

**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 2018**

# **International Fund for Animal Welfare (IFAW)**

Company registered number 02701278

## **Annual Report and Financial Statements for the year ended 30 June 2018**

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# International Fund for Animal Welfare (IFAW)

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## Trustees' report for the year ended 30 June 2018

### Trustees and advisors

#### Trustees

Kathleen Savesky Buckley (Chair) (*resigned 30 June, 2018*)  
Joyce C. Doria (Vice Chair)  
Robert C. Barber (*appointed 8 Feb., 2018*)  
Mark. T. Beaudouin  
Barbara U. Birdsey  
James C. Costa (*resigned 20 Apr., 2018*)  
Graeme R. Cottam  
Margo L. Fitzpatrick (*resigned 31 Jan., 2018*)  
Brian W. Hutchinson  
Margaret A. Kennedy (*resigned 30 June, 2018*)  
Daniel T. Lenyo (*appointed 8 Feb., 2018*)  
Catherine H. Lilly  
Gregory J. Mertz (*resigned 2 Aug., 2018*)  
Debobrata Mukherjee  
Thomas P. O'Neill, III (*resigned 30 June, 2018*)  
Virginia A. Pollak (*appointed 8 Feb., 2018*)  
Susan J. Wallace (*resigned 30 June, 2018*)

#### Executive management

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

#### Independent auditors

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

#### Solicitors

Bates, Wells & Braithwaite  
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

87-90 Albert Embankment  
London SE1 7UD

# International Fund for Animal Welfare (IFAW)

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## Trustees' report for the year ended 30 June 2018 (continued)

The Trustees present their report and the audited financial statements of the charitable company for the year ended 30 June 2018. The Trustees have had regard to the Charity Commission's guidance on public benefit.

### Structure and Governance

International Fund for Animal Welfare (IFAW) ("IFAW Charity" or "the Charity") is a private company limited by guarantee, registered in England and Wales (Company registered number 2701278), and is registered as a charity with the Charity Commissioners of England and Wales (Charity Commission registered number 1024806). IFAW 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 fifteen countries and supports animal welfare and conservation projects in more than forty countries around the world.

IFAW 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", "Board of Directors", "BOD" or "BOT") is comprised of international members, two 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 2018. 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). Under the terms of the grant they are required to use the vessel for IFAW charitable purposes for the rest of its estimated useful life of five years.

### 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. Qualified 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 2018 there were 15 Trustees with 4 resigning on 30 June. The Charity began fiscal year 2019 with 11 Trustees.

### Statement of Trustees' responsibilities

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.

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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## Trustees' report for the year ended 30 June 2018 (continued)

- 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.

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.

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.

### **Relationship to the International Fund for Animal Welfare, Inc.**

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 program, 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.

### **Relationship between IFAW Charity and International Fund for Animal Welfare IFAW in Action ("IFAW IA")**

Financial interactions between IFAW Charity and IFAW IA, the Charity's UK based non-charitable affiliate, are defined within an Affiliate Agreement approved by the Trustees. The Charity maintains documentation of minutes and resolutions at its office. The Charity shares office space and some administrative services with IFAW IA. These services are defined in the Affiliate Agreement. IFAW Charity's Trustees are charged with ensuring that the formula for that Agreement is regularly reviewed for accuracy and representative apportioning. The apportioning methodology is reviewed periodically to validate time and effort analysis. Records and management documents are kept separately for the two organisations.

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## 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:** A world where animals are respected and protected.

**Our Mission:** IFAW is a global non-profit organization that protects animals and the places they call home.

**Our Promise:** We promise supporters and policy makers that we will (1) engineer solutions that benefit animals, people and the planet, and (2) activate where we are needed the most.

**Our Belief:** We believe animals matter to people and the planet. Based on that core belief and in order to achieve our vision, we follow a set of key principles that guide our hands-on projects and advocacy work.

- Animals should be recognised as sentient beings with intrinsic value.
- Policy should be based on sound science and the ethical treatment of animals.
- Conservation decisions should be guided by ecological sustainability and biological sustainability, the precautionary principle and ethical treatment of 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 program demand; and
- regular reviews and initiatives to minimise the impact of external risk factors on the Charity.

### Reputation and external forces risk

IFAW 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 program, 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

IFAW 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.

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## Strategic report for the year ended 30 June 2018 (continued)

### Income and liquidity risk

IFAW 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 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 2018 the organisation did have outstanding foreign exchange hedging contracts which are discussed further in note 20 to the accounts.

### Employee safety risk

Employee safety (in the office and while traveling) 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 complete medical and security incident management.

### Data protection risk

Data protection has emerged as a significant risk for businesses and charities around the world. With the EU General Data Protection Regulation becoming law in May 2018, IFAW has made data privacy a priority and devoted significant resources toward 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 Compliance and Fundraising Regulation) 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.

### 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

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## Strategic report for the year ended 30 June 2018 (continued)

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

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

At 30 June 2018, the operating and strategic reserves totaled £14.1 million (£6.7 million and £7.4 million, respectively). Operating reserves constituted approximately 4 months of Fiscal year 2018 annual expenditures (which meets the stated objective of maintaining a minimum of two months of operating expenses). This is a slight increase from total reserves of £14 million at 30 June 2017. Given financial interdependency of the worldwide IFAW entities, local reserves are an important component of the operating reserve considerations.

Restricted reserves were £157,839 (2017: £49,652).

### Investment policy and performance

IFAW 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 program demands.

During Fiscal year 2018, portfolio market values increased £422 thousand compared to the increase of £897 thousand during fiscal year 2017. Fiscal year 2018 results reflect a strong market. Total managed investment holdings were £7.2 million at 30 June 2018 (2017: £6.8 million).

### Remuneration Policy

Position descriptions form the basis of the Organisation's wage and salary program. 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

IFAW 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 exclusively to organisations that advance the interests of IFAW 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. IFAW 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.

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## Strategic report for the year ended 30 June 2018 (continued)

### Fundraising review

IFAW Charity supporters continued to give generously in Fiscal Year 2018, providing vital resources that advance our mission to protect animals and the places they call home. Fundraising results for Fiscal 2018 reflect the strength of our supporter's commitment as well as the impacts of changes in fundraising strategies.

The Organisation takes seriously its obligation to maintain responsible cost structures to procure the vital resources needed to improve the lives of animals. In addition, IFAW Charity understands that donor attitudes, public perception and the regulatory environment are all critical components of our fundraising strategies. In Fiscal 2019, the Organisation is committed to fundraising diversification and enhancing the donor experience through new investment in activities such as online marketing and major giving.

#### Fundraising Approach

Over the years, IFAW 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. IFAW Charity did not engage professional fundraisers or commercial participators in Fiscal 2018. The Organisation is registered with the Fundraising Regulator and is a member of the Institute of Fundraising and the Direct 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' interest.

Periodically, the organization receives feedback and complaints from donors. During this period the Organisation received 430 complaints relating to fundraising activity. The majority of these complaints were satisfactorily resolved by the Supporter Development Team. Complaints that require escalation are handled in compliance with IFAW's Complaint Policy and resolved by the applicable senior member/s of staff. There were no compliance failures in Fiscal 2018.

IFAW 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 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, IFAW Charity has a Gift Acceptance Policy and a Refund Policy which highlights our responsibilities to vulnerable people.

IFAW 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. IFAW Charity commits to ethical and legal fundraising that keeps our supporters' best interests at the forefront.

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## Strategic report for the year ended 30 June 2018 (continued)

### Data protection

The EU General Data Protection Regulation (GDPR) came into effect in May 2018. IFAW Charity is fully committed to the highest standards of privacy and ensuring compliance with the new regulations. IFAW's Head of Data Compliance lead on implementation and training of charity staff and oversees continued compliance.

## Financial review

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

### *Sources of funds for charitable expenditure*

IFAW Charity's revenue sources in Fiscal Year 2018 were comprised primarily of monthly donations (sustainers), multi-purpose direct mail gift appeals (newsletters) that educate/advocate as well as fundraise, sweepstakes and legacies. The income produced from these activities totalled approximately £4.0 million (2017: £4.3 million), £2.4 million (2017: £2.9 million), £2.4 million (2017: £2.5 million) and £7.1 million (2017: £7.7 million) respectively. Gift aid income decreased to £1.5 million in Fiscal year 2018 (2017: £1.7 million).

Donations and legacies in Fiscal 2018 were £18.1 million, a decrease of approximately £1.7 million from prior year (2017: £19.8 million). This decrease was primarily a decrease in legacy income along with smaller decreases in sustainer, newsletter and sweepstakes income. These decreases were managed through an overall decrease in expenditures. The Organisation anticipated the decrease in monthly donations and newsletter appeals, which is primarily due to a mature file and decreased new investment to acquire new supporters. The Organisation expects decreases to continue over traditional revenue channels, while investments are being made to increase other channels.

### *Expenditures of funds for charitable expenditure*

Charitable expenditures for Fiscal Year 2018 decreased to £19.1 million (2017: £21.8 million). Included in these expenditures are grants to like-minded organisations, which decreased to £2.1 million (2017: £2.3 million). Overall grant expense, which includes grants to affiliated organisations, decreased to £8.2 million (2017: £10.9 million). The overall result for Fiscal Year 2018 was a £300 thousand surplus (2017: deficit £1.4 million).

## Programs Overview: Goals, Progress

IFAW is a global non-profit organisation that protects animals and the places they call home. Our international programs are based on science, rooted in local communities, globally-scalable, economically-viable and always take the long view.

IFAW is part of a global network of organisations that work together to fulfil a shared mission. Our work connects animal welfare and conservation, demonstrating that healthy species, populations, the habitats they call home and the welfare of individual animals are intertwined.

We are international, with local expertise and leadership in all of our regional and country offices. Through strong international coordination, we leverage regional campaigns and projects to achieve global influence and impact.

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## Strategic report for the year ended 30 June 2018 (continued)

IFAW Charity applies strong policy, communications and project management expertise to pursue conservation and animal welfare impacts at national, regional and international levels.

We use our hands-on projects to effect change for animals and to provide data to inform and influence policies and practices at the international, national and community levels.

Our global team includes rescue workers, conservation specialists, rural community development experts, wildlife crime prevention and enforcement professionals, veterinarians, policy experts, campaigners, scientists, educators and the highest quality support staff all driven by a determination to help animals in need and conserve species and landscapes.

### Wildlife Crime

Poaching and trafficking threaten the wellbeing and survival of many of the world's wild animal species. Inadequate legislation, inadequate enforcement, prosecution and punishment, and corruption and poor governance combine to make the illegal wildlife trade a growing problem. The profitability of illegal wildlife trade attracts sophisticated criminal networks that also engage in activities such as trafficking in drugs, arms, humans, etc. This has a destabilising effect on ecosystems as well as the security and economic opportunities of communities and even whole nations.

The immense complexity of illegal trade in wildlife requires a complex response in partnership with governments, communities, NGOs and the private sector. IFAW's holistic approach involves collaboration across our programs to address key source, transit and consumer countries in Africa, the Middle East and Asia. IFAW advocates for supportive policies and funding opportunities within international conventions as well as within governments and institutions in Europe, North America and Australia. Our expertise in wildlife cybercrime lets us work closely with online companies and law enforcement globally to stop trafficking online wherever it occurs.

**Source Countries** - Stopping poachers before they kill is critical to protecting wildlife. In East and Southern Africa, IFAW is bringing together technical expertise, government contacts, and the active engagement of local communities in new ways to stop the killing through projects such as tenBoma and elephant landscape projects in Kenya (Amboseli-Tsavo-Kilimanjaro project), Malawi and Zambia.

**Transit Countries** - Working with national, regional and international partners, IFAW builds law enforcement capacity to increase successful interdiction of wildlife crime as close to the point of origin as possible, stopping shipments in transit across borders before they arrive in consumer countries.

**Consumer Countries** - In consumer countries, particularly China, the EU and the USA, we seek to strengthen legislation and law enforcement as we also work to change societal attitudes and behaviours. Our awareness campaigns highlighting the cruelty of the illegal wildlife trade and its threat to species survival are supported by social marketing strategies that seek to change the behaviour of consumers who are critical to reducing overall demand.

### FY18 Activities, Progress and Results

#### Combatting Wildlife Cybercrime campaign

IFAW Charity launched *Disrupt: Wildlife Cybercrime Report* in May 2018, leading to excellent media coverage across a range of national newspapers. The Guardian ran an exclusive feature about

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## Strategic report for the year ended 30 June 2018 (continued)

the report, and the *Express* also ran a story. Al Jazeera interviewed Tania McCrea-Steele about wildlife cybercrime and the report's key findings; her interview was broadcast globally. Months of preparatory research, advocacy and education of both policymakers and various public audiences led to major advances in combatting wildlife cybercrime.

IFAW hosted a Parliamentary Launch event regarding IFAW's *Disrupt: Wildlife Cybercrime Report* in the House of Commons, which was a huge success. There was an excellent turn out of guests including MPs and Ministers, Government staff, NGOs, Diplomats, Ambassadors and Enforcement Agencies. Key attendees included Owen Paterson MP, (former Secretary of State for Environment, Food and rural Affairs), Sir Roger Gale MP and more than 30 other MPs and Lords. IFAW Charity Director Philip Mansbridge spoke, highlighting key points about the report's findings and calling on critical topics to be placed on the agenda of the London IWT Conference in October. The reception also included an ivory fingerprinting kit demonstration and a display table of seized wildlife items loaned from UK Border Force and the Metropolitan Police. At least 10 IFAW staff were involved in the launch event.

### **Disrupting Ivory Trafficking - Combatting Wildlife Crime in Malawi and Zambia**

*(This work is funded through a combination of sources including IFAW Charity, an IWT Challenge Fund grant: 1 April 2016 – 31 March 2018 and current funding from USAID administered through IFAW Malawi.)*

Thanks to a two-year grant from the Illegal Wildlife Trade Challenge Fund of the UK Government (Defra), IFAW helped establish a Wildlife Crimes Investigation Unit (WCIU) and Community Enforcement Networks (CENs). The grant period ended on 31 March 2018, part way through IFAW's FY18. The USAID project builds upon and expands previous work as it moves forward in a partnership between IFAW, Lilongwe Wildlife Trust (LWT), Imani Development and Wildlife Crime Prevention Project (WCPP).

The Combatting Wildlife Crime Program in the Malawi-Zambia Landscape is a collaboration among IFAW, Lilongwe Wildlife Trust and DNPWs, MRAs and MPSs in Malawi and Zambia covering three strategic transboundary parks (TBPs) — Kasungu in Malawi, Lukusuzi, and Luambe in Zambia.

The CWC program's overall objectives are to:

- Strengthen interagency cooperation and coordination to enhance deterrence approaches to poaching and illicit wildlife trade;
- Strengthen/expand law enforcement capabilities, governance and management of wildlife in the target geography;
- Improve engagement of communities in law enforcement, governance and wildlife management: Improve the capacity of the law enforcement sector and institutional frameworks to respond to the threat of illicit wildlife trade.

The WCIU and CENs investigate serious wildlife crimes, including elephant poaching and ivory trafficking. The WCIU is a dedicated, trained and resourced multi-agency law enforcement unit designed to disrupt and dismantle organised wildlife crime syndicates operating in Malawi and cross border, while also hosting supporting workshops. Recruitment and specialist training for new WCIU recruits were delivered in FY18 and the unit was resourced accordingly.

Two established CENs – at Kasungu national Park and around Vwaza Marsh Wildlife Reserve -- continue to help those communities deter and report serious wildlife crimes in Malawi. These are comprised of 30 trained CEN members who obtained honorary wildlife officer status from the DNPW. This fiscal year, the two CENs were active around these protected areas with critical elephant populations resulting in more than 350 CEN intelligence reports being received. A total of 35 households benefited directly from income owing to the CENs, with an estimated indirect

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## Strategic report for the year ended 30 June 2018 (continued)

benefit to more than 15,000 households through protecting iconic species within these community areas.

The introduction of CENs for the first time in Malawi has also demonstrated a workable community solution to wildlife crime that can be replicated in other protected areas throughout the country. Ongoing mentorship of the CENs and working closely with the WCIU paves the way towards poverty alleviation and continued sustainability of the project.

This project is linked with and benefits from the IFAW Zambia Malawi Landscape Project, a partnership with the Malawi DNPW and the Zambian DNPW. This strong linkage has proved to be practically effective in coordinating and supporting cross border investigations.

### Major FY18 Activities:

- The WCIU, established within DNPW in 2016, continued through 2017 and 2018 with eight dedicated and trained officers from DNPW (baseline 2015 = 0 officers); one dedicated officer from Malawi Revenue Authority (baseline 2015 = 0 officers); and, one dedicated officer from Malawi Police Service (baseline 2015 = 0 officers).
- Due to the ongoing presence and efforts of the CENs and ongoing operations undertaken by the WCIU and their high success rate in disrupting poaching and illegal wildlife trade operations, elephant numbers in both Kasungu National park and Vwaza Marsh Wildlife Reserve are stabilizing and on the increase. At the onset of the project, elephant numbers were 47 and have now climbed to 58, with elephant poaching now very rare in both Kasungu and Vwaza – with only one in Vwaza in 2017 and one in Kasungu.
- Achieved a 50% poaching reduction around Kasungu due to Informant Network.
- Trained 24 Rangers and 16 Rapid response team members in Kasungu and equipped them with necessary equipment, in collaboration with DNPW-Malawi.
- Supported the WCIU in Malawi to build capacity in effective investigations and information-gathering techniques (LWT).
- Improved prison and court monitoring systems in coordination with LWT and WCPP.
- Custodial sentences increased from 2.6% to 77% due to judicial support and courtroom monitoring (LWT).
- Community engagement in Park operations (tailoring and construction) has created a positive attitude toward wildlife and increased participation in law enforcement.
- Increased presence in Zambia with WCPP.
- Achieved the stated aims of an Investigations and Intelligence training of 10 students from Zambia DNPW including a 10-day practical field exercise which resulted in 25 suspects being arrested in the key Malawi-Zambia-Mozambique border zone: 12 of them for illegal trade and illegal possession of ivory.

*During FY18, the Charity provided grant funding to IFAW US totaling £5.4 million, of which £2.1 million helped fund Wildlife Crime activities as follows:*

### Stopping Poachers Before They Kill: tenBoma

IFAW's "tenBoma" platform blends fresh thinking from veteran counter-terrorism experts with bold community-based projects to achieve three simple, yet powerful goals: Stopping poachers before they kill; disrupting and dismantling criminal networks; and empowering local people.

It is a wildlife security initiative that anticipates, identifies, and counters threats to wildlife by applying predictive methodologies to determine when and where wildlife crimes are likely to occur. Reports and data are collected from the field, then aggregated and analysed by security experts. The resulting information is shared with frontline law enforcement personnel to address

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## Strategic report for the year ended 30 June 2018 (continued)

wildlife crime, as well as with local communities to help them address the root drivers of wildlife crime.

In FY18, IFAW's tenBoma platform continued to expand beyond our initial hub in Kenya and now includes projects and partnerships in Tanzania and India. Our primary emphasis remains in eastern Africa, with progress also seen in India and encouraging initial efforts in southern and central Africa.

Our "T3&E platform" approach (which blends Training, Techniques, Technology and Expertise") has now been embraced by both Kenya Wildlife Service leaders and key customs and border protection partners across the region. All parties have begun to see meaningful results from the increased levels of cooperation, information sharing, and balanced approach to pursuing our three primary objectives.

We continue to focus on improving local capacity to combat wildlife crime, but we have also dramatically increased IFAW's ability to serve as an information and analysis hub through the addition of five uniquely skilled veteran intelligence analyst staff. Thanks to a grant from the EU, we are also adding a state of the art system for streamlined data input, processing, analysis, and dissemination of "actionable intelligence."

IFAW Charity secured a £20,000 donation from the Coutts Charitable Trust for the tenBoma project.

### tenBoma: Key achievements in FY18

- Poaching reduced by 93% in Tsavo Park. Elephant population increasing.
- Zero poaching incidents in Loita, spiritual heart of Maasai lands and home to forest elephants.
- Poaching reduced in Greater Kilimanjaro. Elephant population increasing.
- 24 arrests of "Level 3+" suspects achieved through tenBoma facilitated digital forensics, weakening the criminal network that funds wildlife trafficking. ("Level 3+" suspects include national and international couriers/buyers/exporters. They are the central players in any criminal network and most likely to lead us to the top "Level 5" buyers/Consumers.)
- 40 "targeted intelligence packages" passed to Kenya Wildlife Service. Each intelligence package helps build the case to capture poachers and bring down smuggling networks.
- 251 Rangers and Wildlife Investigation Agents now trained.
- In the state of Kerala, India, all law enforcement officials have access to our system of mobile apps for gathering tips and leads on poachers. Used in tandem with a ground-breaking centralised investigations and analysis database, enforcement officials now have actionable information that is increasing the speed and accuracy of crime interventions and investigations.

### Disrupting and dismantling criminal networks

- Seven criminal networks uncovered. Active investigations underway to disrupt and dismantle (with particular emphasis on high-level international dealers).
- KWS Intelligence Department now trained and IFAW has assisted in developing detailed information packages for over 45 persons of interest.
- First "Common Operating Picture" established at KWS HQ, dramatically increasing their ability to make rapid decisions and ensure swift ranger response to emerging threats.
- KWS trained and equipped to conduct "Social Network Analysis" of criminal suspects. This is a critical step in identifying the leaders of poaching networks.
- KWS now able to identify and focus on "higher value" network nodes instead of individual arrests.
- IFAW tenBoma-KWS Forensic CSI training is now part of the institutional curriculum at KWS Enforcement Academy, ensuring all rangers will have world-class field forensics skills to collect and retain evidence before the trail goes cold.

# International Fund for Animal Welfare (IFAW)

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## Strategic report for the year ended 30 June 2018 (continued)

### Empowering local people for immediate and enduring impact

By working to create secure and economically independent communities, we ensure the “network for good” is stronger than any criminal network. tenBoma works closely with the Amboseli-Tsavo-Kilimanjaro landscape team to leverage community engagement; see Landscape Conservation section for additional community impacts.

- 15,035 square kilometres of community land now protected by a single radio network, giving local people the power to alert police immediately when they suspect or see criminal activity.
- 445% increase in threat reporting from tenBoma-supported communities, increasing security and sense of personal involvement in creating safety for animals and people.
- Two new women’s groups are now generating their own income thanks to training provided by IFAW’s Female Engagement team. The women’s groups in Esiteti and Ilkimpa (near Amboseli NP) have started their own agro-vet and beadwork businesses, adult literacy programs, and supporting married girls as young as 12 years old to get an education. These women are also an integral part of the information network, empowered to report suspicious activity in their home villages.
- 60 women are participating in “Wildlife through My Eyes”, a project with IFAW partner Lensational. These women are using digital cameras to capture their stories of daily encounters with wildlife, some gentle and inspiring, others devastating.
- In FY19 and beyond, application of the tenBoma methodology to the threat of human wildlife conflict, and replication of tenBoma approaches in other countries, including India, Malawi, Zambia, and Democratic Republic of Congo, will also be priorities.

### Increasing access to the latest ivory fingerprinting technology

In FY18, IFAW was instrumental in getting the latest ivory fingerprinting technology into the hands of law enforcement officers in 18 countries. In Kenya, use of the kits has led to 15 arrests and the seizure of 11 tusks and worked ivory. The kit was employed in an investigation of an ivory seizure worth £2 million in Singapore in March 2018.

Developed in the UK by the Metropolitan Police and King's College London, these kits help law enforcers gather vital evidence to disrupt the illegal wildlife trade. Police officers using the kit can now retrieve fingerprints from ivory items they seize for up to 28 days, rather than the one or two days possible using conventional dusting powders.

- IFAW donated two fingerprinting kits, one to the French Gendarmerie department OCLAESP (which is dedicated to fighting environmental crime) and one to the CITES mobile enforcement brigade under the police department which will use the kits on active cases. French media covered the event widely.
- In May 2018, UK Border Force held a training event in Africa following collaboration and planning with IFAW Charity. The ivory fingerprinting kit was demonstrated as part of the training and as a result, all seven African countries in attendance requested three kits each.
- In May 2018, IFAW campaigner, David Cowdrey, spoke at the CITES National Ivory Action Plan (NIAP) meeting in Mozambique hosted by the CITES Secretariat. IFAW spoke about the ivory fingerprinting kit, the importance of crime-scene training, and how electronic fingerprint databases can transform wildlife crime detection and prosecution across Africa.
- Following meetings with IFAW, Mark Field MP, Foreign and Commonwealth Office Minister, agreed to donate 100 ivory fingerprinting kits at the London IWT Conference in October 2018.

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## Strategic report for the year ended 30 June 2018 (continued)

### Advocacy: United Kingdom and International Issues

#### FY18 Highlights:

- The UK Head of Programs and UK Director met with Michael Gove MP, new Secretary of State for the Environment, Food and Rural Affairs, to discuss the ivory ban, CITES regulations and sentencing guidance. Mr. Gove seemed receptive to our proposals.
- IFAW was invited to join the All-Party Parliamentary Group for Animal Welfare (APGAW) as an Associate Member. Very few NGOs are asked to join, so this is an indication of the success of our lobbying and the credibility of our brand in political circles.
- IFAW Charity Director spoke at a large march in Central London to show support for British Wildlife alongside activists Peter Egan, Chris Packham and former politician-environmentalist Stanley Johnson.
- IFAW attended a joint rally in Scotland to ban fox hunting with dogs, a partnership event with One Kind and the League Against Cruel Sports. The event was attended by about 750 people marching through the streets of Edinburgh. The event achieved significant national coverage in the media.
- IFAW Charity representative attended the first LINK plastics meeting, looking at marine pollution (as part of the wider Marine Conservation Program).
- IFAW attended the 72nd session of the IMO Marine Environment Protection Committee in London.
- The partnership between IFAW and the University of Winchester continued and included a joint essay competition, hosting a student for a voluntary placement (work experience) and a guest lecture given by IFAW Charity about technology aiding the fight against wildlife crime (tenBoma).

#### 69th meeting of the CITES Standing Committee

IFAW sent representatives to participate in the 69th meeting of the CITES Standing Committee in November 2017. In cooperation with our allies, we pressed for more protections for sei whales, African elephants, rhinos and pangolins among other species. We helped advance progress on National Ivory Action Plans and proposed language to improve the protection of marine species. IFAW is a participant in the CITES Wildlife Cybercrime Intersessional Working Group, which will advise whether further measures are required to combat wildlife cybercrime. IFAW was the only NGO mentioned several times during the discussions in recognition of our ground-breaking work in this area.

Youth for Wildlife Conservation, the organisation that grew out of the IFAW youth forum held ahead of COP17 in South Africa, provided an update on their work. IFAW supported their intervention and encouraged the Secretariat and Parties to continue to engage youth audiences, including through a possible second youth forum that Y4WC are hoping to organise ahead of COP18.

In addition, IFAW Charity organised and attended many meetings and events, both high-level and public, to advance our conservation and animal welfare objectives and policies.

#### Advocating for a UK Ban on Ivory Sales: A Multi-year Campaign

With about 20,000 elephants killed each year for their tusks, the legal market for antique ivory offers an opportunity to mask the illegal trade and to prop up the notion that ivory is desirable. For this reason, IFAW continued to push strongly for a UK ban on ivory sales.

The April 2018 announcement of the UK ivory ban was a significant success for the IFAW team following years of campaigning. It is one of the toughest ivory bans in the world. Later in calendar year 2018, the ban will come into law.

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In September 2017, we held a Parliamentary Reception to launch IFAW Charity's new *Ivory Seizures in Europe* report on 13 September. More than 60 Members of Parliament attended, including Zac Goldsmith MP, Owen Paterson, Shadow Secretary of State Sue Hayman MP, and Caroline Lucas MP, co-leader of the Green Party. The fingerprinting kit was demonstrated and the event was used to strengthen our call for an ivory ban in the UK and support calls for an EU ban. This was IFAW's most successful Parliamentary event to date.

IFAW submitted a detailed response to the Government Consultation regarding the UK ivory ban in December. The response contained a wealth of evidence illustrating why a ban would be beneficial for elephants and outlined potential practical and limited enforceable exemptions. IFAW's response to the ivory ban consultation was one of more than 60,000 received by Defra: one of Defra's most popular consultations ever. IFAW's supporters were also contacted and guidance was given as to how they could participate in the consultation process also.

IFAW was one of only four NGOs invited to present evidence at a discussion on the ivory ban consultation held by Rachel Maclean MP, Chair of the All-Party Parliamentary Group (APPG) on Endangered Species. The meeting was attended by NGOs, musicians, art dealers and members of the antiques industry.

In February 2018, IFAW held a successful joint ivory surrender event in Parliament with the All Party Parliamentary Group for Endangered Species. Nearly 40 Lords and MPs attended to show their support. IFAW showcased some of the 150kg of ivory that had been surrendered to us between July and December 2017. The event generated excellent media coverage for IFAW.

In June 2018, IFAW was called to give evidence at the Ivory Bill Select Committee in Parliament in front of 20 MPs, Ministers and Shadow Ministers. IFAW was one of only five NGOs who were called to give evidence, as a lead organisation behind the introduction of this ivory ban. Briefings and questions for panel members were written and discussed in advance and written evidence was also submitted.

### Protecting British Wildlife

IFAW Charity works to protect British wildlife. In FY18, our two primary focus areas remained hunting with hounds and badger culls. We worked to protect the Hunting Act from possible repeal or attempts to weaken its contents – and from any overt violations of the law by hunt groups. We also campaigned for an end to the cruel, unnecessary and unscientific badger cull. We used political advocacy and public engagement initiatives to counter perceived threats to the Hunting Act, and to remove the badger cull element from the overall strategy to tackle bovine tuberculosis.

In August 2017, IFAW was the co-host and beneficiary of an event in London called *Art World Conservation* featuring giant sized artworks of wildlife. Philip Mansbridge gave a presentation at the launch, and Sharon Livermore and David Cowdrey gave presentations during the three-week run of the event.

Early in 2018, the IFAW Charity campaigns team responded to the Environment, Food and Rural Affairs Select Committee's call for evidence on the Animal Welfare (Sentience and Sentencing) Bill pre-legislative scrutiny exercise and an IFAW representative attended the Scottish National Party Conference in Aberdeen to lobby MPs on the Ivory Bill and Members of the Scottish Parliament on strengthening the Protection of Wild Mammals Act (Scotland).

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### Badger Cull

In FY18, IFAW supported members of the National Trust who tried to change the organisation's policy on allowing trail hunting on its land. Our report "Trail of Lies" continues to be a key tool in the overall campaign and we persist in our efforts to ensure that it is widely referenced in the press and social media. We continue to work with MPs and grassroots supporters on the issues of new badger cull licenses for an increased cull zone. IFAW awaited details of a Scottish Government consultation on changes to the Protection of Wild Mammals Act and will respond formally should this consultation open.

At the October 2017 Conservative Party Conference in Manchester, IFAW campaigners met with numerous MPs and decision makers, including discussions with Theresa Villiers MP (former Home Office Minister), Therese Coffey MP (Environment Minister) and Rory Stewart MP (Africa Minister), and many others.

IFAW submitted two badger cull/bovine tuberculosis consultation responses to the Government; one on the expansion of the badger cull zones to low-risk areas and another on revising guidance for licensing for badger control areas, both in April 2018.

### Hunting with Hounds

IFAW Charity was again active on hunting with hounds, a landmark legacy campaign, but with a strong focus on lobbying in Scotland.

*During FY18, the Charity provided grant funding to IFAW US totaling £5.4 million, of which over £700 thousand helped fund Community Animal activities as follows:*

### Animal Rescues & Disaster Responses

IFAW addresses threats to animals who suffer in natural and anthropogenic disasters by:

- Maintaining a constant state of readiness to respond wherever in the world a disaster occurs.
- Working with stakeholders from local, national and regional governments, NGOs, and private agencies to incorporate animals into disaster preparedness, response and recovery plans.
- Establishing networks of professional responders in disaster-prone regions through the development of Animal Rescue Networks (ARNs). We build local capacity to prepare for and respond to disasters through trainings, provision of equipment, and the development of collaborative networks.
- Building resiliency by providing communities with skills, tools and knowledge to improve their personal and collective relationships with the animals throughout their communities.

### FY18 Activities, Progress and Results

During FY18 IFAW responded to 13 natural disasters in more than 10 nations, from the USA to the Philippines. The range of disasters included floods, fires, hurricanes and drought. Animals rescued or treated with IFAW's support included cats and dogs, cattle, chickens and horses, flying foxes, pumas, parrots and hundreds of birds. In total, IFAW's response efforts touched over 10,000 community animals and an estimated 3,600 wild animals.

In FY18, IFAW Animal Rescue Networks in India, the Philippines, Mexico and the United States played an active role in rescuing, feeding, caring for, sheltering and transporting animals impacted by disasters. IFAW provided trainings to build site-specific risk reduction capacity and capabilities in communities across the globe. This year, IFAW trained 70 people in disaster management, technical rescue, and emergency sheltering alternatives, keeping animals and responders safe.

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## Strategic report for the year ended 30 June 2018 (continued)

### Wildlife Rescue

Threats: Poaching, illegal trade, human-wildlife conflict, and habitat degradation and loss are the main human-induced and often interrelated drivers for the work of the Wildlife Rescue team. Disease outbreaks and other natural threats can also lead to animals in need of rescue. Our ultimate goal is to rescue, rehabilitation and release as many healthy animals as possible into safe habitats.

IFAW addresses these threats by:

- Rescuing, rehabilitating and releasing animals into secure habitats, taking into account the needs of surrounding communities. We do this through direct action and partnerships with organisations around the world.
- Promoting best practices that ensure the welfare of animals that cannot be released and must remain in sanctuaries for lifetime care.
- Utilizing a scientific approach in all of our rescue projects and responses to improve the welfare and survival of individuals and to inform management and conservation efforts across species.
- Establishing robust post-release monitoring programs in key projects to document not only survival, but successful integration into the wild population.
- Maintaining a constant state of readiness for emergency responses to stranded dolphins, whales, porpoises and seals on Cape Cod and anywhere in the world we may be called.

### Animal Rescue & Disaster Response: Public and Supporter Education and Outreach

During FY18, IFAW educated and engaged diverse stakeholder audiences on animal rescue issues including the complex, long-term process of rehabilitating and rewilding elephants and rhinos in India, elephants in Zambia and Zimbabwe, tigers in Russia, birds of prey in Beijing, China; and disaster preparedness, marine mammal stranding responses and emergency response efforts worldwide.

### Zimbabwe Elephant Nursery (ZEN)

The Zimbabwe Elephant Nursery (ZEN) project continued to grow in FY18, with significant progress in developing the rewilding facility in Panda Masuie Forest Reserve as well as in the landscape and livelihood components of the project.

In FY18, IFAW continued to support the Zimbabwe Elephant Nursery (ZEN) and to establish the ZEN Project - a landmark public-private partnership with support from the Forestry Commission of Zimbabwe and ZimParks - to secure a vast expanse of former hunting ground in the Panda Masuie Forest Reserve. With support from IFAW, ZEN has committed to a 25-year lease for 34,500 hectares (85,215 acres) of land that connects Zambezi National Park in the north to Kazuma Pan National Park in the south. The lease changed Panda Masuie Forest from a hunting reserve to conservation land for at least the next 25 years. This is a major achievement; the first of its kind in Zimbabwe.

Bridging these fragmented habitats to the north and south is already helping to protect young elephants rehabilitated at ZEN via a safe boma for their reintroduction into the wild and providing wild elephant populations with safe passage as they migrate between national parks.

IFAW's holistic rescue and conservation approach – combining individual animal welfare, community engagement and landscape-level habitat protection – guided this project throughout the year and will be in play for many years to come.

Progress in the Panda Masuie release site for six orphaned elephants was ongoing with key infrastructure, including water, electricity and fencing all completed. Two sources of water have been

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brought to the base camp at the top of the ridge, one from a borehole in the valley of the property as well as river water from the Masuie River on the boundary of the concession. This infrastructure has been carefully thought out to cater for the initial development, as well as potential expansion. Building development planning and preparations are also complete and building commenced in January 2018. Quarters for elephant keepers, staff and rangers are largely in place.

In May 2018, the orphaned elephants were translocated from ZEN in Harare, Zimbabwe, to their new boma and protected habitat in Panda Masuie which serves as their transitional home. Over the next months, the elephants explored their new surroundings, learned new skills, familiarized themselves with life in the wild and began interacting with wild herds. In the future they will either establish their own herd or join a wild herd passing through the area.

IFAW-ZEN began the process of equipping an anti-poaching team and an emergency anti-poaching strategy has been developed and implementation has begun. Observations by staff on the ground have recorded positive elephant movements as well as a variety of birds and other wildlife. Community engagement activities are due to start in early 2019 since baseline surveys and community feasibility studies have been completed.

### **Centre for Wildlife Rehabilitation and Conservation (CWRC)**

Launched in 2002 in northeast India, the Centre for Wildlife Rehabilitation and Conservation (CWRC) aims to reduce the impact of natural and human-made threats on individual animals while supporting the recovery of wildlife populations in Manas National Park by successfully releasing rehabilitated animals. A joint venture between Wildlife Trust of India, IFAW and the Assam Forest Department, CWRC is strategically located near Kaziranga National Park, a UNESCO World Heritage Site and home to the world's largest population of the greater one-horned rhinoceros and other wildlife including the endangered Royal Bengal tiger and the Asian elephant.

Via trainings and education work, CWRC also aims to raise awareness and sensitivity of communities so that they respond appropriately when they encounter wildlife.

IFAW-WTI continues to operate seven Mobile Veterinary Services (MVSs) that have attended to more than 6,000 individual animals, vaccinated over 18,000 cattle, attended and provided health support to more than 2,000 captive elephants located around the protected areas.

CWRC has also been instrumental in putting 18 elephant calves back to the wild in Manas National Park after long-term rehabilitation. Six elephants were moved in this fiscal year, which adds to that number. In addition, the CWRC has also rescued, rehabilitated and released several other species of mammals, birds and reptiles including Asiatic black bears, clouded leopards, flying squirrels, hog badgers, jungle cats, parakeets, owls and other species.

In FY18, a total of 584 cases were handled by CWRC and its allied MVS units. This includes eight rhino calves, nineteen elephant calves, 139 hog deer, 132 open-billed storks and other cases belonging to over 60 species of mammals, birds and reptiles.

Two waves of floods hit Kaziranga National Park in FY18, submerging over 85% of the park. A total of 104 animals were handled during these annual floods, both in-situ and ex-situ, and provided with necessary emergency care. 68 animals were handled during the first wave, of which 52 were released (76%). During the second wave, 36 animals (28 hog deer, six rhinos, one swamp deer and one black-necked stork were handled), of which 28 were released (77%).

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Construction of the Kaziranga Discovery Park (KDP) continued in FY18. It is situated next to CWRC at the periphery of the Kaziranga National Park. The main goal of the centre is to educate people about the conservation of natural species and minimizing negative anthropogenic effects through rescue and rehabilitation. Target audiences range from the regular tourists and local outdoor enthusiasts visiting the park to students of all age groups. It will also include trainees who require training in wildlife rehabilitation, other organisations, potential donors and other stakeholders (both governmental and nongovernmental groups).

KDP will have three themes:

- Kaziranga National Park and conservation of native fauna,
- Elephant conservation and
- Rescue and rehabilitation activities of CWRC.

### Game Rangers International - Elephant Orphanage Project (EOP), Zambia

Poaching of elephants for the ivory trade is at crisis levels with baby elephants left orphaned after the slaughter of their mothers, aunts and other family members. Rescue and specialist care is necessary to save these animal orphans who mourn and suffer extreme trauma after witnessing the violence of poaching. The aim of the Elephant Orphanage Project (EOP) in Lusaka, Zambia, is to rescue, rehabilitate and release orphaned elephants back into secure landscapes in nearby Kafue National Park.

By the end of FY18 a total of 18 orphaned elephants were under the care of the EOP:

- Four milk-dependent orphans were in care at Lilayi Nursery;
- Ten weaned orphans were living at the release facility; they return to the boma every night;
- Two release-phase orphans who come and go to the boma as they choose;
- Two orphaned elephants who recently graduated to the Kafue Release Facility and almost immediately attached to a wild herd.

All these orphans continue to receive the care they need at their various stages of rehabilitation. As they mature, they spend more time with other elephants in the park and begin to form bonds as they gradually prepare for full release into the wild.

The EOP continued to ensure effective data collection through satellite collaring in a bid to improve understanding of elephants, and to provide improved care for future orphans.

In FY19, the project will continue its rescue, rehabilitation and release program with tracking and post-release monitoring work. Staff will observe and record herd composition, general activity, as well as individual behaviour and social interactions, which will allow the team to identify any abnormal behaviour that may hamper the orphans' recovery. Long-term goals will involve monitoring release success. EOP will also continue working to find new ways to mitigate human elephant conflict.

### Marine Mammal Rescue & Research

The hook-shaped peninsula of Cape Cod, Massachusetts on the northeast coast of the United States is known as one of the world's hotspots for cetacean strandings. IFAW's Marine Mammal Rescue and Research (MMRR) team's mission is to promote the conservation of marine mammal species and their habitat by: 1) improving rapid response and humane care to stranded marine mammals; 2) advancing stranding science; and 3) increasing public awareness through education.

IFAW's MMRR program made notable strides in FY18. In fact, this year was IFAW's third busiest year for the MMRR team. Our three busiest years have occurred in the last six years.

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For the first time ever, our MMRR team successfully rescued and released a minke whale with a satellite tag. The tag transmitted for 45 days and showed the animal's migratory movements. Following that landmark rescue and release, the team attempted a second and third minke whale rescue. One animal was successfully refloated but was found dead the following morning. The second whale was in such poor condition upon its discovery that it had to be euthanized.

### Notable achievements:

- The IFAW MMRR team is nearing its 5000<sup>th</sup> rescue since its founding.
- Seven Atlantic white-sided dolphins were rescued and released in one day.
- Trained 26 new volunteers this year. We now have 224 active volunteers.

### Cetacean Rescues:

- 46 live rescues (includes common, white-sided and bottlenose dolphins) were carried out.
- 40 of these animals were rescued and released.
- This is an 86% release rate for our rescues.

### Pinniped Rescues:

- 38 live rescues were conducted.
- Six dead seals were found entangled in plastic gear or with lesions consistent with entanglement.
- Three entangled seals stranded themselves: All three were rescued and released.

## Amur Tiger Rescue, Release and Protection in Russia

*During FY18, IFAW Charity provided support to IFAW in Action totalling £570 thousand for program activities in Russia, such as the Amur Tiger work.*

Since 1995, IFAW has worked to rescue, rehabilitate, return to the wild and protect Amur tigers in Russia through our support of the Hunting Inspection Department of the Jewish Autonomous Oblast, TRINGO Centre Tiger and ANO Amur Tiger Centre. For anti-poaching brigades, IFAW has bought SUVs, GPS-navigators, motorcycles, quadro-copters and other necessary equipment for their protection and effectiveness. We have also maintained public education in the region. FY18 is the last year IFAW will be supporting this project. We gave advance notice and transitional funding to our partners.

IFAW's Amur tiger project has rescued and successfully released seven – soon to be nine – tigers back into the wild. We have evidence that several of those already released have bred successfully in the wild.

The monitoring team has returned after its spring 2018 inspection of photo-trap cameras to report new landmarks in the family of tigers living in the Zuravliny Sanctuary, Jewish Autonomous Region. Grown-up tiger cubs born to the female Svetlaya and the male Borya, are already independent one year after their release back into the wild. The cubs have grown noticeably since the beginning of the winter and are now the size of adults. Their parents are also in a perfect shape. These are all signs of a healthy reintroduction of this endangered species.

The monitoring of these tigers is ongoing, carried out by the staff of the TRINGO Centre Tiger, ANO Amur Tiger Centre, and Department of Hunting Supervision of the Jewish Autonomous Region. The orphans Saikhan and Lazovka, rescued in FY17, are being prepared for their release. For the first time, a method of "soft release" will be used so that Saikhan and Lazovka will not lose each other. They got along well while at the Centre, and they should do well if they stay together in the wild.

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### Landscape Conservation

#### IFAW Strategic Approach

Threat: Habitat loss, fragmentation and degradation

Increasing human population, consequent development pressures, and/or poor land-use policies continue to reduce space and resources for wildlife populations and result in increased human-wildlife conflict in areas where communities and wildlife occupy the same space and utilize the same natural resources. The effects of climate change are increasing the pressure on vital resources for both animals and people.

The Landscape Conservation Program seeks to protect wildlife and the places they call home by implementing integrated, long-term, multi-program approaches in defined landscapes where one or more keystone species are vulnerable or endangered and would no longer be able to survive in this landscape without human intervention. IFAW has prioritized key landscapes in east and southern Africa and south Asia based on the severity of the threats, the viability of the landscape, and our ability to effect positive change. IFAW's direct interventions include animal rescue-rehabilitation-release, translocation of orphaned and/or injured animals back into viable habitat, and re-introductions for protection or recovery purposes. Indirect interventions include counter-poaching and counter-wildlife trafficking initiatives as well as policy and community development projects designed to alleviate human-caused threats. In many cases, these landscapes cross borders, adding new levels of challenge and opportunity to our work. Successful IFAW interventions in these landscapes rely on sound scientific grounding, an effective field presence, and strong relationships with local communities, key institutional partners and national governments.

*During FY18, IFAW Charity provided support to Wildlife Trust of India (WTI) totalling £777 thousand. Key areas of program work done with WTI are detailed below.*

#### Restoring and Sustaining the Greater Manas Landscape in India

The wildlife of Manas National Park in Assam, India, bore the consequences of severe civil unrest in the region during the 1980s and 90s. The park's infrastructure was severely damaged and poaching and encroachment on forested land was rampant. Park staff were killed and rhinos disappeared completely from the park. In 1992, UNESCO declared Manas a World Heritage Site in danger.

Through the efforts of IFAW and WTI, Manas was restored to the point that it was removed from the danger list in 2011. Today, wildlife in north-eastern India and Bhutan still face pressure from increasing human population, natural disasters, poaching, degraded and fragmented habitat, encroachment of land and human-wildlife conflict. IFAW and WTI continue to work with local communities to combat these threats and ensure a positive future for wildlife.

IFAW-WTI's efforts in the Greater Manas landscape focus on rescue, rehabilitation, release and post-release monitoring of individual animals and on-the-ground conservation initiatives to bolster landscape recovery, including law enforcement trainings.

In FY18, IFAW-WTI undertook a baseline study of the ecological attributes of the "First addition to Manas National Park," which was created in August 2016, to formulate a two-year plan for management of this addition for conservation planning. The area of 36,000 hectares of forest contiguous with Manas National Park on the east and Royal Manas National Park (in Bhutan) on the west comprise a conservation landscape of 180,000 hectares. IFAW-WTI's policy advocacy at local and regional levels resulted in the formation of this once poorly protected forest area into the highest

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protected strata of a national park. The study design and logistical arrangements for the flora and fauna survey were completed and study permissions were obtained from the authorities.

IFAW-WTI undertook a socio-economic survey and held focus group discussions in all fringe villages within a two-kilometre radius of the "First addition to Manas National Park." Data was collected through door-to-door questionnaires with the help of community mobilizers from the villages. In FY19, the data will be compiled and a socio-economic status report produced to better inform the planning of future livelihood initiatives.

In FY18 IFAW-WTI continued working with communities to mitigate human-wildlife conflict. In addition, culturally sensitive livelihood and education initiatives continue to be promoted and supported in local Bodo communities and capacity has been built to ensure adequate preparation for disasters. These community-strengthening and landscape protection efforts are described below.

### Promoting fuel-efficient cook stoves

Cooking with wood drives villagers in the Greater Manas landscape (and other areas in India) to collect fuelwood, cut trees and encroach on wildlife habitat. These trespasses on protected land also invite wildlife poaching and other wildlife crimes. To reduce and replace the use of fuel wood, IFAW-WTI has long encouraged and supported the use of energy-efficient Improved Cook Stoves (ICS) and the use of liquefied petroleum gas (LPG) as an alternative fuel source.

So far, 2,200 households in villages on the fringe of Manas National Park have received Improved Cook Stoves: more than 70% of the stoves are reportedly being used regularly. Additionally, 10% of these households have also adopted liquefied petroleum gas (LPG) as an alternative source of fuel. During this period, training and sourcing of fuel-efficient Improved Cook Stoves in domestic and commercial establishments took place and local people trained to make portable and more efficient stoves. ICS were also provided to 60 commercial establishments.

Based on results of an FY18 survey of fuel-efficient cook stove usage in 600 households in Manas fringe villages, and on evidence that commercial establishments are still using wood, IFAW-WTI shifted focus toward helping commercial establishments reduce their firewood usage so that the extraction of wood from local forests can be reduced at source.

During FY18, IFAW-WTI added some notable achievements to our multi-year work:

- More than 6,500 Improved Cook Stoves were installed in 90 villages in Manas, Valmiki and Nagzira-Navegaon.
- 70% of the beneficiary households around Manas were using the ICS post-installation.
- Per capita fuelwood consumption has been reduced by 35%.
- Over 9,800 tonnes of fuelwood have been saved annually.
- Approximately 17,900 tonnes of CO<sub>2</sub> equivalent have been saved annually.

### Training women weavers in the Greater Manas Landscape

The fringe villages situated along the southern boundary of the Greater Manas landscape largely depend upon the collection of NTFPs and fuelwood for their livelihood. Providing alternate livelihoods that reduce their dependence on these natural resources is a way to protect the landscape and increase income, community engagement and conservation awareness. For centuries, the Bodo women in the area have maintained the traditional skill of weaving. Based on this tradition, IFAW-WTI has been promoting traditional weaving and helping women create business enterprises and increase household income which, in turn, help reduce their dependency on forest resources.

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## **Strategic report for the year ended 30 June 2018 (continued)**

In FY18, one more weaving centre was set up, which added more than 25 new women to the weaving project and more orders from a local NGO specializing in handmade artisan products. The new centres in Rangijora and Kahibari have started handloom production. Rangijora centre is ahead in terms of marketing their products and getting fresh assignments. That centre is earning Rs 2000-2500/month. The Kahibari centre requires further hand-holding and monitoring to achieve the Rangijora centre standard.

Once the second and final funding of STEP (Support to Training and Employment Programme for Women) under Ministry of Women and Child Development (WCD) is released, IFAW-WTI will train another batch of 42 women beneficiaries on improved handloom practices.

In total, IFAW-WTI has provided weaving support for more than 200 women, agriculture for 63 families and livestock for 17 households.

### **Law enforcement training of frontline staff**

IFAW-WTI has been training the frontline staff since 2014 with the objective of building law-enforcement skills and knowledge and changing the mindset of frontline staff so that they will book offences on a stringent wildlife act rather than the general forestry act (Assam Forest Protection Rule 1891). The fruits of these sustained trainings are now being realized. Once staff are able to get a few convictions, their morale will be higher and wildlife crime will be reduced.

IFAW-WTI continued capacity-building of frontline forest staff in the Greater Manas landscape in January 2018 by training 20 frontline staff from "First addition to Manas NP" in wildlife law enforcement at Kuklong, Chirang BTC. The training included both theory and practice: incorporating relevant sections of the Wildlife (Protection) Act of 1972: how to prepare seizure lists, record statements of the accused, writing detailed case reports for trial courts and guidance on preparing a case for trial.

A workshop on law enforcement organized by IFAW-WTI and the Forest Department of Manas was held later in the fiscal year. A formal MOU with a lawyer to help in trial court cases was signed. The forest department has empowered the IFAW-WTI lawyer to appear and help the public prosecutor in the courts of law. The lawyer is studying pending cases, assessing the quality of papers prepared for trial courts, and training select Manas frontline staff on preparing trial court papers. This will further enhance the quality of cases presented at trials and increase the conviction rates. In FY18, three cases were registered. The government of Assam has shifted trial court matters regarding Manas National Park to a newly constructed courthouse, which has slowed the progress of the ongoing cases but the work continues. More trainings are scheduled for FY19.

### **Education & Awareness in the Greater Manas Landscape**

IFAW-WTI's long-running Manas Pride campaign aims to strengthen the connection between the Bodo people – especially local young people who live in the region and the wildlife that surrounds them. Each year, through education programs and awareness-raising events, we encourage more social and political leaders and student leaders to take part in the Manas Pride campaign.

Through educational events and presentations, IFAW-WTI continues to inculcate pride among young children and youth regarding this UNESCO World Heritage Site. In FY18, we engaged more than 50 schools and over 2,000 students through teachers' workshops, painting wall murals and performing street plays and other methods to highlight the biodiversity of the Manas landscape. Street plays promoted and written by IFAW-WTI that emphasize the need for flourishing wild habitats and the role of people in destroying or preserving them were staged by students during weekends at weekly marketplaces; at the official opening ceremony of the Manas NP at Bansbari, a village near the main gate to Manas; on a tea estate near Manas NP; and at a local school on Indian Independence Day. About 1,800 people were reached through these plays.

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*During FY18, the Charity provided grant funding to IFAW US totaling £5.4 million, of which over £240 thousand helped fund Landscape Conservation activities. The Charity also provided funding to IFAW Malawi (£61 thousand) and IFAW Zambia (£84 thousand) for Landscape Conservation activities such as those that follow:*

### **Amboseli-Tsavo-Kilimanjaro Landscape Conservation**

#### **Strategic Approach**

Through a holistic, bottom-up, landscape-level approach, IFAW is working to protect the Amboseli-Tsavo-Kilimanjaro landscape (ATK landscape) -- critical elephant habitat -- by improving security, conserving land beyond park boundaries, mitigating human-elephant conflicts, encouraging local people to develop biologically and economically sustainable livelihood opportunities, and involving communities in wildlife conservation and its benefits.

IFAW's approach embodies three broad areas of work: Preventing Wildlife Crime & Human-Wildlife Conflict; Protecting Elephant Habitat; and Engaging & Involving Local Communities.

#### **Preventing Wildlife Crime & Human-Wildlife Conflict**

Poaching continues to pose a threat in the ATK landscape but many elephants face a bigger challenge: conflict with humans. As the human population increases, so do competing land uses such as farming and cattle grazing. As humans compete for limited resources -- water, land and grass for livestock -- we further encroach on what were once wild lands. With less space to share, people and animals now come into direct contact at an increasing rate and often with deadly results. HWC takes three primary forms in the ATK landscape: crops raided by wildlife, particularly elephants; livestock killed by predators, such as lions; and humans injured or killed due to living in close proximity with wildlife. IFAW is committed to addressing HWC.

Historically, responses to human-wildlife conflicts in the ATK ecosystem have been too slow, have not fully taken into account the complexity of local community views, and have not overcome a lack of trust in wildlife management authorities. A commitment to communities, inclusive of local grievances and conflict perspectives, is critical in building long-term trust between conservation stakeholders and the people who bear the costs of living with wildlife.

#### *Development of Human-Wildlife Conflict Protocols*

In November 2017, Amboseli stakeholders, including IFAW, held a meeting to conclude development of human-wildlife protocols which are a first of their kind and outline the procedures to follow in case of retaliatory hunting or when a human death or injury occurs due to conflict. These protocols are expected to be included in the National Wildlife Conservation Strategy and to be adopted by KWS for duplication in other parts of the country. IFAW and partners have strengthened the capacity to respond effectively to HWC while building trust between community members, wildlife law enforcement and other stakeholders.

#### *OOGR community rangers*

IFAW facilitated the professional training of 10 more OOGR community rangers in FY18. These members of the Olgulului/Olalarashi Group Ranch (OOGR) graduated from the Kenya Wildlife Service (KWS) Law Enforcement Academy (LEA) in December 2017. IFAW has facilitated OOGR ranger training since 2012. Fifty rangers are now deployed within the 133,000-hectare group ranch providing security services for wildlife and promoting human-wildlife conflict mitigation and awareness to OOGR community members. These community rangers are playing a central role in reducing elephant poaching on OOGR land: currently at an average of one elephant poaching incident annually in Amboseli -- the lowest in Kenya.

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### *Construction of Mangula Community Ranger Outpost*

In FY18, IFAW, in partnership with Big Life Foundation (BLF), constructed a Community Ranger outpost located at Mangula, on the border of three critical areas: Tanzania to the south; the OGR to the east; and Mailua group ranch to the north. Proximity to the porous Kenya – Tanzania border makes Mangula an area prone to high incidences of illegal wildlife trafficking and game meat poaching hence it was imperative to deploy community rangers for the safety of both wildlife and local community.

### *HAWEN*

IFAW helped organize a November 2017 ceremony at African Union headquarters in Addis Ababa, in which seven Horn of Africa countries (Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan, Uganda) formally established the Horn of Africa Wildlife Enforcement Network (HAWEN) to expand and strengthen regional cooperation against illegal wildlife trade. HAWEN will function as a specialized technical body under IGAD to promote information sharing, uniform enforcement standards, law enforcement cooperation, coordination of capacity building and training, and public outreach among the member countries.

### **Protecting Elephant Habitat**

Amboseli National Park's small size of 392 square kilometres cannot support the ecological needs of the approximately 1,700 elephants and thousands of other large mammals who live in the landscape. Elephants and other wildlife depend on the surrounding 5,308 square kilometres (approximately 530,800 hectares) of Maasai community land for dispersal and spend up to 80% of their time on these community group ranches. The elephants use these community group ranches not only as crucial corridors for migration to other protected areas such as Tsavo to the north in Kenya and Kilimanjaro Park to the south in Tanzania, but also as immediate dispersal and foraging grounds outside Amboseli National Park.

Rapid changes in land tenure and use systems in these group ranches, from community to private ownership, coupled with rising population, has resulted in diminishing wildlife range as settlements, incompatible land uses and haphazard developments expand and choke the critical wildlife migratory routes and dispersal areas. If these corridors and dispersal areas were lost, it would lead to habitat fragmentation and confine elephants to the Amboseli National Park, which does not have the capacity to support them.

IFAW has been working in Kenya for two decades and in the Amboseli area since 2012, learning from and building upon our experiences and partnerships. In FY18, we made great progress in protecting the ATK landscape utilizing a holistic strategic approach that includes:

- Securing the Kitenden corridor and subsequent development of the Kitenden Community Wildlife Conservancy;
- Conducting and supporting management-oriented research on elephant movements to map wildlife habitats and corridors;
- Enhancing law enforcement and elephant protection;
- Supporting the development of sustainable livelihoods;
- Mitigating human-wildlife conflict;
- Increasing the operational and management capacity of Amboseli National Park (KWS) and OGR community rangers.

### *Research on Elephant Movements*

In February 2018, satellite collars were deployed on five elephants in the Amboseli ecosystem. Data collected thus far has helped fill existing data gaps to guide creation of elephant corridors and new elephant foraging grounds, an important step toward addressing the rising incidence of human-elephant conflict cases.

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The Amboseli Ecosystem Aerial Census of elephants and large mammals in the Amboseli landscape was officially launched on 20 June 2018. Preliminary reports show a large number of elephants in the Kitenden Conservancy. This confirmed the importance of Kitenden Conservancy as a critical elephant habitat in the overall ecosystem.

Amboseli stakeholders are using the collaring data and census results to update the Amboseli Ecosystem Management Plan. The information has also been used by the national government in the *Wildlife Migratory Corridors and Dispersal Areas – Kenya Rangelands and Coastal Terrestrial Ecosystems* Report, which is part of the larger *Vision 2030* development plan to guide spatial planning at national and county government levels in order to secure wildlife migratory routes and corridors and dispersal areas.

IFAW supported the gazettment of the Amboseli Ecosystem Management Plan in FY18 as part of our overall strategy. To facilitate the mitigation of human-wildlife conflict in the landscape IFAW partnered with the Amboseli Ecosystem Trust and the KWS to implement the *Amboseli Ecosystem*

### *Management Plan*

2008 – 2018. The Plan, which is a government-gazetted document, separates land use areas for conservation, livestock grazing, farming and settlement. IFAW provided financial, technical and administrative support in the various stages needed to acquire the needed approvals. As the initial ten-year term of the Plan expires in 2018, IFAW will support and is part of the committee spearheading the extension of the Plan to ensure that gains made in the last ten years are sustained.

### *Lemomo Hill waterworks*

Drilling of a borehole and installation of associated water works at Lemomo Hill, adjacent to the Kitenden Conservancy, resumed in June 2018. It should be completed and operational in FY19. The availability of water at Lemomo will benefit wildlife and make this area of Kitenden an attractive tourist destination and an alternative to Amboseli National Park for animals to access water.

## Engaging and Involving Local Communities

IFAW continued to work with Olgulului Olalarashi group Ranch (OOGGR) leadership and landowners and help them develop the necessary governance structures for the Kitenden Community Wildlife Conservancy Company, Ltd (KCWC Ltd) in FY18.

The five-year lease signed by IFAW and almost 1,600 Kitenden land-owners of Kitenden in July 2013 ended in July 2018 and will be renewed for another five years in FY19. This lease agreement secures 16,000 acres of the critical Kitenden migratory corridor and dispersal area for wildlife.

### *OOGGR Northern Water Pipeline*

The inadequacy of water in that area for people, livestock and wildlife often contributed to human-wildlife conflicts. As part of a long-term project to provide water to communities in the northern sector of the OOGGR, IFAW and partners, throughout FY18, conducted trainings of community members, held meetings to improve pipeline efficiency, and continued to press for the completion of the pipeline. In September 2012, IFAW conducted research on how best to rehabilitate the dilapidated 90-kilometre water pipeline that supplies water to communities living in the northern OOGGR.

Rehabilitation work has commenced with an expected completion date of October 2018. When operational, the pipeline will provide water to about 300 homesteads, 3,000 people and over 6,000 heads of livestock.

### *Scholarships for OOGGR Students*

In 2015, IFAW initiated an education scholarship program to offer financial support to cover tuition and extra curriculum fees of academically excellent yet financially disadvantaged students from

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OOCR. As of 2018, a total 60 students - 19 in universities, 28 in tertiary colleges and 13 in secondary schools - are beneficiaries of the scholarships.

Of these 60, six have graduated with university degrees in various fields, with two of them gainfully employed; 26 have attained diplomas, with 11 gainfully employed; and eight have completed their secondary education, of which five performed well enough to be admitted to colleges and universities.

Additional FY18 Accomplishments:

- Supported infrastructural development of Kitenden Conservancy including access roads from Kimana gate and Inkoikumashi; a road linking Lendkirr and Lemomo; game viewing tracks; community ranger bases and office; borehole at Lemomo; patrol vehicles; plus prospecting for a possible Rhino Sanctuary and its establishment.
- Developed a Kitenden Conservancy Tourism Prospectus in collaboration with KWS, Kajiado County Government, Kitenden Conservancy Trust, and Kitenden Community Wildlife Conservancy Company Ltd (KCWC Ltd.). IFAW and partners also undertook joint marketing, identification and engagement of private investors for long-term sustainability of the Kitenden Conservancy.
- Supported effective, specialized wildlife security and counter-wildlife trafficking, in a security cooperation partnership with IFAW under its tenBoma initiative. This included national and regional training, joint patrols with regional partners, and facilitating data sharing among stakeholders.
- Modelled Ilkilunyiet Community Service Centre in the OOCR for provision of social amenities and settlement opportunities so as to free the rangeland for modernized livestock industry and wildlife conservation.
- Under the tenBoma banner, a Moran (young Maasai male) Cultural and Conservation Summit was held in Loita, Kenya, in March 2018 with 24 participants from four group ranches in Amboseli: Rombo, Olgulului, Mbirikani and Kuku. The goal of the Summit was to empower a knowledgeable, engaged, and proactive generation of Maasai leadership capable and willing to take on active roles in wildlife conservation and community security in East Africa and their local communities.
- Helped modernize livestock husbandry practices in the OOCR, including improved breeding stocks, enhanced veterinary health care, better feeding stock and grass banks.
- Undertook research and scientific initiatives to generate information for co-existence of landscape/wildlife conservation and human development.
- Capacity building for KCWC Ltd and KCT to enable them to generate, store, manage and share data/information for the sound conservation and management of wildlife resources on the Group Ranch.
- Facilitated website development for the KCWC Ltd and KCT.

### DISRUPT Trainings

In January 2018, IFAW and KWS conducted a four-day cross-border wildlife trafficking training for 38 frontline officers stationed at Kenya and Tanzania border points from Kenya and Tanzania Revenue Authorities, Tanzania Wildlife Authorities (TAWA), KWS and immigration and police officers. The objectives were; Skill development on species identification, smuggling techniques and exhibit handling; Relationship building among officers; and support of ongoing wildlife operations in the region.

In partnership with the Tanzanian Ministry of Natural Resources and Tourism, IFAW delivered a Regional DISRUPT primer symposium with the theme; *Partnering to prevent wildlife trafficking*. Held in Tanzania, the symposium brought together participants from seven countries from eastern and

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southern Africa who learned about best practices for tackling wildlife crime, identified new ways each country might address wildlife crime at their borders, and facilitated cross-border cooperation. Forty-two participants from the Uganda Revenue Authority, Civil Aviation Authority and Uganda Wildlife Authority (UWA) attended a DISRUPT training in February 2018.

### Kasungu-Lukusuzi-Luambe Elephant Landscape Project

There is significant overlap between IFAW's longstanding Kasungu-Lukusuzi-Luambe Elephant Landscape Conservation project and the IWT/USAID-funded Combating Wildlife Crime Project: They both operate in the same area; have complementary objectives and address the issues of poaching, wildlife trafficking, landscape protection, community development and land-use planning in a holistic manner. See previous Wildlife Crime section for more details.

IFAW's elephant landscape project has a strong law enforcement focus but has achieved notable success by connecting routine, recurrent protected area management tasks to other conservation needs such as community income-generating and conservation activities and local capacity building.

### FY18 Activities, Progress and Results

- Trained and supported nearly 100 investigators to implement WCIU and informant network activities.
- Made more than 200 arrests in Malawi of criminals trafficking in rhino horn, leopard skin, ivory and pangolins in the past 24 months (Kasungu Commando Unit).
- Arrested 83 poachers and traders illegally trafficking rhino horn, leopard skin, ivory, bush meat and pangolins in Zambia over the past eight months (WCIU).
- Rescued and released nine live pangolins and relocated them in protected areas (WCIU).
- Trained and supported investigators who operate throughout Malawi, with a special focus on the Malawi-Mozambique and Malawi-Zambia borders (WCIU).
- Organized and managed a Malawi DNPW/IFAW Construction Team – which employed 43 local villagers -- that in 80 days built an Operations Complex complete with a main building, operations room, radio room, commander's office, toilet and kitchenette, pit latrine, septic tank, secure storeroom and small aircraft hangar with safe storage facilities. The construction was underwritten by GIZ with matching funds from IFAW.
- The Kasungu Commando Unit -- selected and trained by IFAW's Mike Labuschagne in 2016 -- continued to operate exclusively in Kasungu National Park under the joint management of IFAW and Malawi's DNPW.
- The Tailoring Workshop at Kasungu -- established by IFAW -- produced a total of 860 garments (shirts, trousers, jackets, overalls and hats) in the six months from October 2017 to March 2018. In that time, IFAW paid the equivalent of 368 months minimum wage for tailoring and other income-generating activities that provide essential goods and services for protected area management. Because we train and employ local tailors to manufacture the needed uniforms, we fulfill a simple, recurrent management need that provides income to local people, increases ranger morale and involves local communities in conservation and law enforcement efforts.

## Community Animals

### IFAW Strategic Approach

Threat: Dogs, cats and other animals living in human communities may suffer or cause suffering when their health and welfare needs are not met. In many underserved communities, neglect and poor welfare of animals results from insufficient owner awareness or an inability to fully meet animal needs.

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IFAW seeks to reduce the suffering of community animals in key IFAW regions by helping communities struggling with domestic animal management to develop solutions that are humane and sustainable. We do this through:

**Humane Community Engagement** - IFAW empowers communities to take charge of their own animal challenges and find humane, sustainable solutions. We train community stakeholders, helping them and their communities find sustainable solutions to their own animal welfare challenges. As a leader in community animal welfare, IFAW also aims to bring community-centered, sustainable solutions to the forefront.

**Veterinary Care and Outreach** - IFAW also provides primary veterinary care, humane outreach, and education to communities, often through strategic collaboration with promising local partners. IFAW supports the strategic, operational and financial development of local partners whose hands-on work saves lives.

### FY18 Activities, Results and Next Steps

#### PUPS Campaign

IFAW continued to campaign for an end to cruel puppy farming by convincing the UK public to avoid irresponsible puppy buying, particularly online, and by lobbying for a UK ban on the sale of puppies without the mother present. Last year, a pro-bono partnership with creative agency J. Walter Thompson led to the development of a public facing campaign that used the PUPS acronym as a memory aid for the following things a potential puppy buyer should look for: *Parents, Underage, Papers, Sickness*. We continued using the acronym in FY18 and employed unique promotional materials and social media engagement opportunities to build support with policy makers.

In the UK, IFAW:

- Advocated for stronger protections for dogs in the UK – via the PUPS campaign -- mostly through lobbying, education and outreach events. This included working to reform the All Party Parliamentary Group (APPG) on Dog Welfare.
- Took part in the formation of the new all-party parliamentary group (APPG) on Dog Welfare with Marc Abraham from PupAid and key MPs in Parliament in September 2017. Country Director Phil Mansbridge worked with MPs and organizers to plan upcoming meetings and topics, leading toward another session on a third party sales ban.
- Attended the Scottish National Party's October 2017 conference and met with MSPs to discuss third party sales of puppies and the Bonomy Review regarding hunting with hounds in Scotland.

#### Public and Supporter Education and Outreach

During FY18, IFAW Charity educated and engaged its diverse stakeholder audiences on a wide range of international and domestic community animal issues, including the puppy mill public awareness campaign in the UK, efforts to improve animal welfare, respond to disasters and improve animal welfare in underserved areas in Mexico, Bali, Northern Canada and South Africa.

*During FY18, the Charity provided grant funding to IFAW US totaling £5.4 million, of which over £730 thousand helped fund Companion Animal activities.*

#### Improving Community Animal Welfare in Bali

IFAW has been working on the disaster-prone island of Bali for over 10 years. In 2016, we began Program Dharma, a groundbreaking partnership with the Bali Animal Welfare Association (BAWA), Udayana University Schools of Veterinary Medicine and Public Health, and the local animal health authorities. This community-based project empowers communities to keep their own animals healthy and safe, and to keep communities rabies-free.

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### FY18 Progress and Results

- 6,009 dogs were enrolled in our project across three regions.
- Two of three regions achieved and maintained 70% or higher rabies vaccination coverage.
- Zero rabies cases were reported in any of our sites, in humans or dogs.
- The number of dogs in poor welfare was reduced from as high as 24% at baseline (2016) to 5% or lower in all regions in which our teams work.
- Two of three regions successfully budgeted village funds to cover project costs.
- As a result of Program Dharma, the first dog welfare law in Indonesia was passed, which will be used as a model by other villages in Bali and the rest of Indonesia. It is the first law in Indonesia to explicitly ban the sale and trade of dog meat.

### Community Led Animal Welfare in South Africa

As of 30 June 2018, IFAW ended its financial support to South Africa's CLAW project after many successful years and many lives transformed through our partnership. In our exit process, we strove to ensure that CLAW, its staff and surrounding communities could still access the services they have long relied upon to keep people and animals healthy. CLAW will continue operations as an independent organisation, providing services to animals in Soweto and surrounding areas.

### Casitas Azules: Animal Welfare in Playa del Carmen, Mexico

Since 2012, IFAW has been working with partner Coco's Animal Welfare in Playa del Carmen to address the lack of animal welfare services and coordination in the rapidly growing tourist city. In 2015, IFAW sponsored the building of a new state of the art clinic, which has become a service and training hub for the region's many animal welfare groups. Since our partnership began, Coco's and IFAW staff has provided aid to more than 27,000 animals and sterilized over 20,000. In 2018, IFAW expanded its signature "Casitas Azules" project, providing community outreach, animal welfare services and safe shelters for animals at risk of attack from jaguars.

#### FY18 activities/achievements:

- Provided for an average of 450 surgeries per month conducted at Coco's clinic in addition to 2,700 sterilization surgeries provided through special events.
- Through monthly adoption events, 100 animals were adopted in FY18 and more than 600 since 2013.
- Collaborated with the government animal health authorities to vaccinate over 1,000 animals in just five days. Coco's and IFAW vets have vaccinated more than 10,000 animals since March 2018.
- Supported the training of 16 local veterinarians in anaesthesia and analgesia via Coco's Clinic.
- Reached over 100 animals each month through our signature Casitas Azules project.
- Worked with authorities from the state of Quintana Roo and local agencies to upgrade current animal welfare law and regulations.

## Marine Conservation

Threat: Inadequate protection from human activities for marine species and their habitats.

IFAW continued its international leadership of the campaign to end commercial whaling during this period, undertaking extensive domestic advocacy work in Iceland and discreet efforts in Norway and Japan. IFAW drafted and drove conservation initiatives in the International Whaling Commission and the Convention on Migratory Species encouraging protection of whale species and habitats. IFAW has also maintained its leadership role in addressing conservation challenges related to shipping, both in the International Maritime Organization and through sustained, direct engagement with shipping companies and maritime industry associations and stakeholders to reduce the threats of

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ship strikes and ocean noise. IFAW scientists, campaigners and partners helped secure strong, consensus-based whale conservation decisions at the Convention on Migratory Species plenary in October 2017 on Ocean Noise, South Atlantic regional protection, marine by-catch, and animal culture including whales.

IFAW played a unique role assisting governments in drafting conservation initiatives for consideration by the IWC at its May 2018 biennial meeting, leading to the most conservation-focused IWC agenda in history.

IFAW is involved with the new IWC Bycatch Mitigation Initiative, attending the FAO Expert Workshop on Reducing Marine Mammal Mortality and participating as a member of the IWC expert panel on bycatch. With IFAW input, CITES compliance proceedings have started against Japan for the illegal take of sei whales, the largest current whaling operation by weight. In the IWC, an In-Depth assessment of sei whales was initiated and is due for completion in 2019/20, which will place this operation under a scientific spotlight.

IFAW's Japan-related efforts during FY18 were largely focused on blunting and countering Japanese moves in the IWC and the scientific committee. However, IFAW also continued collaborations with well-placed officials and advocates in Japan, including advisors to the Prime Minister of Japan, key advisors to Members of the Japanese Diet, and representatives of the Japanese whale and dolphin watching industry.

Extended direct IFAW public awareness and political outreach activities in Iceland led to the long-sought creation of an expanded whale sanctuary in Faxaflói Bay. IFAW continued to exert strong internal political pressure on Icelandic fin whaling, including work with private sector tourism businesses, Icelandic media outlets, key embassies and government officials.

IFAW assisted in the development of the IWC Ship Strike Strategic Plan. We have worked to implement the plan in three of the high-risk areas identified by the IWC Scientific Committee: South of Sri Lanka, the Hellenic Trench off Greece and the Hauraki Gulf, New Zealand. This has included funding researchers, scientific and technical support including submission of a scientific paper for publication on how risks to sperm whales could be reduced, and attendance at relevant IMO meetings. IFAW continues to work with the World Shipping Council and international shipping companies to reduce ship strike risk to blue and sperm whales.

IFAW continues to participate in the Technical Group on noise, advising the European Commission on the implementation of the Marine Strategy Framework Directive. IFAW has particularly focused on reducing shipping noise through research to identify technical measures to combine ship quieting with improved fuel efficiency and reduced emissions. IFAW supported analysis of noise measurements of container ships before and after modifications to improve fuel efficiency, which demonstrated substantial noise reductions. The technical report supporting Canada's current initiative to address noise at IMO lists two IFAW-funded research papers among four key sources of information. IFAW will provide input into the IMO workshop proposed for early 2019.

IFAW Charity campaigners attended the International Maritime Organization 70 high-level forum event, "Our Heritage – Better Shipping for a Better Future." Russell Leaper, IFAW's Marine Science Advisor, attended a December 2017 meeting organized by Defra at the Zoological Society of London in London to develop a UK bycatch strategy. The initiative was at the request of Fisheries Minister George Eustice who indicated that he wanted to see some positive actions to address cetacean bycatch. The meeting included Marine Scotland, JNCC, Natural England, and Natural Resources Wales. In addition, IFAW Charity became a signatory on the Environmental Audit Committee sustainable seas inquiry LINK response, as well as on LINK's response to the HM Treasury's consultation on tackling the plastic problem.

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### Additional Progress and Results

- Secured expansion of the Faxaflói Bay whale sanctuary off Reykjavík, Iceland.
- Cessation of Icelandic minke whaling with just six whales killed this season.
- Unprecedented domestic and international pressure on renewed Icelandic fin whaling leading to a Government sustainability review of Icelandic whaling.
- Technical enhancements and geographic expansion of the "Whale Alert" app assisting mariners, port authorities, and others in avoiding ship strikes and reporting marine mammal sightings and strandings.
- Technical guidance and drafting support to key European decision-makers in development of the EU Marine Strategy Framework Directive.
- Increased tracking and compliance monitoring and reports of vessel speeds in key marine mammal habitats including Stellwagen Bank National Marine Sanctuary, Hauraki Gulf New Zealand and other international ports.
- Scientific survey of the Mediterranean basin, including shipping lanes near the Hellenic Trench, Strait of Gibraltar and other critical whale habitat areas in conjunction with ACCOBAMS to address ship strike threats in these waters.

### Public and Supporter Education and Outreach

#### IFAW Strategic Approach

During FY18, through offline, online and face-to-face approaches to public and supporter education and outreach, IFAW educated and engaged its diverse stakeholder audiences on a wide array of international and domestic issues. These ranged from efforts to prevent poaching, trafficking and private ownership of wild animals to raising awareness of threats to animals and habitats as diverse as wildlife cybercrime and ocean noise, the need to assist animals affected by natural and human-made disasters, and the importance of rescuing, rehabilitating and re-homing wildlife to both individual animal welfare and species conservation.

#### FY18 Activities and Results

IFAW launched a new, free, all-age Special Educational Needs (SEN) online school resource entitled *Cats, Dogs and Us* in October 2016. Cats and dogs have been shown to be incredibly important to children with special needs and disabilities, with studies demonstrating that animals can provide a conduit to helping develop children's emotional needs, social skills and communication. In FY18, IFAW continued to promote access to this curriculum as well as the entire library of free online educational resources.

IFAW hosted our *18th Animal Action Awards* at the House of Lords. The October 2017 event was hosted by Baroness Gale and the awards presented by actor and author Bill Oddie. In attendance were winners and their families, MPs, enforcement agencies and major donors, and UK Trustees. Legacy pledgers also attended. There were awards for conservation in action, wildlife rescue, badger protection and more. The Animal of the Year award went to a police dog named Finn. IFAW campaigned in support of Finn's Law (tougher sentencing for attacks on police dogs). The event received considerable national and regional media coverage.

Street Artist Sonny completed his stunning mural of a rhino with child in Croydon, on the edge of London in September 2017. His work was the subject of IFAW Charity's first *Facebook Live* presentation, which was conducted on-site during the painting of the mural. The format was an interview with Sonny conducted by Country Director Phil Mansbridge.

Hundreds of thousands of people were reached by our animal welfare and conservation messages throughout the year via social media, newsletters and earned media coverage.

## International Fund for Animal Welfare (IFAW)

Company registered number 02701278

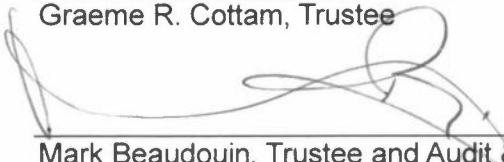
The Trustees' Report and the Strategic Report were approved by the Trustees on 14 February 2019 and signed on their behalf by;



Graeme R. Cottam, Trustee

February 14, 2019

Date



Mark Beaudouin, Trustee and Audit & Risk Oversight Committee Chair

2/14/19

Date

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

### Opinion on financial statements

We have audited the financial statements of International Fund for Animal Welfare (IFAW) (the 'charitable company') for the year ended 30 June 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of 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 2018 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### Opinion 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 and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## 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 Trustees' Report and the incorporated Strategic 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 4, 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.

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.

## 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 FCA DChA (Senior Statutory Auditor)

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

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date: 28 February 2019

# 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 2018

	Note	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Total £
<b>Income from:</b>					
Donations and legacies	2	17,796,936	335,652	18,132,588	19,825,822
Grants from connected organisations	16	-	406,912	406,912	136,089
Program income		2,073	-	2,073	-
Interest and Investment income		174,128	-	174,128	155,872
<b>Total income</b>		<b>17,973,137</b>	<b>742,564</b>	<b>18,715,701</b>	<b>20,117,783</b>
<b>Expenditure on:</b>					
Raising funds	3	3,486,267	-	3,486,267	3,534,022
Charitable activities	3	14,967,847	634,377	15,602,224	18,294,841
<b>Total expenditure</b>		<b>18,454,114</b>	<b>634,377</b>	<b>19,088,491</b>	<b>21,828,863</b>
<b>Net (resources expended)/incoming resources before investment gains</b>		<b>(480,977)</b>	<b>108,187</b>	<b>(372,790)</b>	<b>(1,711,080)</b>
Net gains on investments		312,445	-	312,445	797,375
<b>Net (resources expended)/incoming resources</b>		<b>(168,532)</b>	<b>108,187</b>	<b>(60,345)</b>	<b>(913,705)</b>
Other recognised (losses)/gains		360,020	-	360,020	(454,957)
<b>Net movement in funds</b>		<b>191,488</b>	<b>108,187</b>	<b>299,675</b>	<b>(1,368,663)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	17	14,002,052	49,652	14,051,704	15,420,367
<b>Total funds carried forward</b>		<b>14,193,540</b>	<b>157,839</b>	<b>14,351,379</b>	<b>14,051,704</b>

The notes on pages 40 to 59 form part of these accounts.

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Statement of Financial Position at 30 June 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	9	19,284	21,454
Investments	10	7,200,586	6,799,463
Other investments	10	1	151
<b>Total fixed assets</b>		<b>7,219,871</b>	<b>6,821,068</b>
<b>Current assets</b>			
Debtors	11	4,796,394	3,921,704
Cash in bank and in hand		3,434,723	4,694,245
<b>Total current assets</b>		<b>8,231,117</b>	<b>8,615,949</b>
<b>Liabilities</b>			
Creditors falling due within one year	12	(1,099,609)	(1,385,313)
<b>Net current assets</b>		<b>7,131,508</b>	<b>7,230,636</b>
<b>Net assets</b>		<b>14,351,379</b>	<b>14,051,704</b>
<b>The Funds of the charity</b>			
Unrestricted income funds	17	14,193,540	14,002,052
Restricted income funds	17	157,839	49,652
<b>Total charity funds</b>		<b>14,351,379</b>	<b>14,051,704</b>

The financial statements on pages 40 to 62 were approved by the board of Trustees and authorised for issue on 14 February 2019 and signed on its behalf by:



Graeme R. Cottam, Trustee



Mark Beaudouin, Trustee

The notes on pages 40 to 59 form part of these accounts.

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Statement of cash flows for the year ended 30 June 2018

	Note	2018 £	2017 £
<b>Cash provided by operating activities</b>	18a	<b>(1,316,575)</b>	<b>(1,551,239)</b>
<b>Cash flows from investing activities</b>			
Interest & investment income		174,128	147,831
Payments to acquire tangible fixed assets		(8,125)	-
Payments to acquire fixed asset investments		(1,504,963)	(386,343)
Proceeds from sales & maturities of fixed asset investments		1,396,013	193,989
<b>Cash provided by investing activities</b>		<b>57,053</b>	<b>(44,523)</b>
Increase in cash and cash equivalents in the year		<b>(1,259,522)</b>	<b>(1,595,762)</b>
Effect of foreign exchange rate changes		-	(222,274)
Cash and cash equivalents at the beginning of the year		4,694,245	6,512,281
<b>Total cash and cash equivalents at the end of the year</b>	18b	<b>3,434,723</b>	<b>4,694,245</b>

The notes on pages 40 to 59 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 2018

### 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) issued on 16 July 2014 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 2015. 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 and its potential impact on the various sources of income and planned expenditures. The Trustees have a reasonable expectation that the charity has adequate resources and are of the view that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future. 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.

#### 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.

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 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 3-5 years.
- Furniture and fixtures are depreciated over 5 years.
- Leasehold improvements are depreciated over the term of the lease.

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.

### Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

# **International Fund for Animal Welfare (IFAW)**

Company registered number 02701278

## **Notes to the financial statements for the year ended 30 June 2018 (continued)**

### **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 IFAW 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.

### **Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### **Pensions and similar obligations**

IFAW 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.

### **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 unrealized gains or losses are taken to the Statement of Financial Activities.

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 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 recognized 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.

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 2 Donations and contributions

	2018	2017
	£	£
Sustainer donations	3,994,526	4,299,284
Sweepstakes donations	2,420,319	2,478,988
Newsletter appeal donations	2,441,161	2,913,164
Legacies	7,110,724	7,733,805
Gift aid contributions	1,534,971	1,658,475
Other donations	630,887	742,106
	<u>18,132,588</u>	<u>19,825,822</u>

This table reflects unrestricted income of £17,796,936 (2017: £19,522,785) and restricted income of £335,652 (2017: £303,037).

### 3 Allocation of expenses

Costs by charitable activity for fiscal year 2018 and 2017 were as follows:

	2018				
	Activities undertaken directly	Activities undertaken through grants	Support costs	Total	2017
	£	£	£	£	£
<b>Charitable activities:</b>					
Landscape Conservation/Elephants	1,856,617	1,157,348	278,869	3,292,834	4,072,372
Marine Conservation/Whales	380,918	1,740,303	196,267	2,317,488	1,544,134
Wildlife Crime/Wildlife Trade	807,458	2,632,399	318,275	3,758,132	4,916,295
Community Animals/Companion Animals	779,620	918,847	157,152	1,855,619	2,152,903
Animal rescue	2,233,535	1,773,832	370,784	4,378,151	4,290,790
Education/Animal Action & Education	-	-	-	-	1,318,347
<b>Total Programs</b>	<u>6,058,148</u>	<u>8,222,729</u>	<u>1,321,347</u>	<u>15,602,224</u>	<u>18,294,841</u>

Fiscal 2018 program expenses were comprised of £15,037,635 unrestricted (FY17 £17,901,779) and £564,589 restricted (FY17 £393,062).

Cost apportionment between charitable activities is based upon:

- Activities undertaken directly – employee time and direct expenses associated with conducting programmatic activities.

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 3 Allocation of expenses (continued)

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

Costs of raising funds for fiscal year 2018 and 2017 were as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>Campaigns and projects:</b>		
Contracting and granting	-	-
Direct staffing	10,462	9,096
Support staffing	187	48
Support costs	5,034	3,481
<b>Total</b>	<b>15,683</b>	<b>12,625</b>
<b>Multimedia outreach and influence:</b>		
Production and placement	-	-
Direct staffing	2,081	913
Support staffing	36	5
Support costs	938	35,590
<b>Total</b>	<b>3,055</b>	<b>36,508</b>
<b>Supporter awareness and advocacy:</b>		
Outreach, production and distribution	1,741,703	1,874,950
Direct staffing	343,877	454,708
Support staffing	37,310	12,215
Support costs	1,344,639	891,551
<b>Total</b>	<b>3,467,529</b>	<b>3,233,424</b>
<b>Total mission costs</b>	<b>3,486,267</b>	<b>3,282,557</b>

Governance costs included for fiscal year 2018 and 2017:

	<b>2018 £</b>	<b>2017 £</b>
<b>Auditors' remuneration</b>		
Statutory audit - Charity auditor	15,532	16,000
Statutory audit - associate of the Charity auditor	63,886	68,791
<b>Legal fees</b>	<b>58,990</b>	<b>151,342</b>
<b>Trustee indemnity insurance</b>	<b>10,736</b>	<b>10,488</b>
	<b>149,144</b>	<b>246,621</b>

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 3 Allocation of expenses (continued)

Total support costs of £1,616,597 (2017: £1,553,257) include Direct expenditure of £574,187 (2017: £548,046) and Institutional shared support costs of £1,042,410 (2017: £1,005,211) 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 (losses)/gains

	2018 £	2017 £
Unrealized (loss)/gain from foreign currency hedging contracts	360,020	(677,232)
Gain/(loss) on foreign exchange	-	222,274
	<u>360,020</u>	<u>(454,958)</u>

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 5 Grants Payable

	2018 £	2017 £
International Fund for Animal Welfare, Inc. (United States)*	5,366,938	7,495,784
International Fund for Animal Welfare IFAW in Action*	570,000	920,000
International Fund for Animal Welfare NPC (South Africa)*	31,733	58,286
International Fund for Animal Welfare (IFAW) Limited (Malawi)*	75,683	56,649
International Fund for Animal Welfare Limited (Zambia)*	103,437	7,899
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)*	8,435	-
Wildlife Trust of India	777,363	862,546
Wilderness Welfare Limited	17,050	355,191
Game Rangers International - Zambia	205,082	306,268
Yayasan Bali Animal Welfare Association	126,817	185,005
Community Led Animal Welfare (CLAW) - South Africa	-	154,500
Kenya Wildlife Services, Inc	6,839	-
Mdzananda Animal Clinic - South Africa	-	87,614
Tsavo Trust Limited	40,983	84,689
Sergey Valentinovich Pazhetnov	119,498	78,724
Lilongwe Wildlife Centre	34,527	67,749
Pams Foundation	-	66,230
Cercopan	-	24,820
Wild Animal Rescue Center	-	24,638
SANCCOB	20,739	22,859
Primorskii Regional Non-Commercial Organisation	-	9,786
Tacugama Chimpanzee Sanctuary Sierra Leone Chimpanzee Rehabilitation Programm	-	8,825
Tigers and Other Animals Rehabilitation	-	7,818
UFK for Amur Oblast Khinghan	-	207
Marine Conservation Research International	49,000	-
IUCN International Union for Conservation of Nature	17,813	-
Imani Consultants Limited	22,540	-
Daw Thin Thin SWE	10,927	-
U Kyaw Win	11,321	-
Conservation Ecology Research Unit (CERU)	94,526	-
Mark White Motors Pty, Ltd.	12,607	-
Sergey Ganusevich	1,676	-
Trans Regional Non Governmental Organization Center for the Rehabilitation of Tigers and Other Rare Animals	18,394	-
Wild is Life Foundation	474,458	-
Maniango Safaris, Ltd.	4,344	-
	<u>8,222,730</u>	<u>10,886,087</u>

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 5 Grants Payable (continued)

Grants made to affiliated entities were expended as follows:

	2018 £	2017 £
<b>International Fund for Animal Welfare, Inc. (United States)</b>		
Landscape Conservation/Elephants	241,720	1,390,954
Marine Conservation/Whales	1,530,365	946,703
Wildlife Crime/Wildlife Trade	2,075,575	2,404,717
Community Animals/Companion Animals	735,828	343,125
Animal Rescue	783,450	1,261,205
Education/Animal Action & Education	-	1,149,080
	<u>5,366,938</u>	<u>7,495,784</u>
	2018 £	2017 £
<b>International Fund for Animal Welfare IFAW in Action (UK)</b>		
Landscape Conservation/Elephants	-	-
Marine Conservation/Whales	152,913	291,313
Wildlife Crime/Wildlife Trade	364,427	559,628
Community Animals/Companion Animals	-	-
Animal Rescue	52,660	43,836
Education/Animal Action & Education	-	25,223
	<u>570,000</u>	<u>920,000</u>
	2018 £	2017 £
<b>International Fund for Animal Welfare NPC (South Africa)</b>		
Landscape Conservation/Elephants	-	-
Marine Conservation/Whales	-	-
Wildlife Crime/Wildlife Trade	26,733	58,286
Community Animals/Companion Animals	5,000	-
Animal Rescue	-	-
Education/Animal Action & Education	-	-
	<u>31,733</u>	<u>58,286</u>
	2018 £	2017 £
<b>International Fund for Animal Welfare (IFAW) Limited (Malawi)</b>		
Landscape Conservation/Elephants	61,191	45,319
Marine Conservation/Whales	-	-
Wildlife Crime/Wildlife Trade	14,492	11,330
Community Animals/Companion Animals	-	-
Animal Rescue	-	-
Education/Animal Action & Education	-	-
	<u>75,683</u>	<u>56,649</u>

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 5 Grants Payable (continued)

	2018 £	2017 £
<b>International Fund for Animal Welfare Limited (Zambia)</b>		
Landscape Conservation/Elephants	84,255	7,898
Marine Conservation/Whales	-	-
Wildlife Crime/Wildlife Trade	19,182	-
Community Animals/Companion Animals	-	-
Animal Rescue	-	-
Education/Animal Action & Education	-	-
	<u>103,437</u>	<u>7,898</u>
	<b>2,018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)</b>		
Landscape Conservation/Elephants	-	-
Marine Conservation/Whales	-	-
Wildlife Crime/Wildlife Trade	8,435	-
Community Animals/Companion Animals	-	-
Animal Rescue	-	-
Education/Animal Action & Education	-	-
	<u>8,435</u>	<u>-</u>

### 6 Employees

	2018 £	2017 £
Wages and Salaries	1,090,945	1,074,950
Social Security Costs	237,678	235,774
Pension costs	64,174	64,856
	<u>1,392,797</u>	<u>1,375,580</u>

Staff activities are illustrated as follows:

	2018	2017
Program	8	8
Program support	4	4
Fundraising	15	14
	<u>27</u>	<u>26</u>

As of 30 June 2018 IFAW Charity had pension liabilities of £8,528 (2017: £8,007) included as a component of creditors.

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 6 Employees (continued)

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

£	2018	2017
60,000 - 70,000	1	
70,000 - 80,000	1	-
80,001 - 90,000	2	1
90,001 - 100,000	-	2

Contributions of £18,390 (2017: £16,034) were made into pension schemes on behalf of the above employees.

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 £499,467 (2017: £483,478). The amount of these costs allocated to the Charity were £155,470 (2017: £150,577).

### 7 Trustees' emoluments

The Trustees received no remuneration in the period (2017: £nil). Travel expense of £1,886 were reimbursed to Trustees (2017: £nil).

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 £8,369 (2017: £14,794).

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 £14,170 in Fiscal Year 2018 (2017: £10,488).

### 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 2018 (continued)

### 9 Tangible Assets

	Leasehold Improvements £	Furniture and Fixtures £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 July 2017	35,412	25,949	39,414	100,775
Additions	-	-	8,125	8,125
Disposals/ transfers	-	(5,711)	(5,774)	(11,485)
<b>At 30 June 2018</b>	<b>35,412</b>	<b>20,238</b>	<b>41,765</b>	<b>97,415</b>
<b>Accumulated depreciation</b>				
At 1 July 2017	25,283	22,398	31,640	79,321
Charge for the period	3,683	2,584	4,027	10,294
Disposals/transfers	-	(5,710)	(5,774)	(11,484)
<b>At 30 June 2018</b>	<b>28,966</b>	<b>19,272</b>	<b>29,893</b>	<b>78,131</b>
<b>Net book value At 30 June 2018</b>	<b>6,446</b>	<b>966</b>	<b>11,872</b>	<b>19,284</b>
At 1 July 2017	10,129	3,551	7,774	21,454

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 10 Fixed Asset Investments and Other Investments

	2018 £	2017 £
<b>Fixed Asset Investments:</b>		
Investment portfolio at 1 July	6,932,604	6,035,379
Less: Cash deposits with managers awaiting investment at 1 July	(133,141)	(230,649)
Market value at 1 July	6,799,463	5,804,730
Additions at cost	1,505,517	386,344
Disposal proceeds	(1,396,416)	(193,989)
Net investment gains/(losses)	292,022	802,378
Market value at 30 June	7,200,586	6,799,463
Add: Cash deposits with managers awaiting investment at 30 June	154,249	133,141
Investment portfolio at 30 June	7,354,835	6,932,604
<b>Historical Cost:</b>		
Investments portfolio at cost at 30 June	5,511,313	5,042,192

Market value comprises:

	2018 £	2017 £
<b>Equities:</b>		
Services	427,338	511,921
Financials	2,923,942	2,806,677
Fixed Income	1,665,244	1,471,853
Utilities	703,652	681,589
Consumer goods	537,039	436,052
General industry	608,511	546,900
Property Funds	334,860	344,471
	7,200,586	6,799,463

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 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 £1. This represents the 1/6 interest discussed above.

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 11 Debtors: Amounts falling due within one year

	2018 £	2017 £
Accrued legacy income	3,904,625	2,992,664
Other accrued income	267,782	276,062
Prepayments	136,938	150,027
Other current asset (Fx hedging)	310,665	-
Due from connected organisations (see note 16)	176,383	502,951
	<u>4,796,393</u>	<u>3,921,704</u>

### 12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	712,980	1,100,712
Due to connected organisations (see note 16)	159,144	6,759
Accruals	227,485	208,064
Foreign Exchange Hedging Contracts	-	69,778
	<u>1,099,609</u>	<u>1,385,313</u>

### 13 Net movement in funds

Net movement in funds is stated after charging

	2018 £	2017 £
Property lease rental	284,027	273,483
Depreciation of owned tangible fixed assets	10,294	11,231
	<u>294,321</u>	<u>284,714</u>

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 14 Lease commitments

At 30 June 2018, the Charity had total commitments under non-cancellable operating leases as follows:

<b>Land and buildings</b>	<b>2018</b>	<b>2017</b>
Amounts due:	<b>£</b>	<b>£</b>
Within one year	191,220	191,220
Between two to five years	191,220	382,440
	<u>382,440</u>	<u>573,660</u>

### 15 Membership of the company

The Charity was incorporated on 27 March 1992 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 IFAW Charity.

### 16 Related party transactions

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

<b>Name</b>	<b>Country</b>
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)	United Kingdom
International Fund for Animal Welfare, Inc.	United States
International Fund for Animal Welfare Limited	Zambia

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 16 Related party transactions (continued)

#### Amounts owed by connected organisations at 30 June:

	2018 £	2017 £
IFAW Internationaler Tierschutz-Fonds gGmbH (Germany)	-	202,898
Stichting IFAW (Netherlands)	7,438	44,182
International Fund for Animal Welfare (Australia) Pty Ltd	83,107	95,563
International Fund for Animal Welfare (France)	-	121,057
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)	83,558	36,880
International Fund for Animal Welfare (IFAW) Limited (Malawi)	-	893
International Fund for Animal Welfare Limited (Zambia)	-	1,478
International Fund for Animal Welfare NPC (South Africa)	-	-
International Fund for Animal Welfare IFAW in Action (UK)	2,280	-
	<u>176,383</u>	<u>502,951</u>

#### Amounts owed to connected organisations at 30 June:

	2018 £	2017 £
International Fund for Animal Welfare, Inc. (United States), net	8,536	4,091
International Fund for Animal Welfare NPC (South Africa), net	25,006	2,518
IFAW Commerce Limited (United Kingdom)	-	150
IFAW Internationaler Tierschutz-Fonds gGmbH (Germany)	98,151	-
International Fund for Animal Welfare (France)	27,451	-
	<u>159,144</u>	<u>6,759</u>

#### Income received from connected organisations:

	2018 £	2017 £
International Fund for Animal Welfare, Inc. (United States)	184,236	110,539
IFAW Internationaler Tierschutz-Fonds gGmbH (Germany)	-	25,550
Stichting IFAW (Netherlands)	46,949	-
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)	40,434	-
International Fund for Animal Welfare (France)	87,046	-
International Fund for Animal Welfare (Australia) Pty Ltd	48,247	-
	<u>406,912</u>	<u>136,089</u>

This table reflects restricted grants from connected organisations of £406,912 (2017: £136,089). There were no unrestricted grants from connected organisations (2017: £nil).

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 16 Related party transactions (continued)

#### Grants paid to connected organisations:

	2018 £	2017 £
International Fund for Animal Welfare, Inc. (United States)	5,366,938	7,495,784
International Fund for Animal Welfare IFAW in Action (United Kingdom)	570,000	920,000
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)	8,435	-
International Fund for Animal Welfare NPC (South Africa), net	31,733	58,286
International Fund for Animal Welfare (IFAW) Limited (Malawi)	75,683	-
International Fund for Animal Welfare Limited (Zambia)	103,437	-
	<u>6,156,226</u>	<u>8,474,070</u>

During Fiscal year 2018 International Fund for Animal Welfare, Inc. (IFAW US) provided certain program, fundraising and administrative activities for all the IFAW entities. Such shared support includes shared finance, technology and human resource support. The cost of this shared support is reimbursed to IFAW US by the Charity at cost. These costs are reported as a component of institutional shared support totalling £5,173,592 (2017: £5,001,050).

### 17 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
- Capital reserves – maintained (as needed) to provide financial resources in support of capital acquisitions
- 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 2018 (continued)

### 17 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 program 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 adapt a revised Institutional Investment Policy Statement to support the goals and objectives of the respective reserve funds.

IFAW Charity's funds were comprised of the following as of 30 June 2018 and 2017:

	General Fund	Restricted Fund	Total
	£	£	£
At 1 July 2017	14,002,052	49,652	14,051,704
Incoming resources	17,973,137	742,564	18,715,701
Resources expended	(18,454,114)	(634,377)	(19,088,491)
Unrealised gains on investments	312,445	-	312,445
Realised gains on investments	360,020	-	360,020
<b>At 30 June 2018</b>	<b>14,193,540</b>	<b>157,839</b>	<b>14,351,379</b>
At 30 June 2017	14,002,052	49,652	14,051,704

During Fiscal year 2018 the Charity received funds from donors and affiliated organisations totalling £742,564 (2017: £439,126), which were restricted to use for costs associated with the Charity's priority and regional programs. During Fiscal year 2018, restricted funds totalling £634,377 (2017: £393,062) were expended. Amounts restricted as to use as of 30 June 2018 and 2017 are illustrated as follows:

	2018 £	2017 £
Landscape Conservation/Elephants	153,498	48,604
Marine Conservation/Whales	-	1,048
Community Animals	4,341	-
	<u>157,839</u>	<u>49,652</u>

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 17 Funds (continued)

Net assets by fund were comprised of the following at 30 June 2018:

	General Fund	Restricted Funds	Total
	£	£	£
Fixed assets	7,219,871	-	7,219,871
Current assets	8,073,278	157,839	8,231,117
Current liabilities	(1,099,609)	-	(1,099,609)
Net assets	<u>14,193,540</u>	<u>157,839</u>	<u>14,351,379</u>

### 18 Notes to the cash flow statement

Note 18a	2018 £	2017 £
Net movement in funds	299,675	(1,368,664)
Deduct investment income shown in investing activities	(174,128)	(155,872)
Add back depreciation charge	10,294	11,231
Realised (gains)/losses from tangible investments	(292,022)	(794,338)
Foreign exchange gain	-	222,274
(Increase)/decrease in debtors	(874,690)	671,230
(Decrease)/increase in creditors	(285,704)	(137,100)
<b>Net cash provided by operating activities</b>	<u>(1,316,575)</u>	<u>(1,551,239)</u>

Note 18b	2018	2017
Cash and cash equivalents	£	£
Cash at bank and in hand	3,079,402	4,360,493
Money market investments	201,073	200,610
Cash Investments	154,248	133,142
	<u>3,434,723</u>	<u>4,694,245</u>

# International Fund for Animal Welfare (IFAW)

Company registered number 02701278

## Notes to the financial statements for the year ended 30 June 2018 (continued)

### 19 Financial instruments

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

	2018 £	2017 £
<b>Financial assets</b>		
Instruments measured at fair value through profit and loss	7,665,500	6,932,604
Debt instruments measured at amortised cost	4,348,790	3,771,677
	<u>12,014,290</u>	<u>10,704,281</u>
<b>Financial liabilities</b>		
Measured at fair value through profit and loss	-	69,778
Measured at amortised cost	1,062,844	1,276,129
	<u>1,062,844</u>	<u>1,345,907</u>

### 20 Forward contracts

The Organisation hedges certain anticipated cash flows using forward exchange contracts. As at 30 June 2018, the charity had outstanding contracts totalling £7,040,000 (2017: £6,575,000) covering cash flows over the following twelve months. The fair value of these contracts at 30 June 2018 was £310,665 (2017: £(88,305)).

### 21 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, utilizing the research vessel *Song of the Whale*. In Fiscal 2013, the Directors of the company and the Trustees of the parent 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 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.