	3
Other	-	69	60	9
	<u>411</u>	<u>2,827</u>	<u>3,041</u>	<u>197</u>

These funds are allocated for specific projects as follows:

Fund	Purpose
Companion animals	The 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 & Agriculture Organisation, World Health Organisation) 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	The WSPA received funds for general disaster relief work to used in emergencies such as the tsunami in Samoa.
BOS	The 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, the Universal Declaration on Animal Welfare and anti-snaring in Africa.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

21 ENDOWMENT FUNDS

	Eberle capital £'000	Ruth Whist capital £'000	Total £'000
Balance at 1 January 2009	416	334	750
Net realised and unrealised losses	97	-	97
Balance at 31 December 2009	<u>513</u>	<u>334</u>	<u>847</u>

The Eberle Capital 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 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.

22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	249	-	-	249
Investments	1,902	-	847	2,749
Net current assets	4,305	197	-	4,502
Creditors: amounts falling due after more than one year	-	-	-	-
	<u>6,456</u>	<u>197</u>	<u>847</u>	<u>7,500</u>

23 COMMITMENTS

Capital Commitments

There were no capital commitments by the charity or group, contracted or authorised at 31 December 2009 or 31 December 2008.

Future Charitable Commitments

The Charity has authorised certain grants subject to certain criteria being satisfied. At the end of the year the total grants committed for the period 2008 to 2009 is £62,208 (2008; £53,414). £40,396 of this is due for payment in 2010.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

24 OPERATING LEASE

Operating lease payments relates to the rent of the premises of the Charity. The lease expires in 2010.

	Consolidated 2009 £'000	Charity 2009 £'000	Consolidated 2008 £'000	Charity 2008 £'000
Operating lease expiring:				
Within one year	58	58	-	-
After one and within five years	-	-	233	233
	58	58	233	233

25 TRUSTEES, DIRECTORS AND RELATED PARTIES

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

Nine trustees received payments totalling £24,949 (2008: seven trustees; £13,462) 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 and 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	-	3,089
WSPA Brazil	1,117	-
WSPA Canada	-	402
WSPA China	225	-
WSPA Colombia	-	-
WSPA Costa Rica	-	-
WSPA Denmark	-	1,209
WSPA Germany	-	403
WSPA India	14	-
WSPA Netherlands	-	2,378
WSPA New Zealand	-	560
WSPA USA	1,858	121
	3,214	8,162

Payments made to branches in the year were as follows: Africa £689,931; Asia £1,893,932 (2008: Africa £571,894; Asia £1,753,199).

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

26 GUARANTEE

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

27 RECONCILIATION OF SURPLUS OF INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009 £'000	2008 £'000
Net movement in funds for the year before investment gains	1,644	429
Investment income	(67)	(102)
Interest paid on finance lease	-	-
Depreciation	214	202
(Increase)/decrease in stock	(5)	-
(Increase)/decrease in debtors	617	(680)
Increase/(decrease) in creditors	405	(722)
	<u>2,808</u>	<u>(873)</u>

28 ANALYSIS OF NET CASH RESOURCES

	At 1 January 2009 £'000	Cashflow £'000	At 31 December 2009 £'000
Cash in hand	2,646	2,314	4,960
Cash held on short term deposit by investment managers	1,348	(500)	848
	<u>3,994</u>	<u>1,814</u>	<u>5,808</u>

29 PENSIONS

The charity contributed towards a defined contribution scheme for the benefit of the employees. The assets of the scheme are administered by trustees independent of the charity.

30 MEMBERS

The directors are the only members of the Society.

31 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 £1.8 million (2008: £1.9 million).

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 DECEMBER 2009

31 FORWARD CONTRACTS

The WSPA is a Sterling based organisation, with foreign exchange exposures in a number of other currencies. Primarily the 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 funding is generally less predictable, with good visibility three months forward.

The 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 the 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.

During the course of 2009 a number of contracts were entered into. There were no contracts outstanding at 31 December 2009.