

INTERNATIONAL FUND FOR ANIMAL WELFARE (IFAW)
(Limited by guarantee)

Company registered number 02701278

Charity registered number 1024806

Annual report and financial statements
for the year ended 30 June 2022

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Annual Report and Financial Statements for the year ended 30 June 2022

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A message from IFAW's management

Our world today has witnessed a sense of upheaval, both socio-political and environmental, that has left an indelible mark on our times. Our minds are conditioned to accept that traumatic events will result in human harm, or at the very least, a fundamental disruption of day-to-day life. We are not, however, accustomed to thinking about the suffering these events cause to animals and the overwhelming effects on the natural environment and on biodiversity.

The act of alleviating suffering is an act of mercy. It is not a strategy or a scientific endeavour. It's not economic or measurable. An act of mercy is a fundamental reflection of the essence of compassion and has value in and of itself. At IFAW we recognise the inherent dignity that all living beings so fully deserve, and we act from a sincere willingness to share the earth.

IFAW receives many requests from the general public to intervene to help animals in need. Often these requests entail helping alleviate the suffering of one or perhaps a very small handful of animals; individuals that would, biologically speaking, often be disregarded. Regardless of ecological impact, physical proximity or strategic importance, there is an underlying faith that IFAW will alleviate the suffering of those animals through rescue, rehabilitation, and in the ideal scenario, releasing that animal back into its natural environment.

In reality, this ideal cannot always be achieved, and we must face the most difficult of decisions when we embark on that journey of empathy. We will not be able to save every animal that is being abused, neglected or is starving. But we accept the responsibility to lighten the load of all suffering animals. We focus on the impact that we have—in everything that we do and at all scales—from the 'micro'where we help one individual animal to the 'macro'where we work to ensure the needs of an entire species population for generations to come.

In the framework of animal welfare and conservation, the individual is the first critical component. Therefore, at IFAW, we place such inherent value on the individual—for each one constitutes a fundamental piece of the global puzzle. And thus, when we save one individual, we are taking the first step in ultimately saving the entire species.

We strengthen our impact by uniting two primary pillars: rescue and conservation. It begins with rescuing the individual animal. It then progresses to helping that animal thrive in captivity so that they can ultimately thrive in the wild. And it concludes with providing the individual with a safe environment to inhabit once they are released back to the wild. That is the ultimate goal.

Our work does not focus on the enrichment of our own projects alone. To do so would negate the global nature of the challenges wildlife and the human species face today. We see tremendous and often untapped potential in 'unusual suspects'—unlikely heroes and 'surprising partners' that emerge, bridging the divide between people and communities. From the landowners in New South Wales, Australia who see themselves as caretakers of their local areas, entrusted with helping local species thrive; to the Global Shapers Community of Harare, Zimbabwe, a group of tech-savvy, young professionals who share the goal of bettering their communities, addressing local, regional, as well as global challenges of the day.

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Taken together, these unusual suspects provide the inspiration and greatest collective momentum for conservation of the world's species. One habitat at a time, one community at a time.

People have faith in IFAW as an organisation and in us as individuals, for we share a collective philosophy of compassion. Alleviating animals' suffering is paramount. It's a shared journey between mutual living beings. We do it because it lies at the fundamental core of who we are as an organisation.

In the simple act of compassion, we truly realise that IFAW's mission has so genuinely been fulfilled and that together we can protect the sanctuary of our shared earth.

IFAW Executive Management Team

IFAW Board of Directors

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Trustees' report for the year ended 30 June 2022

Trustees and advisors

Trustees

Mark T. Beaudouin (Chair)
Joyce C. Doria (Vice Chair)
Barbara U. Birdsey (Vice Chair)
Robert C. Barber (*resigned 6 July, 2021*)
Graeme R. Cottam
Catherine H. Lilly
Debobrata Mukherjee (*resigned 12 July, 2021*)
Virginia A. Pollak
Catherine Z. Bearder
Judi W. Wakhungu
Constantin Falk-Bjerke

Executive management

Azzedine T. Downes, Chief Executive Officer
Thomas M. Maul, Chief Financial Officer
James Sawyer, Regional Director – United Kingdom

Independent auditors

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Bankers

HSBC Bank plc
28 Borough High Street
London
SE1 1YB

Investment advisors

Holden & Partners
113-117 Farringdon Road
London
EC1R 3BX

Brokers

Rathbones Investment Management Limited
8 Finsbury Circus
London
ECM2 7AZ

Principal & registered office

209-215 Blackfriars Road
London
SE1 8NL

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Trustees' report for the year ended 30 June 2022 (continued)

The Trustees present their report and the audited financial statements of the charitable company for the year ended 30 June 2022. The Trustees have had regard to the Charity Commission's guidance on public benefit.

Structure and Governance

Board of Trustees - Consists of 9 current members at 30 June 2022. Each of the Board members is elected for a three-year term, and served during the year and up to the date of signing the financial statements.

Board members' responsibilities include organisational governance, fiduciary responsibility, networking, and fundraising. Board members act as ambassadors for the organisation and work to ensure that the organisation is effectively fulfilling its mission by making certain that organisational initiatives, grantmaking, investment, and donor stewardship activities all support and advance IFAW's mission. They are also responsible for the appointment, oversight and appraisal of the Chief Executive Officer. Day-to-day operations are delegated by the Trustees to the Chief Executive Officer, who leads the Executive office.

The guarantors of the Charity are the Trustees who are also the members. The liability of each guarantor is limited to £1. The Trustees who held office during the year are listed on page 4. The maximum number of Trustees is not limited, but the minimum number is three.

Board Committees – Six Board Committees and one Sub-Committee convene according to their Charters to formulate recommendations to the full Board. The professional skills and expertise of the individual members are evaluated and aligned to meet the varying needs of each of the following Committees:

Executive – The Executive Committee assists the Board of Trustees in fulfilling its responsibilities by serving as the core organising and facilitating Committee of the Board of Trustees. It serves as the key communication vehicle for management to the Board of Trustees and acts in a proxy capacity to represent the Trustees and act on its behalf when it is impractical for the entire Board to do so. The Executive Committee's duties include evaluating the performance of the Board and senior management, setting the agenda for Board Meetings and acting for the Board between meetings.

Audit & Risk Oversight – The Audit & Risk Oversight Committee assists and makes recommendations to the Board of Trustees in fulfilling its responsibility to provide oversight regarding: (1) IFAW's systems of internal controls and risk management; (2) the integrity of IFAW's financial statements; (3) IFAW's compliance with legal and regulatory requirements and ethical standards; and (4) the engagement, independence, and performance of IFAW's independent auditors.

Finance & Investments – The Finance & Investments Committee assists and makes recommendations to the Board of Trustees in fulfilling its financial oversight responsibilities as well as in maximizing the efficient, productive, and responsible use of IFAW's financial assets. The Finance & Investments Committee's duties include reviewing financial statements, including results of the financial statement audit; monitoring the budget for unusual transactions; and supervising investments.

International Development – The International Development Committee assists and makes recommendations to the Board of Trustees in identifying, attracting, and cultivating philanthropy and future leaders for the benefit of the IFAW's worldwide mission.

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Trustees' report for the year ended 30 June 2022 (continued)

Data Protection & Fundraising Compliance – The Data Protection & Fundraising Compliance Subcommittee is a subcommittee of the International Development Committee established to provide oversight of data protection and fundraising compliance matters.

Media & External Affairs – The Media & External Affairs Committee is a newly created committee established to assist in increasing the profile of, and awareness about, the activities and programs of IFAW. The Committee helps IFAW target and develop relationships with brands, organisations and individuals such as media outlets, journalists, experts in advertising and public relations, content creation, celebrities and other high-profile/highly influential supporters to engage them in promoting IFAW and IFAW's work.

Nominating – The Nominating Committee assists and makes recommendations to the Board of Trustees in proactive identification, cultivation, recruitment, vetting, and orientation of new Trustees in order to optimize effective governance, ensuring that the Board of Trustees is comprised of leadership capabilities, expertise, skills, and philanthropic capacity to support IFAW's mission and strategic goals. The Nominating Committee is responsible for ensuring that the nomination process is carried out in a timely and efficient manner and Board members whose three-year term is about to expire are eligible for election at the June General Annual Meeting. The Board members are divided into three groups whose terms expire in consecutive years. Once appointed, trustees participate in an orientation session and are provided a manual which contains information such as IFAW's mission and values statements, organisational charts, Board of Trustees directory, programmatic overviews, Board of Trustees committee structures, financial overviews, by-laws and conflict of interest policy. While certain Trustee members may serve on boards of other entities, they are required to complete an annual Conflict of Interest Statement disclosing all other affiliations. For the year ending 30 June 2022, management found there to be no conflict of interest relating to members of the Board for the Charity.

President and CEO – reports to the IFAW Global Board of Trustees, who govern the legal entities that make up IFAW around the world. The President/CEO is ultimately responsible for the overall health of the organisation and its success in performing its mission of rescuing and protecting animals. In addition to serving as a vital link between the Board of Trustees and the organization as a whole, the CEO is responsible for setting the tone for the institution's internal relationships and serving as the organisation's most public face in the interaction with donors, world leaders and high-level government officials. The President/CEO directly manages executives who are based in geographically diverse locations.

General Counsel – provides legal advice to the CEO and senior executives across the organisation, manages corporate legal relationships, and promotes legal compliance across all IFAW entities.

Executive Office – protects and nurtures the mission of IFAW and ensures that the Strategic Plan is executed and is expected to provide leadership at an organisational, strategic level. The office is responsible for the line management of teams of people based across wide geographical locations. It is structured in this way to take advantage of talent and skill sets across the globe. The Executive Management is made up of Vice President and Director level team members who directly manage our Animal Welfare and Conservation Programs, Communications, Human Resources, Finance, Information Technology, Legal, and Development. The Programs, Communications, and Development departments have significant staff located in the regional and country offices, while the Finance, IT, and Human Resources and Legal departments are more centralized, although not exclusively, in the United States of America.

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Trustees' report for the year ended 30 June 2022 (continued)

Regional Director United Kingdom, – Is listed in financial filings as a member of the executive management but is not a registered 288 Director, rather they manage the country office in the UK. They are responsible for the day to day operations of the region and the overall welfare of all staff listed as UK employees, including those who don't work directly on the entities activities and perform multi-office roles. Line manages the Donor Relations Manager UK, the Head of Finance and Operations, the Head of Advocacy and the Senior Advisor – Strategic Relationships. They are responsible for being the signatory on all compliance documents, contracts and grant funding agreements. They are responsible for the delivery of the regions strategy and for the oversight of the regions programmes work with a specific focus on wildlife crime issues.

Statement of Trustees' responsibilities

The Trustees (who are also directors of International Fund for Animal Welfare (IFAW) for the purposes of company law) are responsible for, and have prepared, the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Statement of Recommended Practice 'Accounting and Reporting by Charities ('the Charities 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; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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Trustees' report for the year ended 30 June 2022 (continued)

Statement of disclosure to auditor

In so far as the Trustees are 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 auditors are aware of that information.

Related Parties

All affiliated entities maintain separate Boards of Trustees. However, the Trustee membership and senior management are substantially common among affiliates. All affiliates operate as separate and independent entities.

Although grants are made within the affiliated group, the Charity does not enjoy the rights of ownership of the assets and revenues of these affiliates, nor is it subject to their liabilities. The Charity does not hold a majority ownership interest in its affiliates except for IFAW Commerce Limited nor does the Charity have control of a majority of the Trustee appointments of the affiliated group.

The International Fund for Animal Welfare, Inc. (IFAW US), is a company established under the laws of the Commonwealth of Massachusetts (USA) and registered with the US Internal Revenue Service under Section 501(c)(3) of the US Internal Revenue Code. As a charitable organisation IFAW US possesses a mission consistent with the objects of the Trust. IFAW US provides direct support for certain programme, fundraising and administrative activities for all the IFAW entities. Other activities include shared finance, technology and human resource support. The Charity (and other IFAW affiliated entities) make financial contributions to IFAW US for their participation in shared support. The Trust and IFAW US are part of a network of organisations in which no parent, subsidiary relationship exists between the two organisations.

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Strategic Report

The objectives of the Charity are to advance the welfare and conservation of animals throughout the world by reducing commercial exploitation of animals, helping animals in crisis or distress and working to prevent cruelty and suffering to wild animals and domestic animals; to protect, conserve and preserve terrestrial and marine wildlife habitats and to educate policy makers and the public in respect of the foregoing.

Our Vision: Animals and people thriving together.

Our Mission: Fresh thinking and bold action for animals, people and the places we call home.

Our Approach: Every animal is part of a species, and every species depends on its habitat for survival. Our new RE:SOLVE approach mirrors the same interconnectedness. By marrying animal welfare and conservation, IFAW delivers comprehensive protection to individual animals, populations and habitats.

RE:SOLVE means that we rescue animals in need, rehabilitate them back to health and safely release them back into secure and sustainable habitats. As a standalone, each of these pillars delivers value. But the sum of its parts creates immediate and enduring impact for animals, people and the places we call home.

Our Belief: In order to achieve IFAW's vision of animals and people thriving together, we follow three key principles in our work.

- Conservation policy should be based on sound science within an ethical framework that recognises the intrinsic value of individual animals and species, and the welfare needs of animals as sentient beings.
- Conservation decisions should be guided by full consideration of ecological and biological sustainability and the precautionary principle.
- Humans have a moral responsibility to provide for the needs of those animals who are dependent on them. This responsibility extends to protecting wild animals and their habitats from human harm, whether caused intentionally or unintentionally. Responsible human behaviour should prevent, avoid, or, at the very least, minimise direct and indirect harm to all animals.

Risk management

The Charity faces many financial and non-financial risks. The Trustees actively monitor key risks, and perform periodic assessments of the effectiveness of its risk management systems and procedures. The assessment process includes:

- a review of the risks the Charity faces in fundraising, investment and reserves management and financial commitments;
- a review of systems in place to mitigate risk and provide timely information to down-turns in performance/revenue or upturns in programme demand; and
- regular reviews and initiatives to minimise the impact of external risk factors on the Charity.

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Strategic report for the year ended 30 June 2022 (continued)

Reputation and external forces risk

The Charity has established a reputation for being a leader in the field of animal welfare and habitat protection. The Charity takes strict measures to ensure that its programme, fundraising, and governance activities align with its charitable objects. Further, the Charity monitors external forces to evaluate compliance with relevant regulations and industry best-practices.

Financial and physical assets misappropriation risk

The Charity maintains robust controls over its physical and financial assets. Controls are monitored and reviewed routinely to ensure that they are properly designed and functioning effectively.

Credit risk

Credit risk on amounts owed to the Charity is low. The majority of debtors relate to accrued legacies and amounts due from affiliated organisations.

Income and liquidity risk

The Charity is reliant upon donations from its supporters to finance activities in support of achieving its objects. Cash flows are continuously monitored and evaluated to ensure cash outflows associated with its operational activities are matched by inflows from donations and investment income. As noted in the Financial Reserves Policy section (below), the Charity, with the other IFAW affiliated entities, intends to maintain global operating reserves equal to approximately two months of operating expenditures and global strategic reserves sufficient to generate approximately 1-2% of annual budgeted expenditures.

Foreign exchange risk

The Charity maintains its funds in Sterling, and most expenses are incurred in Sterling and US dollars. The organisation has a foreign exchange management policy designed to reduce volatility and unpredictability of payments for purchases of goods and services denominated in other currencies. The policy provides for the Charity to enter into foreign currency purchase and sale contracts with other affiliated entities. At 30 June 2022 the organisation did not have outstanding foreign exchange hedging contracts.

Employee safety risk

Employee safety (in the office and while travelling) is critically important to our work and our culture. Safety protocols and procedures are maintained to educate and prepare staff for workplace emergencies. Additionally, the Charity and its affiliates subscribe to a traveller assistance service which offers complete travel information and support (pre, during and post travel) along with medical and security incident management.

Data protection risk

Data protection is a significant risk for businesses and charities around the world. IFAW has made data privacy a priority and devoted significant resources towards our efforts to ensure compliance. The Trustees, senior management and staff are actively engaged and IFAW is committed to continue working to the highest standards of data privacy. The Charity has a dedicated position (Head of Data Protection and Fundraising Compliance) to oversee implementation and compliance with current regulations.

Following the reviews of the Charity's risk management systems and procedures, the Trustees are satisfied that the above risks are adequately monitored and mitigated.

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Strategic report for the year ended 30 June 2022 (continued)

Going Concern

The Board of Trustees is of the opinion that The Charity has adequate financial resources to continue in operational existence for the foreseeable future. This opinion is based upon financial results, conditions and forecasts prepared monthly and quarterly by Executive Management, which are provided to the Trustees. Further, management's income projections for the remainder of FY2023 and preliminary targets for FY2024 reflect confidence that continued donor support coupled with the Charity's variable cost expense structures provide additional support for going concern. Lastly, the Charity maintains healthy operating and strategic reserves levels, which serve to mitigate budgetary risks.

The Executive Management regularly review and evaluate potential effects on IFAW's and the Charity's operational and financial wellbeing. Management compiles and reviews key data which includes revenue performance, operating results, and operating and strategic levels on a regular basis.

Financial Reserves Policy

Careful consideration is always given to financial resource needs for planned projects, campaigns and emergency response activities as well as the Trustees' fiduciary responsibility to grow the Charity's funds base through prudent investment management.

The worldwide affiliated IFAW entities are financially and operationally interdependent. IFAW's Financial Reserves Policy establishes discrete funds to support specific goals and objectives for IFAW at the global level. As such, individual IFAW entities may vary with respect to nature and quantities of reserves. Financial reserves have been established as follows:

1. Operating reserves – cash and liquid assets intended to provide an internal source of funds for unforeseen situations that threaten budgeted activities
2. Strategic reserves – invested assets intended to provide unrestricted financial resources to support the organisation's annual budgets and long range strategic objectives
3. Donor endowed assets – maintained (as relevant) to provide financial resources to the Organisation in accordance with donors' intentions

Donor endowed funds (if any) held by the Charity are permanently restricted, and therefore included with restricted funds on the balance sheet. Operating and strategic reserves are classified as general funds on the balance sheet.

These structures are intended to mitigate financial risks embedded in the Charity's operating activities and position the Charity to pursue programmatic and institutional activities. IFAW aims to maintain global operating reserves of approximately two months of operating expenditures and global strategic reserves sufficient to generate approximately 1-2% of annual budgeted expenditures.

At 30 June 2022, the strategic reserves add up to £7.4 million. This is a decrease from total reserves of £17.6 million at 30 June 2021. Given financial interdependency of the worldwide IFAW entities, local reserves are an important component of the operating reserve considerations. Restricted reserves were £nil (2021: £10,000).

Investment policy and performance

The Charity's investment policy stipulates that investments be allocated between fixed income and equity investments in ratios ranging from 30% - 70%. Further, the policy provides for an ethical mandate which requires screening of all portfolios to ensure underlying investments align with the IFAW's global mission and values. Investment manager (Rathbones Investment Management Limited) compliance

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Strategic report for the year ended 30 June 2022 (continued)

with the policy is monitored monthly by an investment advisor, Holden & Partners, and annually by the Trustees for appropriateness considering performance and programme demands.

During Fiscal year 2022, portfolio market values decreased £1.2 million compared to the increase of £1.1 million during fiscal year 2021. Fiscal year 2022 results reflect a poor market conditions. Total managed investment holdings were £7.0 million at 30 June 2022 (2021: £8.1 million).

Remuneration Policy

Position descriptions form the basis of the Organisation's wage and salary programme. Staff positions, including senior management roles, are evaluated and priced against market data that is obtained from an independent compensation consultant. Each position is priced using relevant local data that is deemed representational of similar not-for-profits. The Chief Executive Officer's compensation level is reviewed against available market data and is approved (including changes) by the Executive Committee of the Board of Trustees. Key management remuneration is discussed further in note 6.

Grant Making Policy

The Charity achieves its mission objectives through a combination of staff, vendors and partnerships. The Charity frequently engages in grant making as a means of delivering programmatic impact while maintaining flexible and efficient cost structures. Grants are awarded to organisations that advance the interests of the Charity. Grants are subject to underwriting procedures and formal documentation of terms and conditions. Grants are awarded to recipients that effectively demonstrate: expertise in areas of rescue and/or conservation; impact for animals and their environments; and accountability for funding. The Charity typically requires recipients provide financial and non-financial reporting regarding the use and effectiveness of the funding. The level of monitoring and evaluation of grantees is commensurate with the value of the award, the nature of and timing of programmatic work and reputation and performance history of the grantee.

Fundraising review

The Charity supporters continued to give in Fiscal year 2022, providing vital resources that advance our mission to protect animals and the places they call home. Fundraising results for Fiscal 2022 reflect the resilience of our supporter's commitment as well as the impacts of changes in fundraising strategies.

The Organisation takes seriously its obligation to maintain responsible cost structures to procure the vital resources needed to improve the lives of animals. In addition, The Charity understands that donor attitudes, public perception and the regulatory environment are all critical components of our fundraising strategies.

Fundraising Approach- Over the years, The Charity has developed a variety of channels designed to engage a diverse donor base including direct marketing, online marketing and planned giving. This multi-faceted approach enables the Organisation to effectively communicate with donors about the issues that are most important to them. The Charity engaged a professional fundraising agency to telephone supporters on our behalf. The Charity did not engage commercial participators in Fiscal 2022. The Organisation is registered with the Fundraising Regulator and is a member of the Chartered Institute of Fundraising and the Data and Marketing Association. The Charity also has staff membership in the Institute of Legacy Management.

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Strategic report for the year ended 30 June 2022 (continued)

Fundraising Compliance and Monitoring- The Charity understands that donor confidence is essential to maintaining a sustainable relationship. The Organisation maintains policies designed to demonstrate our commitment to protecting donors' interests.

The Charity engaged a telephone fundraising agency who are members of the Direct Marketing Association. The agency was contractually required to record all calls, provide the recording of any call on request and a random sample of calls on a regular basis. IFAW assisted the telemarketing agency with the content and provision of training materials and scripts. IFAW has internal procedures to regularly monitor the calls undertaken by the agency and a detailed checklist based on the list recommended by the Chartered Institute of Fundraising is completed for each monitored call to ensure that high standards are met.

Periodically, the organisation receives feedback and complaints from donors. During this period the Organisation received 86 complaints relating to fundraising activity, donor experience and administrative process. The majority of these complaints were satisfactorily resolved by the Donor Relations Team. Complaints that require escalation are handled in compliance with the Charity's Complaint Policy and resolved by the applicable senior member/s of staff. There were no compliance failures in Fiscal 2022.

The Charity is committed to following the Fundraising Regulator's Code of Fundraising Practice, the Data & Marketing Association's Guidelines for Ethical Practice and the Advertising Standards Authority's UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP code).

The Organisation has a Vulnerable Person's Policy which gives guidance to IFAW's staff and Trustees on relevant issues, such as how to identify if a person is vulnerable and what to do in those situations. If IFAW works with third party fundraisers they will be required to follow this policy. Relevant fundraising staff have received training and guidance. The policy also voices IFAW's commitment to not engaging in unreasonable intrusion, being unreasonably persistent and putting pressure on people to give money. In addition, the Charity has a Gift Acceptance Policy and a Returning Donations Policy which highlights our responsibilities to vulnerable people.

The Charity immediately stops online contact as soon as we can when a supporter unsubscribes. IFAW aims to stop all postal direct mail within 28 days of request. The Organisation has internal Copy and Design Guidelines, the guiding principles of which is to put into practice our commitment to treating our supporters and members of the public with respect, being responsive and sensitive to their needs and taking responsibility for our fundraising actions. The Charity commits to ethical and legal fundraising that keeps our supporters' best interests at the forefront.

Data protection- The Charity is fully committed to the highest standards of privacy and ensuring compliance with the UK General Data Protection Regulations implemented by the Data Protection Act 2018. IFAW's Head of Data Protection and Fundraising Compliance leads on the implementation and training of charity staff and oversees continued compliance.

Financial review

The accounts, which constitute an integral part of this report, comply with the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities'. Trustees consider that in preparing these accounts, they have consistently applied appropriate accounting and reporting policies supported by reasonable and prudent judgements and estimates where required.

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Strategic report for the year ended 30 June 2022 (continued)

Sources of funds for charitable expenditure- The Charity's revenue sources in Fiscal year 2022 were comprised primarily of monthly donations (sustainers), sweepstakes, multi-purpose direct mail gift appeals (newsletters) that educate/advocate as well as fundraise, legacies and gift aid income. The income produced from these activities totalled approximately £3.1 million (2021: £3.3 million), £1.3 million (2021: £1.6 million), £2.6 million (2021: £2.9 million), £8.5 million (2021: £8.1 million), and £1.3 million (2021: £1.3 million) respectively.

During Fiscal 2022 donations and contributions totalled £18.2 million, an increase of approximately £300 thousands (2021: £17.9 million), which was primarily due to stronger than expected bequest income. Slight declines in sustainer, and sweepstakes income were generally anticipated as investments in these channels are being diverted into new channels (such as digital and legacy) that have greater growth potential. For additional details, see note 2 of the accounts

Expenditure of funds- Total expenditures for Fiscal 2022 totalled £15.2 million compared to Fiscal 2021 of £14.2 million. Overall, Fiscal 2022 expenditures decreased compared with the annual financial plan of £16.2 million, due to a reduction in spending related to lingering impact of COVID-19. Included in annual expenditures for Fiscal 2022 were grants of £5.4 million (2021: £5.0 million) which included grants to unrelated organisations for £1.4 million (2021: £1.4 million).

The overall result for the entire Organisation for Fiscal year 2022 was a surplus totalling £2.5 million which was an increase from the budgeted breakeven (2021: surplus £5.4 million), these surpluses will help increase the Organisation's financial strength and healthy operating and strategic reserve levels.

Programmes Overview: Goals, Progress

FY 2022 marked the second year of implementing IFAW's current five-year institutional strategic plan. The strategy focuses on improving the welfare of individual animals and the conservation status of wildlife populations in priority habitats through on-the-ground efforts, community engagement and global advocacy. Our dual-emphasis on rescue and conservation promotes animal welfare, species population stability and secure habitats. To sustain the welfare of species and the places they call home, our work must be comprehensive. Across IFAW's Programme portfolio, we are pursuing the following goals via these strategies:



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Strategic report for the year ended 30 June 2022 (continued)

The Organisation globally achieved the following results towards the five strategic goals:

- 69% of rescued wild animals were released or progressing towards release, getting closer to our ambitious 75% target.
- The Disaster Response team fulfilled all 36 requests from Authorities Having Jurisdiction, from 20 different countries, in the process rescuing 68,791 community animals or providing them with relief during disaster.
- 89% of partners and 89% of communities targeted are implementing improved conservation or rescue practices, both well above our 80% target.
- 24 policy actions were fully adopted in line with IFAW's recommendations.
- For the populations where we have FY22 census data, 100% of targeted species populations are stable or increasing, and 90% of our targeted habitat linkages are considered secure for safe passage.
- 29,161.07km² of priority habitats are under improved management in FY22, up from 28,310km² in FY21. We have an extremely ambitious target of 75,783.07km² targeted to secure, a substantial portion of which represents Tsavo National Park in Kenya and other Room to Roam landscapes, where more focused work will be implemented in FY23 to work towards securing improved management of this habitat.

The Charity supported this progress via grants to collaborating organisations, grants to IFAW affiliates, programme work within the UK, and UK-based global programme expertise. FY22 Project highlights for each programme area below describe selected activities and outcomes supported by the Charity that contribute to the global results.

Plans for FY23

The Charity's plans for FY23 include:

- continuing advocacy and outreach work on the Domestic Ivory Act implementation as well as campaigning for permanent funding for the National Wildlife Crime Unit. Expert research on the current state of UK wildlife crime policing will inform further development of concepts for cyber-spotter networks in the UK..
- leveraging our participation in global environmental conventions, including IWC 68, CITES CoP 19 and CBD CoP 15, to push for increased biodiversity protection measures and funding
- providing continued grant support for our rescue and conservation partners Wildlife Trust of India, Wild is Life in Zimbabwe and others.
- sustaining momentum for the Room to Roam initiative to increase connectivity for elephants across East and Southern Africa through landscape conservation, wildlife crime prevention and community engagement efforts.
- continued support for rescuing and assisting animals through global disaster response and preparedness efforts wherever we are most needed
- sustaining efforts to save the North Atlantic Right Whale, and to reduce the threats of ship strikes, noise and entanglement, through UK leadership of IFAW's global marine conservation programme
- completing Legal Intelligence on Cheetah Illegal Trade (LICIT) project commitments supported by the UK government's Illegal Wildlife Trade (IWT) Challenge Fund, which were extended during FY22.

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Wildlife Rescue

IFAW's Wildlife Rescue team operates globally and strives to prevent the suffering and improve the welfare of animals. With 5,342 animals rescued and 3,460 animals released in FY22, our Wildlife Rescue programme continues to make excellent progress in achieving a better quality of life for animals around the world. The focus is on rescue, rehabilitation, release and monitoring of wildlife, but we also work to share best practices, provide training and develop response and animal rescue networks. A critical part in the success of our work is engaging with communities to facilitate a relationship where both people and animals thrive in their shared environment. Communities in and around the places where wildlife are rescued, rehabilitated and released play a crucial role in the survival of nearly every animal species.

Rescuing and rehabilitating orphaned elephants

In the past financial year, we continued our work to rehabilitate orphaned elephants and keep them on their journey back to the wild. At the Wild Is Life (WIL) and IFAW-supported Zimbabwe Elephant Nursery (ZEN), Moses and Sally are two recently arrived elephant calves.

Moses, incredibly, found his own way to the WIL-IFAW release site at Panda Masuie in Zimbabwe back in July 2021 (the majority of our rescued elephants are found abandoned or hurt and transported to our center for specialised care). Moses walked at least four kilometres alone from Zambezi National Park. We don't know what happened to Moses's herd or how he found his way to the release site. The other elephants at Panda Masuie love spending time with Moses and he has grown very comfortable as a new member of the herd.

In October 2021, we airlifted a seriously injured elephant calf to safety after she was found entangled in a wire snare. Fishermen had spotted the approximately 18-month-old female calf wondering alone on the banks of the Zambezi River, in an area close to Chirundu on the Zambian border. She was dragging a snare and had wounds from surviving an attack by hyenas. In a complicated operation, vets removed a wire snare that had cut through her ear, leaving it almost amputated. She was immediately airlifted to our facility in Harare and we're very pleased with her progress. She was given the name Sally and has bonded with the other rescue elephants we care for.

Moses and Sally will remain in our care at Panda Masuie and, like all the rescue elephants, will eventually depart of their own accord to live free as wild elephants.

Bringing rhinos back to Manas National Park

In 2021, IFAW proudly marked 20 years of impact through our partnership with the Wildlife Trust of India (WTI). One achievement of our powerful partnership is that today 54 greater one-horned rhinos roam and successfully breed in India's Manas National Park. Twenty years ago, following a period of civil unrest in the region, one-horned rhinos were poached to local extinction in the area.

The Kaziranga National Park, in the same northeast Indian state of Assam, is home to the world's largest population of greater one-horned rhinos. Rhino calves sometimes get separated from their mothers in this area, often during biannual flooding that forces animals to seek higher ground. IFAW and WTI decided to rehabilitate orphaned rhino calves from Kaziranga and then release them into Manas when they are two or three years old, an age at which they are more able to establish their own territory.

For more than 15 years, orphaned or injured rhino calves have been rescued and brought to the Centre for Wildlife Rehabilitation and Conservation (CWRC) during the annual floods in Kaziranga National Park. The calves are given 24/7 care and rehabilitated until they are able to be translocated

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to Manas National Park and released back to the wild. Since 2002, more than 7,000 wild animals have been rescued by the team at CWRC and its satellite units.

One journey that illustrates the success of this approach is Ganga. Her mother was lost to flooding in 2004 when Ganga was just four months old. Carers at CWRC hand-raised her until she was released in Manas in 2007. She continues to thrive today and has given birth to four calves over the years, with the latest calf arriving in July 2021. Her calves are doing well too—she’s even a grandmother. To date, eight calves have been born to rhinos rehabilitated by CWRC and released in Manas. In addition to the rescue, rehabilitation and release of greater one-horned rhinos, IFAW-WTI has worked to increase the area of protected land around Manas National Park. As new human developments are constructed, there is a critical need for wildlife to move safely between protected landscapes. To address this concern, IFAW and WTI started the Right of Passage: National Elephant Corridor Project. The project has identified 101 linear strips of land that will allow elephants and other wildlife to travel from one landscape to the next. The first six corridors are secured and the next six are underway.

Rescuing and rehabilitating migrating birds in Lebanon

A large variety of birds use Lebanon as their most important flyway in the Middle East along the Great Rift Valley. This includes eagles, vultures, falcons, passerines as well as storks and cranes, some of which are either endangered or threatened species. Unfortunately, bird hunting is a very common practice in Lebanon—making it a bottleneck for migratory birds.

To tackle the indiscriminate shooting and taking of birds, IFAW partnered with the Lebanese Association for Migratory Birds (LAMB), a local NGO that operates a rescue centre concentrating on raptors and storks. In May 2022, the two organisations jointly launched the Levant Operation for Bird Rescue (LOBR).

In the first two months alone, 14 rescue operations were performed, which included owls and migratory soaring birds like long-legged buzzards and short-toed snake eagles. Some of the birds were already too far gone and didn’t make it, but of the birds in rehabilitation four have already been released back into the wild. With support from IFAW, LOBR has also begun improving their facilities to increase their capacity for rescue, rehabilitation and release activities.

Building veterinary capacity to save more lives

Australia’s wildlife faces significant threats. Wildlife veterinarians and veterinary nurses are critical in giving injured, sick or orphaned wildlife a chance of surviving and being released back into the wild. IFAW has identified a gap in wildlife veterinary capacity and knowledge across Australia, which is why we have continued to support specialist veterinarians and veterinary nurses.

Our support of the full-time veterinary team at Friends of the Koala in New South Wales has enabled them to provide immediate life-saving treatment and care to injured, sick or orphaned koalas. In FY22, the team treated 320 koalas, releasing more than 100 back into the wild.

This included orphaned koala joey Gulliver, who was rescued amid torrential floods in the area in March 2022. He was 14 months old at the time and was found walking on the ground alone, calling for his mum, who sadly couldn’t be found. Gulliver was taken to Friends of the Koala where he was cared for by the IFAW veterinary team for nearly six months before he was released back into the wild.

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In Tasmania, we have continued our vital partnership with Bonorong Wildlife Sanctuary. Our support has enabled the IFAW veterinary team to save countless lives, including wombat joey Reidy-Bear. She was with her mother who was trying to cross a busy road when she was struck and killed by a passing car. Reidy-Bear was taken to Bonorong Wildlife Hospital for a health assessment and is being cared for by the specialist team until she's ready to be released back into the wild.

Our support has enabled the wildlife hospital, which IFAW helped build, to operate five days a week. Through this increased veterinary capacity, we improved welfare outcomes and release rates, giving wildlife a critical second chance at life back in the wild. In FY22, the specialist vet team treated 1,151 animals including the endangered wedge-tailed eagle, the endangered Tasmanian devil and the platypus, with more than 340 animals being released back into the wild.

Our life-saving support extends to Victoria where we partner with Mosswood Wildlife. In FY22, we supported their triage clinic with critical resources, expert advice and guidance in their day-to-day operations. This enabled the Mosswood Wildlife team to rescue and rehabilitate 204 koalas and 236 other animals and release 79 koalas and 88 other animals back into the wild.

Overcoming challenges to continue rescuing and caring for raptors in China

In December 2021, the IFAW Beijing Raptor Rescue Center (BRRC) celebrated its 20th anniversary. BRRC was established to rescue, rehabilitate and return to the wild sick and injured birds of prey as well as those confiscated from illegal trade, and is the only designated raptor rescue center by the Beijing Municipality. In FY22, the team brought 110 raptors of 20 different species into the facility for rehabilitation and care, and released more than 100 raptors back to the wild.

In May 2022, the Omicron variant spread rapidly throughout many cities in China and the government continued to advise strong quarantine controls. More than half of our IFAW China staff were unable to commute to the office, including several of our rehabilitators. In light of entrance restrictions to the university campus where the rescue centre is located, rehabilitators decided to take turns to live at the centre alongside the injured raptors, 24 hours a day. In doing so, they were able to continue caring for the animals, especially those in critical condition that needed regular medical treatment. Many times, the rehabilitator had to perform operations alone that would normally require two or more people. The rehabilitators collaborated via online meetings to discuss some complex treatment issues when needed.

Rehabilitators also provided field teaching for more than 100 students at various universities, and trainings to other rescue facilities and professionals across China.

In addition, IFAW continued collaborating with enterprises to improve rescue standards through technical upgrades. With support from Uniview, the third largest player in video surveillance in China, IFAW BRRC upgraded its video surveillance system to better monitor the status of raptors in their cages without disturbance. IFAW also cooperated with InNail, a high-end nail salon, and Perfect World Animation Co., Limited, to raise awareness about wildlife protection among young people and children.

Costs for the Wildlife Rescue programme were £3,844,800 in FY22.

Landscape Conservation

IFAW's Landscape Conservation programme continues addressing the ever-increasing impact of human activities on wildlife and natural resources. Wildlife and ecosystems in IFAW priority landscapes face major threats that affect their conservation status, including habitat loss and

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fragmentation, poaching, climate change and human-wildlife conflict. Our integrated approach creates solutions that promote long-term sustainable ecosystem management, while also benefiting indigenous and local communities and enhancing coexistence with wildlife. Across our priority landscapes, we continue supporting anti-poaching efforts to secure wildlife and their habitats, engaging communities and empowering people through sustainable livelihood opportunities. We support improved wildlife protection by investing in ranger training, patrol kits, mobility, infrastructure and operational support. This has resulted in an 86% decrease in wild animals being poached in landscapes in which IFAW operated in FY22. Our mission has never been more important and urgent, and it will not be easy or quick, but at IFAW we are committed to ensuring that all wildlife species thrive in the landscapes we help protect.

As wildlife and people run out of space, we're creating Room to Roam

In FY22, we continued to make progress on our Room to Roam initiative, our innovative approach to conservation in Africa that consolidates many decades of IFAW work from the past, while outlining a bold vision for the future. Backed by 20 years of science and fieldwork, Room to Roam aims to ensure viable, stable, resilient elephant populations long into the future—and with little to no human interference. Through improved connectivity and secure habitats, we envision safe passages for elephants and other wildlife to move freely within their home ranges in East and Southern Africa. Through Room to Roam we are contributing to greater biodiversity, a natural resilience to climate change and a future where animals and communities can not only coexist but thrive.

Community impact

Room to Roam doesn't only help elephants and other wildlife—it also opens new opportunities for local communities to enhance their well-being and coexist with wildlife. Land outside of national parks belongs to communities and private landowners, including traditional leaders, conservancies and land trusts. When we engage communities in natural resource management—whether for ecosystem health and/or as an economic driver—they can be directly involved in planning and implementing long-term solutions. The context of our work crosses borders, cultures and organisations, meaning that relationships with people are at the heart of our approach and are a key to success. Through Room to Roam, IFAW is forging partnerships with communities, traditional leaders, governments, private sector actors and other NGOs (non-governmental organisations) in a long-term plan to reconnect critical landscapes and allow wildlife and people to flourish.

To achieve our ambitious vision, we are fostering long-term partnerships with governments, wildlife authorities, communities, private sector actors and other NGO in Kenya, Malawi, Zambia and Zimbabwe, with expansion planned in further elephant range states.

Promoting long-term sustainable ecosystem management in Panda Masuie, Zimbabwe

Panda Masuie is a key protected area and is part of the Kavango Zambezi Transfrontier Conservation Area, the world's largest TFCA, where thousands of elephants roam freely. The Panda Masuie Forest Reserve near Victoria Falls is co-managed by the Forestry Commission of Zimbabwe and the Wild is Life Trust (WIL), with technical and financial support from IFAW. This site serves as the release site for rescued and rehabilitated elephant orphans from Wild is Life's IFAW-supported Zimbabwe Elephant Orphanage. FY22 efforts included completing four permanent ranger bases which provided full coverage and uninterrupted operations. Rangers also received training in SMART technology. IFAW and partner Wild is Life provided health and safety support to the nearby Masuwe community of about 800 people. Masuwe's herd of about 600 cattle received veterinary care and are regularly dipped to keep them free from parasites and diseases. Camera traps set by the project show lion, an apex predator under threat, are thriving in the 34,000 ha² Reserve.

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Improving living conditions for community wildlife rangers in Kenya and expanding Team Lioness

IFAW constructed two ranger bases at Risa and Lemomo in Amboseli, Kenya for the Olgulului Community Wildlife Rangers (OCWR). The modern housing units are a break from the traditional structures made from tin which get extremely hot during the day and extremely cold at night. The houses will ensure that rangers are adequately and comfortably housed, as they work around the clock to ensure wildlife is safe.

The housing unit at Lemomo base was officially opened by IFAW board members and trustees. For the first time in IFAW's more than 50-year history, they gathered in Amboseli, Kenya to see and experience first-hand IFAW's incredible work with communities to save wildlife. They met and interacted with staff and members of the local community and handed over a patrol vehicle to a member of Team Lioness who is the first and only woman ranger driver in Amboseli.

Restoring wildlife and improving biodiversity in Kasungu National Park

Since 2015, IFAW has been working with partners in Malawi and Zambia to create secure habitats for elephants and other wildlife, laying the foundation for the translocation of animals to restore wildlife populations.

IFAW, with funding from the United States Agency for International Development (USAID), has completed the implementation of a five-year Combating Wildlife Crime Project (CWCP) in the Malawi-Zambia transboundary landscape. The project targeted Malawi's Kasungu National Park as well as Zambia's Lukusuzi and Luambe National Parks and adjoining community areas. The project began in 2017 and the USAID funding concluded in May 2022.

The project focused on cross-border collaboration and coordination, with law enforcement officers from Malawi and Zambia working together in the fight against wildlife crime. Other strategies included training, mentoring and equipping law enforcement officers with the necessary tools to enable them to carry out their responsibilities efficiently. Throughout the project, community participation was key. The CWCP has successfully created a safer and more secure habitat, making it possible to begin translocating animals to restore wildlife populations. Thanks to support from donors around the world, 691 animals, including 263 elephants were successfully translocated from Liwonde National Park to Kasungu National Park between June and August 2022. It's anticipated that the addition of 263 elephants will ensure the long-term conservation of elephants in Kasungu. A wide variety of additional wildlife were also successfully translocated, including 80 buffalo, 128 impala, 33 sable antelope, 81 warthog and 109 waterbucks.

IFAW, together with Malawi's Department of National Parks and Wildlife (DNPW) and African Parks (AP) translocated the animals as part of an initiative to maintain healthy habitats in Malawi's national parks, establish viable elephant populations and ensure the prosperity of local communities living around the parks.

Restoring habitats and creating wildlife corridors in Australia

Australia's catastrophic Black Summer bushfires of 2019–20 put an international spotlight on the dangerous impacts of climate change. At the heart of recovery is community and connectivity conservation. That's why, in mid-2020, IFAW joined forces with the Great Eastern Ranges (GER) to help promote community collaboration in landscape conservation by restoring habitats and creating wildlife corridors across 3,600 kilometres of Australia's east coast.

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We embarked on a 12-month critical bushfire recovery project to help communities, wildlife and landscapes heal. In March 2022, this was extended to support flood recovery efforts after catastrophic floods affected parts of New South Wales (NSW) and Queensland. The recovery projects targeted three priority landscapes that had also been affected by the Black Summer bushfires: the Lockyer Valley, Southern Border Ranges and Greater Blue Mountains.

In FY22, we continued rolling out these projects with GER and their network of regional and local conservation, Indigenous and community groups, scientific experts and private landholders. Our projects include helping three communities undertake fire and weed management as well as other environmental restoration activities in and along waterways and on land so the landscape can once again be a safe home for wildlife.

We also helped dozens of landholders identify the species of wildlife that live on their properties and enhance habitat suitability, for example by building and installing nest boxes. This gives wildlife greater space to move safely between properties, through community-established habitat corridors and their local landscape.

Complementary to this work is our koala health and resilience research project with the University of the Sunshine Coast's (UniSC) Detection Dogs for Conservation (DDC) programme. Through this project, koala populations at risk can be identified and better conservation management strategies developed.

Costs for the Landscape Conservation programme were £3,407,040 in FY22.

Wildlife Crime

Wildlife crime is the fifth largest transnational criminal activity, putting at risk the survival of thousands of species of animals and accelerating the ongoing collapse of biodiversity. The illegal trade in live wild animals is causing tremendous suffering and countless animals die while being captured, transported and kept in homes as exotic pets. Even legal wildlife trade, particularly when there is a lack of regulation and enforcement, can facilitate the spread of zoonotic diseases, creating huge threats to humanity.

In our efforts to combating wildlife crime, IFAW works to build the capacity of law enforcement, strengthen policies, reduce consumer demand and disrupt the online trade in wildlife. IFAW's advocacy work supported significant policy actions that were achieved in FY22 including the implementation of the UK's 2018 Ivory Act, a US\$ 5.9 million increase in federal support for wildlife crime prevention in the U.S., the launch of new ivory rules in EU Wildlife Trade regulations, the initial development of a draft National Strategy for Wildlife Crime in Guyana and the EU Digital Services Act & Organised Crime Strategy.

Disrupting the poaching and trafficking of cheetahs

Fewer than 7,500 individual cheetahs are left in the wild. Cheetahs are trafficked for the illegal pet trade from the [Horn of Africa](#) to the [Arabian Peninsula](#). Funded by the [UK Government](#) through the [Illegal Wildlife Trade Challenge Fund](#), the [Legal Intelligence on Cheetah Illegal Trade \(LICIT\)](#) project provides support in strengthening national legislation and establishing enforcement networks to support counter-trafficking activities. IFAW is working together with the [Cheetah Conservation Fund \(CCF\)](#) and [Legal Atlas](#) to disrupt the poaching and trafficking of cheetahs from [Ethiopia](#) and [Somalia/Somaliland](#) and through [Yemen](#).

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Reducing supply in wildlife parts and products

Despite the impact of the ongoing COVID-19 restrictions, IFAW continued collaborating with online technology companies, logistics companies and law enforcement agencies in the fight against wildlife trafficking online.

In September 2021, the Coalition to End Wildlife Trafficking Online released an update highlighting the progress made through engagement with the private sector in an industry-wide approach. Between 2018 and 2021, the Coalition grew to more than 45 members, training close to 2,500 company staff and blocking or removing more than 11 million posts and listings of illegal wildlife for sale. The fourth annual event of the Coalition was held in Beijing, China. IFAW also continued to empower Coalition members through IFAW toolkits with operation manuals enhancing the capacity of online technology and logistics companies to identify wildlife crimes.

Reducing demand by changing behaviours

Through a joint research initiative with the Institute of Psychology at the Chinese Academy of Sciences, IFAW gained insight into Chinese consumer behaviour related to wildlife consumption. In FY22, the China team implemented a pilot intervention to reduce demand based on key identified psychological influencing factors that can motivate or discourage wildlife consumption. The campaign videos depicted two social scenarios where consuming tiger bone wine and wearing an elephant ivory bracelet created social awkwardness causing the wildlife consumer to lose face among friends. IFAW marketed the videos on Douyin (China's Tik Tok) incorporating big data to reach specific target audiences both demographically and geographically. In ten days, the online campaign generated more than 5.2 million media impressions and 60,756 interactions among the target audience. In total, in FY22, IFAW's campaigns in China resulted in more than US\$ 21 million in in-kind media donations. In March 2022, for example, IFAW collaborated with Cainiao Logistics to call for an end to the consumption of wildlife products by printing public service announcements (PSAs) on the shipping labels of 100 million parcels. In addition, with 2022 being the Chinese "Year of the Tiger", IFAW and the China Wildlife Conservation Association (CWCA) promoted PSAs with big cats to demonstrate pride in protecting wildlife and the ecosystems that we all rely on. In another campaign, IFAW had an entire train car in Guangdong Province decorated with protected animals to raise awareness about wildlife conservation.

Strongest measures ever to close ivory markets

In June 2022 the UK Ivory Act was implemented, four years on from it being passed as legislation in 2018. IFAW UK campaigned for this domestic ban for more than 15 years and post 2018 continued to campaign for acceptable implementation of the law, working closely with DEFRA to discuss potential weak points and loopholes. This legislation was not only important for the UK landscape but it catalysed similar legislative changes and policy guidance in countries such as China and the EU. After nearly a decade of campaigning for a total ban on ivory trade in the European Union (EU), the European Commission finally announced in December 2021 the strongest measures in EU history. This nearly complete closure of the European domestic ivory market and suspension of imports and re-exports both in raw and worked ivory will now hinder criminal efforts to launder illegal ivory and reduce incentives for poaching.

These announcements were an important milestone in the fight against wildlife crime, and great news for elephants.

Costs for the Wildlife Crime programme were £2,824,899 in FY22

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Marine Conservation

A healthy planet needs a healthy ocean. And yet today, our world's marine life and marine habitats face ever-increasing threats from human activities such as shipping, unsustainable fishing, industrial development and pollution. Healthy populations of large marine animals, particularly whales and sharks, play a key role in regulating ocean ecosystems and keeping carbon locked in the ocean. Protecting these large, iconic marine animals is critical, and protecting them has further benefits for other species and vital habitats throughout the world's ocean. IFAW's Marine Conservation programme continued making impact in FY22 in three key areas: saving the North Atlantic right whale, addressing collisions between ships and endangered whales and reducing underwater noise pollution.

Protecting marine life and habitats all over the world

Saving the North Atlantic right whale

In FY22, IFAW continued working to reduce threats to North Atlantic right whales (NARW) from entanglement in fishing gear and from vessel strikes in U.S. and Canadian waters. We collaborated effectively with industry, government and stakeholders to improve prospects for the survival of this critically endangered species. IFAW has led an increasingly effective coalition of NGOs to influence both state and federal management processes to accelerate progress while expanding incentives for adopting 21st-century fishing gear solutions.

IFAW helped a group of "early adopter" fishermen secure a first-of-its-kind exempt fishing permit to use on-demand fishing gear in the Massachusetts Bay restricted area, an area of federal waters otherwise closed to fixed-gear fishing operations during peak right whale occurrences. This is an achievement that will result in a real impact by keeping fishermen on the water while also keeping NARWs safe.

Our advocacy work helped increase federal funding for NARW conservation by US\$16 million (for a total of US\$21 million). IFAW also supported the first-ever installation of thru-hull transducers on four fishing vessels, which are used to signal the acoustic release of on-demand gear and signify a real commitment by early adopters. We're also helping vessels avoid striking whales by empowering people who spot whales to report their locations in real-time through the Whale Alert app. Our outreach efforts resulted in a doubling of App downloads, to a total of 68,558 users who can report and share NARW and other whale sightings.

Reducing the risk of ship strikes for endangered whale populations

With encouragement from IFAW, three major shipping companies are helping to save endangered sperm whales in the Mediterranean. The Hellenic Trench, to the west and south of the Peloponnese and southwest of Crete, is identified as a critical habitat for these whales, of which only 200 to 300 individuals remain.

In January 2022, the world's largest shipping container company, MSC Group, became the first major company to re-route their ships on the west coast of Greece to reduce the risk of collision with endangered sperm whales. This announcement was followed by a commitment from Euronav to also re-route their ships to avoid high-risk areas along the Hellenic Trench. The German Shipowners Association (VDR) has asked their member companies to do the same. This is the result of years of effort by IFAW and local partners and a critical step in encouraging action by Greece at the International Maritime Organization (IMO) in the near future.

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Reducing underwater noise and ship strike risk globally

IFAW's Blue Speeds campaign advocates for the reduction of shipping speeds to 75% of maximum design speed (equivalent to reducing speeds by around 10%) in European Union (EU) waters in order to reduce negative impacts of shipping on marine life and habitats. These slower speeds can reduce shipping underwater noise by 40%, ship strike risk by 50% and greenhouse gas emissions from shipping by 13%.

In FY22, we concluded an economic analysis, which indicates that our proposed reduction of shipping speeds could generate an annual social benefit valued at between €3.4 and €4.5 billion (depending on fuel prices). Our Blue Speeds campaign, which aims to gather widespread public and political support for slower ship speeds in European waters, was launched in the autumn of 2022.

Increasing pressure on Iceland's last remaining whaling company

As the Icelandic government increases pressure on the last remaining whaling company to end its hunt, public opposition in Iceland against fin whaling increased to 35%—double the number who opposed in a previous survey—according to polling commissioned by IFAW in FY22.

Our decades-long effort to end whaling in Iceland was strengthened in FY22 when the Icelandic Minister of Fisheries & Agriculture announced new animal welfare rules and surveillance requirements for the killing of whales in Iceland. These new regulations are similar to those in place for the slaughtering and hunting of other animals in the country, and are aimed at scrutinising the welfare aspects of whaling.

Studies have shown that it can take up to 25 minutes for a whale to die after being shot with an explosive harpoon. The announcement of new rules and requirements is a significant development that shows Icelandic leaders are examining how whales are being killed in their waters and showing concern for these sentient beings.

Costs for the Marine Conservation programme were £881,993 in FY22.

Disaster Response

Disaster events continue to increase in both frequency and severity around the world, unleashing devastation at a level we have not seen before. Humans are not alone in facing the immediate and long-term effects of these ongoing disasters—animals share the same burdens.

IFAW has witnessed first-hand the escalating intensity and destructiveness of disasters, whether a hurricane, an earthquake or a wildfire; these events are devastating to both people and animals. Our team of dedicated and trained experts operates globally to offer immediate emergency support to rescue and care for animals when disasters hit and to keep animals and guardians together. We also work to develop resiliency planning and capacity building in high-risk communities.

Intense planning and expert communication can mean the difference between life and death for people and animals. We believe that a coordinated response is crucial in addressing the risk and impact of emerging disasters on animals in Europe. That's why in 2021, we set up the European Disaster Response & Risk Reduction team. This team will play a vital role in coordinating local stakeholders and advocating for the inclusion of animals in disaster preparedness and response plans.

Overall, in FY22, we helped more than 101,717 animals affected by disasters, including 5,780 refugee pets from Ukraine helped at the Polish border.

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Helping people and animals in drought-stricken Somaliland

After three consecutive failed rainy seasons, severe drought conditions displaced 810,000 people and decimated crops and farm animals in Somaliland in FY22. 59% of households reported they had lost all their farm animals, forcing them to abandon their livelihoods and move to towns, according to surveys carried out by the Horn of Africa Voluntary Youth Committee (HAVOYOCO) among people displaced by drought in the Togdheer, Sool and Sanag regions of Somaliland. Many animals died due to lack of pasture and water, while others were sold in desperation as pastoralists tried to raise enough money to support their families as food and water prices skyrocketed.

IFAW evaluated the dire situation in Somaliland and, together with local partner Candlelight, provided emergency water trucks for both farm animals and household consumption. Together we provided a total of 605 barrels of water (121,000 litres) for 300 people and 555 core-breeding small ruminants (sheep, goats, and donkeys) in the villages of Ceeg, Warcibran, Fiqi-ayub, Haji-Salah and Duruqsi in Somaliland.

Thin resources available to the local communities resulted in emergency-level acute food insecurity. With the help of Candlelight, IFAW hired five trucks, each transporting 162 bales of pasture forage to the project's target villages. The delivery ensured sustainability during the drought season and the survival of farm animals. Candlelight signed a Memorandum of Understanding (MoU) with each target village committee indicating their roles in helping us reach affected households.

Providing immediate support after a tsunami hit Tonga

When the eruption of an undersea volcano in January 2022 triggered a tsunami that devastated the Pacific nation of Tonga, IFAW immediately began assessing the situation and determining how to help. The tsunami and volcanic ashfall damaged the infrastructure of residences, roads, marine ports, energy and water supply, and undersea cables (phone and internet) that connect the island to the rest of the world. Islands like Atatā were almost entirely destroyed and the devastation left people, pets and farm animals extremely vulnerable.

We soon received word from our friends at South Pacific Animal Welfare (SPAW), a New Zealand charity that provides veterinary services throughout the South Pacific, that there was widespread tsunami damage. One clinic location was even displaced 80.5 kilometres inland from its location. IFAW provided SPAW with emergency funding to support critical veterinary supplies for Tonga's animal community. This was a coordinated effort with the Tongan government to distribute three months of essential veterinary aid to Tongatapu and the outer islands. Officers from the Ministry of Agriculture, Food and Forests (MAFF) and local volunteers were vital in ensuring that veterinary supplies were delivered where they were needed most. IFAW's grant helped between 3,000 and 4,000 animals, including dogs, cats, farm animals, chickens and more.

Providing emergency relief after disasters hit Haiti

A 7.2 magnitude earthquake struck the country of Haiti and the surrounding region on Saturday, 14 August 2021. IFAW immediately contacted our local partners to assess the damage to their communities and we rushed aid to help provide safe shelter and food for animals and people affected by the earthquake and aftershocks.

Our local partners in Haiti set up several veterinary care stations in the Les Cayes area—which was the hardest-hit region. The clinics provided critical veterinary care for animals affected by the earthquake and tropical storm Grace. In total, IFAW teams provided care to 5,367 animals, including farm animals, goats, sheep, horses, donkeys, dogs, cats and pigs. IFAW previously worked with local partners following the 2010 earthquake and several disasters since.

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Even as disaster response efforts were underway in Haiti, our rescue teams responded to additional disasters. In Mexico, Grace hit Tulum and Playa del Carmen as a category 1 hurricane. IFAW's veterinarian Dr. Erika Flores and her team helped secure animal shelters and clinics ahead of the storm and supported local rescue and recovery efforts. And on Cape Cod in the U.S., our Marine Mammal Rescue team prepared for an emergency response with tropical storm Henri.

Emergency help and long-term recovery for animals and people in need in Ukraine

IFAW worked with partners in Ukraine during the 2014 Crimea crisis, and we stood by those same shelters when Russia invaded in February 2022. Through our strong partnerships, we were able to rapidly expand our emergency response efforts in Ukraine, Poland and neighbouring countries. We connected with government and veterinary authorities to discuss their needs and we supported zoos and sanctuaries with evacuating and transporting wildlife into safer areas.

Our disaster response team deployed to Poland for two months between March and May 2022 to manage the only animal service station, the so-called 'blue tent' at Medyka, the busiest border crossing point with Ukraine. Our responders, veterinarians and volunteers at the tent worked nonstop to help refugees and their pets. In 8 to 12-hour shifts, they provided 24/7 access to pet food, triage veterinary care and animal supplies. Many people told us how grateful they were to be received with empathy and compassion, and that we alleviated some of the worry about their furry friends.

One of these people was 31-year-old Alina Beskrovna, a brave Ukrainian woman that escaped a basement in Mariupol, a Ukrainian port city nestled between Crimea and Donbas. She, her mother and her three cats had been stuck there for five weeks before they were able to escape, embarking on a challenging six-day journey past 16 Russian control points that would finally take them to the border crossing, where IFAW was able to provide some relief for them.

In total, 43 IFAW responders, including seven veterinarians, deployed to greet and care for refugees and their pets as they entered Poland and began the next part of their journey. Our responders came from all over the world to help: the United Kingdom, Germany, France, the Netherlands, Belgium, Australia, the U.S., Mexico and Costa Rica.

We also supported Ukrainian veterinarians who assisted refugees and their pets entering Poland via the Przemyśl train station until late June 2022. In addition, we've issued over 40 emergency grants to support animal rescue and relief efforts—both inside Ukraine and in other countries. We continue to receive requests for support and we work closely with each grantee to ensure their needs are met and that as many animals as possible are helped.

In the first 100 days of the war, IFAW directly helped more than 42,000 companion animals (most of which were cats and dogs) and wild animals like bears, bats and tigers. In addition to helping animals in crisis, we also supported the incredible families and caretakers of those animals.

IFAW is grateful for the generous support we've received from around the world during the war in Ukraine. This generosity has allowed us to continuously provide critical aid such as veterinary care, animal food, emergency funds and pet supplies where this aid is needed most. Thanks to this generosity we are also able to make a multi-year commitment to help animals and people in Ukraine. When the war began, the recovery phase was outlined alongside our emergency response phase. When the time comes, we will move into the recovery phase during which we will focus on improving animal welfare standards and practices, as well as building more resilient facilities, systems and wildlife habitats.

Costs for the Disaster Response programme were £714,654 in FY22.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2022 (continued)

International Policy

IFAW actively engages in advocacy work, both nationally and internationally, because we believe that safeguarding habitats and species in the long term relies on protection provided by laws and policies. We build project-advocacy linkages, get IFAW priorities on agendas, support the implementation of decisions and forge strategic partnerships with governments, NGOs, funders and other stakeholders to amplify those speaking about our priorities.

Our International Policy team provides direct support and advice to governments based on our many years of on-the-ground project experience. IFAW provided policy advice and implementation assistance to 49 governments in FY22.

Advocating for change at the IUCN World Conservation Congress

In September 2021, the IUCN World Conservation Congress (WCC) gathered governments, scientists, NGO and Indigenous Peoples' groups to explore pathways towards solutions on almost all aspects of environmental health. IFAW participated to support the adoption of resolutions to better protect animals and their habitats worldwide. Our focus ranged from the reduction of ocean noise to halting biodiversity loss.

All IFAW-supported resolutions were adopted, including an IFAW co-sponsored resolution aimed at better protecting our ocean environment and marine life. This resolution urges members to conclude negotiations on a new international treaty to conserve biodiversity on the high seas (areas beyond the control of individual nations) that would include the ability to create new marine protected areas and manage the impact of human activities on high seas marine life. Adoption of these resolutions will strengthen global commitments and set clear guidance for governments, international bodies and NGOs to cooperate, coordinate and enact better policies to protect nature.

Negotiating in preparation for CBD CoP15

The Convention on Biological Diversity (CBD), the UN agreement to conserve nature, is currently negotiating a new global framework to guide countries' efforts to safeguard nature over the next decade. It is hoped this new Post-2020 Global Biodiversity Framework will be adopted at the CBD Conference in December 2022. In advance of that meeting, the CBD has been hosting a number of negotiating sessions to prepare the new framework. IFAW participated in the fourth of these meetings in Nairobi, Kenya, in June 2022.

The Post-2020 Framework is the driver behind the global call to conserve 30% of the earth by 2030—or what is popularly referred to as '30x30' in policy forums around the world. With biodiversity and ecosystems across our planet on the brink of collapse, IFAW will continue to advocate for ambitious targets to protect nature, stronger measures to protect species and eliminate trade in wildlife and increased investment by the international community for safeguarding our natural world.

Strengthening protection for sharks and rays

More than 50% of shark species are threatened or near threatened with extinction. In March 2022, IFAW released a new report "Supply and Demand: The EU's role in the global shark trade", which found that the European Union (EU) plays a key role as a supplier and trader in the global shark trade—which is driving many species towards extinction. When effective management is put in place, shark populations have been shown to recover.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2022 (continued)

IFAW continues to advocate for listings of shark species by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), which has led to action at the international and national level to create management for species threatened by the international trade in shark products.

We were happy to see the EU formalise its position for the 19th session of CITES (scheduled for November 2022), including co-sponsorship of the most significant shark proposal in CITES' history. The proposal put forth by Panama aims to bring the majority of the shark fin trade under sustainable trade limits for the first time.

Putting nature at the heart of climate action at CoP26

At IFAW, we're putting nature at the heart of everything we do to combat climate change. We joined the UN Climate Change Conference (COP26) in Glasgow in October 2021 to inspire and encourage a far greater focus on investing in nature as a core tool to combat climate change. IFAW gave recommendations to help ensure that governments, NGOs and intergovernmental organisations take actions to protect vulnerable species, critical landscapes and seascapes, and communities disproportionately affected by climate change. COP26 was critical because it was considered the last chance for governments to commit to significant enough changes to slow the dire rate of climate change and meet the goal of the Paris Agreement to keep global warming below 1.5 degrees Celsius. Studies show that nature conservation alone could account for up to a third of carbon mitigation needed to reach the Paris Agreement targets.

Costs for the International Policy programme were £370,551 in FY22.

Marine Mammal Rescue

IFAW rescues marine mammals and advances stranding science by improving stranding response methods and conducting training, innovating effective techniques in the field and providing mutual aid, training and sharing protocols. IFAW's Marine Mammal Rescue program is a world-recognised leader in stranding response. In FY22, the team responded to 264 stranded marine mammals. This included responses to 51 live cetaceans (including small whales, dolphins and porpoises), 29 of which were released back into the wild.

IFAW's team not only rescues and provides cutting-edge veterinary care to individual animals, but also drives constant innovation and ground-breaking research that is shared with collaborators from around the world. We continue working to increase the survival rate of stranded or at-risk marine mammals and share our knowledge to improve stranding response and welfare globally. We use data in an effort to improve the welfare of individual marine mammals and promote conservation.

Reaching students in New Zealand

In FY22, we provided grant funding to long-term partner Project Jonah, to deliver marine mammal conservation messaging in schools and to inspire young wildlife advocates in New Zealand. In FY23, the grant will fund two educator positions and aims to reach several thousand students.

Costs for the Marine Mammal Rescue Programme were £82,357 in FY22.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2022 (continued)

The Trustees' Report and the Strategic Report were approved by the Trustees on 15 February 2023 and signed on their behalf by;

DocuSigned by:
Graeme Cottam 15 February 2023
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Graeme R. Cottam, Trustee Date

DocuSigned by:
Mark Beaudouin 15 February 2023
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Mark Beaudouin, Chair and Audit & Risk Oversight Committee Chair Date

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL FUND FOR ANIMAL WELFARE (IFAW)

Opinion

We have audited the financial statements of International Fund for Animal Welfare (IFAW) (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of Financial activities, Statement of financial position, Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 7 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from internal advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the General Data Protection Regulations. We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Use of our report

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.

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

EC4A 4AB

24 February 2023

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 30 June 2022

	Note	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
Income from:					
Donations and legacies	2	17,947,433	228,723	18,176,156	17,921,921
Grants from connected organisations	17	-	108,216	108,216	79,328
Interest and Investment income		146,135	-	146,135	136,991
Total income		18,093,568	336,939	18,430,507	18,138,240
Expenditure on:					
Raising funds	3	3,016,118	-	3,016,118	2,888,639
Charitable activities	3	11,792,867	346,939	12,139,806	11,263,348
Total expenditure		14,808,985	346,939	15,155,924	14,151,987
Net resources incoming before investment gains					
		3,284,583	(10,000)	3,274,583	3,986,253
Net (loss)/gain on investments		(732,117)	-	(732,117)	1,342,323
Net resources incoming					
		2,552,466	(10,000)	2,542,466	5,328,576
Other recognised (losses)/ gains		(12,367)	-	(12,367)	83,575
Net movement in funds					
		2,540,099	(10,000)	2,530,099	5,412,151
Reconciliation of funds					
Total funds brought forward	18	17,884,460	10,000	17,894,460	12,482,309
Total funds carried forward		20,424,559	-	20,424,559	17,894,460

The notes on pages 37 to 56 form part of these accounts.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Statement of Financial Position at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	148,578	205,468
Investments	10	6,974,857	8,140,234
Other investments	10	2	2
Total fixed assets		7,123,437	8,345,704
Current assets			
Debtors	11	6,915,739	6,045,069
Cash in bank and in hand		7,656,252	5,045,910
Total current assets		14,571,991	11,090,979
Liabilities			
Creditors falling due within one year	12	(1,190,274)	(1,404,738)
Net current assets		13,381,717	9,686,241
Creditors falling due after more than one year	13	(80,595)	(137,485)
Total Net assets		20,424,559	17,894,460
The Funds of the charity			
Unrestricted income funds	18	20,424,559	17,884,460
Restricted income funds	18	-	10,000
Total charity funds		20,424,559	17,894,460

The financial statements on pages 34 to 56 were approved by the board of Trustees and authorised for issue on 15 February 2023 and signed on its behalf by:

DocuSigned by:

Graeme Cottam

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Graeme R. Cottam, Trustee

DocuSigned by:

Mark Beaudouin

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Mark Beaudouin, Trustee

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Statement of cash flows for the year ended 30 June 2022

	Note	2022 £	2021 £
Cash provided by operating activities	19a	2,098,711	2,335,270
Cash flows from investing activities			
Interest & investment income		146,135	136,991
Payments to acquire fixed asset investments		(826,317)	(819,521)
Proceeds from sales & maturities of fixed asset investments		1,259,577	1,052,834
Cash provided by investing activities		579,395	370,304
Cash flows from financing activities			
Repayments of borrowing		(56,890)	(56,890)
Interest paid		(10,874)	(10,866)
Cash applied to financing activities		(67,764)	(67,756)
Increase in cash and cash equivalents in the year		2,610,342	2,637,818
Cash and cash equivalents at the beginning of the year		5,045,910	2,408,092
Total cash and cash equivalents at the end of the year	19b	7,656,252	5,045,910

The notes on pages 37 to 56 form part of these accounts.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: accounting and reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition, effective 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. International Fund for Animal Welfare (IFAW) meets the definition of a public benefit entity under FRS 102. The statements are presented in the functional currency of the Organisation, British pound sterling (GBP).

Going Concern

The Charity has adequate financial resources and the Trustees consider it is well placed to manage the business risks. As explained in the Trustees' Report, the planning process, including financial projections, takes into consideration the current economic climate, the lingering impact of COVID-19 and potential impact on the various sources of income and planned expenditures. The Trustees have a reasonable expectation that the Charity has adequate resources to meet all obligations for at least 12 months after issuance of these statements and requires no assistance from affiliated organisations. It is the Trustees' view that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future. As noted above, this view is based upon management's income projections for the remainder of FY2023 and preliminary targets for FY2024 reflect confidence that continued donor support (including legacy income) coupled with the Charity's variable cost expense structures provide additional support for going concern. Lastly, the Charity maintains healthy operating and strategic reserves levels, which serve to mitigate budgetary risks. The accounts have therefore been prepared on the basis that the charity is a going concern.

Financial Statements

The accounting policies are set forth below:

Funds

General Fund

This fund is not restricted as to its use and is for activities that fall within the objects of the charity. The General Fund is available to fund the annual expenditure of the Charity.

Designated Funds

These are funds set aside by the Trustees out of unrestricted general funds for particular future purposes or projects. The Trustees have designated funds to generate income to fulfil the long-term objects of the charity. The income generated by this fund remains within the fund. The fund and current needs of the charity are reviewed on a regular basis and transfers to unrestricted funds are made as deemed necessary by the Trustees.

Restricted Funds

Certain grant and other income that is restricted as to its use by the donor is shown separately on the Statement of Financial Activities together with related expenditure.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

Legacies

Legacy income is recognised on an accrual basis when it becomes probable that the legacy will be received and the amount is determinable. Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received by the Executor. Residuary legacies are recognised as receivable once probate has been granted, notification has been received by the Executor and they can be valued with reasonable certainty, this includes a considered deduction to allow for fees, losses on asset values and administration. Life interest legacies are recognised at the date of death of the life tenant.

Donation income

Donations, other than legacy income, and other similar income, are recorded when receivable.

Income from grants

Grants receivable are recognised in the period in which the conditions for receipt of the grant have been met.

Income from investments and deposits

Income on investments and deposits is recognised on an accruals basis.

Intangible income

Gifts of services or assets, which the Charity would otherwise have had to purchase, are reflected in the financial statements at cost to the donor, where the benefit is quantifiable and measurable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Tangible fixed asset purchases less than £5,000 are deemed de minimis, and therefore are expensed through the Statement of Financial Activities in the period in which they were acquired. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

- Computer equipment is depreciated over three to five years.
- Furniture and fixtures are depreciated over five years.

Tangible fixed assets are evaluated for impairment when there are indications that their carrying value may be greater than their recoverable amount. If an asset's carrying value is determined to be greater than its recoverable amount, an impairment charge in the amount of the excess is to be recorded on the statement of financial activities.

Fixed asset investments

Investments are stated at market value at the balance sheet date. Any realised and unrealised gains or losses are reflected within the Statement of Financial Activities.

Other investment is comprised of investments in affiliated organisations, and is stated at its historical purchase cost.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

Leasing and hire purchase commitments

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the statement of financial activities in the proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term or, if shorter the period ending when prevailing market rentals will become payable.

Grant expenditure

Grants payable are recognised in the Statement of Financial Activities at the time each grant is approved and communicated to the recipient.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax that cannot be recovered. Expenses are recognised in the period in which goods and/or services are received.

Certain expenditures are directly attributable to specific activities and have been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by personnel on those activities.

Charitable expenditures are those costs incurred directly in support of expenditures on the objects of the Charity and include project management.

Fundraising costs involve inducing potential donors to contribute money, securities, services, materials or time. They include publicising and conducting fundraising campaigns, maintaining donor mailing lists, preparing and distributing fundraising materials, and conducting other activities involved with soliciting.

Governance costs include the direct costs of administering the Charity. Support costs include oversight, business management, general record keeping, budgeting, financing, and all management and administration in support of charitable activities. Governance and support costs are apportioned to the relevant cost categories based upon the estimated time and effort associated with direct activities of the organisation.

Pensions and similar obligations

The Charity operates a defined contribution pension scheme and costs are charged to the Statement of Financial Activities as incurred. Assets of the pension scheme are held separately to those of the company.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

Foreign currencies

Operational transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Differences arising on translation are taken to the Statement of Financial Activities. Forward exchange contracts are recognised at fair value on the balance sheet date. Resulting unrealised gains or losses are taken to the Statement of Financial Activities.

Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets held at amortised cost comprise current asset investments, cash at bank and in hand, and debtors excluding prepayments.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Investments, including bonds and cash held as part of the investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary and affiliated organisation are held at cost less impairment.

The Charity enters into foreign currency forward contracts to manage the foreign change risk of future transactions and cash flows. The contracts are valued based on available market data. The company does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in the profit or loss.

Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation. Significant areas of estimation and judgement include accrued legacy income, which is estimated based on the best information available at the balance sheet date. Management's estimate is prudent in respect of illiquid asset to be accrued.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

2 Donations and contributions

	2022	2021
	£	£
Sustainer donations	3,134,997	3,331,648
Sweepstakes donations	1,255,910	1,551,780
Newsletter appeal donations	2,585,176	2,871,998
Legacies	8,454,020	8,060,958
Gift aid contributions	1,327,969	1,328,241
Other donations	1,418,084	777,296
	<u>18,176,156</u>	<u>17,921,921</u>

This table reflects unrestricted income of £17,947,433 (2021: £17,689,080) and restricted income of £228,723 (2021: £232,841).

3 Allocation of expenses

Costs by charitable activity for Fiscal year 2022 and 2021 were as follows:

	2022				
	Activities undertaken directly	Activities undertaken through grants	Support costs	Total	2021
	£	£	£	£	£
Charitable activities:					
Landscape Conservation	1,514,612	1,571,973	320,455	3,407,040	2,777,681
Wildlife Crime	833,180	1,726,089	265,630	2,824,899	2,492,513
Wildlife Rescue	2,518,177	964,961	361,662	3,844,800	3,142,211
Disaster Response and Risk	293,595	353,852	67,207	714,654	999,492
Marine Mammal Rescue and Research	15,081	67,243	8,544	90,868	195,461
Marine Conservation	323,037	476,016	82,940	881,993	1,153,569
International Policy	57,648	278,061	34,842	370,551	502,421
Total Programmes	<u>5,555,330</u>	<u>5,438,195</u>	<u>1,141,280</u>	<u>12,134,805</u>	<u>11,263,348</u>

Fiscal 2022 programme expenses were comprised of £11,792,867 unrestricted (FY21 £10,950,482) and £346,939 restricted (FY21 £312,866).

Cost apportionment between charitable activities is based upon:

- Activities undertaken directly – employee time and direct expenses associated with conducting programmatic activities.
- Activities undertaken through grants – nature of programmatic activities of organisations that received grant funding from the Charity.
- Support costs – support activities are apportioned based upon the estimated time and effort associated with direct activities of the organisation.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

3 Allocation of expenses (continued)

Costs of raising funds for Fiscal year 2022 and 2021 were as follows:

	Total 2022 £	Total 2021 £
Campaigns and projects:		
Direct staffing	12,224	12,427
Support staffing	259	197
Support costs	5,600	4,883
Total	<u>18,083</u>	<u>17,507</u>
Multimedia outreach and influence:		
Digital marketing and fundraising	38,556	13,367
Direct staffing	20,929	5,040
Support staffing	1,258	291
Support costs	27,254	7,232
Total	<u>87,997</u>	<u>25,930</u>
Supporter awareness and advocacy:		
Outreach, production and distribution	1,472,434	1,506,048
Direct staffing	294,751	309,268
Support staffing	37,387	28,706
Support costs	1,105,466	1,001,180
Total	<u>2,910,038</u>	<u>2,845,202</u>
Total mission costs	<u>3,016,118</u>	<u>2,888,639</u>

Governance costs included for Fiscal year 2022 and 2021:

	2022 £	2021 £
Auditors' remuneration		
Statutory audit - Charity auditor	40,832	31,500
Statutory audit - associate of the Charity auditor	-	52,214
Legal fees	40,961	38,397
Trustee indemnity insurance	8,740	8,962
	<u>90,533</u>	<u>131,073</u>

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

3 Allocation of expenses (continued)

Total support costs which is included in raising funds and charitable activities of £1,501,764 (2021: £1,387,233) include Direct expenditure of £673,379 (2021: £579,000) and Institutional shared support costs of £828,385 (2021: £808,233) representing the Charity's portion of worldwide support costs reimbursed to IFAW US by the Charity at cost. The apportionment of all costs is based upon the estimated amount of staff time and effort required to perform the above activities.

4 Other recognised gains

	2022 £	2021 £
Gain (loss)/ gain on foreign exchange	(12,367)	83,575
	<u>(12,367)</u>	<u>83,575</u>

5 Grants Payable

Grants payable were as follows

	2022 £	2021 £
Affiliated organisations	4,065,964	3,676,149
Unaffiliated organisations	1,377,230	1,355,764
	<u>5,443,194</u>	<u>5,031,913</u>

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

5 Grants Payable (continued)

Programme priorities for the external grants for related organisations were as follows

	2022								2021	
	Landscape Conservation £	Wildlife Crime £	Wildlife Rescue £	Disaster Response £	Marine Mammal Rescue £	Marine Conservation £	International Policy £	General Support £	Total £	Total £
International Fund for Animal Welfare, Inc. (United States)	770,390	1,716,089	427,194	321,743	59,472	476,016	278,061	-	4,048,965	3,670,852
International Fund for Animal Welfare Limited (Zambia)	-	10,000	-	-	-	-	-	-	10,000	-
International Fund for Animal Welfare IFAW in Action	-	-	-	-	-	-	-	5,000	5,000	5,000
International Fund for Animal Welfare (IFAW) Limited (Malawi)	2,000	-	-	-	-	-	-	-	2,000	-
International Fund for Animal Welfare (Australia) Pty Ltd	-	-	-	-	-	-	-	-	-	297
	<u>772,390</u>	<u>1,726,089</u>	<u>427,194</u>	<u>321,743</u>	<u>59,472</u>	<u>476,016</u>	<u>278,061</u>	<u>5,000</u>	<u>4,065,965</u>	<u>3,676,149</u>

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

5 Grants Payable (continued)

Programme priorities for the external grants for unaffiliated organisations were as follows

	Location of Impact	2022							Total £	2021 Total £
		Landscape Conservation £	Wildlife Crime £	Wildlife Rescue £	Disaster Response £	Marine Mammal Rescue £	Marine Conservation £	International Policy £		
Wild is Life Foundation	Zimbabwe	535,790	-	305,818	-	-	-	-	841,608	738,115
Wildlife Trust of India	India	263,793	-	231,949	32,109	-	-	-	527,851	479,015
Project Jonah	New Zealand	-	-	-	-	7,771	-	-	7,771	-
Tsavo Trust Limited	Kenya	-	-	-	-	-	-	-	-	6,144
Kenya Wildlife Service	Kenya	-	-	-	-	-	-	-	-	20,027
Lilongwe Wildlife Trust	Malawi	-	-	-	-	-	-	-	-	105,263
Worldwide Veterinary Service	United Kingdom	-	-	-	-	-	-	-	-	7,200
		<u>799,583</u>	<u>-</u>	<u>537,767</u>	<u>32,109</u>	<u>7,771</u>	<u>-</u>	<u>-</u>	<u>1,377,230</u>	<u>1,355,764</u>

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

6 Employees

	2022 £	2021 £
Wages and Salaries	1,202,180	1,125,436
Social Security Costs	260,111	252,617
Pension costs	100,781	77,377
	<u>1,563,072</u>	<u>1,455,430</u>

Staff activities are illustrated as follows:

	2022	2021
Program	9	8
Program support	7	7
Fundraising	11	11
	<u>26</u>	<u>26</u>

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

£	2022	2021
60,001 - 70,000	2	1
70,001 - 80,000	-	1
80,001 - 90,000	2	1
90,001 - 100,000	1	1

Contributions of £30,389 (2021: £24,220) were made into a defined contribution pension scheme on behalf of the above employees and charged to unrestricted charitable activities on the Statement of Financial Activities.

As it relates to termination, employees of the Charity are generally provided with a termination notice in writing and can receive termination benefits directly corresponding to years of service at the Charity. The cost for such payments was approximately £nil in fiscal year 2022 (2021: £2,500).

The key management personnel of the Charity are the Trustees, the Regional Director – United Kingdom, the Chief Executive Officer (CEO), and the Chief Financial Officer (CFO). The Trustees receive no remuneration. Salary and pension information for the Regional Director is included in the figures above. The CEO and CFO are employees of the International Fund for Animal Welfare, Inc., the United States affiliate and World Headquarters for the IFAW affiliated entities. These salaries are part of the institutional shared costs discussed in Note 3. Total employee compensation of these key management positions were £584,569 (2021: £492,186). Included in these amounts were amounts paid for defined contribution pension plans of £47,172 (2021: £40,995) The amount of these costs allocated to the Charity were £126,618 (2021: £118,322).

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

7 Trustees' emoluments

The Trustees received no remuneration in the period (2021: £nil). Travel expenses were nil to Trustees (2021: £nil). No Trustees were reimbursed travel expenses (2021: none).

The Organisation pays certain meeting costs on behalf of the Trustees, such as travel and accommodations. These costs are part of the institutional shared costs discussed in Note 3. The amount of these costs allocated to the Charity were £24,121 (2021: £nil).

Trustees are covered by indemnity insurance, the cost of which is incurred by the Charity's US affiliate, and is included as a component of institutional shared support. The cost of such insurance was £10,627 in Fiscal year 2022 (2021: £8,962).

8 Taxation

The income of the Charity is applied exclusively to charitable purposes and is exempt from taxation in accordance with Section 505 of the Income and Corporation Taxes Act 1988.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

9 Tangible Assets

	Furniture and Fixtures £	Computer Equipment £	Total £
Cost			
At 1 July 2021	291,133	30,538	321,671
At 30 June 2022	<u>291,133</u>	<u>30,538</u>	<u>321,671</u>
Accumulated depreciation			
At 1 July 2021	85,665	30,538	116,203
Charge for the period	56,890	-	56,890
At 30 June 2022	<u>142,555</u>	<u>30,538</u>	<u>173,093</u>
Net book value			
At 30 June 2022	<u><u>148,578</u></u>	<u><u>-</u></u>	<u><u>148,578</u></u>
At 1 July 2021	<u>205,468</u>	<u>-</u>	<u>205,468</u>

The net book value of furniture and fixtures includes £148,578 (2021: £205,468) in respect to assets held under hire purchase contracts

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2022 (continued)

10 Fixed Asset Investments and Other Investments

	2022 £	2021 £
Fixed Asset Investments:		
Investment portfolio at 1 July	8,318,544	7,343,949
Less: Cash deposits awaiting investment at 1 July	(178,310)	(312,725)
Market value at 1 July	<u>8,140,234</u>	<u>7,031,224</u>
Additions at cost	826,317	819,522
Disposal proceeds	(1,259,577)	(1,052,834)
Net investment (losses)/gains	<u>(732,117)</u>	<u>1,342,322</u>
Market value at 30 June	6,974,857	8,140,234
Add: Cash deposits awaiting investment at 30 June	408,170	178,310
Investment portfolio at 30 June	<u><u>7,383,027</u></u>	<u><u>8,318,544</u></u>
Historical Cost:		
Investments portfolio at cost at 30 June	<u><u>5,259,443</u></u>	<u><u>5,215,820</u></u>

Market value comprises:

	2022 £	2021 £
Equities:		
Services	342,738	346,106
Financials	2,681,724	3,675,567
Fixed Income	1,556,373	1,669,414
Utilities	1,075,713	845,181
Consumer goods	396,758	471,556
General industry	553,899	803,035
Property Funds	367,652	329,375
	<u><u>6,974,857</u></u>	<u><u>8,140,234</u></u>

No individual investment was greater than 10% of the portfolio. All investments are listed securities held within the United Kingdom.

Other investment is a 1/6th interest in International Fund for Animal Welfare (Australia) Pty Ltd, an affiliated Organisation at a cost of £1. The Charity also owns a 1/6th interest in IFAW Internationaler Tierschutz-Fonds gGmbH (Germany), an affiliated organisation at a cost of £1. The investment is reported at cost, as the Organisation owns a minority interest and exercises no managerial or operational control over this entity.

Other investment of the Charity only is £2. This represents the 1/6 interests discussed above.

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2022 (continued)

11 Debtors: Amounts falling due within one year

	2022	2021
	£	£
Accrued legacy income	6,200,442	5,174,319
Other accrued income	226,336	391,756
Prepayments	159,272	47,956
Accrued income	89,335	131,772
Due from connected organisations (see note 17)	240,354	299,266
	<u>6,915,739</u>	<u>6,045,069</u>

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	561,540	722,255
Due to connected organisations (see note 17)	263,760	237,470
Accruals and deferred revenue	266,633	349,772
Hire Purchase creditors	55,982	55,982
Other creditors	42,359	39,259
	<u>1,190,274</u>	<u>1,404,738</u>

13 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Hire purchase creditors	80,595	137,485
	<u>80,595</u>	<u>137,485</u>

This represents the outstanding capital value of hire purchase transactions for office furniture purchased

Hire purchase creditors	2022	2021
Amounts due:	£	£
Within one year	55,982	55,982
Between two to five years	80,595	137,485
	<u>136,577</u>	<u>193,467</u>

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

14 Net movement in funds

Net movement in funds is stated after charging

	2022 £	2021 £
Property lease rental	320,940	326,807
Depreciation of owned tangible fixed assets	56,890	59,598
	<u>377,830</u>	<u>386,405</u>

15 Lease commitments

At 30 June 2022, the Charity had total commitments under non-cancellable operating leases as follows:

Land and buildings	2022 £	2021 £
Amounts due:		
Within one year	220,116	220,116
Between two to five years	348,517	568,633
	<u>568,633</u>	<u>788,749</u>

16 Membership of the company

The Charity was incorporated on 27 March 1992 in the United Kingdom and is limited by the guarantee of its members. The guarantee of each member is restricted to one pound. The members are the directors of the company and also act as Trustees for the charitable activities of the Charity.

17 Related party transactions

The Charity is connected with the following UK and non-UK organisations:

Name	Country
International Fund for Animal Welfare (Australia) Pty Ltd	Australia
International Fund for Animal Welfare (Belgium)	Belgium
International Fund for Animal Welfare Inc./ Fonds international pour la protection des animaux inc.	Canada
Fonds international pour la protection des animaux (IFAW France)	France
Fonds International pour la Protection des Animaux (IFAW)	France
IFAW Internationaler Tierschutz-Fonds gGmbH	Germany
International Fund for Animal Welfare (IFAW) Limited *	Malawi
Stichting IFAW (International Fund for Animal Welfare)	Netherlands
International Fund for Animal Welfare NPC	South Africa
International Fund for Animal Welfare IFAW in Action	United Kingdom
International Fund for Animal Welfare, Inc.	United States
International Fund for Animal Welfare Limited *	Zambia
International Fund for Animal Welfare (Zimbabwe) Trust	Zimbabwe

*The Charity is an entity member for International Fund for Animal Welfare (IFAW) Limited and International Fund for Animal Welfare Limited. As an entity the member this does not constitute an investment contains nor provides interest for the Charity

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

17 Related party transactions (continued)

Amounts owed by connected organisations at 30 June:

	2022 £	2021 £
Stichting IFAW (Netherlands)	17,112	23,070
International Fund for Animal Welfare (Australia) Pty Ltd	47,786	54,913
Fonds international pour la protection des animaux (IFAW France)	48,878	63,230
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)	5,183	28,311
International Fund for Animal Welfare NPC (South Africa)	62,956	36,844
IFAW Internationaler Tierschutz-Fonds gGmbH (Germany)	58,439	90,738
International Fund for Animal Welfare IFAW in Action (UK)	-	2,160
	<u>240,354</u>	<u>299,266</u>

Amounts owed to connected organisations at 30 June:

	2022 £	2021 £
International Fund for Animal Welfare, Inc. (United States)	242,909	237,297
International Fund for Animal Welfare Limited (Zambia)	15,287	-
International Fund for Animal Welfare IFAW in Action	3,410	-
International Fund for Animal Welfare (IFAW) Limited (Malawi)	2,154	173
	<u>263,760</u>	<u>237,470</u>

Income received from connected organisations:

	2022 £	2021 £
International Fund for Animal Welfare, Inc. (United States)	91,822	62,600
Stichting IFAW (Netherlands)	2,200	3,346
International Fund for Animal Welfare (Australia) Pty Ltd	14,194	13,382
	<u>108,216</u>	<u>79,328</u>

This table reflects restricted grants from connected organisations of £108,216 (2021: £79,328). There were no unrestricted grants from connected organisations (2021: £nil).

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2022 (continued)

17 Related party transactions (continued)

Grants paid to connected organisations:

	2022 £	2021 £
International Fund for Animal Welfare, Inc. (United States)	4,048,964	3,670,852
International Fund for Animal Welfare Limited (Zambia)	10,000	-
International Fund for Animal Welfare IFAW in Action (United Kingdom)	5,000	5,000
International Fund for Animal Welfare (IFAW) Limited (Malawi)	2,000	-
International Fund for Animal Welfare (Australia) Pty Ltd	-	297
	<u>4,065,964</u>	<u>3,676,149</u>

During Fiscal year 2022 International Fund for Animal Welfare, Inc. (IFAW US) provided certain programme, fundraising and support costs for all the IFAW entities. Such shared costs includes programmatic strategy, projects and campaign development strategy and campaign communication strategy and public awareness, along with shared finance, technology and human resource support. This shared cost is reimbursed to IFAW US by the Charity at cost. These costs are reported as a component of institutional shared costs totalling £3,926,019 (2021: £3,769,113).

18 Funds

As part of the Charity's overall reserves and risk management strategies, the Trustees voted to adopt an Institutional Financial Reserves Policy at the October 2013 Board of Trustees meeting. The worldwide affiliated IFAW entities are financially and operationally interdependent, and therefore the policy established discrete funds to support specific goals and objectives for IFAW at the global level. As such, individual IFAW entities may vary with respect to nature and quantities of reserves. Financial reserves have been established as follows:

- Operating reserves – intended to provide an internal source of funds for unseen situations
- Strategic reserves – intended to provide unrestricted financial resources to support the organisation's long range strategic objectives
- Donor endowments – maintained (as relevant) to provide financial resources to the Organisation in accordance with donors' intentions

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2022 (continued)

18 Funds (continued)

This structure is intended to mitigate financial risks embedded in the Organisation's operating activities and position the Organisation to pursue programmatic and institutional programme activities. IFAW intends to maintain global operating reserves of approximately two months of operating expenditures and global strategic reserves sufficient to generate approximately 1-2% of annual budgeted expenditures. Concurrent with the Financial Reserves Policy, the Directors voted to adopt a revised Institutional Investment Policy Statement to support the goals and objectives of the respective reserve funds.

The Charity's funds were comprised of the following as of 30 June 2022 and 2021:

	General Fund	Restricted Fund	Total
	£	£	£
At 1 July 2021	17,884,460	10,000	17,894,460
Incoming resources	18,093,568	336,939	18,430,507
Resources expended	(14,808,985)	(346,939)	(15,155,924)
Unrealised loss on investments	(1,484,138)	-	(1,484,138)
Realised gains on investments	752,021	-	752,021
Other recognised gains	(12,367)	-	(12,367)
At 30 June 2022	20,424,559	-	20,424,559
At 30 June 2021	17,884,460	10,000	17,894,460

During Fiscal year 2021 the Charity received funds from donors and affiliated organisations totalling £336,939 (2021: £312,169), which were restricted to use for costs associated with the Charity's priority and regional programmes. During Fiscal year 2022, restricted funds totalling £346,939 (2021: £312,866) were expended. Amounts restricted as to use as of 30 June 2022 and 2021 are illustrated as follows:

	2022	2021
	£	£
Wildlife Crime	-	10,000
	<u>-</u>	<u>10,000</u>

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2021 (continued)

18 Funds (continued)

Net assets by fund were comprised of the following at 30 June 2022:

	General Fund	Restricted Funds	Total
	£	£	£
Fixed assets	7,123,437	-	7,123,437
Current assets	14,571,991	-	14,571,991
Current liabilities	(1,190,274)	-	(1,190,274)
Noncurrent liabilities	(80,595)	-	(80,595)
Net assets	<u>20,424,559</u>	<u>-</u>	<u>20,424,559</u>

Net assets by fund were comprised of the following at 30 June 2021:

	General Fund	Restricted Funds	Total
	£	£	£
Fixed assets	8,345,704	-	8,345,704
Current assets	11,080,979	10,000	11,090,979
Current liabilities	(1,404,738)	-	(1,404,738)
Noncurrent liabilities	(137,485)	-	(137,485)
Net assets	<u>17,884,460</u>	<u>10,000</u>	<u>17,894,460</u>

19 Notes to the cash flow statement

Note 19a	2022	2021
	£	£
Net resources incoming	2,542,466	5,328,576
Deduct investment income shown in investing activities	(146,135)	(136,991)
Add back depreciation charge	56,890	59,598
Hire purchase interest paid	10,874	10,866
Realised losses/(gains) from tangible investments	732,117	(1,342,323)
Foreign exchange gain	(12,367)	83,575
Increase in debtors	(870,670)	(544,121)
Decrease in creditors	(214,464)	(1,123,910)
Net cash provided by operating activities	<u>2,098,711</u>	<u>2,335,270</u>

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2022 (continued)

19 Notes to the cash flow statement (continued)

Note 19b

	1 July 2021	Cashflow	Non Cash Movement	30 June 2022
	£	£	£	£
Cash and equivalents				
Cash at bank and in hand	4,867,600	2,389,538	-	7,257,138
Cash Investments	178,310	220,804	-	399,114
	<u>5,045,910</u>	<u>2,610,342</u>	<u>-</u>	<u>7,656,252</u>
Hire purchase creditors				
Short Term	55,982	-	-	55,982
Long Term	137,485	(56,890)	-	80,595
	<u>193,467</u>	<u>(56,890)</u>	<u>-</u>	<u>136,577</u>

20 Financial instruments

The carrying amount of the Organisation's financial instruments at 30 June were:

	2022	2021
	£	£
Financial assets		
Instruments measured at fair value through statement of financial activities	<u>7,383,027</u>	<u>8,318,544</u>

21 Forward contracts

The Organisation hedges certain anticipated cash flows using forward exchange contracts. At 30 June 2022 and 2021 the Organisation had no outstanding forward exchange contracts.

22 Dormant Trading subsidiary: IFAW Commerce Limited (Company Registered Number 7572366)

IFAW Commerce Limited is a wholly owned subsidiary of the Charity. The principal activity of IFAW Commerce Limited was that of undertaking research activities to support the aims of the charity, utilising the research vessel *Song of the Whale*. In Fiscal 2013, the Directors and the Trustees of the companies took the decision to grant the vessel and related equipment on economic grounds.

As a result of this grant, and the lack of financial activity since 2014 IFAW Commerce Limited's shared capital of £150 is not consolidated in these financial statements.