

World Society for the Protection of Animals



Annual report and accounts | 2011

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)

Ms Hanja Maij-Weggen	President
Mr Dominique Bellemare ^{3,4}	Deputy President
Dr Bjarne Clausen	
Dr Chinny Krishna ¹	
Mr Carter Luke ^{1,4}	Chair, Nominations and Governance Committee
Mr Peter Mason	Retired June 2011
Ms Marcelle Meredith ^{2,4}	Chair, HR and Remuneration Committee
Dr Andrew Rowan ^{1,2,4}	Chair, Finance and Audit Committee
Dr Dennis Turner	
Ms Sonja Van Tichelen ³	
Ms Cecilia Vega Leon ²	
Mr Mark Watts ^{1,2}	
Dr Hugh Wirth ³	

1 Member of Finance and Audit Committee; 2 Member of Human Resources and Remuneration Committee;
3 Member of Nominating and Governance Committee; 4 Member of Standing Committee

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 2011. 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 Pacific, headed by Regional Directors who coordinate and direct WSPA's work in their respective region at a strategic level. Every WSPA office is constituted and registered as a legal entity in the local country as required and is licensed through a collaboration agreement with WSPA International 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, the regional offices of Latin America, North America, Asia Pacific, Europe, Middle East and Africa, and five other offices: WSPA Thailand, WSPA Tanzania, WSPA Colombia, WSPA China and WSPA Spain, which are branches of the UK charity. The role of WSPA International is to develop the global strategy, coordinate activities of the separate offices, set global standards and provide central corporate services where it is most efficient to do so.

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. Its governing instrument is its Memorandum and Articles of Association which were updated in 2011. 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 13 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. It also regularly reviews WSPA's Risk Register.

The Board has a Finance and Audit Committee which reviews and makes recommendations to the board on financial policy, the annual audit and accounts and the investment policy. The committee meets three times a year to review:

- the management accounts and performance in relation to the budget
- the annual budget before it is presented to the Trustees
- the investment policy and the performance of investments.

The Board's Nominations and Governance Committee continually reviews the skill requirements and performance of Trustees and makes recommendations to the Board as appropriate. When new Trustees are needed, they are recruited through a global advertising process, with the aim of identifying and appointing candidates with the particular skills and experience required by the Board.

The induction process for any newly appointed Trustee has two main elements:

- an induction pack containing key documents relating to:
 - the Board specifically, including: a Trustee role description and Trustee Code of Conduct, to make clear their duties and obligations as a Trustee of a UK charity, and Terms of Reference for the Board committees
 - the wider organisation, including: Articles of Association, the current strategy and corporate policies.
- a series of meetings with Board and staff members to:
 - establish key relationships
 - receive briefings on the strategy, WSPA's structure and governance practices and issues, and WSPA's expectations of the new Trustee.

Training is offered on new legislation and best practice.

The Human Resources and Remuneration Committee is constituted to review the CEO's remuneration and to keep under review WSPA's policies on HR and pay to ensure that they are consistent with the Board's requirements, current legislation and best practice.

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

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; Nick Stevens, Director of Resources; and Rachel Youngman, Interim Director of Programmes.

The charity employs a team of staff in London who coordinate the global work of WSPA.

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, cause 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 22 to the accounts.

The sections which follow demonstrate how WSPA met its charitable purposes in 2011 and its principal achievements under its respective strategic priority areas of work.

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. All of the WSPA offices in the global network, including the entity covered by this report, work together towards achieving our vision.

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.
- **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'.
- **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.

Our work and achievements in 2011

In 2011 we continued working on our new strategy and our priorities.

As well as transforming our strategy, we secured some notable achievements through our programmes, detailed below. WSPA International coordinates activities of the separate offices and funds the work, and the charitable activities are delivered by all the offices in the global network, including the UK office.

Ending inhumane culling

Globally, 20 million dogs are brutally killed every year. One excuse governments give for culling dogs is halting the spread of rabies – a deadly disease which kills more than 55,000 people annually. But it is a cruel and tragic waste: poisoning or shooting dogs will not stop rabies from spreading.

What we do

We run mass dog vaccination programmes; targeting 70 per cent of the dog population, to prove that the compassionate approach can and does stamp out this horrific disease. We then share our successes with national governments across the world to convince them to stop culling dogs and adopt mass dog vaccination – the only humane and effective solution to halt the spread of rabies.

We also work to improve the lives of dogs and create healthier relationships between roaming animals and the communities they live in. We help numerous government authorities and local organisations introduce compassionate methods of population control.

Achievements in 2011

- Over 300,000 dogs in Bali have been saved from culling as a result of our island-wide vaccination programme. In just six months our project partner, the Bali Animal Welfare Association, vaccinated 210,000 dogs, with spectacular results. Human rabies deaths fell by 35 per cent and the incidence of rabies in dogs dropped by over 75 per cent. The Balinese government was impressed by the results and has agreed to carry out the regular vaccination programmes needed to prevent the lethal threat of rabies returning.
- On September's World Rabies Day we launched Red Collar – our huge global campaign dedicated to ending the inhumane culling of dogs in response to rabies. Just a month later we were able to report good news from our new project in Cox's Bazar, Bangladesh's principal resort town, where local authorities stopped cruelly killing dogs in favour of our rabies vaccination programme. By the end of November, 3,200 dogs had been vaccinated. Subsequently, dog culls in response to the threat of rabies were banned in the capital, Dhaka, from January 2012. We are now talking with the government about the best ways to start a nation-wide programme which will save the lives of thousands of dogs in the first year alone.
- We had several successes throughout the year in our mission to save dogs in the Philippines, where over a million are at risk of being culled. We were invited to support the Bill and Melinda Gates Foundation and the World Health Organization (WHO) on a rabies elimination project in 16 provinces. This involves carrying out vaccination projects; dog population surveys; training government vets and promoting the effectiveness of humane rabies control methods to government officials. By working with local partners in the country we also achieved a ban on 'tambucho', a shockingly cruel practice where unclaimed dogs in pounds were gassed to death with carbon monoxide from vehicle exhaust fumes.
- We were delighted when the Nepalese government agreed to fund a widespread rabies vaccination programme from 2012-2013 with the WHO. This will replace the widespread use of strychnine as a means of managing rabies, which has caused hundreds of thousands of dogs to die needlessly and in agony. The government's decision follows the successful vaccination programmes carried out with our partners in the cities of Kathmandu, Pokhara and Biratnagure.
- Our anti-rabies work in Latin America also made great progress throughout the year. We signed an agreement with the Pan American Health Organization enabling us to vaccinate dogs and carry out education work in Lima, Peru, and Jalisco, Mexico. In Jalisco we protected 70,000 dogs through

vaccination and trained 45 vets in sterilisation techniques.

- In 2011 we continued work in 13 countries where local partners sterilised thousands of dogs, treated their health problems and vaccinated them against rabies and other diseases. Education campaigns promoting responsible pet ownership are also central to our work in population control projects. Our ultimate aim is to ensure that we help communities develop the skills needed to manage the dogs they live alongside in a compassionate way.
- Our work proves that animal welfare works, for animals and for people. And by the end of the year, we had commitment from local or national governments to take over some or all aspects of our projects in countries including Sierra Leone; Zanzibar, Tanzania; Sri Lanka; Colombia; and from the First Nations (indigenous) communities in Canada.
- Throughout 2011 we also continued to work hard to persuade the authorities in Cairo, Egypt, to adopt humane methods of control rather than using poison or shooting to cull the 50,000 dogs that are roaming the city's streets.
- Around two million dogs are farmed and cruelly slaughtered for food every year in South Korea. To tackle this we are working with local partners – Coexistence for Animal Rights on Earth (CARE) and the Korean Association for Animal Protection – to change public opinion and to lobby the government to end this cruel trade. In July, CARE worked with other local groups to prevent a South Korean dog meat festival from taking place. The festival, organised by the Dog Farmers' Association, planned to 'showcase various canine delicacies including barbecued dog'. But thanks to a huge amount of protest generated by online campaigns, the festival was abandoned by the organisers. At first the Dog Farmers' Association simply attempted to relocate the festival, but was eventually forced to cancel it completely when other venues declined to rent out space for the event. In 2012 our partners' work will continue, informed by opinion polls we developed together in 2011 to survey the Korean public's attitudes towards dog meat.

Humane and sustainable agriculture

More than 60 billion animals are farmed for food every year; the majority suffer in industrial systems, where they are crammed together, unable to display natural behaviours, and deprived of fresh food, air and sunlight. These factory methods not only cause animals a range of painful health problems and intense stress; they also represent an unsustainable drain on our planet's precious resources.

What we do

We are campaigning for farm animals to be treated more humanely at every stage of their lives. We believe that humane farming not only saves animals from enormous suffering, it can also help us battle some of our most urgent global crises including poverty and pollution. To get this vital message across, our campaigners, scientists and educators are using positive examples to show governments, policymakers, producers and consumers that humane and sustainable agriculture not only makes good business sense, it is key to protecting all of our futures.

Achievements in 2011

- Canadian supporters embraced our Million Egg Challenge and sent more than 30,000 letters to fast food giant McDonald's, urging them to switch one million eggs to cage-free sources. Those letters helped us achieve a meeting with McDonald's; in 2012 we will continue that dialogue. In addition, five academic institutions (including Canada's largest university) switched to cage-free eggs in their dining halls. As a result, more than 400,000 eggs annually will now come from hens that have the

freedom to move, stretch their wings and express natural behaviours.

- Our efforts to ensure that farm animal welfare features strongly at the Rio Earth Summit in June 2012 paid off in December, with the co-Chairs' Summary of the ECE Regional Preparatory Meeting stating that "development of policies for sustainable agriculture, conducive to people's wellbeing, the welfare of farm animals and the preservation of natural resources and ecosystem services [is] essential." Global recognition that farm animals are a key part of our future will create a worldwide launch pad for better animal welfare.
- The plight of farm animals also moved more than 100,000 caring supporters to join our Pawprint campaign, launched at the end of 2011. They put humane, sustainable farming in the spotlight, urging their governments to put the compassionate treatment of farm animals at the heart of the sustainable agriculture debate at the Earth Summit.
- Throughout the year WSPA's teams ran more than 100 training courses for slaughterhouse workers and government officials, resulting in more humane treatment for the animals at the end of their lives. The handling and welfare at slaughter of an estimated 20 million farm animals in China and Brazil have improved dramatically since 2009 due to this vital training.
- In 2011 we commissioned studies revealing the benefits of humane farming for animals, people and the planet. This included work with academics to assess the carbon footprint and economics of pasture versus industrial dairy farming and research to assess the benefits of humane farming to livelihoods in developing countries. This is crucial work: if we are to convince world leaders to take action for animals, our campaigns must be backed by sound scientific research.
- The animal advocates of the future are already in action: our annual Brazilian Farm Animal Welfare prize attracted more entries this year than ever before. More than 400 veterinary, animal science and agronomy students worked with their lecturers to complete theoretical and practical tasks that focused firmly on improving the health and wellbeing of farm animals.
- Throughout 2011 we worked hard to expose the long and horrific journeys by road, rail and sea that millions of farm animals suffer each year as they are transported for slaughter. We continued to focus on key routes in Europe, from Australia to the Middle East and Indonesia, from the US mainland to Hawaii and across Canada.
- In Hawaii our campaigning and direct pressure from our supporters resulted in three supermarkets and a shipping company pledging to stop purchasing pork from pigs imported live from the US mainland. This resulted in a 25 per cent reduction in live pig shipments, saving around 3,000 pigs from suffering cruel and unnecessary journeys.
- In Canada our Curb the Cruelty report on live animal transport resulted in the national food inspection agency agreeing to publicise information about companies that have violated animal transport regulations and the penalties they received. Consumers will now have the information they need to make informed and humane choices.
- Our Not in my Cuppa campaign was launched in the UK in 2010 to stop the rise of intensive mega dairies, where cows would be kept indoors all year. Huge success followed in February 2011, when the campaign resulted in Nocton Dairies withdrawing its application for a farm in Lincolnshire, and another dairy proposed for Wales being put on hold while it is called in for further consideration by the Welsh government in January 2012.
- We strongly believe that if successful these applications would have opened the floodgates to large-scale intensive dairy farms in the UK. Able to hold thousands of cows at a time, this style of farming puts the animals at risk of severe health problems such as lameness and mastitis; could put smaller

farmers out of business; cause serious environmental damage, and would change the nature of UK dairy farming forever.

- Our campaign mobilised support from MPs, farmers, other charities – including Compassion in World Farming and Friends of the Earth – the public and WSPA supporters via direct lobbying, media activity, events and social media.
- It also bridged political divides: a total of 161 MPs from all UK parties signed our Early Day Motion and 19 parliamentary questions on the subject were tabled. In addition, 18 celebrities including Stephen Fry joined the campaign and American ice cream company Ben and Jerry's agreed to support us in 2011. By the end of the year, Not in my Cuppa had 30,000 sign-ups, 10,000 Facebook fans and 1,500 Twitter followers. We were delighted when our campaign was recognised for its success by winning the prestigious CIPR Excellence Award in June.
- Our Humane Chain campaign to end the suffering endured by millions of sheep and cattle transported from Australia to the Middle East and Indonesia gained valuable ground throughout the year. By the end of 2011 we had inspired 112,000 Australians to sign up to the Humane Chain website and 28,000 people to write letters to their MPs calling for an end to live transport overseas. And an amazing 170,000 supporters from 80 countries including Egypt, Brazil, the US, UK and Panama joined our global petition against the trade which was presented to Australian MPs at Parliament House in Canberra in August. Through our Move Forward initiative, established in December, we are mobilising supporters to obtain media coverage of the issue in their area. We hope this will inspire even more people to join the Humane Chain and deliver the message to their local representative that ending live exports is the clear way forward for Australia.

Disaster management

Disasters can rip the lives of animals and people alike, destroying livelihoods, killing and injuring loved ones and leaving an aftermath of hopelessness and despair.

What we do

When disasters strike, WSPA's international team of experts acts swiftly, working hard with partners and national governments to deliver emergency aid where it is needed most, as quickly as possible. Preparing countries for the worst by training them to protect their animals, which in turn safeguards the wellbeing and livelihoods of their citizens, is a no less vital aspect of our work.

Achievements in 2011

- Our emergency action in 15 countries – where we delivered feed, veterinary medicine, treatment and health care – benefited more than 330,000 animals and the communities they live in.
- Our first African Veterinary Emergency Response Unit (VERU) went to the aid of more than 35,000 animals at risk of dying from severe drought in Kenya. Throughout 2011 we continued to train and support eight VERUs, which remain primed to respond quickly and effectively when disaster strikes.
- When Japan was devastated in March by a horrific earthquake, tsunami and resulting nuclear accident, we funded three temporary animal shelters. The shelters did vital work, enabling often distraught owners and volunteers to continue to walk, feed and care for rescued pets, giving both animals and people some normality in their post-disaster lives.
- Sheep and goats were threatened with starvation in June as ash from the Puyehue volcano showered a 15-centimetre layer on Argentine grasslands. We provided feed for 120,000 animals

and trained 720 farmers in how to care for those stricken by ash-related illness, helping relieve the suffering of both livestock and owners.

- In a year of devastating flooding in Asia, we took action for vulnerable animals in seven countries. In India we delivered feed and health care to animals in six of the worst affected villages in West Bengal; we also worked with local people to help them prepare to protect their animals in the future. In Thailand, our VERU system meant we could provide more than 10,000 animals with food, medical supplies and shelter.
- Just over one year after launching the Animal Relief Coalition for Haiti mobile clinic, which treated and vaccinated 70,000 animals affected by the island's worst-ever recorded earthquake, we were proud to hand it over to the Haitian Ministry of Agriculture. We expect that this facility will be a lifeline to thousands more animals and their owners in the years to come.
- In 2011 we invested in vital research projects to support a major part of our work: convincing governments to integrate animals into national disaster plans. Research topics included the cost of livestock loss to communities affected by disaster and an investigation into the problems faced by animals during and after emergencies.
- We started the process of integrating animals into Australia's emergency management plans by running a workshop for the national government. We look forward to this resulting in long-term plans to assist animals in areas that are susceptible to natural disasters including floods, bush fires and droughts.
- A massive 140 million people in Latin America were reached by our disaster preparedness messages, meaning that many more pets will be well looked after if the worst happens. Aired for free by the Warner Channel, this was 100 million more viewers than 2010. Millions more people had the chance to see our broadcasts on American Airlines flights and on 10 airport television channels in the US.
- Thanks in no small part to our supporters, animal welfare is a growing concern. This year, we were invited to join several key organisations and working groups looking at the importance of protecting animals in disasters, including the Asia Pacific office of the World Organisation for Animal Health and a national committee for emergency planning in India.

Commercial exploitation of wildlife

The world's extraordinary and unique wild animals and their habitats should be valued by everyone on the planet. Sadly, this is not the reality. Every year tens of millions of animals are subjected to intense cruelty and often death – abducted from the wild to fuel the exotic pet trade, 'entertainments' featuring wild animals and products made from their body parts.

What we do

We lobby governments, persuading them to introduce laws that safeguard wild animals; we support our partners, investigating and exposing cruelty where it occurs; and we encourage authorities to bring perpetrators of crimes against animals to justice. And by raising the public's awareness of the true horror and living cost of the wildlife trade, we try to reduce the demand for wild animals at its source.

Achievements in 2011

Caring for bears

- Throughout the year we continued our mission to stamp out bear baiting in Pakistan. Working with our partner the Bioresource Research Centre of Pakistan, we saved nine bears from pain and suffering and gave them a safe haven and expert care at our Balkasar sanctuary. We also gained the support of a further 300 mosques in stamping out this cruel 'sport'.
- By the end of 2011, 59 bears rescued from cruel captivity were enjoying large forest enclosures at the Romanian Bear Sanctuary. The sanctuary was built and is now run by our Romanian partner Millions of Friends. We'll be fundraising in 2012 to build a new and final enclosure to provide a home for the estimated 25 bears still suffering in cages and zoos around the country.
- We funded a poll of South Koreans which showed that 90 per cent of the public are against the breeding and killing of bears for their gall bladders. This evidence, alongside our long-term campaigning and action from other NGOs, finally led to a big step forward: in September the Korean National Assembly voted to look at ways of phasing out bear farming for good.
- 'Bear bile tourism' also received a major blow in March thanks to an investigation carried out by our partner Education for Nature Vietnam (ENV). It revealed that bile was being extracted from bears kept in Quang Ninh province to meet the demand from visiting Korean tourists. The Vietnamese government ordered the tour companies to stop the visits or lose their licences.
- Three illegally-held young Asiatic black bears and two cubs were rescued from captive misery thanks to public tip-offs to the ENV Wildlife Crime Hotline. We have helped fund the ENV to run and promote the hotline – which encourages the public to report illegal advertising for bear bile products or the whereabouts of bears – since 2005, with numerous successes.

Making waves for welfare

- The united action of 53,000 WSPA supporters in the US helped persuade President Obama to impose diplomatic sanctions against Iceland due to its defiant whale hunting activities. This sends a strong message: commercial whaling is unacceptable.
- We intensively lobbied two key groups within the International Whaling Commission (IWC), the body that regulates international whaling. We persuaded 25 EU member states to support proposals to improve the welfare of whales, and to continue and strengthen their opposition to commercial whaling. In addition, nine Latin American countries – the Buenos Aires Group – issued a public statement in February calling on Japan to call a complete halt to its so-called 'scientific' whaling activities in the Southern Ocean.
- Our expert workshop, held with the UK government, resulted in a series of technical recommendations to safeguard whale welfare against human threats. These were presented at the 63rd meeting of the IWC in June and despite opposition from the pro-whaling nations of Norway and Japan, eight other countries, including Germany, Australia, Argentina and Mexico, gave their support and have pledged to work with the UK on this issue in 2012.
- We used strong economic arguments in our joint campaign against Norwegian whaling, helping our two local partner organisations lobby the Norwegian Trade and Industry Committee. We presented Seas of Change, a specially commissioned report which revealed a dying industry dependent on government subsidies, and made the case for an independent and public review of Norway's pro-whaling policy.

- Our undercover footage exposed the horrors of the seal culls in Namibia, where 85,000 baby seals are killed for their fur each year. In addition, our specially commissioned economics report showed that seal watching eco-tourism is worth four times the value of seal hunting to Namibia; we are now using this compelling evidence in work with the tourism industry to help promote the case against hunting to the government.
- More than 8,000 Chilean people joined our campaign to save thousands of sea lions from a government cull. The sea lions were being blamed for the lack of fish in Chilean waters; in fact decades of overfishing are to blame. Campaigning jointly with local partner Ecoceanos, we exerted pressure which has already paid dividends: we persuaded fishery authorities to investigate non-lethal ways of protecting fishing stocks. We will keep up the pressure to protect the sea lions in 2012.

Tracking down the traders

When we learnt in 2011 that the London Metropolitan Police's Wildlife Crime Unit was in danger of closure due to UK government cuts, we stepped in to help. We will be part-funding the Unit's work to ensure its fight against wildlife crime continues. This is vital: London is a renowned international hub for this cruel trade, in which a whole range of animal species suffer at every stage. The illegal trade in wildlife will be a major focus for our work in 2012 and close contact with enforcement teams is critical to our success.

Global advocacy for animals

The generosity and commitment of our donors has enabled us to look ahead and consider the world's ever changing political, social and economic landscape, and make some organisational changes that will enable WSPA to be a major global force taking action for animals for years to come.

A specialist team created in 2011 – External Affairs, Research and Learning – will be key to our success for animals. This global team ensures that all of our projects and campaigns are backed by credible scientific, educational and investigative expertise. This strong backbone will allow us to build the respected and effective relationships with governments and international organisations that we need in order to shape animal welfare policies worldwide and make huge changes to animals' lives.

Achievements in 2011

Developing global policy

- Our international campaign to gain United Nations recognition for the need for a Universal Declaration on Animal Welfare (UDAW) continued to gain ground in 2011 – particularly in Latin America where we focused on working with environmental and youth groups. The Costa Rican Scout Movement alone collected 300,000 signatures in support of the UDAW. By the end of the year 2.3 million people and 42 governments had signed up to the campaign; we plan to keep this momentum going through 2012.
- In New Zealand we advised the government on drafting their revised Animal Welfare Act, which we hope will include the concept of sentience – that animals can suffer and feel pain – for the first time ever.
- In the Middle East we were asked to make recommendations on draft animal welfare legislation for the Gulf Cooperation Council. If accepted, these recommendations will mean that animal welfare is protected through the national legislation of several influential countries, including Saudi Arabia.

- In 2011 we continued with the development of a new resource to support animal advocates all over the world. The Animal Mosaic website is a unique forum for animal welfare professionals and other interested parties. It will enable networking and will include up-to-the-minute, credible resources in a number of specialist areas including disaster management, education, scientific research and animal welfare legislation. Animal Mosaic will launch in 2012, initially in English, Portuguese and Spanish.

Making education matter

- This year we achieved further success in our campaign for animal welfare to be formally taught within the world's primary and secondary schools, as well as at colleges and universities. Our efforts to persuade the Brazilian government to teach animal welfare in its schools paid off when it was included in proposed changes to the Environmental Education Bill. Environmental Education is a compulsory subject and – if the bill is approved – millions of children across Brazil will be taught about the need to care for animals.
- We provide animal welfare training and resources that ensure effective teaching across 10 countries. One of these is Thailand, where we are running a First Concepts in Animal Welfare (FCAW) training pilot project with the Bangkok Metropolitan Authority. FCAW is aimed at primary school teachers and their students; our Thai project involves 87 teachers – one from each primary school in a Bangkok district. We expect it will give us a successful case study that we can use as an example when rolling out similar programmes elsewhere in the country and across Asia.
- Our Advanced Concepts in Animal Welfare programme has successfully embedded animal welfare in key subject areas in a number of tertiary education institutions in Colombia this year, including the prestigious Nacional University. It has also been integrated into the Colombian Agriculture Institute's continuous professional development programme for in-service veterinarians, lecturers and other animal-related professionals. Such widespread use has the potential to improve the lives of many animals used in farming and research or treated by veterinarians.

Gathering intelligence

- Since its founding in March 2011, our Investigative Affairs team has already been hard at work in over 20 countries obtaining information, compiling evidence and generating intelligence to support all of our campaigns. They have particularly focused on investigating the illegal trade in wildlife and played a key role in supporting our new partnership with the London Metropolitan Police's Wildlife Crime Unit. Together we seek to tackle London's position as a major international illegal trading hub.

Establishing sound science

- We believe that convincing governments, international organisations and members of the public that animals can feel pain and suffer is essential to bringing about the changes in laws and policies that will ultimately protect them. Our Science team, established halfway through 2011, is dedicated to promoting the scientific evidence for sentience and developing critical partnerships within the scientific community to ensure the credibility of all of our campaigns and advocacy work for animals.

Financial review

Summary of 2011

Total voluntary income grew by £6.2 million (28 per cent) over 2010. Corporate donations increased by 380% to £2.9 million (from £605k). Our appeals and legacies remained fairly consistent with a notable increase in both (appeals £9.8 million, a 6% increase over 2010, and legacies £2.8 million, a 7% increase). Overall the results were very positive and stood us in good stead to launch our new five-year strategy from 2011.

Our total charitable expenditure was £20 million, an increase of 7% over 2010. 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 £2.6 million which allowed us to increase our reserves to support our planned strategic activities over the coming years.

Fundraising

Total voluntary income for 2011 was £29 million, an increase of £6.2 million over 2010. The increase was mainly due to increased major grants and donations from individuals and other WSPA organisations. For further information on the entirety of WSPA's total income around the world, please refer to the WSPA Global Review 2011 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.

A number of records were broken in 2011:

- The £2.5 million grant from the Tubney Charitable Trust was WSPA's largest-ever single grant and an enormous expression of confidence in WSPA's new farm animal welfare strategy. (This was boosted by a further donation of £450,000 from the same Trust in early 2012).
- We also secured our first major gift (of £50,000) from an individual to support a UK-created animal welfare campaign called 'Not in my Cuppa'.
- Legacy income delivered an all-time high of £2.8 million, in which a single legacy of £400,000 played an important part.

2011 also saw a number of new fundraising activities:

- We have successfully started fundraising in Thailand, raising £1.4 million in 2011.
- We launched Animal Protector, our network for supporters who make a regular, committed gift to WSPA. Animal Protector centres on a personalised website that helps donors feel connected to the animals they are helping to protect and the projects they are helping to fund.
- We launched our first campaign to encourage WSPA supporters to help animals in the future with a gift in their will and exceeded all expectations with over twice the target number of supporters promising to do just that.

Volunteers

- Over the year approximately 20 volunteers contributed about 450 days of office administration support. In addition around 520 fundraising volunteers assisted with mail-outs, street fundraising and support for those raising money 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 2011.

Grant making policy

WSPA makes grants to other WSPA entities to contribute to their running and programme costs. It also gives grants on a proactive basis to its partner organisations and institutions to support joint work on WSPA strategic campaigns and projects. WSPA may very occasionally offer financial support to other bodies for their own activities which clearly contribute to fulfilling our strategic animal welfare objectives.

Grants to WSPA entities are routinely monitored through monthly management reports which include explanations of variance from agreed budgets. Grants to other organisations are governed by grant agreements which lay out agreed terms of reference and WSPA's requirements for regular reporting.

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 2011, 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 as at 31 December 2011 were £14.9 million (2010: £9.7 million) of which general unrestricted reserves were £9.8 million (2010: £7.3 million). For 2011 unrestricted expenditure was £20 million (2010: £17.2 million) and so general reserves represent 5.8 months (2010: 5.1 months) of unrestricted expenditure. This is within 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.

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a '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 are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 auditor is 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 auditor is aware of that information.

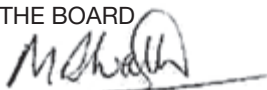
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

M Watts
Trustee



September 2012

Auditor's report

Independent auditor's report to the members of the 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 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cashflow Statement and the Summary of 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, 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 its members 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 Trustees' Responsibilities Statement set out on page 28, 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's) 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 2011 and of the group's charitable company'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 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 proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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.

Grant Thornton UK LLP

Carol Rudge

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

September 2012

Consolidated financial statements

Consolidated statement of financial activities

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2011 £'000	Total 2010 £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	22,239	6,420	-	28,659	22,473
Activities for generating funds	3	9	-	-	9	21
Investment income	4	354	-	-	354	89
Total incoming resources		22,602	6,420	-	29,022	22,583
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	5	3,191	-	-	3,191	3,451
Fundraising trading	3	11	-	-	11	24
Investment manager fees		18	-	-	18	16
Net incoming resources available for charitable application		19,382	6,420	-	25,802	19,092
Charitable activities						
Ending inhumane culling	6	2,382	393	-	2,775	2,188
Humane and sustainable agriculture		4,400	278	-	4,678	3,091
Disaster management		2,188	676	-	2,864	2,850
Global advocacy for animals		4,503	1,100	-	5,603	4,847
Commercial exploitation of wildlife		2,803	1,286	-	4,089	3,929
Total charitable expenditure		16,276	3,733	-	20,009	16,905
Governance costs	9	458	-	-	458	275
Total resources expended		19,954	3,733	-	23,687	20,671
Net incoming resources before gains and losses		2,648	2,687	-	5,335	1,912
Realised and unrealised gains / (losses) on investment assets	13	(58)	-	(33)	(91)	265
Net movement in funds		2,590	2,687	(33)	5,244	2,177
Fund balances brought forward		8,113	666	898	9,677	7,500
Fund balances carried forward		10,703	3,353	865	14,921	9,677

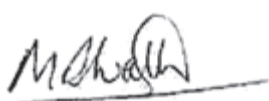
The statement of financial activities includes all gains and losses recognised in the year. All the incoming resources and resources expended derive from continuing activities.

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

Consolidated and charity balance sheet at 31 December 2011

	Note	Consolidated 2011 £'000	Charity 2011 £'000	Consolidated 2020 £'000	Charity 2010 £'000
Fixed assets					
Tangible assets	12	769	769	671	671
Investments	13	3,022	3,022	3,073	3,073
		3,791	3,791	3,744	3,744
Current assets					
Debtors	14	1,016	1,025	1,363	1,380
Cash on deposit	25	4,054	4,054	2,735	2,735
Cash at bank and in hand	25	8,803	8,784	3,413	3,387
		13,873	13,863	7,511	7,502
Creditors: amounts falling due within one year	15	(2,743)	(2,737)	(1,578)	(1,573)
Net current assets		11,130	11,126	5,933	5,929
Net assets		14,921	14,917	9,677	9,673
Unrestricted funds					
	16				
Designated funds		909	909	811	811
Revaluation funds		251	251	342	342
General funds		9,543	9,539	6,960	6,956
		10,703	10,699	8,113	8,109
Restricted funds	17	3,353	3,353	666	666
Capital funds					
Endowments	18	865	865	898	898
		14,921	14,917	9,677	9,673

The financial statements were approved by the Board of Trustees on



M Watts
Trustee

September 2012

Registered company no: 4029540

Consolidated cashflow statement

	Note	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Net cash inflow from operating activities	24		6,616		1,802
Returns on investments and servicing of finance		4			
Interest received		28		10	
Investment income		326		79	
Net cash inflow from returns on investments and servicing of finance			354		89
Capital expenditure and financial investment					
Purchase of tangible fixed assets	12	(221)		(644)	
Purchase of investments	13	(608)		(767)	
Sale of fixed asset investments	13	624		298	
			(205)		(1,113)
Net cash inflow before management of liquid resources and financing			6,764		778
Increase in cash	25		6,765		778

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

Summary income and expenditure account

The WSPA Group

	2011 £000	2010 £000
Income		
Voluntary income	28,659	22,473
Activities for generating funds	9	21
Investment income	354	89
	29,022	22,583
Expenditure		
Costs of generating voluntary income	3,191	3,451
Fundraising trading	11	24
Investment manager fees	18	16
Charitable activities	20,009	16,905
Governance costs	458	275
	23,687	20,671
Surplus of income over expenditure before realised and unrealised gains	5,335	1,912

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 18). 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. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with the applicable accounting standards, including the Statement of Recommended Practice (SORP) on Accounting and Reporting by Charities (revised 2005) and the Companies Act 2006.

Basis of consolidation

The consolidated financial statements of the group incorporate the accounts of the charity including the regional offices of Latin America; North America; Asia Pacific; Europe, Middle East and Africa, and branches in Spain, China, Colombia, Thailand and Tanzania and its wholly owned trading subsidiary WSPA Trading Company Limited. Prior to 2011, the group included the charity, its wholly owned subsidiary WSPA Trading Company Limited and branches in Thailand, Tanzania, Colombia and China (Colombia and China branches were not consolidated prior to 2011 as they were not material to the group). The branches are also registered as legal entities in their local jurisdictions to comply with the relevant laws and regulations. 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 stated at their market value at the balance sheet date. Any gain/loss on revaluation is recognised in the consolidated SOFA.

Tangible fixed assets

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

Fixtures and fittings	10 years
Computer equipment	3 years
Office equipment	5 years
Leasehold improvements	36 months or the life of the lease, whichever is shorter

Funds accounting

Funds held by the charity are:

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

The Eberle Capital Investment Fund – 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, 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 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 with reasonable certainty.

Grants receivable

Revenue grants are recognised 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 consolidated SOFA on an accruals basis, inclusive of any irrecoverable VAT which is included as part of the expenditure to which it relates.

Costs of generating funds

The costs of generating funds comprise the costs incurred in generating voluntary income, the costs of trading for fundraising purposes and the costs directly attributable to managing the investments.

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 the 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

Governance costs represent costs incurred in meeting the constitutional and statutory requirements of WSPA and include audit and legal fees linked to the strategic management of WSPA.

Grants payable

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 prevailing at the balance sheet date. Exchange differences are included in the consolidated SOFA for the period in which they are incurred.

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.

2. Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	2011 £'000	2010 £'000
Appeals and gifts	9,400	405	9,805	9,245
Legacies	2,650	133	2,783	2,592
Corporate donations, trusts, foundations and society grants	314	2,602	2,916	605
Donations from WSPA organisations (Note 22)	9,865	3,280	13,145	10,014
Member Society subscriptions	10	-	10	17
	22,239	6,420	28,659	22,473

3. 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 ancillary activities. A summary of its trading results is shown below:

	2011 £'000	2010 £'000
Turnover	9	21
Cost of sales	-	(3)
Gross profit	9	18
Administration expenses	(11)	(21)
Gift aid donation	-	-
Net (loss)/income from trading before interest	(2)	(3)
Interest receivable	-	-
Interest payable	-	-
Corporation tax payable	-	-
Loss for the financial year	(2)	(3)

Turnover excludes charitable donations raised as a consequence of trading activity. These are shown within Charity voluntary income.

4. Investment income and interest

	Unrestricted funds £'000	Restricted funds £'000	2011 £'000	2010 £'000
Interest receivable on bank deposits	28	-	28	10
Investment income – UK equities	91	-	91	79
Other	235	-	235	-
	354	-	354	89

5. Cost of generating voluntary income

	Unrestricted funds	
	2011 £'000	2010 £'000
Appeals and gifts	1,925	1,832
Legacies	222	242
Corporate donations, trusts, foundations and society grants	332	460
Regional and volunteer	356	436
Major donors	356	481
	3,191	3,451

6. Charitable activities

	External grants £'000	Direct expenditure £'000	Support costs (note 8) £'000	Total 2011 £'000	Total 2010 £'000
Ending inhumane culling	113	1,988	674	2,775	2,188
Humane and sustainable agriculture	14	3,895	769	4,678	3,091
Disaster management	-	2,226	638	2,864	2,850
Global advocacy for animals	228	4,356	1,019	5,603	4,847
Commercial exploitation of wildlife	634	2,667	788	4,089	3,929
	989	15,132	3,888	20,009	16,905

7. Grants

Grants were made to the following institutions as detailed below:

	2011 £'000	2010 £'000
Asociatia de Protectie a Animalelor (Romania Bear Sanctuary)	339	
Appalachian Black Bear Rehabilitation & Release Centre	-	8
University of Oxford	165	
Wildlife Trust of India	164	101
Metropolitan Police - Wildlife Crime Unit	100	
Royal Veterinary College	36	
Eurogroup for Animals	34	
Fundacion Luca A.C	-	8
Green Korea United	24	45
University of Bristol	22	40
Species Survival Network	20	5
Coexistence for Animal Rights on Earth	19	
Cretan Animal Welfare Group	16	13
International Development, University of East Anglia	15	
The Wildlife Conservation Society	9	
Doga Dernegi	8	76
Commonwealth Veterinary Association	6	
IFAW	5	
Borneo Orangutan Survival Foundation*	(101)	410
Fauna and Flora International	-	70
Yayasan Bali Animal Welfare	-	56
SPANNA		29
Dyrebeskyttelsen Norge	-	25
NOAH	-	17
ACRES	-	14
Dyrenes Alliance	-	10
Fur Free Alliance	-	8
ORCA	-	7
Brooke Hospital for Animals	-	5
Callisto	-	5
	881	952
Other grants to institutions (all under £5,000)	20	13
Grant support costs	88	77
	989	1,042

Note*: The negative grant in 2011 showing to the 'Borneo Orangutan Survival Foundation' is due to the reversal of an accrual from 2010.

8. Support costs

	Ending inhumane culling £'000	Humane and sustainable agriculture £'000	Disaster management £'000	Global advocacy for animals £'000	Commercial exploitation of wildlife £'000	Governance costs (see note 9) £'000	Total 2011 £'000	Total 2010 £'000
Office and IT	389	445	364	589	450	-	2,237	1,959
Staff costs	285	324	274	430	338	96	1,747	1,186
	674	769	638	1,019	788	96	3,984	3,145

Support costs are apportioned on the basis of headcount across all areas of charitable activities. During the year, costs of £863,000 which would previously have been allocated to Support Costs were reallocated to Costs of generating voluntary income. Comparative figures for 2010 have also been adjusted so that £1,814,000 of support costs previously included in Charitable activities have now been reallocated to Costs of generating voluntary income.

9. Governance costs

	Unrestricted £'000	Restricted £'000	2011 Total £'000	2010 Total £'000
Audit fees	56	-	56	37
Legal fees	193	-	193	66
International management	113	-	113	111
Support (see note 8)	96	-	96	61
	458	-	458	275

10. Net incoming resources

	2011 £'000	2010 £'000
This is stated after charging:		
Operating lease – premises	280	250
Depreciation:		
Tangible fixed assets owned	123	222
Auditors remuneration		
- 2011	56	
- 2010		37
Investment manager fees	18	16

11. Employees and staff costs

The payroll costs of these were as follows:

	2011 £'000	2010 £'000
Wages and salaries	5,690	3,964
Social security costs	606	424
Other pension costs	313	132
	6,609	4,520

Due to the new regional structure, as of 2011, the above figures also include employment related costs of branch and regional office staff. Comparative figures have not been amended as the new regional structure did not exist pre-2011.

In addition, a great amount of time, the value of which is impossible to reflect in these financial statements, was donated by approximately 540 volunteers (2010: 1060 volunteers). The number of volunteers has changed due to a different fundraising approach involving fewer UK based events.

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

	2011 Number	2010 Number
Charitable activities	64	39
Fundraising	27	21
Campaigns and publicity	19	17
Managing and administration	37	21
Governance	7	5
	154	103

The emoluments of members of staff, including benefits in kind within the range £60,000 to £129,999 are:

	2011 Number	2010 Number
£60,000 - £69,999	8	-
£70,000 - £79,999	2	4
£80,000 - £89,999	3	1
£90,000 - £99,999	1	1
£100,000 - £109,999	-	-
£110,000 - £119,999	1	1
£120,000 - £129,999	1	-

The pension costs paid in respect of these employees amounted to £59,514 (2010 £30,632)

12. Tangible fixed assets (consolidated and charity)

	Leasehold property £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2011	596	167	714	1,477
Additions	40	29	152	221
Disposals	-	(150)	-	(150)
At 31 December 2011	636	46	866	1,548
Accumulated depreciation				
At 1 January 2011	101	157	548	806
Additions	38	18	67	123
Disposals	-	(150)	-	(150)
At 31 December 2011	139	25	615	779
Net book amount at 31 December 2011	497	21	251	769
Net book amount at 31 December 2010	495	10	166	671

13. Investments (consolidated and charity)

	2011 £'000	2010 £'000
Market value as at 1 January 2010	2,635	1,901
Less: disposals at opening book value	(624)	(298)
Add: acquisitions at cost	608	767
Realised/unrealised gain/(loss) on revaluation	(91)	265
Market value at 31 December 2011	2,528	2,635
Cash	494	438
	3,022	3,073
Historical cost at 31 December 2011	2,277	2,293

An analysis of the market value of investments at 31 December 2011 is as follows:

	2011 £'000	2010 £'000
UK equities	1,354	1,955
Overseas equities	673	242
UK fixed interest stock	415	438
Overseas fixed interest stock	86	-
	2,528	2,635
Cash	494	438
	3,022	3,073

At 31 December 2011 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 3. At 31 December 2011, the amount of this company's assets, liabilities, share capital and reserves was:

	2011 £'000	2010 £'000
Current assets	22	39
Creditors: amounts falling due within one year	(18)	(33)
	4	6
Called up share capital – (£2 rounded down to nil)		
Profit and loss account	4	6
	4	6

14. Debtors

	Consolidated 2011 £'000	Charity 2011 £'000	Consolidated 2010 £'000	Charity 2010 £'000
Owed by other Group entities	-	12	-	28
Accounts receivable	-	-	21	11
Accrued income	553	550	995	995
Prepayments	382	382	318	318
Other debtors	81	81	29	28
	1,016	1,025	1,363	1,380

15. Creditors: amounts falling due within one year

	Consolidated 2011 £'000	Charity 2011 £'000	Consolidated 2010 £'000	Charity 2010 £'000
Trade creditors	653	653	594	594
Other creditors	729	729	40	40
Tax and social security	173	171	127	127
Accruals	1,188	1,184	817	812
	2,743	2,737	1,578	1,573

16. Unrestricted funds (Consolidated and Charity)

Consolidated	Balance at 1 January 2010 £'000	Income £'000	Expenditure £'000	Investment gains/(losses) £'000	Transfers £'000	Balance at 31 December 2011 £'000
Designated funds	811	-	-	-	98	909
General funds and revaluation funds	7,302	22,602	19,954	(58)	(98)	9,794
	8,113	22,602	19,954	(58)	-	10,703

As at 31 December 2011, 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 (£769,000) and funds held for disaster management to enable the charity to respond quickly to natural disasters (agreed at £140,000 by the Trustees)

Charity	Balance at 1 January 2010 £'000	Income £'000	Expenditure £'000	Investment gains/(losses) £'000	Transfers £'000	Balance at 31 December 2011 £'000
Designated funds	811	-	-	-	98	909
General funds and revaluation funds	7,296	22,593	19,943	(58)	(98)	9,790
	8,109	22,593	19,943	(58)	-	10,699

17. Restricted funds (Consolidated and Charity)

	Balance at 1 January 2011 £'000	Income £'000	Expenditure £'000	Balance at 31 December 2011 £'000
Bears	494	1,107	1,090	511
Humane sustainable agriculture	-	3,119	624	2,495
Wildlife (excluding Bears)	63	532	546	49
Companion animals	45	822	768	99
Disaster management	64	840	705	199
Total restricted funds	666	6,420	3,733	3,353

These funds are allocated for specific projects as follows:

Fund	Purpose
Bears	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.
Humane sustainable agriculture	The aim of the Humane and Sustainable Agriculture programme is to oppose the development of factory farming and achieve measurable improvements in farm animal welfare in strategically key areas of the world. The restricted funds include £2.5m from The Tubney Trust as part of its programme of building the capacity of charities seeking to deliver significant improvement for biodiversity and the welfare of farmed animals.
Wildlife (excluding Bears)	Funds were received and used on a variety of wildlife projects including whaling, bonobos, orangutans and human-elephant conflicts.
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 Capital Investment Fund is used to fund projects related to small animals.
Disaster management	WSPA received funds for general disaster relief work to be used in emergencies such as the tsunami in Japan.

18. Endowment funds (Consolidated and Charity)

	Eberle capital £'000	Ruth Whist capital £'000	Total £'000
Balance at 1 January 2011	564	334	898
Net realised and unrealised gains/(losses)	(33)	-	(33)
Balance at 31 December 2011	531	334	865

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

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

19. Analysis of net assets according to type of funds

Consolidated	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	769	-	-	769
Investments	2,157	-	865	3,022
Net current assets	7,777	3,353	-	11,130
	10,703	3,353	865	14,921

Charity	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	769	-	-	769
Investments	2,157	-	865	3,021
Net current assets	7,773	3,353	-	11,126
	10,699	3,353	865	14,917

20. Commitments

Capital commitments: there were no capital commitments by the charity or group, contracted or authorised, at 31 December 2011 or 31 December 2010.

21. Operating lease

Operating lease payments relate to the premises of the charity including the overseas branch offices. The lease for the UK office expires in 2018.

	Consolidated 2011 £'000	Charity 2011 £'000	Consolidated 2010 £'000	Charity 2010 £'000
Due within one year	280	280	196	196
	280	280	196	196

22. Trustees, directors and related parties

No Trustee receives any remuneration for their services as trustee of the charity.

12 Trustees received payments totalling £28,326 (2010: ten Trustees; £25,121) as reimbursement of travel costs.

One director of the charity subsidiary was paid £1,365 for consulting services provided to the charity during 2011.

WSPA made payments totalling £14,319 to Humane Society of the United States, of which WSPA trustee Dr Andrew Rowan is the Chief International Officer and the Chief Scientific Officer.

The charity enters into transactions with other charities connected with the World Society for the Protection of Animals. The nature of these 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	690	3,549
WSPA Brazil	1,599	-
WSPA Canada	-	1,086
WSPA Costa Rica	-	3
WSPA Denmark	-	2,541
WSPA Germany	-	765
WSPA India	25	-
WSPA Netherlands	-	2,604
WSPA New Zealand	-	1,044
WSPA Sweden	-	212
WSPA USA	1,716	1,341
	4,030	13,145

The ultimate beneficiaries of funds paid to WSPA-USA are WSPA-Colombia and WSPA-Costa Rica.

23. 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.

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

	2011 £'000	2010 £'000
Net movement in funds for the year before investment gains	5,335	1,912
Investment income	(354)	(89)
Depreciation	123	222
(Increase)/decrease in stock	-	5
(Increase)/decrease in debtors	347	(508)
Increase/(decrease) in creditors	1,165	260
Net cash from operating activities	6,616	1,802

25. Analysis of net cash resources

	At 1 Jan 2011 £'000	Cashflow £'000	At 31 Dec 2011 £'000
Cash held on short-term deposit by investment managers (note 13)	438	56	494
Cash on deposit	2,735	1,319	4,054
Cash at bank and in hand	3,413	5,390	8,803
	6,586	6,765	13,351

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

26. Pensions

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

27. Legacies

The value of legacies notified to the Charity but which do not meet the recognition criteria (and so are not accounted for within the financial statements) is approximately £1.4m (2010: £1.3 million).

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 2011. 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, giving it a dynamic and modern appearance. The logo is positioned in the bottom right corner of the page, above a white wavy line that spans the width of the page.