

**WORLD SOCIETY FOR THE
PROTECTION OF ANIMALS**

CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2008

Charity no 1081849
Company no 4029540

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

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Legal and administrative details

Governing instruments

The WSPA is registered with the Charity Commission as a charity, and with Companies House as a company limited by guarantee. The Society is governed by its Memorandum and Articles of Association.

Charity registration number: 1081849

Company registration number: 4029540

Trustees (who are directors for Companies Act purposes):
Dr A Rowan
Dr B Clausen
Dr D C Turner
Dr H Wirth
Professor R Munro
Dr T Metveit
Mr C Luke
Mr D Bellemare
Mr P Mason
Ms M French
Ms H Maij-Weggen
Ms S Van Tichelen
Mr M Watts
Dr C Krishna
Mrs C Vega Leon

Director General: Major General P R Davies

Principal and registered office: 89 Albert Embankment
London
SE1 7TP

Charitable company secretary: Mr P Mason

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

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

Solicitors: Thomas Eggar LLP
76 Shoe Lane
London
EC4A 3JB

Sherrards LLP
18 Bentinck Street
London
W1U 2AR

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

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

The trustees (who are directors for Companies Act purposes) present their report together with the financial statements of the World Society for the Protection of Animals (the WSPA) for the year ended 31 December 2008. The financial statements have been prepared according to the accounting policies set out on pages 18 to 20 of the financial statements and comply with the current statutory requirements, the Memorandum and Articles of Association, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in April 2005.

Structure, Governance and Management

The WSPA is a company limited by guarantee and is a registered charity. It has been in existence for 27 years but has been registered in the UK since 4 August 2000 and was incorporated on 7 July 2000. Its governing instrument is its Memorandum and Articles of Association which were updated in 2007. Prior to this the WSPA operated in the UK as a branch of a not for profit charitable company registered in the District of Columbia, USA.

The board of trustees consists of not more than fifteen individuals. The board meets three times a year to review the performance of the charity and make any decisions necessary to its governance and strategic direction. There is also a Finance Committee covering financial policy, review of the annual audit and accounts and investment policy. The Finance Committee comprises four trustees namely Dr A Rowan (the Treasurer), Ms S Van Tichelen, Mr C Luke and Mr M Watts, the Director General, the Deputy Director General and the Director of Finance and Facilities. The committee meets three times a year to review the management accounts and performance in relation to the budget along with a balance sheet and cash flow statement. The committee reviews the annual budget before it is presented to the trustees. The risk register is regularly reviewed. At least once each year the investment managers attend a meeting to review the investments. The day-to-day management of the investments is administered by UBS Wealth Management, with whom the trustees are satisfied.

Peter Davies, the Director General, is appointed by the trustees to manage the day-to-day operations of the charity with the Senior Management Team (SMT). In 2008 the SMT consisted of Tim Bowman: the Deputy Director General; Henry Bennett; Director of Finance and Facilities; Amanda Seller, Director of Marketing and Communications; Leah Garces, Director of Programmes and Philip Russell, Director of Disaster Management.

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

Dr Ranald Munro	President
Dr Andrew Rowan	Treasurer
Mr Peter Mason	Charitable Company Secretary
Mr Dominique Bellemare	
Dr Hugh Wirth	
Dr Bjarne Clausen	
Ms Hanja Maij-Weggen	
Dr Toralf Metveit	
Ms Sonja Van Tichelen	
Dr Dennis Turner	
Ms Marcelle French	
Mr Carter Luke	
Mr M Watts (Appointed 3 June 2008)	
Dr C Krishna (Appointed 3 June 2008)	
Mrs C Vega Leon (Appointed 3 June 2008)	
Mr Bill Swann (Resigned 3 June 2008)	
Mrs Jackie Ballard (Resigned 3 June 2008)	
Mr Edwin Sayres (Resigned 3 June 2008)	

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The board continually reviews the skill requirements and performance of trustees. If new trustees are required the board and Director General are asked to recommend suitable candidates which the remainder of the board should approve before inviting the individual to consider the position.

The induction process for any newly appointed trustee comprises an initial meeting with the Director General and the board in order to brief them on the work of the WSPA. The induction pack includes a history of the charity, previous board minutes, prior year statutory accounts and global reviews, the Memorandum and Articles, current budgets and plans and guidance notes from the Charity Commission on the responsibilities and powers of trustees.

The charity employs a team of staff in London who travel around the world as required in order to carry out the global work of the WSPA. Weekly senior and middle management meetings take place to keep staff fully informed and involved in the running of the charity.

WSPA in the UK is deemed to be the head office of a network of 15 other WSPA legal entities around the world. Ten of these are separate legal entities each with its own board of trustees but they all have a license to use the WSPA trade mark. The offices in Tanzania and Thailand are branches of the UK entity, hence are included in these financial statements. Beijing now has its own legal status.

Internal controls and risk management

The trustees have responsibility for ensuring that the charity has in place an appropriate system of controls, financial or otherwise, to provide reasonable assurance that the charity is operating efficiently and effectively. The systems of financial control are continually reviewed and improved where necessary to provide reasonable assurance against material misstatement or loss.

In line with the recommendations of the Statement of Recommended Practice for Accounting and Reporting by Charities, the trustees have approved a risk management policy to assess business risk and implement risk management strategies. A process of identifying risks and development of a continuous programme of activities to monitor and mitigate risks has been undertaken and is regularly reviewed by the senior management team. This is reviewed annually by the Board.

This work entails:

- Clarifying management responsibility for the risks in each category
- Prioritising risks in terms of potential likelihood of occurrence
- Assessing risks in terms of their possible impact
- Assessing the types of risk and determining acceptable tolerance levels
- Adopting suitable counter measures to mitigate the risks.

Objectives, Activities and Performance

The WSPA's objectives are to prevent or suppress cruelty and to relieve the suffering of animals and to do all such lawful acts as the WSPA may consider being conducive or incidental to the attainment of those objects.

The WSPA's vision is: "A world where animal welfare matters, and animal cruelty ends" and mission is: "To build a united global animal welfare movement."

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The WSPA strives to:

- promote the protection of animals, prevent animal cruelty and relieve animal suffering in every part of the world
- promote humane education programmes to encourage respect for animals and lobby for laws and enforcement structures which will provide legal protection for animals
- promote cooperation between animal protection societies on an international scale.

The WSPA's five-year strategy focuses on the following four major priority areas of work within animal welfare:

- Companion Animals
- Commercial Exploitation of Wildlife
- Farm Animal Welfare
- Disaster Management.

In all aspects of its work, the WSPA aims to collaborate with and support animal welfare groups through the WSPA Member Society Network. The Network has grown extensively over the last few years and is now the largest international alliance of animal welfare organisations in the world, with over 950 groups in 155 countries.

Member societies include other large national organisations, covering a range of welfare issues as well as smaller specialist groups, working on specific problems. Over the last five decades the WSPA and its predecessors have implemented effective and sustainable animal welfare projects around the world through its Member Society Network and this work has benefited greatly from the local skills and knowledge that these groups bring to the project.

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

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

Public Benefit Requirement

Under the Charities Act 2006, from April 2008 charity trustees have a duty to explain in their Trustees' Annual Report how they meet the requirement to demonstrate public benefit within the meaning of the Act. They are also obliged to explain the charity's achievements, measured by reference to the charity's aims and to the objectives set by the trustees.

The advancement of animal welfare is specified as an admissible charitable purpose and is taken to include any purpose directed towards the prevention or suppression of cruelty to animals or the prevention or relief of suffering by animals. Examples of the sorts of charitable purposes falling within this description include:

- Charities promoting kindness and to prevent or suppress cruelty to animals
- Animal sanctuaries
- The provision of veterinary care and treatment
- Charities concerned with the care and re-homing of animals that are abandoned, mistreated or lost
- Feral animal control, e.g. neutering.

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In accordance with the requirements of the Charities Act 2006, the trustees have paid due regard to the Charities Commission's guidance on public benefit when deciding on and planning WSPA's activities.

The sections which follow demonstrate how the WSPA met its charitable purposes in 2008 and its principal achievements under its respective strategic priority areas of work.

Companion Animals

The WSPA's Companion and Working Animal Unit seeks to end the cruel treatment and irresponsible ownership that leads to the poor welfare of companion and working animals worldwide. In 2008 the Unit's objectives targeted four groups of animals: stray animals that endure persecution, disease and starvation across the globe; pet animals that lack the basic requirements for a comfortable life; working equines forced to work despite malnutrition, injury and little or no veterinary care; and companion animals that are exploited for commercial benefit.

There are hundreds of millions of stray animals globally. Many face poor welfare on the streets or are subject to cruel methods of control in attempts to reduce their numbers and eliminate the risk of zoonotic diseases. The WSPA's aim is for each country to adopt comprehensive, humane and effective methods of population management that include the dog and cat related components of effective and humane disease control. In 2008 the WSPA continued active involvement in the drafting of the World Organisation for Animal Health (OIE)'s new dog population management guidelines ensuring that they fit with the WSPA's humane approach to dog population management. These guidelines will be launched in 2009 with the OIE strongly influencing government veterinary departments to adopt humane control.

As coordinator of the International Companion Animal Management (ICAM) Coalition, the WSPA organised and hosted a workshop in March, which brought together experts in cat population management. 2008 was the first year of publication of the ICAM Coalition's Humane Dog Population Management Guidance, and WSPA and other ICAM members used the guidance to good effect throughout the year, presenting it at conferences and meetings, and disseminating it to various audiences ranging from intergovernmental bodies to small NGOs. Throughout 2008 WSPA attended a number of key conferences in order to advocate comprehensive management to influential audiences, including Rabies in the Americas, the International Companion Animal Welfare Conference and Asia for Animals. The World Health Organisation has verbally endorsed Humane Dog Population Management Guidance, and confirmed that this has become a reference within the organisation and one that they distribute externally.

There are an estimated 90 million working equines in the world, and over half the world's human population are reliant on the power provided by draft animals, which suffer a range of welfare issues caused primarily through insufficient or ignorant care and husbandry. Traditionally, the WSPA has provided veterinary services and education for owners in order to improve equine health and welfare. However, provision of veterinary care can lead to a culture of dependency and fail to reach all members of a community, and education alone does not lead to sustainable behaviour change. Therefore, in 2008, as well as continuing the more traditional equine outreach programmes WSPA piloted a new 'human behaviour change' approach in Nicaragua and Cambodia, with the aim of developing a strategy that can be used by WSPA and other organisations for the improvement of animal welfare through changes in husbandry practices of owners.

In 2008 WSPA increased its support of the Fur Free Alliance: the world's largest coalition of animal protection groups working peacefully to bring an end to the exploitation and killing of animals for their fur. This support helped fund campaigns such as the international Fur Free Retailer Programme and the Design Against Fur competition, which this year saw a record 5,000+ entries from China, making it the fourth most important design competition in the country, with entries from 276 universities across 29 provinces. In addition to lobbying European parliaments to follow the UK example and ban fur farming, the WSPA helped Norwegian groups gain international publicity for a 2008 investigation revealing shocking conditions on more than 100 of Norway's 500 fur farms.

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Commercial Exploitation of Wildlife

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

Throughout 2008 the WSPA continued to work to bring an end to bear farming in Asia with particular focus on Vietnam and Korea. A number of bears have now been confiscated from bear farms, which is moving the WSPA closer to its aim of achieving full prosecution of a bear farmer in Vietnam.

Within the zoo campaign the WSPA has begun to develop an excellent working relationship with the World Association for Zoos and Aquaria (WAZA), being the first NGO invited to speak at their annual conference. The result was WAZA agreeing to develop an animal welfare strategy as part of their organisational plan – a great step towards achieving the aim of making the zoo community take more responsibility for zoo animal welfare around the world.

The whaling campaign has achieved a big success for the anti-whaling movement by uncovering the commercial nature of many 'subsistence' whaling operations, thereby stopping an increase in whaling quotas and saving 12 humpback whales from being killed in the forthcoming whaling season in Greenland. This, along with providing continued development and support to NGOs in Norway working on the anti-whaling campaign is helping the WSPA to achieve its strategic aim of building a strong sustainable anti-whaling movement in whaling countries.

Work on human wildlife conflict has developed significantly with local projects in Turkey being supported by internationally renowned bear-human conflict experts from the International Union for the Conservation of Nature (IUCN) (the IUCN is recognised by governments and other key stakeholders as a global authority on issues relating to wildlife protection). A protocol for dealing with human-bear conflict is being drafted by WSPA and the IUCN and will soon be adopted by the IUCN as official policy. This will raise the profile of the WSPA's work with governments and ensure they adopt sustainable solutions to bear human conflict – a major aim of this programme.

The WSPA has continued to support the Borneo Orangutan Survival Foundation (BOS) Nyaru Menteng Orangutan sanctuary, the largest great ape sanctuary in the world, and has worked with BOS's fundraising team to ensure they are able to raise their own funds in the future. The WSPA plans to gradually reduce funding over the next three years leaving BOS self-sufficient.

The WSPA continues to work in India and Pakistan to eliminate the practice of dancing bears and bear baiting respectively. Religious campaigning and networking with powerful local landlords has been particularly successful in reducing the number of bear baiting events in Pakistan. In the last quarter of 2008 122 planned events were reported to WSPA and its local partner, Pakistan Bio-resource Research Centre, and as a result we were able to stop 110; exactly the target of stopping 90% of planned events.

Farm Animal Welfare

More than 60 billion animals are farmed annually to produce meat, milk and eggs. Many live in appalling intensive factory farm conditions throughout their short lives and many are killed inhumanely. With factory farming of animals continuing to grow in the developing world, the WSPA is strategically targeting Latin America and Asia to improve the lives of farm animals in these two key regions.

The WSPA's goal is to influence governments and farmers by showcasing humane farming alternatives, and providing farm animal welfare training. WSPA, and its Member Societies in these two regions, are working together to raise public awareness and are lobbying governments to introduce stronger farm animal welfare laws.

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During 2008 the WSPA funded investigations into pig welfare in Taiwan and South Korea, and into the health risks associated with live poultry markets (so called 'wet-markets') in Indonesia. A second conference on animal welfare was held in China.

The official inaugural conference of the Latin American Coalition for Farm Animals was held successfully in partnership with EARTH University in Costa Rica.

In Brazil, the WSPA's Model Farm Project became operational in partnership with the ETCO Group at San Paulo University to demonstrate high welfare farming alternatives. A farm manager is now in place with training centre and building renovations being carried out. A national training team of Brazilian veterinarians has been recruited and development of their humane slaughter and handling teaching materials completed.

In China, development of the Model Farm network of small free-range poultry farmers continued, and welfare training courses on poultry biosecurity, nutrition and disease were carried out on the core farms. The WSPA's national Chinese veterinarian training team completed their pilot Humane Slaughter training programme in the Henan Province of China resulting in 424 technical managers, 158 commercial department inspectors, and over 2,000 staff in 309 slaughterhouses receiving training in humane handling methods.

In February, the WSPA launched, and continues to manage, the global campaign – Handle with Care – a coalition of international NGOs against the cruel and unnecessary long distance transport of live animals for slaughter. Launched on a ship in Sydney Harbour and a London bus in Trafalgar Square, the scientific research behind this campaign was independently published as an academic reference book by CAB International. Already this campaign has helped to reduce animal suffering with a decrease in the number of live pigs being imported by Hawaii; a decrease in the number of live horses being cruelly trucked from Spain to Italy for slaughter; and a decrease in cattle exports by ship from Brazil to Venezuela and Lebanon.

In November, the WSPA published an environmental report, "Eating our Future", summarising the unsustainable impact of intensive factory farming on our environment, supported by a Forward written by Dr RK Pachauri, the Chair of the Intergovernmental Panel on Climate Change (IPCC).

Disaster Management

2008 has been a very successful year for the development of the WSPA's Disaster Management work achieving increased scope and influence to further cement the reputation of the WSPA as the leader in the field of animal care in disasters. The WSPA Global Disaster Management (DM) Team grew to 12 permanent staff in 2008.

The advent of the WSPA Disaster Alliance (WDA) brought together 21 influential animal welfare societies committed to helping animals at risk of disasters in developing countries. Under terms of the letters exchanged between WSPA and WDA members, societies agreed to provide funds and specialist technical staff for specific interventions on a case-by-case basis according to their own interests and availability of funds

WSPA emergency response teams delivered 21 disaster interventions in 15 countries and brought relief to more than 220,000 animals. The biggest intervention in Asia was in Myanmar where 50% (250,000) of the draught animals vital for planting rice died. WSPA along with vets from the Humane Society International (HSI) delivered food aid, emergency veterinary care to survivors and technical advice to the Minister for Livestock and to government vets in the field to enable working animals, already weakened by the disaster, to plant the rice crop within a tight time window. WSPA was supported in this operation by generous donations from HSI, the International Fund for Animal Welfare (IFAW), Pegasus Foundation and the Royal Society for the Protection of Animals (RSPCA). By way of follow-up, WSPA (Asia) started work at the veterinary university in Mandalay and in villages at risk in the Arrawaddy Delta to raise awareness about cyclone preparedness and develop plans that aim to prevent unnecessary death and suffering of animals and the harmful impact on livelihoods.

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Cuba was the most significant intervention in Latin America and the Caribbean. Struck by four large hurricanes in just a few weeks in late 2008 and devoid of international assistance, Cuba was devastated and draught animals and pets of displaced people were in particular need. The government invited WSPA to come to their assistance, the first time an animal welfare INGO has ever undertaken a disaster operation in Cuba's history. The subsequent recovery operation brought relief to more than 73,000 animals, was delivered in conjunction with 100 government vets in four regions and was completed in mid-February 2009.

2008 saw the launch of our DM risk reduction programme and activities were mainly initial engagement with government authorities and member societies and scoping studies that will lead in to interventions in 2009. The most impressive achievement in 2008 was the success of the WSPA Veterinary Emergency Response Unit (VERU) based in the national university in Costa Rica. The Costa Rica VERU responded immediately to (flood and drought) disasters on four occasions in 2008 and also participated in a realistic evacuation exercise at the Turrialba Volcano under the command of the Ministry for Civil Defence (CNE). The success of this VERU programme and the lessons learned during its development (2006 – 08) has provided an excellent model that WSPA plans to reproduce in Colombia, Mexico and Nicaragua in Latin America and in Bihar State in India, Myanmar and Thailand in South Asia in 2009.

WSPA DM teams delivered five member society workshops in Colombia (ten member societies from six nations), Costa Rica (ten member societies from three nations), the Dominican Republic (14 member societies from 11 nations), India (12 member societies) and Indonesia (16 member societies from eight nations). The emphasis was on disaster awareness, assessment of own shelters and making plans to increase own resilience. Interestingly, this approach was validated in 2008 when Hurricane Eik struck Jamaica but the Jamaica SPCA's facilities survived intact as a result of that society applying lessons learned at the WSPA DM workshop in the Caribbean in 2007.

The WSPA (Americas) Team delivered a comprehensive training course to 60 delegates drawn from the WSPA global DM team, the Costa Rica VERU, the RSPCA, IFAW, The Brooke, New Zealand MAFF and NZ SPCA; guest speakers included UN OCHA and Civil Defence of Costa Rica.

Member Society Development

Through its Member Society Network, the WSPA seeks to build a powerful global voice to set animal welfare firmly on the international agenda, to campaign against animal cruelty and reach out globally to raise the standard of animal welfare. These goals require animal welfare societies to work together to lend weight to campaigns and deliver best-practice animal welfare work. The WSPA provides support to animal welfare societies that sit within the WSPA network. To underpin this, WSPA aspires to build a strong Member Society Network that will reach out globally to create a world where animal welfare matters and animal cruelty ends.

The aim of the Member Society Development unit is to build the WSPA member society network into a powerful alliance of effective animal welfare organisations. The WSPA continues to increase its membership to encompass more of the animal protection movement, delivering targeted support for developing organisations, and promoting cohesion and communication throughout the animal protection community. Through this development work the WSPA also aims to improve the quality of animal welfare programmes being delivered by member societies across the globe. This whole area of work, to build a united global animal welfare movement is integral to its mission.

In 2008, 144 new member societies were recruited to the member society network. These included the first member societies in Cambodia and Myanmar.

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The small grant programme ran very successfully in 2008 with 115 grants to groups in Europe, Africa, the Middle East, Asia, the Pacific, the US, Canada and Latin America. The grants funded a wide variety of items and work including: equine welfare projects, computer equipment, conference attendance, education programmes and veterinary equipment.

The new fundraising programme continued in its second year – with 38 member societies from Latin America, Africa, Europe and Middle East receiving training. A variety of bespoke training was also delivered to over 50 member societies on a number of issues including humane education, website construction, government campaigning, project management and sterilisation techniques.

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

Education

The WSPA Education team in London coordinates and promotes the work of colleagues in Latin America, Africa and South East Asia in its goal to have animal welfare education incorporated in official teaching curricula at primary, secondary and tertiary education level. The educational work of Member Societies worldwide is also supported. There are four strategic areas of work as detailed below. Achievements against these areas in 2008 have included:

- **Partnerships and Networking:** working with intergovernmental organisations, government ministries, institutes of education, teachers and other NGOs which has led to endorsements, Memorandums of Understanding and agreements being signed with universities, technical schools and Ministries of Education.
- **Research & Development:** researching education systems; analysing curricula; researching effects of educational programmes on attitudes to animal welfare. In January the PhD Studentship the WSPA is funding at the University of Bristol started a course on ‘Assessment of attitudes towards animal welfare in veterinary education,’ which includes evaluation of the impact of ‘Concepts in Animal Welfare’ on student attitudes.
- **Content:** providing a database describing resources; developing new content or adjusting existing resources to fit different cultural contexts. A completely revised version of ‘Concepts in Animal Welfare’ (CAW) has been issued, distributed and translated into Chinese and Spanish; a new version of ‘Caring for Cats and Dogs’ was produced in English, Spanish and Portuguese. A website and database dedicated to animal welfare education at the primary and secondary levels is now active and maintained by WSPA.
- **Professional support:** working with teacher training institutes to embed animal welfare education in their curricula; organising teacher training workshops; supporting teachers, advisers and educational staff. WSPA has supported 20 teacher training workshops targeting the 5-16 age range and 11 CAW workshops worldwide, training approximately 1,000 people overall. A highlight was the CAW workshop in China and distribution of CAW resources translated into Chinese.

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Universal Declaration on Animal Welfare

The Universal Declaration on Animal Welfare (UDAW) is an agreement among people and nations to recognise that animals are sentient and can suffer, to respect their welfare needs and to end animal cruelty for good. The WSPA and its key partner organisations, including the American Society for the Prevention of Cruelty to Animals (ASPCA), Humane Society International (HSI), Royal Society for the Prevention of Cruelty to Animals (RSPCA) and Compassion in World Farming (CIWF), seek to have the UDAW adopted by the United Nations General Assembly by a critical mass of governments through a combination of political advocacy and public campaigning work around the world.

In 2008, the WSPA aimed to expand and consolidate support for the UDAW campaign amongst governments. By the end of the year, six governments – Sweden, UK, Fiji, New Zealand, Cambodia & Seychelles - had stated ‘in principle’ support for the UDAW. Further statements of support were also secured from 14 key ministries within target governments, including Brazil. This now means that the WSPA can work with all of these governments to bring the UDAW closer to reality at the UN.

The support of key signatories was also secured including the President of Costa Rica – each signature can influence government support for animal welfare and the UDAW campaign specifically either at national, regional or international level. Support for the campaign was also further expanded amongst the veterinary community with, most notably, the Federation of Asian Veterinarians signing up in October 2008. This can be used to influence governments in the Asia region in 2009. The World Organisation for Animal Health also reaffirmed its support at its ‘Second Global Conference On Animal Welfare’ in Cairo where they passed a resolution requesting OIE members to ‘promote the adoption of a Declaration at the United Nations’. The OIE network and participation in the campaign is influential and will be critical as we move closer to the UN General Assembly (UNGA)

Grant Making Policy

The WSPA makes grants to member societies and other bodies to fund their undertaking of activities which contribute either to fulfilling its own animal welfare objectives, or to tackling member societies’ own animal welfare priorities. An increasing proportion of WSPA’s animal welfare delivery is pursued via the making of grants.

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

The pilot grants programme launched in 2007 continued in 2008, with a further three grants being offered, of which only two were ultimately taken up. Of the total of seven funded pilot projects, three are continuing funded activities in 2009. Activities in the other four projects were successfully completed in 2008 but their benefits for animals and communities will continue for years to come. Feedback on the programme to date was reviewed and showed that the new processes were supported in broad terms, and that the programme was meeting its primary objective of developing the member society’s capacity to operate more effectively.

Fundraising

The focus on regular giving growth continued during 2008, with the “Eyes” TV commercial continuing to perform well during the first quarter of the year and online acquisition delivering both good volume and return on investment throughout the year. Overall income was 15% higher than 2007, in part due to a substantial legacy gift in August.

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Successes for the year included:

Regular giving was 18% higher than 2007, with online acquisition achieving a good return – the affiliate network promotions having worked very well. WSPA was given an award for its online fundraising activity at an Institute of Fundraising ceremony in July.

With substantial trust and major donor gifts in January and February and a consistent performance throughout the rest of the year, the project funding area was 73% higher than 2007. Legacy donations were 55% higher than 2007.

Despite the successes detailed above, 2008 saw a drop in the level of income raised through appeals, particularly in the second half of the year. Although impossible to establish a direct link, this decline mirrored the recessionary trend in the UK economy. This shortfall may also be partly due to the natural attrition of the cash donorbase; a segment that has not seen any active recruitment activity for some years. Steps will be taken in 2009 to increase the cash donor pool to address this issue.

New TV commercials developed in Q2 did not perform as well as expected, showing similar results to the already declining “Eyes” advert. The sub-optimum performance of this marketing channel was largely offset by higher than forecast acquisition through online. New TVCs will be developed and tested in 2009. Other marketing channels such as press and reciprocal lists will also be tested throughout 2009 to spread acquisition risk across a wider channel base.

The launch of a new online supporter customer relationship management (CRM) tool greatly improved response times to donor enquiries and the introduction of a new legacy database significantly improved tracking of both legacy pledges and gifts. 2008 also saw the start of a project to upgrade the current donor database. This should be fully implemented and operational by mid-2009; opening the way to substantially improved monitoring and evaluation of all marketing and other donor related activity.

Volunteers

Over the year approximately 20 volunteers contributed about 300 days worth of a variety of office administration duties. In addition approximately 300 fundraising volunteers assist with mail outs, street fundraising and support those raising money for the charity at sponsored events.

Accountability

Along with many other charities, the WSPA has become conscious of the need to demonstrate accountability to the people and organisations with whom it is actively engaged. In the case of the WSPA, apart from its obligations to the general public met through statutory reporting to the Charity Commission, it considers itself mainly accountable to its donors and supporters, to its member societies and other beneficiary communities.

During 2008 WSPA took several measures which indicate its commitment to strengthening its accountability. These include: the designation of a member of staff to focus on accountability and in particular the measurement and evaluation of the organisation’s animal welfare work; the appointment of a new internal auditor; initial work on a new strategy and on the development of a new system for planning, monitoring and evaluating WSPA’s programme work and setting up of an internal Monitoring and Evaluation Steering Group. This will continue throughout 2009. WSPA also commissioned a report ‘On Measuring Progress in Animal Welfare’, which will contribute to its practical understanding of the challenges of identifying change in the welfare of animals. The WSPA’s communications with actual and potential supporters were developed through significant improvements to its website, a revised format for its ‘Global Review’ publication, with clearer and fuller information, especially about finances.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

Financial review

Review of 2008

Total income in 2008 was £16.9 million which is an increase of £2.6 million, or 18%, over the previous year. Regular giving and individual appeals and gifts increased by 3.3% going from £7.7 million in 2007 to £7.9 million in 2008. This was a good year for legacies which always vary unpredictably year to year. In 2008 income from legacies was £2.9 million, a 55% increase. Income from corporates and trusts increased from £0.3 million to £0.4 million. Donations from other WSPA organisations overseas increased by 32% from £4.2 million in 2007 to £5.5 million.

Expenditure on charitable activities levelled out in 2008 (£14.9 million versus £14.7 million) after a large increase in 2007. Notes 6 and 7 explain in more detail the programmes of work carried out. The cost of generating funds decreased by £0.1 million and governance costs increased by the same amount.

Overall, therefore, the Society generated a surplus in 2008 of £0.2 million as compared to a deficit in the previous year of £2.0 million.

Reserves policy

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

At 31 December 2008 the WSPA's free reserves were £4.4 million (2007 - £3.4 million). Working capital for reserves purposes was £4.6 million and fixed costs in 2008 were £6.0 million. Based on the above reserves policy the ratio of working capital to fixed costs is 0.77 (2007: 0.82) which is comfortably within the range but shows a reduction over the previous year. The trustees have resolved to increase the level of reserves over the next three years.

Investment policy

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

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

2008 was an extremely difficult and volatile year for economies, stock markets and foreign exchange markets. Further funds placed into the portfolio in the latter part of the year were kept in cash and where possible shares were moved to a more defensive approach. Nevertheless there was an overall loss of £185,000 on investment assets in 2008 (£31,000 loss in 2007). The outlook in 2009 remains uncertain but in the medium term the market is likely to recover and our investment managers have been instructed to move cautiously back into equities through 2009.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

Plans for future periods

Post Balance Sheet Events

The SMT together with the trustees and working groups consisting of global staff members have been working on the strategy and a document will be now be going to the board in November 2009 for their approval following a delay in the process. Any changes to the infrastructure of the charity required to support the new strategy will be made during 2009 ready for implementation in 2010.

In each specific area of activity some of the key aims and objectives for 2009 are:

Companion Animals

The WSPA will continue to provide humane and practical solutions to companion animal population management for instance by promoting the launch of the OIE's guidelines on dog population management internationally. It will also continue to coordinate the International Companion Animal Management (ICAM) Coalition, which is developing two new resources: cat population management guidance and guidance on developing a euthanasia policy.

The launch of the Human Behaviour Change programme marks the beginning of the WSPA developing expertise in a whole new field of work that is arguably vital for its future impact on animal welfare, allowing it to reach more animals with restricted resources. The WSPA has learnt from the humanitarian NGO sector how to work with communities to result in behaviour change and apply these principles to engender animal welfare improvements; in 2009 it will introduce this approach to projects in Uruguay, Palestine and Costa Rica.

The WSPA anti-fur activity will continue primarily through membership of the Fur Free Alliance (FFA) and support of campaigns to achieve bans on fur farming and raise consumer awareness of the cruelty inherent in this industry.

Commercial Exploitation of Wildlife

The WSPA's bear farming campaign will continue to focus on Vietnam and Korea but will be increasingly active within China in 2009. An growing shift of campaign resources to Asia, as opposed to western countries from where the campaign originally developed, will continue in 2009.

Work in Malaysia to eradicate the worst zoos will begin in partnership with WAZA and selected member societies in 2009. In the long-term the campaign will aim to have minimum standards introduced for zoos in Malaysia and getting the worst zoos in the country closed.

It is anticipated that a protocol for addressing bear-human conflict, as drafted in a WSPA-funded workshop in September 2008, will be agreed and approved by the IUCN in the coming year. The research phase of work on Elephant human conflict will be built on to create a strategy for moving forward on the issue in 2009.

The WSPA whaling campaign will continue to focus increasing resources on a domestic campaign in Norway – one of the few countries in the world that still conducts whaling. The campaign will be run in partnership with two animal welfare organisations in the country and will work to achieve our aim of building a sustainable whale-welfare movement in Norway.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

It is hoped that a second bear sanctuary in Pakistan will be built to enable the WSPA to keep up with the continued success of the campaign, the first sanctuary being almost full. With this additional capacity it is hoped that the WSPA can work to reduce the number of planned events in Pakistan and enable more baiting bears to be handed over to the authorities. Work on dancing bears in India will focus on the provision of alternative livelihoods to bear owners and elimination of trade in bear cubs being brought into the dancing bear trade.

Development of BOS fundraising capacity will continue and, for the first time since WSPA's involvement in 2006, BOS will be in a position to contribute towards running costs for the sanctuary in 2009.

Farm Animal Welfare

The WSPA's Farm Animal Welfare Programme in 2009 seeks to continue these programmes of work to achieve its objectives:

- Supporting the work of the Asian Coalition for Farm Animals, including assisting with a campaign to ban wet-markets in Indonesia, and continuing to develop the Latin American Coalition for Farm Animals with a second follow up conference.
- The model farm project in Brazil will begin operating high welfare poultry and cattle demonstration units, and providing welfare training courses in partnership with San Palo University. In China, a large waiting list of applications to join the model farm network will be audited against the WSPA's humane criteria, and requests for further training courses on poultry biosecurity, nutrition and disease fulfilled.
- The Chinese Humane Slaughter training programme will be rolled out in further areas of the country during 2009, and a pilot training scheme will be completed and evaluated in St. Caterina State, Brazil.

The WSPA will continue to act as the manager of the global coalition campaign against the cruel and unnecessary long distance transport of live animals for slaughter.

Disaster Management

It is not possible to predict when and where disasters will strike in 2009 but it is anticipated that the teams will be as busy as they have been in previous years. The response work will shift slightly to a two sided strategy, the first being interventions of £10,000 or less delivered by our VERU's and member societies and the second being larger scale interventions delivered by WSPA teams. This will allow the department to be more cost effective and manage its workload better.

Member Society Development

The overall objective in 2009 is to continue in depth capacity development support to identified societies, to ensure that they are sustainable and effective. The WSPA will also provide development support to member societies who are partnering with WSPA on projects and campaigns to ensure that these programmes can continue in the long term without continued WSPA support. A website for animal protectionists has been built in 2008, but will be launched in 2009 to member societies. The site contains an online library of resources, details of job and volunteering opportunities, events and news.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

Education

Many of the lines of work active in 2008 will be consolidated and extended in 2009; for example, work on school curricula in certain countries such as Chile and Peru will be strengthened and similar work will be initiated in India.

The Global Education Strategy to be reviewed and revised. As part of this, there will be increasing emphasis on:

- Internal service: Supporting WSPA programme areas, and
- The International Animal Welfare Education (IN AWE) programme for the 5-16 age range. An important activity in 2009 will be planning for the First Global Conference on Animal Welfare Education for the 5-16 age range, to be held in 2010.

Universal Declaration for Animal Welfare

Campaigning at national, regional and international level will continue into 2009 within target countries to encourage official government support. There will be several opportunities for countries to support progress of the UDAW at the UN level and this will be encouraged in order to keep momentum moving towards the UN General Assembly as well as to link up efforts at different levels of the campaign. Efforts will also be focused on maintaining the momentum – specifically in New York – and interest in animal welfare to support the insertion of animal welfare language into a UNGA resolution before the end of 2009. This would provide a platform from which further promotion of the UDAW could take place into 2010.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of WSPA for the purposes of company law) are responsible for preparing 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of directors' responsibilities (continued)

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware
- 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.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

Dr A Rowan
Trustee

2 June 2009



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

We have audited the group and parent charitable company financial statements (the "financial statements") of the World Society for the Protection of Animals for the year ended 31 December 2008 which comprise the principal accounting policies, the group statement of financial activities, the group and charitable company balance sheets, the group income and expenditure account, the group cash flow statement and notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 December 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements for the year ended 31 December 2008.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

London

5 June 2009

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable United Kingdom accounting standards.

In preparing the financial statements, the group and charity follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in April 2005.

The principal accounting policies of the group (including branches WSPA Asia and WSPA Africa) and charity are set out below:

GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the charity and its wholly owned trading subsidiary WSPA Trading Company Limited. A separate Statement of Financial Activities (SOFA) is not presented because the charity has taken advantage of the provisions of paragraph 304 of the SORP and Section 230 of the Companies Act 1985.

FIXED ASSET INVESTMENTS

Fixed asset investments are included at market value at the balance sheet date. Any gain/loss on revaluation is credited/charged to the SOFA.

TANGIBLE FIXED ASSETS

The cost of tangible fixed assets over £1,000 is written off by equal annual instalments over their expected useful lives as follows:

Improvements to leasehold property	Life of lease
Computer equipment	3 years
Office equipment	5 years
Office move	Life of lease – 32 months

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the SOFA over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the SOFA on a straight-line basis over the lease term.

FUNDS ACCOUNTING

Funds held by the charity are:

Unrestricted funds - these are funds which can be used in accordance with the charitable objects and at the discretion of the trustees.

Designated funds these are unrestricted funds set aside in 2008 for the construction of a wildlife sanctuary in Romania.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

PRINCIPAL ACCOUNTING POLICIES

Restricted funds these are funds which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Eberle expendable endowment funds this fund represents assets received from a legacy in 1991 which should, where possible be held permanently by the charity, principally as investments. Income arising on the endowment fund must be used for small animals which falls within the objects of the charity.

Ruth Whist permanent endowment this fund arises from a donation for animals in need. The capital of the fund cannot be spent and interest should be withdrawn annually for use at the discretion of the WSPA's Director of Operations.

INCOMING RESOURCES

Appeals, donations, and member society subscriptions

Income from appeals, grants and member society subscriptions are included in incoming resources when they are receivable, except as follows:

- When donors specify that donations and grants given to the WSPA must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the WSPA becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants are for particular restricted purposes which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacies

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Grants

Revenue grants are credited as incoming resources when they are receivable provided that the conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Interest receivable

Interest is included when receivable by the charity.

Commercial trading activities

Income from commercial activities is included in the period in which the group is entitled to receipt.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

PRINCIPAL ACCOUNTING POLICIES

RESOURCES EXPENDED AND BASIS OF COST ALLOCATION

Resources expended are included in the SOFA on an accruals basis, inclusive of any irrecoverable VAT which is included as part of the expenditure to which it relates.

The costs of generating funds comprise the costs associated with generating voluntary income, the costs of trading for fundraising purposes and the costs directly attributable to managing the investments as well as costs relating to educating and informing the public on animal welfare issues.

Charitable expenditure comprises those costs directly related to the objects of the WSPA. It includes both the costs which can be directly allocated to such activities and costs of an indirect nature necessary to support them. These costs are apportioned on an appropriate basis as set out in note 8.

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

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are credited or charged to the SOFA.

GRANT MAKING POLICY

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

PENSIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from the charity in an independently administered fund. The amount charged in the SOFA represents the contributions payable to the scheme in respect of the accounting period.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Unrestricted income funds	Restricted funds	Endowment funds	Total 2008	Total 2007
		£'000	£'000	£'000	£'000	£'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	1	14,837	1,967	-	16,804	14,051
Activities for generating funds	2	29	-	-	29	27
Investment income	3	47	55	-	102	216
Other income	4	6	-	-	6	61
Total incoming resources		14,919	2,022	-	16,941	14,355
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	5	1,309	-	-	1,309	1,414
Fundraising trading	2	9	-	-	9	9
Investment managers fees		6	-	-	6	6
Net incoming resources available for charitable application		13,595	2,022	-	15,617	12,926
Charitable activities						
Companion animals	6	2,546	432	-	2,978	2,543
Commercial exploitation of wildlife		2,463	1,575	-	4,038	4,524
Farm animal welfare		2,803	403	-	3,206	3,036
Disaster management		1,693	237	-	1,930	1,876
Member society development		2,701	0	-	2,701	2,698
Total charitable expenditure		12,206	2,647	-	14,853	14,677
Governance costs	9	333	2	-	335	265
Total resources expended		12,539	2,649	-	15,188	14,942
Net (outgoing)/incoming resources before transfers						
		1,056	(627)	-	429	(2,016)
Transfers		30	(30)	-	-	-
Net (outgoing)/incoming resources before gains and losses	10	1,086	(657)	-	429	(2,016)
Realised and unrealised losses on investment assets	13	(5)	-	(180)	(185)	(31)
Net movement in funds		1,081	(657)	(180)	244	(2,047)
Fund balances brought forward		3,368	1,068	930	5,366	7,413
Fund balance carried forward	18-20	4,449	411	750	5,610	5,366

The statement of financial activities includes all gains and losses recognised in the year.

All the incoming resources and resources expended derive from continuing activities.

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

CONSOLIDATED AND CHARITY BALANCE SHEETS AT 31 DECEMBER 2008

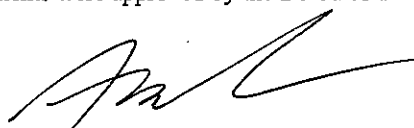
	Note	Consolidated 2008 £'000	Charity 2008 £'000	Consolidated 2007 £'000	Charity 2007 £'000
Fixed assets					
Tangible assets	12	452	452	482	482
Investments	13	1,962	1,962	1,420	1,420
		<u>2,414</u>	<u>2,414</u>	<u>1,902</u>	<u>1,902</u>
Current assets					
Debtors	14	1,472	1,502	792	822
Cash at bank and in hand		2,646	2,604	4,325	4,273
		<u>4,118</u>	<u>4,106</u>	<u>5,117</u>	<u>5,095</u>
Creditors: amounts falling due within one year	15	<u>(913)</u>	<u>(907)</u>	<u>(1,604)</u>	<u>(1,591)</u>
Net current assets		<u>3,205</u>	<u>3,199</u>	<u>3,513</u>	<u>3,504</u>
Creditors: amounts falling after more than one year	16	(9)	(9)	(49)	(49)
Net assets		<u>5,610</u>	<u>5,604</u>	<u>5,366</u>	<u>5,357</u>
Unrestricted funds					
Designated funds	18	70	70	-	-
Revaluation funds		(105)	(105)	(43)	(43)
General funds		4,484	4,478	3,411	3,402
		<u>4,449</u>	<u>4,443</u>	<u>3,368</u>	<u>3,359</u>
Restricted funds	19	411	411	1,068	1,068
Capital funds					
Endowments	20	750	750	930	930
		<u>5,610</u>	<u>5,604</u>	<u>5,366</u>	<u>5,357</u>

The financial statements were approved by the Board of Trustees on

2 June

2009.

A Rowan
Trustee



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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 DECEMBER 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Net cash outflow from operating activities	26		(873)		(371)
Returns on investments and servicing of finance					
Interest received		46		152	
Interest paid on finance lease		-		(1)	
Investment income		56		58	
Net cash inflow from returns on investments and servicing of finance			102		209
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(172)		(305)	
Purchase of investments		(69)		(321)	
Sale of fixed asset investments		64		398	
			(177)		(228)
Net cash outflow before management of liquid resources and financing			(948)		(390)
Financing					
Repayment of finance lease		(9)		(16)	
			(9)		
Decrease in cash	27		(957)		(406)

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 DECEMBER 2008

THE WSPA GROUP

	2008 £	2007 £
Income		
Voluntary income	16,804	14,051
Activities for generating funds	29	27
Investment income	102	216
Other income	6	61
	16,941	14,355
Expenditure		
Costs of generating voluntary income	1,309	1,414
Fundraising trading	9	9
Investment managers fees	6	6
Charitable activities	14,853	14,677
Governance costs	335	265
	16,512	16,371
Surplus/(deficit) of income over expenditure before realised gains	429	(2,016)

An income and expenditure account is an alternative summary of the information contained in the Statement of Financial Activities. As recommended in the Charity SORP, this statement excludes gifts of capital that are not currently available for revenue expenditure (see Note 20). The income and expenditure account is included in the accounts in order to comply with the Companies Act 1985.

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1 VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2008 £'000	2007 £'000
Appeals and gifts	7,193	721	-	7,914	7,660
Legacies	2,827	89	-	2,916	1,877
Corporate donations, trusts, foundations and society grants	133	289	-	422	299
Donations from WSPA organisations (Note 24)	4,661	868	-	5,529	4,199
Member Society subscriptions	23	-	-	23	16
	<u>14,837</u>	<u>1,967</u>	<u>-</u>	<u>16,804</u>	<u>14,051</u>

2 ACTIVITIES FOR GENERATING FUNDS

The charity has a wholly owned subsidiary, WSPA Trading Company Limited, incorporated in the United Kingdom, which receives taxable donations from companies operating mail order catalogues, affinity cards, promotional merchandise and other ancillary activities. A summary of its trading results is shown below:

	2008 £'000	2007 £'000
Turnover	29	27
Cost of sales	-	-
Gross profit	<u>29</u>	<u>27</u>
Administration expenses	(9)	(9)
Gift aid donation	(21)	(21)
Net loss from trading before interest	<u>(1)</u>	<u>(3)</u>
Interest receivable	2	5
Interest payable	(1)	(2)
Corporation tax payable	-	-
Result for the financial year	<u>-</u>	<u>-</u>

3 INVESTMENT INCOME AND INTEREST

	Unrestricted funds £'000	Restricted funds £'000	2008 £'000	2007 £'000
Interest payable on finance lease	-	-	-	1
Interest receivable on bank deposits	46	-	46	158
Investment income - UK equities	1	55	56	58
	<u>47</u>	<u>55</u>	<u>102</u>	<u>216</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

4 OTHER INCOME

	Unrestricted funds £'000	Restricted funds £'000	2008 £'000	2007 £'000
Premium on lease of old premises	-	-	-	50
Other	6	-	6	11
	<u>6</u>	<u>-</u>	<u>6</u>	<u>61</u>

5 COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	2008 £'000	2007 £'000
Appeals and gifts	907	-	907	1,013
Legacies	56	-	56	75
Corporate donations, trusts, foundations and member society grants	75	-	75	48
Regional and volunteer	177	-	177	181
Major donors	94	-	94	97
	<u>1,309</u>	<u>-</u>	<u>1,309</u>	<u>1,414</u>

6 CHARITABLE ACTIVITIES

	Grants £'000	Direct expenditure £'000	Support costs £'000	Total 2008 £'000	Total 2007 £'000
Companion animals	1,437	846	695	2,978	2,543
Commercial exploitation of wildlife	1,941	1,240	857	4,038	4,524
Farm animals	897	1,559	750	3,206	3,036
Disaster relief	950	473	507	1,930	1,876
Member society development	1,154	799	748	2,701	2,698
	<u>6,379</u>	<u>4,917</u>	<u>3,557</u>	<u>14,853</u>	<u>14,677</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

7 GRANTS

Grants were made to the following institutions as detailed below:

	2008 £'000
WSPA USA	1,792
WSPA Asia	1,753
WSPA Brazil	877
WSPA Africa	572
Borneo Orangutan Survival Foundation	559
Wildlife Trust of India	127
Green Korea United	100
Doga Dernegi	69
SPANAN	47
JSPCA	33
WSPA Colombia	32
Idaho Black Bears	28
The McKee Project	24
Vida Animal	18
Yudisthira	17
Brooke Hospital	17
NSPCA	15
Eurogroup	15
EAST	15
KAWA	14
Animal Concerns Research and Education	13
AFK	10
Dyrebeskyttelsen Norge	8
Helena Telkanranta	8
Transition and Society Consultancy	8
Instituto Tecnico de Educacao e Controle	8
ADDA	8
Organizacija Za Postovanje	7
IFAW	5
	<hr/>
	6,199
Other grants to institutions (all under £5,000)	89
Grant support costs	91
	<hr/>
	<u>6,379</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

8 SUPPORT COSTS

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

	Companion animals	Wildlife	Farm animals	DM	Member society development	Governance costs	Total 2008	Total 2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Office & IT	167	206	180	122	180	-	855	1,290
Staff costs	252	311	272	184	272	65	1,356	1,248
Donor support	51	62	55	37	54	-	259	286
Fundraising support	225	278	243	164	242	-	1,152	1,069
	<u>695</u>	<u>857</u>	<u>750</u>	<u>507</u>	<u>748</u>	<u>65</u>	<u>3,622</u>	<u>3,893</u>

9 GOVERNANCE COSTS

	Unrestricted £'000	Restricted £'000	2008 Total £'000	2007 Total £'000
Audit fees	40	-	40	33
Other auditor services	10	-	10	1
Legal fees	87	-	87	78
International management	131	2	133	94
Support	65	-	65	59
	<u>333</u>	<u>2</u>	<u>335</u>	<u>265</u>

Other auditor services include £4k charged for pensions audit work (2007: £1k) and £7k charged for lottery reports (2007: nil)

Liability Limitation Agreement with the auditor

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

10 NET INCOMING RESOURCES

This is stated after charging:

	2008 £'000	2007 £'000
Operating lease - premises	283	198
Depreciation:		
Tangible fixed assets owned	193	235
Tangible fixed assets held under finance lease	9	6
Auditors remuneration:		
- 2008	40	-
- 2007	-	33
- other services	10	1
Investment manager fees	6	6

11 EMPLOYEES AND STAFF COSTS

The payroll costs of these were as follows:

	2008 £'000	2007 £'000
Wages and salaries	3,619	3,144
Social security costs	370	321
Other pension costs	123	93
	<u>4,112</u>	<u>3,558</u>

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

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

	2008 Number	2007 Number
Charitable activities	39	35
Fundraising	29	21
Campaigns and publicity	11	13
Managing and administration	17	17
Governance	3	4
	<u>99</u>	<u>90</u>
Staff based overseas on local contracts	1	2
	<u>100</u>	<u>92</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

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FOR THE YEAR ENDED 31 DECEMBER 2008

EMPLOYEES AND STAFF COSTS (CONTINUED)

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

	2008 Number	2007 Number
£60,000 - £69,999	-	2
£70,000 - £79,999	1	3
£80,000 - £89,999	2	-
£90,000 - £99,999	0	3
£100,000 - £109,999	2	-
£150,000 - £159,999	1	-

The pension costs paid in respect of these employees amounted to £33,514 (2007: £22,638).

12 TANGIBLE FIXED ASSETS (CONSOLIDATED AND CHARITY)

	Improvements to leasehold property £'000	Office equipment £'000	Office move £'000	Computer equipment £'000	Total £'000
Cost					
At 1 January 2008	467	150	38	503	1,158
Additions	41	12	-	119	172
Disposals	-	-	-	-	-
At 31 December 2008	508	162	38	622	1,330
Depreciation					
At 1 January 2008	467	60	6	143	676
Additions	7	32	14	149	202
Disposals	-	-	-	-	-
At 31 December 2008	474	92	20	292	878
Net book amount at 31 December 2008	34	70	18	330	452
Net book amount at 31 December 2007	-	90	32	360	482

Included within the net book value of £452k is £19k (2007: £28k) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £9k (2007: £6k).

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

13 FIXED ASSETS INVESTMENTS (CONSOLIDATED AND CHARITY)

	2008 £'000	2007 £'000
Market value as at 1 January 2008	794	902
Less: disposals at opening book value	(64)	(398)
Add: acquisitions at cost	69	321
Realised gain/(loss) on revaluation	(185)	(31)
Unrealised gain on revaluation	-	-
	<u>614</u>	<u>794</u>
Market value at 31 December 2008	614	794
Cash	1,348	626
	<u>1,962</u>	<u>1,420</u>
Historical cost at 31 December 2008	<u>719</u>	<u>837</u>

An analysis of the market value of investments at 31 December 2008 is as follows:

	2008 £'000	2007 £'000
UK equities	361	515
Overseas equities	115	137
UK fixed interest stock	138	142
	<u>614</u>	<u>794</u>
Cash	1,348	626
	<u>1,962</u>	<u>1,420</u>

At 31 December 2008 the charity owned the entire issued share capital of WSPA Trading Company Limited (£2 cost) a company which supports the charity by carrying out ancillary trading activities. The trading results are set out in note 2. At 31 December 2008, the amount of this company's assets, liabilities, share capital and reserves was:

	2008 £'000	2007 £'000
Current assets	57	54
Creditors: amounts falling due within one year	(38)	(35)
Creditors: amounts falling due in more than one year	(10)	(10)
	<u>9</u>	<u>9</u>
Called up share capital	-	-
Profit and loss account	9	9
	<u>9</u>	<u>9</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

14 DEBTORS

	Consolidated	Charity	Consolidated	Charity
	2008	2008	2007	2007
	£'000	£'000	£'000	£'000
Owed by WSPA Trading Company Limited	-	42	-	32
Accounts receivable	25	13	10	9
Accrued income	1,094	1,094	577	576
Prepayments	261	261	187	187
Other debtors	92	92	18	18
	1,472	1,502	792	822

A loan of £9,903 (2007: £9,903) to WSPA Trading Company is secured and earns interest at 2.5% above base rate. The facility (original loan balance £203,500) must be repaid in equal instalments on December 31 each year over a period of ten years. Of this loan, £9,903 (2007: £9,903) falls due after more than one year.

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

	Consolidated	Charity	Consolidated	Charity
	2008	2008	2007	2007
	£'000	£'000	£'000	£'000
Trade creditors	295	295	402	402
Other creditors	17	15	16	16
Amount owing under finance lease	10	10	13	13
Tax and social security	105	105	94	93
Dilapidations Provision	98	98	0	0
Accruals	388	384	1,079	1,067
	913	907	1,604	1,591

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

	2008	2007
	£	£
Grant commitments	-	34
Amounts due under finance leases and hire purchase contracts	9	15
	9	49

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

17 BORROWINGS

Borrowings are repayable as follows:

	Consolidated 2008 £'000	Charity 2008 £'000	Consolidated 2007 £'000	Charity 2007 £'000
Finance lease:				
Within one year	10	10	9	9
After one and within two years	9	9	18	18
	<u>19</u>	<u>19</u>	<u>27</u>	<u>27</u>

18 UNRESTRICTED FUNDS

	Balance at 1 January 2008 £'000	Income £'000	Expenditure £'000	Investment gains/losses) £'000	Transfers £'000	Balance at 31 December 2008 £'000
Designated funds	-	-	-	-	70	70
General & revaluation funds	3,368	14,919	(13,863)	(5)	(40)	4,379
Total unrestricted funds	<u>3,368</u>	<u>14,919</u>	<u>(13,863)</u>	<u>(5)</u>	<u>30</u>	<u>4,449</u>

A designated reserve was established in 2008, to hold funds for construction of a wildlife sanctuary in Romania.

The loss on revaluation funds in the year of £62k (2007: £184k loss) represents changes in market value of investments relative to historical cost.

19 RESTRICTED FUNDS

	Balance at 1 January 2008 £'000	Income £'000	Expenditure £'000	Transfers out £'000	Balance at 31 December 2008 £'000
Companion animals	101	331	432	-	-
Libearty	723	555	958	-	320
Farmwatch	18	446	403	-	61
Disaster Management Borneo Orangutan Survival Foundation (BOS)	29	211	237	-	3
Other Wildlife	103	280	383	-	-
Other	87	174	234	-	27
	7	25	2	30	-
	<u>1,068</u>	<u>2,022</u>	<u>2,649</u>	<u>30</u>	<u>411</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

RESTRICTED FUNDS (CONTINUED)

Restricted funds are allocated for specific projects as follows:

Fund	Purpose
Companion animals	The WSPA aims to help companion animals around the world by supporting the work of animal shelters, persuading local authorities to stop the brutal slaughter of pet animals, to set up neutering programmes and to educate people in the care of companion animals. Income arising from the Eberle Revenue Fund is used to fund projects related to small animals.
Libearty	Funds are used for a variety of bear protection projects including bear sanctuaries and ongoing campaigns on the Chinese bear farm and bear trade issue, dancing bears in Asia and bear baiting in Pakistan.
Farmwatch	The aim of the Farmwatch campaign is to oppose the development of factory farming and achieve measurable improvements in farm animal welfare in strategically key areas of the world. This will be achieved by persuading international agencies (e.g. Food & Agriculture Organisation, World Health Organisation) to take account of farm animal welfare concerns and multinational food businesses (retailers, fast food outlets, etc.) to incorporate high farm animal welfare standards in their products.
Disaster Management	The WSPA received funds for general disaster relief work to used in emergencies such as the earthquake in Pakistan.
BOS	The WSPA committed to supporting the Nyaru Menteng sanctuary, run by the Borneo Orangutan Survival Foundation (BOS) which rehabilitates rescued orphaned orangutans for release back into the wild.
Other	Funds were received to support our work on small grants, animal welfare education, the Universal Declaration on Animal Welfare and anti-snaring in Africa.

20 ENDOWMENT FUNDS

	Eberle capital £'000	Ruth Whist capital £'000	Total £'000
Balance at 1 January 2008	596	334	930
Additions	-	-	-
Net realised and unrealised losses	(180)	-	(180)
Balance at 31 December 2008	416	334	750

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

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

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	452	-	-	452
Investments	1,212	-	750	1,962
Net current assets	2,794	411	-	3,205
Creditors: amounts falling due after more than one year	(9)	-	-	(9)
	4,449	411	750	5,610

22 COMMITMENTS

Capital Commitments

There were no capital commitments by the charity or group, contracted or authorised at 31 December 2008 or 31 December 2007.

Future Charitable Commitments

The Charity has authorised certain grants subject to certain criteria being satisfied. At the end of the year the total grants committed for the period 2008 to 2009 is £53,414 (2007; £25,830). This is all due for payment in 2009.

23 OPERATING LEASE

Operating lease payments relates to the rent of the premises of the Charity. The lease expires on 25th March 2010.

	Consolidated 2008 £'000	Charity 2008 £'000	Consolidated 2007 £'000	Charity 2007 £'000
Operating lease expiring:				
after one and within five years	233	233	233	233

24 TRUSTEES, DIRECTORS AND RELATED PARTIES

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

Seven trustees received payments totalling £13,462 (2007: six trustees; £1,615) as reimbursement of travel costs.

The charity enters into transactions with other charities connected with the World Society for the Protection of Animals. The nature of the transactions is principally the transfer of funds to or from those organisations to fund specific charitable projects and within the Society's objectives and which by their nature need to be funded on a local level.

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

TRUSTEES, DIRECTORS AND RELATED PARTIES (CONTINUED)

	Paid by WSPA UK £'000	Received by WSPA UK £'000
WSPA Africa	572	-
WSPA Asia	1,753	-
WSPA Australia	-	1,555
WSPA Brazil	877	-
WSPA Canada	-	258
WSPA Colombia	32	-
WSPA Costa Rica	-	-
WSPA Denmark	-	915
WSPA Germany	-	103
WSPA Netherlands	-	2,340
WSPA New Zealand	-	278
WSPA USA	1,792	80
	<u>5,026</u>	<u>5,529</u>

25 GUARANTEE

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

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

	2008 £'000	2007 £'000
Net movement in funds for the year before investment gains	429	(2,016)
Investment income	(102)	(210)
Interest paid on finance lease	-	1
Depreciation	202	241
(Increase)/decrease in debtors	(680)	1,132
Increase/(decrease) in creditors	(722)	481
	<u>(873)</u>	<u>(371)</u>

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

27 ANALYSIS OF NET CASH RESOURCES

	At 1 January 2008 £'000	Cashflow £'000	At 31 December 2008 £'000
Cash in hand	4,325	(1,679)	2,646
Cash held on short term deposit by investment managers	626	722	1,348
	<u>4,951</u>	<u>(957)</u>	<u>3,994</u>

28 PENSIONS

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

29 MEMBERS

The directors are the only members of the Society.

30 LEGACIES

The value of legacies notified to the Society but which do not meet the recognition criteria (and so are not accounted for within the financial statements) is approximately £1.9 million (2007: £2.6 million).

31 FORWARD CONTRACTS

The WSPA is a Sterling based organisation, with foreign exchange exposures in a number of other currencies. Primarily the WSPA receives funding in Sterling, Australian Dollars, Euros, Danish Kroner and Canadian Dollars. The Society has funding costs both in terms of funding overseas project offices, in addition to overseas project costs. These cash outflows are predominantly in US Dollars. There is very good forecasting ability in terms of overseas office costs up to 12 months forward (90%), and with respect to project costs, forecasting confidence is lower (50% - 60%) up to 12 months forward. Forecasting accuracy of incoming funding is generally less predictable, with good visibility three months forward.

The WSPA has two main foreign exchange risk management objectives:

- Improve the level of certainty, and minimisation of volatility, with respect to foreign exchange transactions; and
- Reduce costs of foreign exchange transactions through an efficient process and optimising the timing of hedging transactions.

In order to achieve this a rolling, layered hedging strategy is in place with a 12 month hedging horizon. The hedge ratios (minimum and maximum) decline on a four-month basis. Within this there is flexibility to actively manage exposures based on market conditions and outlook.

This strategy ensures that the WSPA has sufficient hedging in place at all times to provide a degree of protection against adverse foreign currency moves. The rolling and layered approach also ensures that the degree to which foreign currency volatility impacts the financial statements is minimised. This also leaves flexibility to actively manage the risk based on market conditions.

During the course of 2008 the following contracts were entered into and were taken up before 31 December 2008:

- USD 1.2 million were purchased with Euros

WORLD SOCIETY FOR THE PROTECTION OF ANIMALS

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FOR THE YEAR ENDED 31 DECEMBER 2008

- GBP 0.6 million were purchased with Euros
- USD 0.2 million were purchased with Danish Kroner.

At 31 December 2008 the following forward contracts were outstanding:

- USD 0.9 million to be purchased with Euros on 2 January 2009
- GBP 0.3 million to be purchased with Euros on 16 January 2009
- GBP 0.4 million to be purchased with Danish Kroner on 20 January 2009.