

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 2021

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Annual Report and Financial Statements for the year ended 30 June 2021

CONTENTS

| | Pages |
|--|----------------|
| Message from the CEO | 2 |
| Message from the Board Chair | 3 |
| Trustees' report (including strategic report) | 4-27 |
| Independent auditor's report | 28 – 31 |
| Statement of financial activities | 32 |
| Statement of financial position | 33 |
| Statement of cash flows | 34 |
| Notes to the financial statements | 35 - 54 |

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Message from the CEO

Amidst the backdrop of a lingering global pandemic and increasing climate-driven threats from natural disasters, 2021 has been a year of immense challenge for humans and the world's animal species. Upon this imperfect stage, IFAW reaffirms its deep-rooted, half-century commitment to achieving impact in our business —the business of saving lives.

As nature repeats warning signs of humanity's exploitation of the environment and its wildlife, it is critical that we face these ongoing challenges not with despair, but with clarity and commitment. Whether domestic or international, terrestrial or marine, impact must be at the heart of IFAW's work. By rescuing, rehabilitating and releasing individual animals back into secure wild habitats, IFAW is achieving that impact.

People reach out to IFAW because they have faith that we will act. We rescue, provide assistance and show compassion because individual animals matter. Envisioning a world where both animals and humans thrive alongside one another, we promote stewardship and collaboration, fresh thinking and bold action.

To ensure that our programs address the pace of change and maximize impact, our renewed strategic approach aligns resources geographically, across two pillars: Rescue and Conservation. With this dual focus, IFAW leads and supports strategic interventions that reduce or eliminate threats to individual animals, populations and ecosystems, generating impact in more than 40 countries through on-the-ground projects and global advocacy efforts.

To sustain the welfare of species and the places they call home, our work must be comprehensive. It must fully respect the rights and opinions of each member of the local community, because our impact will ultimately be felt by them as well.

Throughout the pandemic, my priority has been to keep the IFAW family safe so that our global work can continue. Because it simply must continue. In the business of saving lives, IFAW remains ready to act as responsible stewards of this shared planet. Each successful rescue effort, each poaching incident or human-wildlife conflict averted, each policy win reminds me of the resilience and unwavering commitment of our people who strive daily to achieve meaningful, sustainable impact.

We invite you to share the impact of IFAW's work in FY21, and to join us as we continue to take bold steps forward for animals, people and the place we call home.

Azzedine T. Downes
President and CEO
International Fund for Animal Welfare

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Message from the Board Chair

From the ongoing challenges of a relentless pandemic to the threats of climate change, both humanity and the world's rich biodiversity face many perils. Time and time again nature has demonstrated its resilience, to heal and to adapt to change. It is this same spirit of resilience and adaptation that fills me with optimism as I witness the impact of IFAW's initiatives to embody the fundamental principles of animal welfare and conservation.

In a world where problems are immense and complicated, IFAW has continuously applied a robust strategic approach to the business of saving lives. There is no one-size-fits-all solution to conservation challenges. But context-specific solutions exist to benefit individual animals, wildlife populations and human communities. As a result, IFAW chooses flexibility over rigidity; compassion over indifference; hope over despair.

2021 has reinforced humanity's interconnectedness with the natural world. When nature is threatened, humans follow. To consider humankind separate from nature does a great disservice to both. We are as dependent on nature and the health of its biodiversity as we are on each other. This interdependence is a compelling reason why it is so important to focus on achieving meaningful, measurable impact.

By rescuing, rehabilitating and releasing animals into secure habitats, IFAW is enabling impact in more than 40 countries around the world. Threats to nature may ebb, flow and evolve, but they are unlikely to disappear. IFAW will continue to forge forward because individual animals matter—intrinsically—to the health of populations and to the sustainability of our planet.

My career has focused on the critical intersection between systems, science and solutions. As Chairman of IFAW's Global Boards of Directors, I have witnessed firsthand the strategic, impact-based solutions that IFAW applies to the complex problems that keep animals and people from thriving together. From challenging outdated conventions to ensuring that local communities have their voices heard and are ensured a seat at the table, IFAW is contributing to a more hopeful future for us all.

Whether in the field implementing projects or behind closed doors advocating for legislative or regulatory change with policymakers, IFAW will continue to build on decades of trust, transparency and collaboration. The work must continue if we are to save the world's animal species and the ecosystems we share.

I am proud to lead a Board that is committed to IFAW's mission of ensuring that animals and people thrive together. It is a privilege to accompany the organization on this shared journey as a global community united in its passion and hope for a sustainable future for the wildlife of our shared planet.

As fellow stewards of the natural environment, I thank you on behalf of the International Fund for Animal Welfare.

To ever-reaching impact,

Mark T. Beaudouin
Chair, Board of Directors

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Trustees' report for the year ended 30 June 2021

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
Daniel T. Lenyo (*resigned 30 June, 2021*)
Catherine H. Lilly
Debobrata Mukherjee (*resigned 12 July, 2021*)
Virginia A. Pollak
Catherine Z. Bearder
Judi W. Wakhungu
Constantin 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
159 New Bond Street London
W1S 2UD

Principal & registered office

209-215 Blackfriars Road
London SE1 8NL

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Trustees' report for the year ended 30 June 2021 (continued)

The Trustees present their report and the audited financial statements of the charitable company for the year ended 30 June 2021. The Trustees have had regard to the Charity Commission's guidance on public benefit.

Structure and Governance

International Fund for Animal Welfare (IFAW) ("the Charity") is a private company limited by guarantee, registered in England and Wales (Company registered number 02701278), and is registered as a charity with the Charity Commission for England and Wales (Charity Commission registered number 1024806). The Charity is based in London, and is part of a worldwide group of non-profit entities which collectively comprise the International Fund for Animal Welfare ("IFAW"). IFAW has offices in 15 countries and supports animal welfare and conservation projects in more than 40 countries around the world.

The Charity was incorporated on 27 March 1992 under the Companies Act 1985. Governance is by a Board of Trustees and Memorandum and Articles of Association. The Board of Trustees (also referred to as the "Directors", or "BOT") is comprised of international members, three of whom are residents of the UK.

IFAW Commerce Limited, a wholly owned subsidiary of the Charity, had no activity for the year ended 30 June 2021. The subsidiary's primary activity ceased during Fiscal Year 2014 when the specialised research vessel, the Song of the Whale, was granted to Marine Conservation Research International (MCR).

Trustee appointment

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 2.

Potential Trustees are recommended by staff, friends or existing Trustees. Trustees are introduced through the nominating committee. Those recommended are then nominated and approved by the full BOT. Once appointed, Trustees participate in an orientation session and are provided a manual which contains information such as IFAW mission and values statements, organisational charts, BOT directory, programmatic overviews, BOT committee structures, financial overviews, by-laws and conflict of interest policy. The maximum number of Trustees is not limited, but the minimum number is three. At 30 June 2021 there were 11 Trustees. The Charity began fiscal year 2020 with 12 Trustees with one resigning at the end of the fiscal year.

The Trustees are responsible for the strategic direction and policy of the Charity and for approving major commitments based on advice from staff and advisers. 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 Management Group.

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

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Trustees' report for the year ended 30 June 2021 (continued)

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.

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.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic Report

The objects 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.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (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 2021 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.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

Impact of COVID-19

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. The outbreak has resulted in governments worldwide to enact measures to combat the virus. These measures, which include travel bans, quarantine periods and social distancing, continue to cause material disruption to businesses globally resulting in significant economic impacts. The extent to which COVID-19 will continue to impact the Charity's results will depend on future developments, which are uncertain and cannot be predicted. As noted above, Executive Management and Charity Leadership have taken measures to monitor potential risks associated with the pandemic.

Management during FY2021 took a conservative approach to financial expenditures during these uncertain times. This included cost saving measures with the organisation making the following expenditures priority, employees' compensation to maintain capacity, direct fundraising costs to ensure we continue to procure financial resources, charitable activities with priority for rescue efforts, landscape conservation and restricted funded projects. In addition to these priorities the organisation also included any fixed payments and or any contractual agreements, all other forms of spending were limited.

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 weekly, monthly and quarterly by Executive Management, which are provided to the Trustees. Further, management's income projections for the remainder of FY2022 and preliminary targets for FY2023 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.

Since the start of the COVID-19 pandemic, 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.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

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 2021, the operating and strategic reserves add up to £17.6 million (£9.3 million and £8.3 million, respectively). Operating reserves constituted approximately four months of Fiscal year 2020 annual expenditures (which meets the stated objective of maintaining a minimum of two months of operating expenses). This is an increase from total reserves of £12.5 million at 30 June 2020. Given financial interdependency of the worldwide IFAW entities, local reserves are an important component of the operating reserve considerations. Restricted reserves were £10,000 (2020: £10,697).

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 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 2021, portfolio market values increased £1.1 million compared to the decrease of £480k during fiscal year 2020. Fiscal year 2021 results reflect a very strong market. Total managed investment holdings were £8.1 million at 30 June 2021 (2020: £7.0 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 2021, providing vital resources that advance our mission to protect animals and the places they call home. Fundraising results for Fiscal 2021 reflect the resilience of our supporter's commitment as well as the impacts of changes in fundraising strategies.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

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 did not engage professional fundraisers or commercial participators in Fiscal 2021. The Organisation is registered with the Fundraising Regulator and is a member of the Institute of Fundraising and the Data and Marketing Association. The Charity also has staff membership in the Institute of Legacy Management.

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.

Periodically, the organisation receives feedback and complaints from donors. During this period the Organisation received 128 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 2021.

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.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

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.

Sources of funds for charitable expenditure- The Charity's revenue sources in Fiscal year 2021 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 £3.3 million (2020: £3.5 million), £1.6 million (2020: £1.6 million), £2.9 million (2020: £2.6 million), £8.1 million (2020: £6.6 million), and £1.3 million (2020: £1.4 million) respectively.

During Fiscal 2021 donations and contributions totalled £17.9 million, an increase of approximately £1.5 million (2020: £16.4 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.

Expenditure of funds- Total expenditures for Fiscal 2021 totalled £14.2 million compared to Fiscal 2020 of £16.4 million. Overall, Fiscal 2021 expenditures decreased compared with the annual financial plan of £16.2 million, due to a reduction in spending related to ongoing impact of COVID-19. Included in annual expenditures for Fiscal 2021 were grants of £5.0 million (2020: £6.0 million) which included grants to unrelated organisations for £1.4 million (2020: £1.5 million).

The overall result for the entire Organisation for Fiscal year 2021 was a surplus totalling £5.4 million which was an increase from the budgeted breakeven (2020: surplus £379K), these surpluses will help increase the Organisation's financial strength and healthy operating and strategic reserve levels.

Programmes Overview: Goals, Progress

FY 2021 marked the first 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:

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)



Despite external risks, including BREXIT and the COVID-19 pandemic, the Organisation globally achieved the following results towards the five strategic goals:

- 59% of rescued wild animals were released or progressing towards release in FY21
- 66,136 community animals were helped (rescued & received relief)
- 100% of partners & 73% of communities targeted are implementing improved conservation or rescue practices
- 65 policy actions were informed by IFAW approaches
- 100% of targeted species populations are stable or increasing (where we currently have census data) and 80% of targeted habitat linkages were made secure for safe passage

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. FY21 Project highlights for each programme area below describe selected activities and outcomes supported by the Charity that contribute to the global results.

Plans for FY22

The Charity's plans for FY22 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. Further development of concepts for cyber-spotter networks in the UK will occur as well as investigations into the risk of Freeports to Wildlife Crime.
- leveraging our participation in global environmental conventions, including UNFCCC CoP26 in Glasgow, to push for increased biodiversity protection measures and funding
- providing continued grant support for our rescue and conservation partners in India, Zimbabwe, Malawi, and elsewhere.
- 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.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

Community Engagement

Participative and inclusive community engagement is a core strategy of IFAW's work around the world. Helping animals and people thrive together relies on local communities participating in, benefiting from and owning the animal welfare and conservation initiatives that affect them. In FY21, to better reflect the integration of community engagement across all of our programmes, expenses were embedded within Wildlife Rescue, Landscape Conservation, Disaster Response, Wildlife Crime, Marine Conservation, International Policy and Marine Mammal Rescue programmes.

Wildlife Rescue

IFAW's Wildlife Rescue team operates globally and strives to prevent the suffering and improve the welfare of individual animals. With 4,025 animals rescued and 1,989 animals released in FY21, our Wildlife Rescue programme continues to make excellent progress in achieving a better quality of life for wild animals around the world.

Although this programme centres on the rescue, rehabilitation and release of wildlife, 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 on Earth.

Rescuing Asiatic black bear cubs in India

The [Centre for Bear Rehabilitation and Conservation \(CBRC\)](#) in northeast India, founded in 2002 with our partner [Wildlife Trust of India \(WTI\)](#) and the [Arunachal Pradesh Forest Department](#), is a powerful example of how community engagement strengthens the reporting of injured or orphaned wildlife. In FY21, five Asiatic black bear cubs were rescued and brought into care at CBRC. Of those five, four were initially found by community members who then alerted local wildlife authorities who rescued the cubs and brought them to our [CBRC](#) facility. Not only did each bear cub survive, all five are on a journey back to the wild and are scheduled to be translocated into a forest pre-release site in FY22. To date, [IFAW-WTI](#) has released 50 Asiatic black bears into the wild and each individual bear we rescue, rehabilitate and release plays a key role in the survival of their species.

[IFAW-WTI](#) also combats climate change and deforestation in communities throughout [India](#) with our [cook stoves](#) project, which provides alternative cooking solutions for local communities to reduce air pollutants released from wood burning stoves and to reduce further deforestation.

Saving elephant calves in Zimbabwe

We believe every individual animal counts and there is no better example of an IFAW project that marries animal welfare and conservation than the IFAW-Wild Is Life Elephant Rehabilitation Project. It's Zimbabwe's only project that rescues wild elephant calves orphaned due to poaching, human-wildlife conflict and natural disasters like droughts—the frequency and intensity of which are amplified by climate change—and then returns them to the wild.

At the purpose-built Zimbabwe Elephant Nursery (ZEN) in Harare, rescued calves receive intense round-the-clock care from full-time handlers. Sometimes they are just a few days old and sometimes they arrive severely injured—all are traumatised. The work to rehabilitate a rescued elephant calf can take up to 10 years, with great attention given to their behavioral and social needs. More than 840 kilometres to the northwest, outside Victoria Falls, IFAW is funding the lease of a 345 square kilometres (85,000 acres) habitat in the Panda Masuie Forest Reserve. The elephants come

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

here when they are ready to learn to lead wild lives and are able to interact with the herds of elephants that move freely in the landscape.

Panda Masuie is in a network of protected areas in Zimbabwe that form part of the Kavango-Zambezi Transfrontier Conservation Area, which spans five countries. It is one of the world's largest transfrontier conservation areas and includes Africa's largest population of wild elephants. Elephants are the central focus of the work at Panda Masuie, but the project integrates activities that crosscut all of IFAW's programmes.

This year, six orphaned elephant calves at the [Zimbabwe Elephant Nursery \(ZEN\)](#) in Harare, Zimbabwe, were translocated 900 kilometres to a soft release facility in the [Panda Masuie Forest Reserve](#). The translocation was planned by [WIL](#) founder, [Roxy Danckwerts](#), and the welfare of each elephant was the priority for all teams. One of the elephants was Amira, an elephant calf who was found next to her deceased mother in [Mana Pools National Park](#). Amira's rescue team arrived onsite by plane and included [IFAW President & CEO Azzedine Downes](#). The team safely captured Amira and airlifted her to safety at ZEN.

Amira and five other orphans received thousands of hours of intense care and rehabilitation from the keepers at the ZEN facility and were prepared for the next step in their journey back to the wild. In [Panda Masuie](#) they will continue to develop the survival skills they need to live as wild elephants in a protected area.

In FY21, four rescued and rehabilitated orphaned elephant calves successfully began living among wild elephant herds in Panda Masuie. Released elephants are tracked with collars to provide insight into their activities and monitor how well they are integrating into the wild. Placed at strategic sites, camera traps are giving us insights into the presence, diversity and distribution of wildlife that thrive and call Panda Masuie home, including two prides of lions, as well as many wild dogs, hyenas, leopards and other threatened species.

A grant from the International Union for Conservation of Nature, Save Our Species (IUCN SOS) has supported 16 forestry rangers and supervisors and trained eight Community Fence Attendants. On the Forest Reserve, four permanent ranger bases have been rehabilitated to enhance anti-poaching efforts for the protection of elephants and other wildlife.

The project also works closely with the neighbouring Masuwe community and permanently employs 42 people, including fence attendants responsible for the upkeep of the 15-kilometre fence built in FY21 to protect four villages and crops.

Returning to the wild

For many rescued animals, rehabilitation is a critical process with success or failure determining the ability of wildlife to thrive in the wild. We invest both in research and in a network of partners and experts to support individualised rehabilitation plans for orphaned, ill or injured animals. The ultimate success is when individual animals are released back to the wild. Here are some of the fantastic releases we celebrated this year.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

Bringing rescued rhinos closer to the wild

In India, three greater one-horned rhinos were translocated to a soft release enclosure in Manas National Park. All three rhinos, two females and a male, were rescued by IFAW-WTI during the 2019 Kaziranga floods in Assam, India. Each rhino was cleared for release before being loaded into individual crates and driven 400 kilometres to Manas National Park. The rhinos typically spend a few months in a soft release enclosure to allow them to acclimatise to a new environment. Once ready, the rhinos are released into the park.

We have partnered with the Assam Forest Department and WTI since 2006 to reintroduce rhinos to Manas National Park. This project is the first attempt to re-establish the rhino population in Manas after losing an estimated 100 rhinos to poachers in the 1990s. IFAW-WTI took a unique approach of reintroducing rehabilitated rhinos that would otherwise have perished in annual floods instead of translocating healthy adults from other areas as had been done in the past. The approach has been wildly successful, with more than 40 released, rehabilitated rhinos living in Manas with their offspring.

Better lives for animals

Wildlife populations are being decimated worldwide because wild animals are targeted for the exotic pet trade and for their body parts. Illegal wildlife trade poses a serious threat to our world's declining biodiversity and must be stopped.

Rebuilding Lilongwe Wildlife Centre in Malawi

Our partner, the Lilongwe Wildlife Trust (LWT), needed to rebuild their veterinary clinic to improve and expand the care they can offer to orphaned or injured wildlife. The clinic is at the heart of the LWT's wildlife rescue and welfare operations and is critical to ensuring the health of more than 200 residents, many of which were rescued from poaching, trafficking, the illegal pet trade and other forms of abuse. Construction has begun and is expected to be completed in FY22.

Costs for the Wildlife Rescue programme were £ 3,142,111 in FY21.

Landscape Conservation

IFAW's Landscape Conservation programme addresses the unparalleled impacts 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 fragmentation, poaching, climate change and human-wildlife conflict. Our Landscape Conservation programme, with its integrated approach, is finding solutions that promote long-term sustainable ecosystem management, at the same time benefiting local people and enhancing communities' 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.

In Africa, 60% of elephants roam outside protected areas. That's why we have embarked upon Room to Roam, our most ambitious project yet as an institution. It aims to create safe pathways and functional habitats that will promote effective management of protected areas and enable wildlife to disperse and migrate across landscapes as they have done for millennia. To achieve this ambitious vision, we are fostering long-term partnerships with governments, wildlife authorities, communities, private sector actors and other non-governmental organisations (NGOs) in Kenya, Malawi, Zambia and Zimbabwe, with expansion planned to reach Tanzania. In India, our collaboration with Wildlife Trust of India (WTI) achieved a great milestone with the declaration of a new protected area, the 422 square kilometre Raimona National Park.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

Going green on ranger bases

IFAW holds itself accountable for the environmental impact of all our operations and activities. That's why in FY21 we installed solar energy at all seven of the IFAW-supported ranger bases on the [Olgulului-Ololarashi Group Ranch \(OGR\)](#) in the [Amboseli Landscape](#). This key landscape straddles the border of [Kenya](#) and [Tanzania](#) and provides a critical biodiversity, wildlife and cultural haven that needs protection and our joint support. The semi-arid landscape has year-round sunshine, making it possible for solar energy to provide the ranger bases with an adequate and constant supply of electricity.

Green energy now sustains and keeps the digital radio network functioning between distant bases and recharges equipment such as the GPS units used by rangers to provide data on key sightings while on patrol. Providing sustainable lighting sources through these solar-powered systems has also facilitated a reduction in human-wildlife conflict incidents as light-averse wildlife stay away from these bases at night.

Green energy also lets rangers keep their mobile phones charged and stay in touch with family and friends. Most are the sole breadwinners for their families and are away from home on duty for weeks at a time, so the pleasure of a call home keeps spirits high and the rangers motivated. Happy rangers are productive rangers, and we're seeing increased performance in protecting both wildlife and people.

The community rangers protect the vital [Kitenden Conservancy](#), which allows wildlife to disperse from [Amboseli National Park](#) across the border into [Kilimanjaro National Park](#) in [Tanzania](#). Keeping natural habitats safe and connected allows animals to adapt and move in response to changing climatic conditions, while also preventing such landscapes from being lost to carbon-intensive land uses.

Digging deep to save wildlife and support rangers

IFAW's alliance with the [Zimbabwe Parks and Wildlife Management Authority \(ZimParks\)](#) thrived through the lockdowns of the COVID-19 pandemic with incredible success. For the second year in a row, there were zero recorded elephant poaching incidents in IFAW-supported areas. IFAW's work in partnership with [ZimParks](#) has focused on three main pillars: law enforcement, community engagement and securing functional habitats in [Hwange National Park](#), [Zimbabwe's](#) largest protected area.

Located in [Hwange National Park](#), [Nyamandhloyu Pan](#) is a key water source for wildlife in the park. In FY21, it was scooped for the first time in about 20 years, increasing its water-carrying capacity by the equivalent of five Olympic swimming pools and restoring its appeal to tourists and wildlife alike. With no permanent water sources and longer dry seasons caused by climate change, [Hwange's](#) wildlife depend on artificially filled pans (waterholes).

In the remote south section of [Hwange National Park](#), IFAW continues its ambitious infrastructure development initiatives, which include a permanent ranger base in the [Makona subsector](#). This has significant impact and has enhanced community livelihoods by supporting on-the-job skills training and earned income for 44 community youth. The infrastructure includes an operations centre, administrative buildings, an entertainment centre and housing facilities that will eventually cater for 56 rangers and their families.

The new [Makona substation ranger base](#) will be a game changer for conservation efforts across [Hwange National Park](#) by enhancing law enforcement capacity to reduce poaching and human-wildlife conflict incidents along the 150-kilometre border with the [Tsholotsho communal lands](#).

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

IFAW-partner [Save Giraffes Now \(SGN\)](#) enabled the facilitation of refresher training for 25 [ZimParks](#) rangers and supported them in finding and removing 250 snares in targeted hotspots in [Sinamatella](#), a key giraffe habitat in [Hwange National Park](#).

IFAW has also been instrumental in the operational support for [ZimParks](#) rangers throughout the COVID-19 pandemic. This has been through providing key supplies and equipment, including fuel, workshop retooling, veterinary unit support and food rations. This support ensured the successful deployment and sustenance of 176 field rangers in [Hwange National Park](#) and raised the morale of the teams by providing patrol rations, uniforms, patrol equipment and other personal protective equipment.

IFAW is committed to supporting [ZimParks](#) in its work to protect wildlife and promote human well-being in the 16,000 square kilometre (four million acre) [Hwange-Matetsi-Zambezi ecosystem](#). This work will provide room to roam for 53,000 elephants and 600 lions living in a critical part of the world's largest transfrontier conservation area, the [Kavango Zambezi Transfrontier Conservation Area \(KAZA-TFCA\)](#).

Helping women protect wildlife and thrive in their communities

IFAW's [Female Engagement Teams \(FETs\)](#) empower livelihood opportunities for women through structured socio-economic activities such as bead art, sewing and baking clubs.

One project employed two women's groups near [Amboseli National Park](#) in [Kenya](#) to decorate 11,000 coin purses for IFAW supporters in the UK. Despite an interruption due to COVID-19 restrictions, the groups completed the beading project in FY21.

Bead art is a critical part of Kenya's Maasai culture and traditional clothing, worn to enhance beauty, to indicate warrior, marital or other social status in the community as well as for coming-of-age ceremonies. Older women pass down skills to younger newlywed women as they bond and bead together in groups. They also earn an income from the pieces they sell to tourists.

With the money received from the purse-beading project, women have paid school fees, and bought nine cows for milk and four bulls to improve the yields of milk and beef from their existing cattle herds. Social cohesion has developed among the older and younger women who have all become advocates for wildlife protection and for IFAW.

Women also play a key role in helping IFAW's all-female [Team Lioness](#) ranger unit because of their personal insights, providing intelligence that can help them stop incidents of poaching or retaliation against wildlife.

Extending Raimona National Park: a conservation landmark for India

Extending key habitat for some of the world's most endangered wildlife is always something to celebrate. In FY21, IFAW and our partner the [Wildlife Trust of India](#) celebrated a landmark milestone through the designation of the [Raimona National Park](#), which adds an extra 422 square kilometres of protected land to the [Greater Manas Landscape](#).

[India's Protected Area Network](#) has expanded by more than 772 square kilometres since [IFAW-WTI](#) began campaigning more than 10 years ago for increased protections for the landscape. It's a key biodiversity hotspot and home to some of the world's most unique wildlife, including golden langurs, Asian elephants, wild buffalo and Indian greater one-horned rhinos. The [Greater Manas Landscape](#) also includes [Manas National Park](#), a [UNESCO World Heritage Site](#).

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

Raimona National Park runs contiguous to two protected areas in Bhutan, thereby facilitating habitat connectivity and supporting wildlife movement between adjoining protected areas. We are hopeful that, at some point, India and Bhutan may consider the declaration of a Transboundary Peace Park between the two countries.

The 'First Addition' to Manas was 350 square kilometres, added in 2016. This achievement was the result of proactive leadership of the Bodoland Territorial Region, supported by the Assam state government, community support, other NGOs and years of conservation action through IFAW-WTI's Bringing Back Manas project. This year's addition is another significant step in securing and strengthening the Greater Manas Landscape.

Mitigating human-wildlife conflict by improving financial security

Yunnan is the last remaining habitat in China for around 300 wild Asian elephants, which have gradually moved into regions where no elephants have lived for years, coming into conflict with communities and sometimes causing human injury and even fatalities.

This year, IFAW's Asian Elephant Project (AEP) and the government of Jinghong mounted an urgent response to elephants that were destroying crops and property in villages across seven counties. The Community Hero Network, a ranger-led initiative, trained more than 30 rangers in techniques to mitigate human-elephant conflict.

These rangers are ambassadors for the conservation of elephants and provide localised, in-depth human-elephant safety trainings to villagers. By the end of August 2021, they had conducted 66 trainings, reaching more than 2,323 villagers. The help of local leadership and officials means villages in all seven counties of Jinghong benefit from in-depth safety training. IFAW also supported the equipment and supplies needed by the rangers to monitor elephant movement.

Elsewhere, we trained 60 tour guides at the Wildlife Elephant Valley Natural Reserve and 70 officers from the Xishuangbanna Natural Reserve in elephant conservation and techniques to promote conservation education to the public.

IFAW also supports communities affected by human-elephant conflict through introducing eco-friendly livelihood opportunities, like beekeeping.

In Daotangqing village, IFAW trained participants in beekeeping techniques, provided hives, honeybees and a sales channel for the honey produced in the communities. After the first year, participating families already saw a 15% increase in their annual income from selling honey. The first group of beekeepers are now eager to share their skills and knowledge with others, benefiting the entire community while making the IFAW project sustainable.

Costs for the Landscape Conservation programme were £ 2,777,681 in FY21.

Wildlife Crime

Wildlife crime is one of the largest transnational criminal activities, putting at risk the survival of thousands of species of animals and plants, 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.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

COVID-19 has increased the urgency for wildlife crime to become a higher priority for governments, policymakers and consumers alike. We've been encouraged by seeing strengthened political will to tackle this problem. Over the past year, IFAW experts have shared their insights at high-level counter wildlife crime meetings, including ones organised by the United Nations Office on Drugs and Crime (UNODC), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Working Groups and other wildlife enforcement networks.

IFAW is working to see this political and social will translated into strengthened government legislation, implemented company policies, adequate resourcing for law enforcement and targeted consumer education and action.

Fighting crime along the trade chain

IFAW fights global wildlife crime along every link in the trade chain, which requires strong laws, global coordination, vigorous enforcement and consumer behaviour change to reduce demand for wildlife parts and products. We support wildlife law enforcement officials and judicial institutions in enforcing wildlife crime legislation and prosecuting offenders. We also proactively provide tailored trainings and mentorship programmes for law enforcers as well as workshops for judiciary experts.

When facilities closed and countries went into lockdown because of COVID-19, tourism and local revenue plummeted. As a result, numerous national parks across Africa saw a rise in poaching, which caused rangers to expand their patrols and cover more kilometres every day. Thanks to the [TUI Care Foundation](#), we were able to support wildlife security operations of the [Kenya Wildlife Service in the Tsavo Conservation Area](#) by providing 10,000 extra litres of fuel, one vehicle for covert operations, four motorcycles, 16 laptops, four printers, four tents and 180 pairs of boots, with a combined value of close to US\$50,000.

In FY21, IFAW provided training and operational support to 236 law enforcement officers, prosecutors and judges in 10 countries across three regions. During operations executed by organisations supported by IFAW, 1,340 kilograms of ivory were seized.

In the [Middle East and North Africa](#), we conducted trainings to increase awareness about shark conservation and the illegal trade in shark fins.

In [China](#), we provided ongoing support to police and customs departments, focusing on identifying wildlife species and products, sharing research data and information on wildlife crime cases, and consulting on relevant laws and regulations. The intelligence we shared led to the apprehension of a suspected ivory seller.

IFAW co-organised workshops with the local anti-smuggling authorities in [southern China](#) (bordering [Myanmar](#), [Laos](#) and [Vietnam](#)) for disrupting and preventing wildlife trafficking through the logistics and transportation channels. More than 1,000 capacity-building manuals were distributed to 51 transport companies to increase their staff's awareness of regulations and improve their ability to identify commonly transported wildlife products. Another training in [Yunnan](#) included 35 government agencies, 12 logistics and transportation companies and 10 express delivery companies.

Together with the anti-smuggling bureau of the [General Administration of Customs of China \(GACC\)](#), IFAW organised a workshop in April 2021 on customs enforcement against wildlife trafficking in the [Asia-Pacific Region](#). Customs authorities from mainland [China](#), [Hong Kong Special Administrative Region](#), [Vietnam](#), [Laos](#), [Singapore](#) and [Malaysia](#) had in-depth exchanges on the characteristics of smuggling cases of endangered species.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

We were also able to start three new initiatives to protect wildlife and tackle illegal trade in [Kenya](#), [Uganda](#), [Democratic Republic of the Congo](#) and [Zambia](#).

Critical training for frontline officers to protect 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](#). That's why IFAW works 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](#). 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.

A series of law enforcement operations in [Somali State](#) and [Somaliland](#) resulted in the confiscation of more than 40 cheetah cubs in FY21. This led to the organisation of a two-day Border Summit in November 2020 with some 60 participants from [Ethiopia](#) and [Somaliland](#) to discuss the urgent need for stronger bilateral cooperation to halt the illegal trade in live cheetah cubs.

In February 2021, IFAW and CCF jointly organised and co-funded a workshop for 20 veterinary doctors (including six women and eight participants from [Ethiopia](#)) in [Somaliland](#). The focus was providing emergency treatment to confiscated cheetah cubs and other wildlife, understanding [Somaliland's](#) laws forbidding poaching and trade and promoting conservation of wildlife through education and engagement with local communities. Later, we held another workshop for veterinarians from [Ethiopia](#).

Stopping online trafficking of protected wildlife

Through the [Coalition to End Wildlife Trafficking Online](#), IFAW works together with [World Wildlife Fund \(WWF\)](#), the [Wildlife Trade Monitoring Network \(TRAFFIC\)](#) and more than 35 global online technology companies to help stop the trafficking of protected wildlife via their platforms. Between July 2020 and June 2021, around five million advertisements and posts were removed or blocked by Coalition members across [Africa](#), [Asia](#), [Europe](#) and [North and South America](#).

While the global pandemic affected many areas of our work, we were able to continue the fight against wildlife trafficking online together with online technology companies and law enforcement agencies. For instance, IFAW's continued online monitoring in the [US](#) and [Europe](#) resulted in 1,808 illegal wildlife listings being blocked or removed by companies after being identified by IFAW. We also conducted online research in the [UK](#) to assess its ivory market, flagging almost 1,000 ivory items in just 12 days.

Throughout FY21, IFAW China continued its regular patrolling of Chinese websites and media platforms to monitor illegal wildlife trade activity and gather intelligence, especially across popular social media platforms. This enables us to help develop keyword filters, train online company staff and provide information to law enforcement. In total, 1,727 illegal listings involving more than 10 species were detected and acted upon by the respective marketplaces or platforms.

IFAW collaborated with [Baidu](#), the largest Chinese search engine, to educate their users about wildlife conservation and related laws and regulations. We provided 139 key words to [Baidu](#), after which they optimised their search results and activated pop-up banners for wildlife species commonly traded. With [Sogou](#), another search engine, we launched a joint campaign where the first image people saw when opening the app was that of an endangered animal. The campaign received more than 25 million views and guided more than two million app users to the encyclopedia pages about animals such as jaguars, minke whales and harp seals.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

Since April 2020, IFAW and tech giant Baidu have applied an artificial intelligence (AI) tool, the [AI Guardian for Endangered Species](#), to identify images of endangered wildlife products traded online. The deep learning tool then traces back to the source link of the images and feeds back to relevant network platforms for removal. By the end of June 2021, the [AI Guardian](#) had detected 7,548 illegal wildlife trade-relevant images from more than 300,000 raw images, linking to 1,085 online trade listings and contributing to the efficiency of our efforts to make e-commerce platforms a no-go area for traffickers.

Supporting policy and legislative reforms to fight wildlife crime

We urge governments around the world to develop clear legislation that strongly regulates or prohibits the commercial trade of wildlife, due to zoonotic risks for humans, animal welfare concerns, the ecological value of wildlife in the wild and the spread of invasive alien species.

In the UK we continued to work on the legislation relating to the UK domestic ivory trade ban. IFAW remains concerned that the implementation of this ban has still not occurred three years on from the announcement. We are also concerned about some of the proposed content of the implementation that could create loopholes for continued trade. IFAW continues to advocate for urgent implementation and the closure of potential loopholes in the ban with Defra and Government ministers, backed up by new IFAW-commissioned research on the scale of the trade existing online. Implementation is currently expected in spring 2022.

In October 2020, members of the [International Union for Conservation of Nature \(IUCN\)](#) adopted, with nearly 100% support, a resolution to combat the sale of illegal wildlife products online. IFAW played an instrumental role in drafting this new resolution, which encourages effective collaboration across different sectors and urges governments to adopt and enforce effective legislation against wildlife cybercrime.

To showcase our cross-sector work and to increase the ambition of international communities to protect nature, we actively participated in key events such as [Wildlife Crime Is Financial Crime](#), organised by the [International Compliance Association](#), and the [One Planet Summit for Biodiversity](#). In China, we continued to advocate for stronger wildlife policies and laws, believing that clear and strong laws could prevent wildlife trafficking loopholes and enhance law enforcement efficiency. When the [Legislative Committee of the National People's Congress](#) solicited public opinions on the revision of the Criminal Law, IFAW provided suggestions for amendments to expand the scope of wildlife species protected by law, strengthen the management of commercial wildlife breeding, and improve the national wildlife rescue system.

IFAW worked with the [European Commission](#) for the last four years to review the [Environmental Crime Directive](#), participating in stakeholder meetings and consultations, and submitting joint letters with other NGOs to ensure suggested revisions of the Directive were considered. We called for EU Member States to apply truly dissuasive and harmonised penalties against wildlife crime and use effective investigative tools to facilitate and promote cross-border cooperation and information sharing. The [Commission](#) should adopt the revised Directive in 2022.

In April 2021, the [European Commission](#) adopted its new [Strategy to Tackle Organised Crime](#), which complements [Europol's Serious and Organised Crime Threat Assessment \(SOCTA\)](#). Thanks to IFAW's advocacy, the [Strategy](#) and [SOCTA](#) acknowledge the interlinkages and devastating consequences of organised crime and wildlife crime. The [Commission's](#) strategy committed to review the [EU Action Plan against Wildlife Trafficking](#) and revise the [Environmental Crime Directive](#). We also worked with key stakeholders and [EU institutions](#) to operationalise this work by ensuring that the [European Multidisciplinary Platform Against Criminal Threats \(EMPACT\)](#), which enables collective action across [EU Member States](#), included wildlife crime as a priority environmental crime. This

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

means more resources will be allocated to create or strengthen specialised units, undertake operations, develop new tools and improve data gathering on environmental crimes.

In May 2021, IFAW spoke to the [US Congress](#) during a hearing entitled “[Wildlife Trafficking and the Growing Online Marketplace](#).” Although no specific legislation is currently under consideration, the willingness to learn about it suggests there is political will to address it.

Ending illegal wildlife trade takes a significant and sustained commitment from governments, online platforms and law enforcement around the globe. We will continue our efforts to encourage collaboration across borders and sectors and among key stakeholders, sharing our expertise and working to achieve real and sustainable impact for animals and people.

Costs for the Wildlife Crime programme were £ 2,492,513 in FY21.

Marine Conservation

The ocean faces more threats today than ever before. Human activities such as shipping, unsustainable fishing, industrial development and pollution are affecting marine life and habitats globally.

A healthy planet needs a healthy ocean. Healthy populations of large marine animals, particularly whales and sharks, play a key role in regulating ocean ecosystems and enabling the capture of carbon. Whales, for example, dive deep and stir up nutrients from the bottom of the sea, promoting nutrient circulation and stimulating phytoplankton growth—the foundation of the aquatic food web—which captures huge amounts of carbon and substantially enhances ocean productivity.

Protecting these large, iconic marine animals is critical, and through this work we also protect many other species and vital habitats throughout the world’s ocean. For instance, this year, our Marine Conservation programme worked with our Disaster Response programme to support the restoration of coral reefs damaged by hurricanes in Colombia, in a powerful example of cross-programmatic collaboration in IFAW.

Saving the North Atlantic right whale

Through the impact of our [Save the Right Whale campaign](#), IFAW continues to be a key driver of fundamental regulatory change, generating public support while promoting the adoption of innovative technological solutions in both the [US](#) and [Canada](#) to save this critically endangered marine mammal.

With the most recent population estimates decreasing by 8% in just one year, only 336 North Atlantic right whales (NARWs) remain. Our efforts are acutely focused on addressing the major threats to species recovery: entanglement in outmoded commercial fishing gear and collision with vessels. Since 2017, 50 right whales (14% of the total species population) have either died or are presumed dead. Where cause of death could be definitively determined, all these deaths were due to either entanglement or vessel strikes. As less than 90 of the remaining whales are reproductive-aged females, the death of even one individual is potentially catastrophic for species recovery.

This year, IFAW has prioritised addressing fishing gear entanglement, one of the deadliest threats to right whales. We’re working collaboratively with fishermen to test and advance ropeless fishing technology that essentially eliminates vertical buoy ropes from the water column, thus removing the main source of entanglement. Along with key early adopter fishing partners, including the [Atlantic Offshore Lobstermen’s Association \(AOLA\)](#), IFAW helped lead a first-of-its-kind ropeless gear pilot testing project in the offshore lobster fishery. The pilot project has subsequently been renewed due to increased interest from new fishermen, with IFAW helping procure additional ropeless units to increase testing capabilities.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

Another piece of good news is that 18 NARW calves were born in the most recent calving season. With at least five born to first-time mothers, this marks the highest number of calves born in a season since 2015. Tragically, one of the calves was killed in a vessel strike within weeks of being born. This is why we have been working with partners to enhance our [Whale Alert app](#), a situational awareness mobile app that alerts vessel operators to the nearby presence of right whales, so they know to watch out and slow down. In conjunction with the app, IFAW has continued to advocate for mandatory speed limits for vessels of all sizes during times of peak right whale presence.

IFAW's advocacy efforts have helped promote regulatory changes that include both federal and state funding critical to implementing NARW protection measures. IFAW's influence resulted in more than 31,000 supporters taking action and submitting comments on new proposed federal rules that support stronger protection measures for right whales and endorse using ropeless gear. This is a solution based on coexistence for both right whales and the fishing industry. IFAW's key legislative outreach efforts also led to increased funding for important conservation measures through the [US Federal Appropriations](#) process. For FY21, US\$6 million was successfully allocated, with IFAW actively working to secure an additional US\$14 million for FY22.

Rounding out our strategic approach, IFAW has conducted focus group research to gain a better understanding of consumer awareness and interest in concepts that include "whale-safe" seafood products through use of ropeless fishing gear technology. Preliminary data and consumer sentiment was highly encouraging and such qualitative studies will help drive our impact by identifying ways to generate further consumer and industry support.

Reducing ship strike risk and ocean noise

The threat of human-generated ocean noise to marine life is increasingly being recognised around the world. A multi-year study as part of the [Joint Monitoring Programme for Ambient Noise in the North Sea \(JOMOPANS\)](#) has mapped ocean noise in the North Sea. The researchers identified shipping as the main source of excess noise. Areas with intensive shipping traffic experience excess noise levels of up to 30 decibels, which is 100 times higher than in areas without shipping.

IFAW teamed with [OceanCare](#) to provide expert review and co-publication of two research studies by the [Belgian government](#). The main findings show that limiting speeds to 75% of ship design speed results in a 10% reduction in the emission of the main pollutant gases like carbon dioxide (CO₂), nitrogen oxides (NO_x), sulphur oxides (SO_x) and black carbon, and a meaningful reduction of underwater noise. IFAW played a pivotal role, joining the Belgian Ministry of Environment webinar announcing this research and helped publicise the results, with wide recognition in the media. With the help of infographics we developed in close collaboration with the French government, we also informed stakeholders about the damaging effects of noise pollution and solutions available to reduce the noise.

This year we helped achieve momentum to further recognise the problem of underwater noise at the [International Maritime Organization \(IMO\)](#), following a proposal by [Canada](#) which was supported by IFAW. This moves the issue back onto the agenda of the IMO, the [UN](#) body governing international shipping. Now appropriate committees and governments are tasked to explore options for reducing noise from shipping. This is a major achievement towards our overall goal of reducing shipping noise globally.

As well as lowering underwater noise, reduced ship speeds also decrease the risk of ships colliding with whales (known as ship strikes). Research indicates that for every whale we see that has been fatally injured by a collision with a vessel, as many as 20 whales with the same fate go undetected. IFAW continues to work in a coalition with the [Pelagos Cetacean Research Institute](#), [WWF Greece](#) and [OceanCare](#) to reduce the risk of ship strikes for the remaining sperm whale population in the

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

Hellenic Trench, off the west coast of Greece. There is growing concern that this endangered eastern Mediterranean population, which only numbers between 200 and 300 individuals, will not survive if ship strikes continue at the current rate. According to the Pelagos Cetacean Research Institute, the cause of death for 50% of stranded sperm whales in this area can be attributed directly to ship strikes.

There is a solution! Our analysis has identified options to significantly reduce ship strike risk with a small offshore shift in the current shipping routes. With these changes, the overall collision risk for sperm whales in the study area would be reduced by around 75%, while a maximum of 11 nautical miles would be added to major routes and only around five nautical miles for the majority of ships transiting the area.

The efforts of our work as a coalition encouraged Greek authorities to issue an official notice informing mariners about the presence of marine mammals in the Hellenic Trench. This new navigational telex (NAVTEX) warning instructs mariners to look out for whales and avoid collisions with them. This is a promising first step towards protecting these endangered sperm whales from ship strikes, and we will work to ensure shipping companies are made aware of the warning to increase the chances of this measure being a successful conservation tool.

Costs for the Marine Conservation programme were £ 1,153,569 in FY21.

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 natural disasters—animals share our same burdens. IFAW has witnessed first-hand the escalating intensity and destructiveness of natural 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 when disasters hit and to develop resiliency planning in high-risk communities.

Anthropogenic drivers of climate change are contributing to the increasingly destructive impact of natural disasters on our world, which is putting added pressure on already-dwindling resources. In FY21, our Disaster Response programme was busy around the world helping animals and people in the face of current disasters, from wildfires to cyclones, while also preparing for disasters of the future. We cannot solve this alone, but as an organisation, we work to address every climate touch point possible. We were able to help 51,499 companion animals, 4,637 livestock, 10,000 bees and 3,805 wild animals in FY21.

Costs for the Disaster Response and Risk Reduction programme were £ 999,492 in FY21.

International Policy

IFAW actively engages in advocacy work both nationally and internationally because when we talk about secure habitats for the places animals call home, we mean more than just security on the ground or in the water. Unless animals and their habitats are protected in law and policies, we cannot be sure these places will stay secure over time.

IFAW has long participated in the workings of multilateral environmental agreements (MEAs), such as the Convention on International Trade in Endangered Species (CITES), Convention on Migratory Species (CMS), Convention on Biological Diversity (CBD), International Whaling Commission (IWC), International Union for the Conservation of Nature (IUCN) and other intergovernmental agreements

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

and institutions with environmental and animal welfare aspects. We send representatives to meetings of these MEAs to ensure their decisions are in the best interests of the world's wildlife and habitats. The global pandemic affected many of these meetings in FY20 and continued to lead to postponements of in-person meetings in FY21, although some have taken place remotely. IFAW's vital international policy work has adapted to these challenges as we continue to advocate for positive change for some of our most vulnerable species and threatened habitats.

Passage of UK Animal Welfare (Sentencing) Bill

On 29 April 2021 the Animal Welfare (Sentencing) Bill passed into legislation in the UK, securing one of the most significant changes to animal welfare legislation since the Animal Welfare Act of 2006 and increasing maximum sentencing for animal cruelty from six months to five years.

IFAW had campaigned for this legislation for many years both independently and as part of coalition action. Despite it being a Bill that had a long and difficult passage into law, it marks an important moment in UK animal welfare history.

Continuing international policy work during COVID-19

Although many decision-making meetings of international policy forums were postponed during FY21 due to the ongoing global pandemic, important implementation of previous international policy decisions was put into practice for wildlife and habitats.

IFAW experts provided implementation assistance and technical advice to 22 governments during this period across most of IFAW's programme of work. Issues ranged from connectivity to migratory species and from wildlife cybercrime to other aspects of illegal wildlife trade. IFAW and partners have continued to assist with the implementation of [CITES](#) listings for sharks and rays. For example, we've provided technical expertise on developing sustainable trade limits of listed species in the [Middle East](#) and [North Africa](#) as well as [Latin America](#). We've also supported governments such as [Costa Rica](#) and [Colombia](#) as they develop stricter regulations and catch prohibitions for the most threatened shark species in their waters, with the aim to host implementation and enforcement workshops for these new measures in 2022.

IFAW's continued work on [Operation Jaguar](#) has supported jaguar range states in their efforts to implement and enforce the CMS Appendix I listing that took place in February 2020 and decisions on jaguar trade from the last [CITES Conference](#).

The [IUCN World Conservation Congress](#) was postponed due to the pandemic, but many motions were discussed and voted on virtually in October 2020. Successes included the adoption of the IFAW-drafted Resolution on Wildlife Cybercrime, but IFAW also championed other key subjects during the online vote. Of note, IFAW co-sponsored and supported adopted resolutions to address priority conservation issues such as ensuring the inclusion of ocean mitigation and adaptation issues in broader climate change discussions, recognising the importance of ecological corridors for sustaining biodiversity, and calling for greater protections for threatened marine species from accidental capture in fishing gear.

In addition, many intersessional meetings of the main forums took place virtually, including meetings of CITES, CMS, CBD and IWC, with IFAW policy experts taking part remotely to lend their expertise and ensure progress in key areas.

Some outcomes of note included our work to encourage governments to commit to an ambitious [Post-2020 Global Biodiversity framework](#) that includes meaningful goals and metrics to halt biodiversity loss, improve ecosystem health and connectivity, and develop adequate funding mechanisms to implement the Framework once developed. We made recommendations that [CITES](#)

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2021 (continued)

Parties analyse the potential for the occurrence of illegal trade of oceanic whitetip sharks outside of compliance with its Appendix II listing. We also joined the new [CITES Working Group](#) on the role of CITES in reducing zoonotic disease risk.

Although virtual sessions of international policy meetings have raised their own set of difficulties, progress has been made, even when meeting in person was not possible. We look forward to continuing our partnerships with governments, NGOs and intergovernmental organisations at in-person meetings, whenever they can take place again.

Costs for the International Policy programme were £ 502,421 in FY21.

Marine Mammal Rescue

IFAW's Marine Mammal Rescue & Research (MMRR) programme is a world-recognised leader in stranding response. No location in the world sees more frequent mass strandings of dolphins than Cape Cod, Massachusetts, where IFAW's MMRR team is based. These events are not only a unique opportunity to rescue and provide cutting-edge veterinary care to these individual animals, but also to drive constant innovation and groundbreaking research that is shared with collaborators from around the world. This is a team of both local action and global impact.

In FY21, the team responded to 386 stranded marine mammals. This included responses to 137 live small cetaceans (including small whales, dolphins and porpoises), 106 of which were released back into the wild. IFAW deployed 16 satellite tags (one seal, 15 cetaceans) and was featured in five scientific publications.

In addition to our hands-on work, IFAW's MMRR team trained and assisted other international response teams, thus improving the welfare, treatment and veterinary care of stranded marine mammals around the world. We also regularly engage and train passionate members of local communities to support rescue efforts as volunteer responders. It's a testament to what can be achieved for animals when we work together with the people living closest to them.

Costs for the Marine Mammal Rescue and Research programme were £ 195,461 in FY21.

The Trustees' Report and the Strategic Report were approved by the Trustees on 16 February 2022 and signed on their behalf by;

| | |
|--|------------------|
| DocuSigned by: <i>Graeme Cottam</i> | 16 February 2022 |
| 7F3B7FDEEE284DD... Graeme R. Cottam, Trustee | Date |
| DocuSigned by: <i>Mark Beaudouin</i> | 16 February 2022 |
| 58B4236CCE70424... 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 2021 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 2021 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 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.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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 5 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 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.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

22 February 2022

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 2021

| | Note | 2021 Unrestricted £ | 2021 Restricted £ | 2021 Total £ | 2020 Total £ |
|---|------|---------------------------|-------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and legacies | 2 | 17,689,080 | 232,841 | 17,921,921 | 16,398,455 |
| Grants from connected organisations | 17 | - | 79,328 | 79,328 | 98,968 |
| Interest and Investment income | | 136,991 | - | 136,991 | 154,516 |
| Total income | | 17,826,071 | 312,169 | 18,138,240 | 16,651,939 |
| Expenditure on: | | | | | |
| Raising funds | 3 | 2,888,639 | - | 2,888,639 | 3,230,420 |
| Charitable activities | 3 | 10,950,482 | 312,866 | 11,263,348 | 13,130,657 |
| Total expenditure | | 13,839,121 | 312,866 | 14,151,987 | 16,361,077 |
| Net resources incoming before investment gains | | 3,986,950 | (697) | 3,986,253 | 290,862 |
| Net gains on investments | | 1,342,323 | - | 1,342,323 | 88,122 |
| Net resources incoming | | 5,329,273 | (697) | 5,328,576 | 378,984 |
| Other recognised gains | | 83,575 | - | 83,575 | - |
| Net movement in funds | | 5,412,848 | (697) | 5,412,151 | 378,984 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | 18 | 12,471,612 | 10,697 | 12,482,309 | 12,103,325 |
| Total funds carried forward | | 17,884,460 | 10,000 | 17,894,460 | 12,482,309 |

The notes on pages 35 to 54 form part of these accounts.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Statement of Financial Position at 30 June 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 205,468 | 265,066 |
| Investments | 10 | 8,140,234 | 7,031,224 |
| Other investments | 10 | 2 | 1 |
| Total fixed assets | | 8,345,704 | 7,296,291 |
| Current assets | | | |
| Debtors | 11 | 6,045,069 | 5,500,948 |
| Cash in bank and in hand | | 5,045,910 | 2,408,092 |
| Total current assets | | 11,090,979 | 7,909,040 |
| Liabilities | | | |
| Creditors falling due within one year | 12 | (1,404,738) | (2,528,647) |
| Net current assets | | 9,686,241 | 5,380,393 |
| Creditors falling due after more than one year | 13 | (137,485) | (194,375) |
| Total Net assets | | 17,894,460 | 12,482,309 |
| The Funds of the charity | | | |
| Unrestricted income funds | 18 | 17,884,460 | 12,471,612 |
| Restricted income funds | 18 | 10,000 | 10,697 |
| Total charity funds | | 17,894,460 | 12,482,309 |

The financial statements on pages 35 to 54 were approved by the board of Trustees and authorised for issue on 16 February 2022 and signed on its behalf by:

DocuSigned by:

Graeme Cottam

7F3B7FDFEE284DB
Graeme R. Cottam, Trustee

DocuSigned by:

Mark Beaudouin

58B4235CCE70424
Mark Beaudouin, Trustee

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Statement of cash flows for the year ended 30 June 2021

| | Note | 2021 £ | 2020 £ |
|---|------|------------------|------------------|
| Cash provided by operating activities | 19a | 2,335,270 | 312,853 |
| Cash flows from investing activities | | | |
| Interest & investment income | | 136,991 | 154,516 |
| Payments to acquire fixed asset investments | | (819,521) | (458,022) |
| Proceeds from sales & maturities of fixed asset investments | | 1,052,834 | 795,243 |
| Cash provided by investing activities | | 370,304 | 491,737 |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (56,890) | (34,094) |
| Interest paid | | (10,866) | (7,100) |
| Cash applied to financing activities | | (67,756) | (41,194) |
| Increase in cash and cash equivalents in the year | | 2,637,818 | 763,396 |
| Cash and cash equivalents at the beginning of the year | | 2,408,092 | 1,644,696 |
| Total cash and cash equivalents at the end of the year | 19b | 5,045,910 | 2,408,092 |

The notes on pages 35 to 54 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 2021

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 ongoing impact of COVID-19 and its potential impact on the various sources of income and planned expenditures. Executive Management has made this assessment based on periodic meetings to discuss the impact of COVID-19 on the Charity's operations, in which analysis is performed using the most current financial and non-financial data that is available. This information and analysis is communicated to the Trustees when appropriate. 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 FY2022 and preliminary targets for FY2023 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 2021 (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. For residual legacies, this is taken to be the point in time that the will and schedule of assets and liabilities is received. For pecuniary legacies, this is taken to be the point in time that the amount is notified to us.

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 2021 (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 2021 (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 2021 (continued)

2 Donations and contributions

| | 2021 | 2020 |
|-----------------------------|-------------------|-------------------|
| | £ | £ |
| Sustainer donations | 3,331,648 | 3,510,860 |
| Sweepstakes donations | 1,551,780 | 1,596,085 |
| Newsletter appeal donations | 2,871,998 | 2,637,967 |
| Legacies | 8,060,958 | 6,585,561 |
| Gift aid contributions | 1,328,241 | 1,354,375 |
| Other donations | 777,296 | 713,607 |
| | <u>17,921,921</u> | <u>16,398,455</u> |

This table reflects unrestricted income of £17,689,080 (2020: £16,160,216) and restricted income of £232,841 (2020: £238,239).

3 Allocation of expenses

Costs by charitable activity for Fiscal year 2021 and 2020 were as follows:

| | 2021 | | | | 2020 |
|-----------------------------------|--------------------------------|--------------------------------------|------------------|-------------------|-------------------|
| | Activities undertaken directly | Activities undertaken through grants | Support costs | Total | |
| | £ | £ | £ | £ | £ |
| Charitable activities: | | | | | |
| Landscape Conservation | 1,159,490 | 1,345,893 | 272,298 | 2,777,681 | 3,289,014 |
| Marine Conservation | 126,731 | 908,777 | 118,061 | 1,153,569 | 1,498,326 |
| Wildlife Crime | 1,091,056 | 1,157,080 | 244,377 | 2,492,513 | 2,973,988 |
| Wildlife Rescue | 2,032,290 | 801,919 | 308,002 | 3,142,211 | 3,349,701 |
| Disaster Response and Risk | 490,709 | 410,824 | 97,959 | 999,492 | 983,957 |
| Marine Mammal Rescue and Research | 95,382 | 80,934 | 19,145 | 195,461 | 221,339 |
| International Policy | 131,700 | 321,486 | 49,235 | 502,421 | 814,332 |
| Total Programmes | <u>5,127,358</u> | <u>5,026,913</u> | <u>1,109,077</u> | <u>11,263,348</u> | <u>13,130,657</u> |

Fiscal 2021 programme expenses were comprised of £10,950,482 unrestricted (FY20 £12,866,727) and £312,866 restricted (FY20 £263,930).

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 2021 (continued)

3 Allocation of expenses (continued)

Costs of raising funds for Fiscal year 2021 and 2020 were as follows:

| | Total 2021 £ | Total 2020 £ |
|---|-----------------------------|-----------------------------|
| Campaigns and projects: | | |
| Direct staffing | 12,427 | 13,889 |
| Support staffing | 197 | 179 |
| Support costs | 4,883 | 6,256 |
| Total | <u>17,507</u> | <u>20,324</u> |
| Multimedia outreach and influence: | | |
| Digital marketing and fundraising | 13,367 | 4,640 |
| Direct staffing | 5,040 | 2,062 |
| Support staffing | 291 | 86 |
| Support costs | 7,232 | 3,018 |
| Total | <u>25,930</u> | <u>9,806</u> |
| Supporter awareness and advocacy: | | |
| Outreach, production and distribution | 1,506,048 | 1,576,564 |
| Direct staffing | 309,268 | 397,388 |
| Support staffing | 28,706 | 25,452 |
| Support costs | 1,001,180 | 1,200,886 |
| Total | <u>2,845,202</u> | <u>3,200,290</u> |
| Total mission costs | <u>2,888,639</u> | <u>3,230,420</u> |

Governance costs included for Fiscal year 2021 and 2020:

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Auditors' remuneration | | |
| Statutory audit - Charity auditor | 31,500 | 20,700 |
| Statutory audit - associate of the Charity auditor | 52,214 | 43,922 |
| Legal fees | 38,397 | 64,622 |
| Trustee indemnity insurance | 8,962 | 6,939 |
| | <u>131,073</u> | <u>136,183</u> |

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

3 Allocation of expenses (continued)

Total support costs which is included in raising funds and charitable activities of £1,387,233 (2020: £1,470,134) include Direct expenditure of £579,000 (2020: £559,208) and Institutional shared support costs of £808,233 (2020: £910,926) 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

| | 2021 | 2020 |
|--------------------------|---------------|----------|
| | £ | £ |
| Gain on foreign exchange | 83,575 | - |
| | <u>83,575</u> | <u>-</u> |

5 Grants Payable

Grants payable were as follows

| | 2021 | 2020 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Affiliated organisations | 3,676,149 | 4,464,960 |
| Unaffiliated organisations | 1,355,764 | 1,519,123 |
| | <u>5,031,913</u> | <u>5,984,083</u> |

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

5 Grants Payable (continued)

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

| | 2021 | | | | | | | | 2020 | |
|---|--------------------------------|------------------------|-------------------------|---------------------------|------------------------------|-----------------------------|------------------------------|-------------------------|------------------|------------------|
| | 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) | 668,809 | 1,116,068 | 202,988 | 376,491 | 79,667 | 907,094 | 319,735 | - | 3,670,852 | 4,322,775 |
| International Fund for Animal Welfare IFAW in Action | - | - | - | - | - | - | - | 5,000 | 5,000 | 2,000 |
| International Fund for Animal Welfare (Australia) Pty Ltd | - | - | 297 | - | - | - | - | - | 297 | 139,985 |
| International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada) | - | - | - | - | - | - | - | - | - | 200 |
| | 668,809 | 1,116,068 | 203,285 | 376,491 | 79,667 | 907,094 | 319,735 | 5,000 | 3,676,149 | 4,464,960 |

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

5 Grants Payable (continued)

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

| | Location of Impact | Landscape Conservation £ | Wildlife Crime £ | Wildlife Rescue £ | Disaster Response £ | 2021 | | | Total £ | 2020 Total £ |
|--|--------------------|-----------------------------|---------------------|----------------------|------------------------|---------------------------|--------------------------|---------------------------|------------------|--------------------|
| | | | | | | Marine Mammal Rescue £ | Marine Conservation £ | International Policy £ | | |
| Wild is Life Foundation | Zimbabwe | 444,652 | - | 293,463 | - | - | - | - | 738,115 | 775,677 |
| Wildlife Trust of India | India | 232,432 | 14,841 | 199,908 | 27,133 | 1,267 | 1,683 | 1,751 | 479,015 | 574,793 |
| Tsavo Trust Limited | Kenya | - | 6,144 | - | - | - | - | - | 6,144 | 13,973 |
| Kenya Wildlife Service | Kenya | - | 20,027 | - | - | - | - | - | 20,027 | - |
| Lilongwe Wildlife Trust | Malawi | - | - | 105,263 | - | - | - | - | 105,263 | - |
| Worldwide Veterinary Service | United Kingdom | - | - | - | 7,200 | - | - | - | 7,200 | - |
| Conservation Ecology Research Unit (CERU) | Southern Africa | - | - | - | - | - | - | - | - | 82,338 |
| IUCN International Union for Conservation of Nature | Global | - | - | - | - | - | - | - | - | 20,295 |
| Game Rangers International - Zambia | Zambia | - | - | - | - | - | - | - | - | 16,185 |
| Limbe Wildlife Center | Cameroon | - | - | - | - | - | - | - | - | 7,890 |
| Jakarta Animal Aid Network | Indonesia | - | - | - | - | - | - | - | - | 6,930 |
| Jaringan Bantuan Satwa Jakarta | Indonesia | - | - | - | - | - | - | - | - | 6,600 |
| Vale Wildlife Hospital and Rehabilitation Centre | United Kingdom | - | - | - | - | - | - | - | - | 4,000 |
| Yayasan Masarang | Indonesia | - | - | - | - | - | - | - | - | 3,880 |
| Chimpanzee Sanctuary and Wildlife Conservation Trust | Uganda | - | - | - | - | - | - | - | - | 3,788 |
| Bayworld Centre for Research and Education | South Africa | - | - | - | - | - | - | - | - | 1,400 |
| ONG Reniala | Madagascar | - | - | - | - | - | - | - | - | 1,374 |
| | | <u>677,084</u> | <u>41,012</u> | <u>598,634</u> | <u>34,333</u> | <u>1,267</u> | <u>1,683</u> | <u>1,751</u> | <u>1,355,764</u> | <u>1,519,123</u> |

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

6 Employees

| | 2021 £ | 2020 £ |
|-----------------------|------------------|------------------|
| Wages and Salaries | 1,125,436 | 1,290,126 |
| Social Security Costs | 252,617 | 273,353 |
| Pension costs | 77,377 | 86,746 |
| | <u>1,455,430</u> | <u>1,650,225</u> |

Staff activities are illustrated as follows:

| | 2021 | 2020 |
|-----------------|-----------|-----------|
| Program | 8 | 10 |
| Program support | 7 | 8 |
| Fundraising | 11 | 12 |
| | <u>26</u> | <u>30</u> |

As of 30 June 2021 the Charity had pension liabilities of £nil (2020: £nil) included as a component of creditors.

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

| £ | 2021 | 2020 |
|------------------|------|------|
| 60,001 - 70,000 | 1 | 1 |
| 70,001 - 80,000 | 1 | 2 |
| 80,001 - 90,000 | 1 | 1 |
| 90,001 - 100,000 | 1 | - |

Contributions of £24,220 (2020: £22,758) 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 £2,500 in fiscal year 2020 (2020: £24,000)

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 £492,186 (2020: £544,781). The amount of these costs allocated to the Charity were £118,322 (2020: £112,375).

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

7 Trustees' emoluments

The Trustees received no remuneration in the period (2020: £nil). Travel expenses were nil to Trustees (2020: £1,066). No Trustees were reimbursed travel expenses (2020: one).

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 £nil (2020: £13,051).

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 £8,962 in Fiscal year 2021 (2020: £6,939).

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 2021 (continued)

9 Tangible Assets

| | Furniture and Fixtures £ | Computer Equipment £ | Total £ |
|---------------------------------|--------------------------------|----------------------------|-----------------------|
| Cost | | | |
| At 1 July 20 | 291,133 | 30,538 | 321,671 |
| At 30 June 2021 | <u>291,133</u> | <u>30,538</u> | <u>321,671</u> |
| Accumulated depreciation | | | |
| At 1 July 2020 | 28,775 | 27,830 | 56,605 |
| Charge for the period | 56,890 | 2,708 | 59,598 |
| At 30 June 2021 | <u>85,665</u> | <u>30,538</u> | <u>116,203</u> |
| Net book value | | | |
| At 30 June 2021 | <u><u>205,468</u></u> | <u><u>-</u></u> | <u><u>205,468</u></u> |
| At 1 July 2020 | <u>262,358</u> | <u>2,708</u> | <u>265,066</u> |

The net book value of furniture and fixtures includes £205,468 (2020: £262,358) in respect to assets held under hire purchase contracts

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

10 Fixed Asset Investments and Other Investments

| | 2021 £ | 2020 £ |
|---|-------------------------|-------------------------|
| Fixed Asset Investments: | | |
| Investment portfolio at 1 July | 7,343,949 | 7,823,863 |
| Less: Cash deposits awaiting investment at 1 July | (312,725) | (277,898) |
| Market value at 1 July | <u>7,031,224</u> | <u>7,545,965</u> |
| Additions at cost | 819,521 | 458,022 |
| Disposal proceeds | (1,052,834) | (795,246) |
| Net investment gains/(losses) | <u>1,342,323</u> | <u>(177,517)</u> |
| Market value at 30 June | <u>8,140,234</u> | <u>7,031,224</u> |
| Add: Cash deposits awaiting investment at 30 June | <u>178,310</u> | <u>312,725</u> |
| Investment portfolio at 30 June | <u><u>8,318,544</u></u> | <u><u>7,343,949</u></u> |
| Historical Cost: | | |
| Investments portfolio at cost at 30 June | <u><u>5,215,820</u></u> | <u><u>5,213,229</u></u> |

Market value comprises:

| | 2021 £ | 2020 £ |
|------------------|-------------------------|-------------------------|
| Equities: | | |
| Services | 346,106 | 332,758 |
| Financials | 3,675,567 | 2,933,462 |
| Fixed Income | 1,669,414 | 1,647,175 |
| Utilities | 845,181 | 809,730 |
| Consumer goods | 471,556 | 430,598 |
| General industry | 803,035 | 633,305 |
| Property Funds | 329,375 | 244,196 |
| | <u><u>8,140,234</u></u> | <u><u>7,031,224</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)

Company registered number 02701278

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

11 Debtors: Amounts falling due within one year

| | 2021 | 2020 |
|---|------------------|------------------|
| | £ | £ |
| Accrued legacy income | 5,174,319 | 4,615,131 |
| Other accrued income | 391,756 | 354,684 |
| Prepayments | 47,956 | 43,069 |
| Accrued income | 131,772 | 48,897 |
| Due from connected organisations (see note 17) | 299,266 | 439,167 |
| | <u>6,045,069</u> | <u>5,500,948</u> |

12 Creditors: amounts falling due within one year

| | 2021 | 2020 |
|--|------------------|------------------|
| | £ | £ |
| Trade creditors | 722,255 | 1,391,779 |
| Due to connected organisations (see note 17) | 237,470 | 735,533 |
| Accruals and deferred revenue | 349,772 | 306,522 |
| Hire Purchase creditors | 55,982 | 55,982 |
| Other creditors | 39,259 | 38,832 |
| | <u>1,404,738</u> | <u>2,528,648</u> |

13 Creditors: amounts falling due after more than one year

| | 2021 | 2020 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Hire purchase creditors | 137,485 | 194,375 |
| | <u>137,485</u> | <u>194,375</u> |

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

| Hire purchase creditors | 2021 | 2020 |
|---------------------------|----------------|----------------|
| Amounts due: | £ | £ |
| Within one year | 55,982 | 55,982 |
| Between two to five years | 137,485 | 194,375 |
| | <u>193,467</u> | <u>250,357</u> |

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

14 Net movement in funds

Net movement in funds is stated after charging

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Property lease rental | 326,807 | 320,115 |
| Depreciation of owned tangible fixed assets | 59,598 | 27,426 |
| | <u>386,405</u> | <u>347,541</u> |

15 Lease commitments

At 30 June 2021, the Charity had total commitments under non-cancellable operating leases as follows:

| Land and buildings | 2021 £ | 2020 £ |
|---------------------------|----------------|------------------|
| Amounts due: | | |
| Within one year | 220,116 | 220,116 |
| Between two to five years | 568,633 | 788,749 |
| | <u>788,749</u> | <u>1,008,865</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 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 2021 (continued)

17 Related party transactions (continued)

Amounts owed by connected organisations at 30 June:

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Stichting IFAW (Netherlands) | 23,070 | 30,951 |
| International Fund for Animal Welfare (Australia) Pty Ltd | 54,913 | - |
| Fonds international pour la protection des animaux (IFAW France) | 63,230 | 115,088 |
| International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada) | 28,311 | 88,352 |
| International Fund for Animal Welfare NPC (South Africa) | 36,844 | 20,077 |
| IFAW Internationaler Tierschutz-Fonds gGmbH (Germany) | 90,738 | 182,389 |
| International Fund for Animal Welfare IFAW in Action (UK) | 2,160 | 2,310 |
| | <u>299,266</u> | <u>439,167</u> |

Amounts owed to connected organisations at 30 June:

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| International Fund for Animal Welfare, Inc. (United States), net | 237,297 | 663,265 |
| International Fund for Animal Welfare (IFAW) Limited (Malawi) | 173 | 210 |
| International Fund for Animal Welfare (Australia) Pty Ltd | - | 72,058 |
| | <u>237,470</u> | <u>735,533</u> |

Income received from connected organisations:

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| International Fund for Animal Welfare, Inc. (United States) | 62,600 | 62,570 |
| Stichting IFAW (Netherlands) | 3,346 | 11,984 |
| International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada) | - | 5,938 |
| IFAW Internationaler Tierschutz-Fonds gGmbH (Germany) | - | 18,476 |
| International Fund for Animal Welfare (Australia) Pty Ltd | 13,382 | - |
| | <u>79,328</u> | <u>98,968</u> |

This table reflects restricted grants from connected organisations of £79,328 (2020: £98,968). There were no unrestricted grants from connected organisations (2020: £nil).

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

17 Related party transactions (continued)

Grants paid to connected organisations:

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| International Fund for Animal Welfare, Inc. (United States) | 3,670,852 | 4,322,775 |
| International Fund for Animal Welfare IFAW in Action (United Kingdom) | 5,000 | 2,000 |
| International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada) | - | 200 |
| International Fund for Animal Welfare (Australia) Pty Ltd | 297 | 139,985 |
| | <u>3,676,149</u> | <u>4,464,960</u> |

During Fiscal year 2021 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 £3,769,113 (2020: £4,568,364).

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)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2021 (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 2021 and 2020:

| | General Fund | Restricted Fund | Total |
|--------------------------------|---------------------|------------------------|-------------------|
| | £ | £ | £ |
| At 1 July 2020 | 12,471,612 | 10,697 | 12,482,309 |
| Incoming resources | 17,826,071 | 312,169 | 18,138,240 |
| Resources expended | (13,839,121) | (312,866) | (14,151,987) |
| Unrealised gain on investments | 1,109,238 | - | 1,109,238 |
| Realised gains on investments | 233,085 | - | 233,085 |
| Other recognised gains | 83,575 | - | 83,575 |
| At 30 June 2021 | 17,884,460 | 10,000 | 17,894,460 |
| At 30 June 2020 | 12,471,612 | 10,697 | 12,482,309 |

During Fiscal year 2021 the Charity received funds from donors and affiliated organisations totalling £312,169 (2020: £274,627), which were restricted to use for costs associated with the Charity's priority and regional programmes. During Fiscal year 2021, restricted funds totalling £312,866 (2020: £263,930) were expended. Amounts restricted as to use as of 30 June 2021 and 2020 are illustrated as follows:

| | 2021 | 2020 |
|---------------------|---------------|---------------|
| | £ | £ |
| Wildlife Crime | 10,000 | |
| Marine Conservation | - | 10,697 |
| | <u>10,000</u> | <u>10,697</u> |

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

(continued)

18 Funds (continued)

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> |

Net assets by fund were comprised of the following at 30 June 2020:

| | General Fund | Restricted Funds | Total |
|------------------------|-------------------|------------------|-------------------|
| | £ | £ | £ |
| Fixed assets | 7,296,291 | - | 7,296,291 |
| Current assets | 7,898,343 | 10,697 | 7,909,040 |
| Current liabilities | (2,528,647) | - | (2,528,647) |
| Noncurrent liabilities | (194,375) | - | (194,375) |
| Net assets | <u>12,471,612</u> | <u>10,697</u> | <u>12,482,309</u> |

19 Notes to the cash flow statement

| Note 19a | 2021 | 2020 |
|--|------------------|----------------|
| | £ | £ |
| Net resources incoming | 5,328,576 | 378,983 |
| Deduct investment income shown in investing activities | (136,991) | (154,515) |
| Deduct financed acquisition of tangible assets | - | (284,452) |
| Add back depreciation charge | 59,598 | 27,426 |
| Hire purchase interest paid | 10,866 | 7,100 |
| Realised (gains)/losses from tangible investments | (1,342,323) | 177,518 |
| Foreign exchange gain | 83,575 | - |
| (Increase)/decrease in debtors | (544,121) | (1,191,719) |
| (Decrease)/increase in creditors | (1,123,910) | 1,352,512 |
| Net cash provided by operating activities | <u>2,335,270</u> | <u>312,853</u> |

Notes to the financial statements for the year ended 30 June 2021

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

(continued)

19 Notes to the cash flow statement (continued)

Note 19b

| | 1 July 2020 | Cashflow | Non Cash Movement | 30 June 2021 |
|--------------------------------|------------------|------------------|----------------------|------------------|
| | £ | £ | £ | £ |
| Cash and equivalents | | | | |
| Cash at bank and in hand | 2,086,309 | 2,781,291 | - | 4,867,600 |
| Cash Investments | 321,783 | (143,473) | - | 178,310 |
| | <u>2,408,092</u> | <u>2,637,818</u> | <u>-</u> | <u>5,045,910</u> |
| Hire purchase creditors | | | | |
| Short Term | 55,982 | | | 55,982 |
| Long Term | 194,375 | (56,890) | - | 137,485 |
| | <u>250,357</u> | <u>(56,890)</u> | <u>-</u> | <u>193,467</u> |

20 Financial instruments

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

| | 2021 | 2020 |
|--|------------------|------------------|
| | £ | £ |
| Financial assets | | |
| Instruments measured at fair value through statement of financial activities | <u>8,318,544</u> | <u>7,343,949</u> |

21 Forward contracts

The Organisation hedges certain anticipated cash flows using forward exchange contracts. At 30 June 2021 and 2020 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. On 6 March, 2014, the *Song of the Whale*, was granted, for no consideration, to the not for profit organisation Marine Conservation Research International. Under the terms of the grant they are required to use it for charitable purposes for the rest of its estimated useful life of five years. As the vessel came to the end of its estimated useful life during the 2019 fiscal year the Charity released its lien on the *Song of the Whale*, thus granting complete title to Marine Conservation Research International.

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.