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INTERNATIONAL FUND FOR
ANIMAL WELFARE
(A company with unlimited
liability)

REPORTS AND ACCOUNTS
for the year ended
30 June 1985



INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company with unlimited liability)

Chairman's Statement
for the year ended 30 June 1985

HISTORY

The International Fund for Animal Welfare, referred to here as IFAW (UK), was incorporated in the United Kingdom in 1981.

It is an affiliate of the International Fund for Animal Welfare, referred to here as IFAW (US), which was established as a charitable trust in America in 1975.

Other IFAW (US) affiliates are the International Fund for Animal Welfare/Fonds International Pour la Protection des Animaux, known as IFAW (Canada), which was incorporated in 1969 and Stichting IFAW (International Fund for Animal Welfare), known as IFAW (Holland) which was incorporated in Holland in 1982.

MISSION (IN PART) OF IFAW (UK)

To improve the welfare of wildlife and other animals, within their natural habitat, and to eliminate animal cruelty wherever it is found in the world by developing and implementing campaigns encouraging public support and action.

GOVERNING BODY

IFAW (UK) is governed by three directors who are:

Brian Davies (UK citizen)
Carole Smock (US citizen)
Jean Kinloch (UK citizen)

Ian MacPhail (UK citizen) is Company Secretary.

ORGANISATION

IFAW (UK) is registered as an unlimited company.

A small staff in the UK run the day to day operation of answering inquiries, processing mail, banking etc.

Management, accounting, computer and newsletter work are provided by IFAW (US) for its affiliated organisations including IFAW (UK). These services are done for cost plus a fee which approximates to market value. This system is believed to be the most efficient and effective use of personnel as it maintains cost control and consistent operating policies worldwide.

ORGANISATION (continued)

Programme operations are centred at IFAW (US) where donations are used in part to support and equip anti-cruelty teams sent into areas such as Korea, Spain, Philippines and Canada. This organisation of operations is believed to provide better control and lower programme management costs. In order to allow affiliates to bear their fair share of costs, donations are made from affiliates to the US organisation.

FUNDING

IFAW (UK) receives no tax benefits, no government grants and no funding from commerce or industry. Income is derived through donations from individual supporters in response to newsletters, direct mail and advertisements.

Most income is received following appeals for help through periodic multi-purpose newsletters. These inform ... almost always offer an opportunity for individuals to do something for animals ... and also give supporters the chance to contribute to the organisation's work, as and when they wish, by means of a donation form that is always enclosed.

There are two significant advantages to this type of fund-raising. One, it appears to be the least costly, and two, it generates a relatively steady monthly income enabling IFAW to more efficiently meet its 365 days-a-year commitment to helping animals.

FINANCIAL ACCOUNTING

IFAW (UK) is audited annually by Coopers & Lybrand, Chartered Accountants.

During the fiscal year (1 July 1984 to 30 June 1985), IFAW (UK) received income of £1,592,621, of which 95% came from donations/contributions.

The expenses amounted to £1,331,779 of which approximately 70% was spent for public information and educational services and other programme activities.

During this fiscal year, IFAW (UK) sent to IFAW (US) £363,005 in donations. This allowed the UK organisation to share in the support of IFAW anti-cruelty teams and programme operations around the world. Because this is a significant contribution, we believe UK contributors should know that the breakdown of expenses for IFAW (US) as reflected in its audit for the fiscal year 1985 prepared by Coopers & Lybrand was: Programme 71% General and Administration 14% Fund raising 15%.

With year-end plans to initiate a major UK public information campaign on cruelty to dogs and cats in South East Asia and bearing in mind the sound business practice of maintaining a small reserve for future operating expenses, IFAW (UK) ended the year with a balance of £365,939. IFAW (UK) is also committed over the coming year to sharing and funding other important animal projects budgeted at some £350,000.

PROGRAMME/CAMPAIGNS

Never a week passes without a new appeal to IFAW for aid to suffering animals somewhere in the world. Every appeal is urgently and compassionately considered. Wherever possible immediate action is taken ... anti-cruelty teams are despatched ... letters are written ... and sympathetic friends asked for one more favour for the animals. From beautiful white seal pups in Canada to fearsome looking iguanas in Central America, IFAW reaches out to protect and rescue.

SEALS

In March we returned to Prince Edward Island in Canada to provide "on site" protection for the seals. Before the IFAW-inspired 1983 European Economic Community (EEC) ban on the import of baby seal products some 120,000 seals (mostly babies) were bludgeoned to death each year. When we left the ice this year 1,200 seals had been killed ... a reduction of 99%.

As the ban was due to expire at the end of September 1985, IFAW reopened its "Save the Seals" mission in Brussels, home of the EEC, to ensure that IFAW's total resources would be immediately available to counteract lobbying efforts to lift the ban. IFAW supporters and the general public were asked through newsletters and advertisements to take every possible action to insure the ban's renewal.

SOUTH EAST ASIAN DOGS AND CATS

Although tremendous gains for Philippine and South Korean dogs and cats have been made, atrocities are still happening in these countries. This year IFAW anti-cruelty teams returned to South East Asia to document, at some personal risk, the staggering brutality of a still active trade in cat and dog meat for human consumption.

IFAW continued to fund a full time anti-cruelty officer in the Philippines and gave donations to the Philippine Society for the Prevention of Cruelty to Animals for continued and expanded programmes against animal abuse. Following previous IFAW campaigns the Metro Manila authorities have banned human consumption of dogs, enormously reducing the potential market for pet meat dealers. Still desperately needed is a similar law on a national level. We continue to work towards this.

In South Korea we met with government officials and officers of the country's equivalent of Britain's Kennel Club and received their assurance that hundreds of restaurants serving cat and dog meat have been closed. Despite this progress, we found a still active business in cat and dog meat. IFAW will continue to field anti-cruelty teams and encourage protests from the public until the authorities take more positive action to end the cruelty.

WHALES

A special appeal was made in September to urge IFAW supporters to save whales by asking US President Reagan to invoke the Pelly and Packwood-Magnuson Amendments. This provides for a US embargo of fish imports and a loss of no less than 50% of a foreign nation's fisheries allocation in the United States 200 mile fisheries conservation zone if that country diminished the effectiveness of the International Whaling Commission.

IFAW was again represented at the meetings of the International Whaling Commission.

In addition IFAW continued its aerial survey of whales, work for a commercial whaling moratorium, and establishment of whale sanctuaries.

SWANS

In August IFAW initiated its four point programme (education, research, prevention and legislation) to save Britain's swans ... beautiful birds dying in agony ... poisoned by the lead weights used by sports fishermen.

Tens of thousands of protest cards and letters from IFAW supporters round the world poured into the Downing Street office of Prime Minister Margaret Thatcher.

In response, William Waldegrave, Minister of the Environment, wrote to say:

"It is our declared policy that lead should be phased out ... if possible by voluntary means, but if not, by means of legislation."

Another major victory for IFAW supporters and the other animal lovers who campaigned for the swans.

OTHER ANIMALS

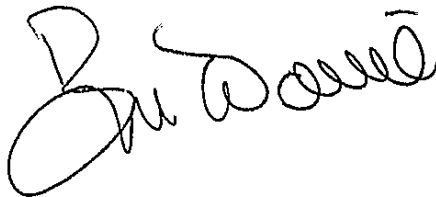
In February IFAW returned to Spain's tourist province of Toledo where terror-stricken animals are tied to stakes and stoned to death. Because of pressure from the Spanish authorities and the presence of IFAW observers there was no open killing of rabbits. However, when the main IFAW team left the area there was an attempt to stone animals. This was witnessed by one of our undercover agents who risked his own safety to save the animals.

We again provided cards for our supporters to send to Spanish officials demanding a positive effort to stop the "Games of Death".

IFAW is currently involved in 21 animal welfare programmes. None of this work would be possible without our loyal supporters, some 500,000 in over 30 nations. They are the means by which IFAW is able to maintain its impressive record of helping animals and stamping out cruelty whenever it is found.

With gratitude we look back on a year of major accomplishments. With confidence we look forward to working together in the years to come.

B DAVIES
Chairman



INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company with unlimited liability)

Report of the directors
for the year ended 30 June 1985

1 The directors present herewith the audited accounts for the year ended 30 June 1985.

Principal activities

2 The principal activities of the company are to preserve and protect wildlife for the benefit of the world at large, particularly endangered species, and to prevent cruelty to animals. In this connection, donations and other income are solely used to finance expenses defrayed.

Review of business and future developments

3 The company expects to enlarge its number of supporters during the forthcoming year and to continue its activities in the field of the prevention of cruelty to animals. The income and expenditure account for the year under review is set out on page 4.

Fixed assets

4 The movements in fixed assets during the year are set out in note 7 to the accounts.

Directors' interests in shares of the company

5 The directors, and their interests in the shares of the company at 30 June 1985 according to the register required to be kept by Section 325 of the Companies Act 1985, were as follows:-

	<u>Ordinary shares of £1 each</u>	
	<u>30 June 1985</u>	<u>1 July 1984</u>
Mr B Davies	1	1
Mrs J Kinloch	1	1
Mrs C Smock (American)	1	1

The above persons have been directors of the company throughout the year ended 30 June 1985.

INTERNATIONAL FUND FOR ANIMAL WELFARE
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Report of the directors
for the year ended 30 June 1985 continued

Related transactions

- 6(a) International Fund for Animal Welfare, USA provides certain record keeping and management services to the company. The cost of these services for the year ended 30 June 1985 amounted to £136,261 (1984 - £89,451).
- (b) The company made a grant of £363,005 to International Fund for Animal Welfare, USA during the year ended 30 June 1985 for joint international campaign work.
- (c) Mr B Davies, Mrs J Kinloch and Mrs C Smock are trustees of the USA organisation and directors of the Canadian organisation. The amounts due to these two organisations at the balance sheet date are set out in note 9 to the accounts as amounts owed to affiliates.

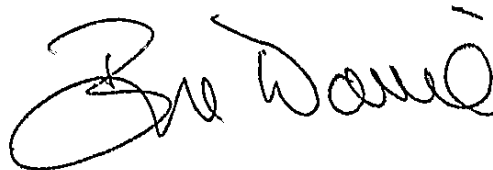
Close company provisions

7 As far as the directors are aware, the close company provisions of the Income and Corporation Taxes Act 1970, as amended, apply to the company. There has been no change in this respect since the end of the financial year.

Auditors

8 A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



I S MACPHAIL
Secretary



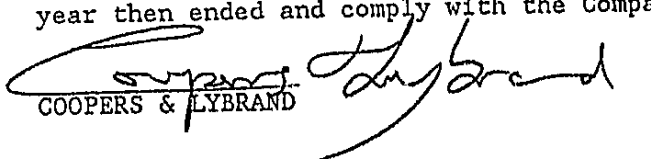
LONDON, 26 March 1986

Auditors' report to the members of
INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company with unlimited liability)

1 We have audited the accounts on pages 4 to 10. Our audit was conducted in accordance with approved Auditing Standards having regard to the matter referred to in paragraph 2.

2 This company, in common with many other non-profit making organisations, derives a substantial proportion of its income from voluntary donations which cannot be fully controlled or verified until they are entered in the accounting records. Accordingly, we have relied on the assurances of the directors that all the income to which the company is entitled is included in these accounts.

3 Subject to the assurances of the directors, in our opinion the accounts give a true and fair view of the state of the company's affairs at 30 June 1985 and of its surplus and source and application of funds for the year then ended and comply with the Companies Act 1985.


COOPERS & LYBRAND

Chartered Accountants
LONDON, 27 March 1986

INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company with unlimited liability)

Income and expenditure account
for the year ended 30 June 1985

	Notes	<u>1985</u>		<u>1984</u>	
		£	£	£	£
Donations	2	1,506,463		1,369,966	
Other income and interest received		86,158		103,012	
		<u>1,592,621</u>		<u>1,472,978</u>	
Less: Expenditure					
Public information, educational services and campaigns		448,185		407,936	
Grants		396,656		524,112	
Salaries and wages	5	42,586		33,166	
Consulting and professional fees		65,028		46,870	
Management and data processing services		136,261		89,451	
General and administrative		182,907		73,730	
Travel and lodging		42,102		29,728	
Depreciation and amortisation		5,985		24,545	
Auditors' remuneration		<u>12,069</u>		<u>3,556</u>	
		<u>1,331,779</u>		<u>1,233,094</u>	
Excess of income over expenditure before taxation	3	260,842		239,884	
Taxation	6	<u>10,077</u>		<u>5,663</u>	
Surplus for the financial year		<u>£250,765</u>		<u>£234,221</u>	
MOVEMENT ON INCOME AND EXPENDITURE ACCOUNT					
Balance at 1 July 1984		115,174		(119,047)	
Surplus for the financial year		<u>250,765</u>		<u>234,221</u>	
Balance at 30 June 1985		<u>£365,939</u>		<u>£115,174</u>	

The notes on pages 7 to 10 form part of these accounts

Auditors' report page 3

INTERNATIONAL FUND FOR ANIMAL WELFARE
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Balance sheet - 30 June 1985

	Notes	1985 £	1984 £
FIXED ASSETS			
Tangible assets	7	32,682	18,107
CURRENT ASSETS			
Debtors	8	9,346	263
Cash at bank and in hand		580,537	140,859
		589,883	141,122
CREDITORS: amounts falling due within one year	9	256,623	44,052
NET CURRENT ASSETS		333,260	97,070
		£365,942	£115,177
CAPITAL AND RESERVES			
Called up share capital	10	3	3
Income and expenditure account		365,939	115,174
		£365,942	£115,177

B Davies
J Kinloch

B Davies)
J Kinloch) DIRECTORS

The notes on pages 7 to 10 form part of these accounts.

Auditors' report page 3

INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company with unlimited liability)

Statement of source and application of funds
for the year ended 30 June 1985

	<u>1985</u>	<u>1984</u>
	£	£
SOURCE OF FUNDS		
Excess of income over expenditure before taxation	260,842	239,884
Adjustment for items not involving the movement of funds:		
Depreciation and amortisation	5,985	24,545
Total generated from operations	266,827	264,429
APPLICATION OF FUNDS		
Tax paid	5,495	-
Purchase of fixed assets	20,560	9,586
	(26,055)	(9,586)
	<u>£240,772</u>	<u>£254,843</u>
INCREASE IN WORKING CAPITAL		
Increase in debtors	9,083	128
Decrease/(increase) in creditors falling due within one year, excluding taxation	(207,989)	150,837
	(198,906)	150,965
Movement in net liquid funds:		
Cash and bank balances	439,678	103,878
	<u>£240,772</u>	<u>£254,843</u>

INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company with unlimited liability)

Notes to the accounts - 30 June 1985

Principal accounting policies

1 The company does not seek to make a profit, nor can its achievements be measured by normal commercial criteria. In order that a true and fair view should be given in these accounts, the directors have set out on page 4 an income and expenditure account which shows the results for the year, but in a format other than the standard formats prescribed in the Companies Act 1985. In the opinion of the directors, the format adopted provides greater clarity on the nature of the company's activities and discloses the required information relating thereto. The accounts are prepared in accordance with the historical cost convention. A summary of the more important accounting policies of the company is set out below.

(a) Fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Provision for depreciation of fixed assets is made so as to write off their cost on a straight line basis over the expected useful economic life of the fixed assets concerned. The principal annual rates used for this purpose are:-

	%
Leasehold improvements	5 or 20
Fixtures and fittings	20

(b) 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 the exchange rates ruling at the balance sheet date. Differences arising on translation are taken into the income and expenditure account.

Donations

2 Contributions, bequests and other similar revenue are recorded as received. The geographical analysis of this revenue is as follows:

	<u>1985</u> £	<u>1984</u> £
United Kingdom	1,447,348	1,313,293
Rest of Europe	59,115	56,673
	<u>£1,506,463</u>	<u>£1,369,966</u>

INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company with unlimited liability)

Notes to the accounts - 30 June 1985 continued

Operating expenditure

3 Excess of income over expenditure is stated after charging:-

	<u>1985</u> £	<u>1984</u> £
Auditors' remuneration		
Current year	5,224	3,556
Prior years	6,845	-
Depreciation and amortisation	5,985	24,545
Bank overdraft interest	-	394
Exchange losses	89,538	110
	<u> </u>	<u> </u>

Directors' emoluments

4 The directors did not receive any emoluments from the company for the years ended 30 June 1985 and 1984.

Employee information

5(a) The average number of persons employed by the company (including executive directors) during the year is analysed below:-

	<u>1985</u>	<u>1984</u>
Administration	7	7
	<u> </u>	<u> </u>
	£	£

(b) Company employment costs:-

Total gross wages and salaries paid to the company's employees	37,360	29,626
Employees' national insurance contributions	5,226	3,540
	<u> </u>	<u> </u>
	£42,586	£33,166
	<u> </u>	<u> </u>

(c) No employee received emoluments in excess of £30,000 per annum during the year ended 30 June 1985. (1984 : None)

Taxation

6 United Kingdom corporation tax on interest received for the year at 30% (1984: 30%):-

<u>1985</u>	<u>1984</u>
£10,077	£5,663
<u> </u>	<u> </u>

9

INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company with unlimited liability)

Notes to the accounts - 30 June 1985 continued

Tangible fixed assets

7	<u>Leasehold improvements</u> £	<u>Fixtures and fittings</u> £	<u>Total</u> £
Cost			
At 1 July 1984	5,090	17,686	22,776
Expenditure	9,024	11,536	20,560
At 30 June 1985	<u>14,114</u>	<u>29,222</u>	<u>43,336</u>
Depreciation			
At 1 July 1984	384	4,285	4,669
Charge for year	1,470	4,515	5,985
At 30 June 1985	<u>1,854</u>	<u>8,800</u>	<u>10,654</u>
Net book value at 30 June 1985	<u>£12,260</u>	<u>£20,422</u>	<u>£32,682</u>
Net book value at 30 June 1984	<u>£4,706</u>	<u>£13,401</u>	<u>£18,107</u>

Debtors

8	<u>1985</u> £	<u>1984</u> £
Sundry debtors	7,171	-
Prepayments and accrued income	2,175	263
	<u>£9,346</u>	<u>£263</u>

All the above amounts are due within one year of the balance sheet date.

Creditors: amounts falling due within one year

9	<u>1985</u> £	<u>1984</u> £
Amounts owed to affiliates	141,478	23,378
Other creditors	93,722	3,905
Taxation and social security (see below)	16,045	11,463
Accruals and deferred income	5,378	5,306
	<u>£256,623</u>	<u>£44,052</u>

The creditor for taxation and social security represents UK corporation tax payable.

INTERNATIONAL FUND FOR ANIMAL WELFARE
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Notes to the accounts - 30 June 1985 continued

Called up share capital

10

	<u>1985</u>	<u>1984</u>
Authorised:		
1,000 shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Allotted, called up and fully paid:		
3 shares of £1 each	<u>£ 3</u>	<u>£ 3</u>