

Registered no: 1556892

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Annual report

for the year ended 30 June 2002



INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Annual report for the year ended 30 June 2002

Registered no: 1556892

	Pages
Directors and advisers	1
Directors' report	2 - 5
Independent auditors' report	6 - 7
Statement of financial activities	8
Statement of total recognised gains and losses	9
Balance sheet	10
Cash flow statement	11
Notes to the financial statements	12 - 22

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Directors and advisers

Executive directors

Mr M Chandaria
Ms A (Aragon) Espinoza Stransky
Mr J Garamendi
Mr B Hutchinson
Mr M Kennedy
Mr C Matthews
Mr T O'Neill, III
Mr T Ramey
Mr G Tabor
Ms C Wolfson

Secretary and registered office

Ms. P Campbell-McRae
87-90 Albert Embankment
LONDON
SE1 7UD

Registered auditors

PricewaterhouseCoopers
No 1 Embankment Place
LONDON
WC2N 6RH

Solicitors

Bates, Wells and Braithwaite
Cheapside House
138 Cheapside
LONDON
WC2V 6BB

Bankers

Lloyds Bank Plc
PO Box 349
1 Waterloo Place
LONDON
SW1Y 5NJ

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Directors' report for the year ended 30 June 2002

The directors present their report and the audited financial statements for the year ended 30 June 2002.

Principal activities

The International Fund for Animal Welfare, a UK company limited by guarantee (hereinafter the "Company"), is part of a worldwide group of non-profit organisations, which collectively comprise the International Fund for Animal Welfare ("IFAW"). IFAW has offices in thirteen countries and supports animal welfare and conservation projects in more than thirty countries around the world. The mission of IFAW is:

To improve the welfare of wild and domestic animals throughout the world by reducing commercial exploitation of animals, protecting wildlife habitats, and assisting animals in distress.

IFAW seeks to motivate the public to prevent cruelty to animals and to promote animal welfare and conservation policies that advance the well being of both animals and people.

IFAW's activities are divided into three strategic programme areas, Animals in Crisis and Distress, Wildlife and Habitat Programme, and Public Affairs.

The Animals in Crisis and Distress programme works around the globe to save animals from suffering due to cruelty, inhumane confinement, and man-made and natural disasters. Major projects focus on suffering of dogs, cats and other companion animals; the rescue of stranded cetaceans, the rehabilitation of oiled seabirds, raising standards of care of wild animals in captivity, unethical and cruel hunting practices; and the rehabilitation of rescued animals. A major campaign is under way to support legislation in the UK to ban "hunting with hounds". In Canada and Russia IFAW has been working to end the unethical practice of penned hunting and has been instrumental in rescuing cubs orphaned by hunting of bears with dependent cubs. IFAW funds mobile animal clinics focusing on spaying and neutering of pets working in the informal settlements in South Africa (CLAW project) and in Moscow, Russia (TESS project). IFAW has provided funding for a sanctuary for chimpanzees confiscated from illegal traders. Emergency Relief has also supported the translocation of elephants in Kenya, a chimpanzee sanctuary in Uganda, and the rescue and rehabilitation of baby elephants in Kenya. They have provided expert rapid response teams to rescue oiled seabirds affected by catastrophic oil spills off the coasts of Cape Town, South Africa, Germany and the Galapagos Islands.

History has proven that large-scale commercial killing and trade of wild animals cause suffering and almost inevitably leads to depletion of wild populations. The Wildlife and Habitat Programme combines advocacy, research, and habitat protection to protect animals threatened by trade and habitat loss or degradation. Working with governments, multi-lateral organisations, and other non-profits to influence national policies and international agreements, such as the Convention on Trade in Endangered Species (CITES) and the International Whaling Commission (IWC), the programme promotes the reduction or elimination of international trade in wildlife. Key campaigns include: the global protection of whales by supporting the continuation of the ban on commercial whaling, and the creation of whale sanctuaries; the conservation of elephants through maintenance of the moratorium on

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

trading in ivory; and efforts to stop Canada's commercial seal hunt by exposing the cruelty of the hunt and working to find economically viable alternatives for local communities. The Company has also supported campaigns to end the trade in shahtoosh, made from the wool of the Tibetan antelope; and to reduce the use of animal parts in Traditional Medicine, which is a major threat to the survival of certain species.

In addition to working on trade and exploitation issues, the Wildlife and Habitat Programme is committed to protecting wildlife habitats throughout the world, focusing on those that support populations that are threatened by commercial exploitation. IFAW has supported critical research and conservation of elephants in India, China, and Africa; endangered tigers and snow leopards in Asia; wolves in Germany and Poland; and kangaroos in Australia. IFAW has supported the management of critical protected areas in China, Russia, Malawi, South Africa, Kenya, Uganda, Mexico and Germany. The Habitat programme also focuses on Marine protected areas in the Atlantic, Pacific and India Oceans, particularly those that are important for the conservation of whales, dolphins, and sea turtles. Over the past twenty years IFAW research scientists have been recognised leaders in whale research. IFAW's research vessel, *Song of the Whale*, has been dedicated to research and education related to the conservation of whales, dolphins, harbour porpoises and other marine life, and has recently spent time working in the Baltic Sea and North Sea, surveying the status of highly endangered harbour porpoises.

The Public Affairs programme is IFAW's voice to the world, and it has continued its progress over the past year, adding new tools, talent and partnerships to IFAW media, government relations, and outreach/branding efforts. Clearer prioritisation among IFAW's campaigns and improvements in IFAW-wide forward planning of key campaigns have enhanced the Company's ability to generate media coverage and public awareness of key IFAW campaigns and messages. With the launching of the ifaw.org website, dramatic increases in IFAW's online presence, campaign, fundraising, and outreach capacity were achieved. Media coverage of campaigns was increased through the use of key domestic and international journalists with perspectives in print, online and through television coverage. Staffing was added in Latin America, Asia Pacific and EU offices. Relationships were developed with Discovery International and National Geographic and have led to increased branding and partnership opportunities, particularly with Discovery International and Animal Planet Channel. Animal Planet served as media partner in the UK for IFAW Animal Action Week 2001, expanding to a pan-European partnership in 2002.

Review of business and future developments

During the past year IFAW has continued its animal welfare and conservation activities around the globe and has continued to build the capacity in the UK office to support these programs by advocacy, research, and fundraising. The Company has also continued to invest in the systems and people in support functions, such as IT, Finance and Human resources.

Looking forward, IFAW will combine scientific research, policy development, media advocacy, education, and hands-on protection efforts to promote an era of more enlightened coexistence between humans and animals around the world. Maintaining and increasing donor support during the forthcoming year, along with utilization of current cash and asset balances, will enable the Company and IFAW to achieve these goals. The Statement of Financial Activities for the year under review is set out on page 8.

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Angelica (Aragon) Espinoza Stransky
John Garamendi
Margaret Kennedy
Thomas Ramey
Gary Tabor

Manilal Premchand Chandaria, Brian Hutchinson, Christopher Matthews, Thomas O'Neill III and Carol Wolfson were appointed directors on 21 June 2002 and continue in office at the date of this report.

Stijn Albregts was a director from the beginning of the financial year until his resignation 12 June 2002. Karen Cotton, Anne Fitzgerald, Atherton Martin and Michael O'Connell were directors from the beginning of the financial year until their respective resignations 30 June 2002.

The guarantors of the company are the members. The liability of each guarantor is limited to £1.

Directors' responsibilities statement

Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 30 June 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Affiliated organisations

The affiliated organisations of the Company are as follows:

Name	Country
International Fund for Animal Welfare (Australia) Pty Limited	Australia
International Fund for Animal Welfare, Inc./	
Fonds International pour la Protection des Animaux, Inc.	Canada
International Fund for Animal Welfare Inc./	
Fonds international pour la protection des animaux inc.	Canada
International Marine Mammal Association Inc.	Canada
International Fund for Animal Welfare (France)	France
Internationaler Tierschutz-Fonds (IFAW) GmbH	Germany
Stichting IFAW (International Fund for Animal Welfare)	Netherlands
International Fund for Animal Welfare (Association incorporated	
Under Section 21)	South Africa
IFAW Charitable Trust	UK
IFAW Promotions Limited	UK
IFAW Trading Limited	UK
International Fund for Animal Welfare, Inc.	USA
International Fund for Animal Welfare (USA) Inc.	USA

While the assets of the Company are held separate from, and are not combined with, those of the above affiliates, cash amounts are intended to support, whenever necessary or appropriate, IFAW animal welfare programme activities.

Contact addresses of affiliated organisations can be obtained by writing to the Company's registered office as set out at the front of these financial statements.

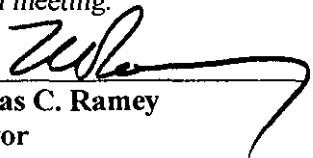
Mr. M. Chandaria, Ms. A. (Aragon) Espinoza Stransky, Mr. J. Garamendi, Mr. B. Hutchinson, Ms. M. Kennedy, Mr. C. Matthews, Mr. T. O'Neill, III, Mr. T. Ramey, Mr. G. Tabor and Ms. C. Wolfson are directors of affiliates in Australia, Canada, France, Germany, the Netherlands, South Africa, United Kingdom and the USA.

Mr. M. Chandaria, Ms. A. (Aragon) Espinoza Stransky, Mr. J. Garamendi, Mr. B. Hutchinson, Ms. M. Kennedy, Mr. C. Matthews, Mr. T. O'Neill, III, Mr. T. Ramey, Mr. G. Tabor and Ms. C. Wolfson are also the guarantors and directors of IFAW Promotions Limited. This company's principal activity is the operation of a lottery to raise funds to support the aims of IFAW.

Details of amounts owing to and from these organisations and of transactions with them are set out in note 16 to the financial statements.

Auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.


 Thomas C. Ramey
 Director

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Independent auditors' report to the members

We have audited the financial statements which comprise the Statement of Financial Activities, balance sheet, the cash flow statement and the related notes that have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if the 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 directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

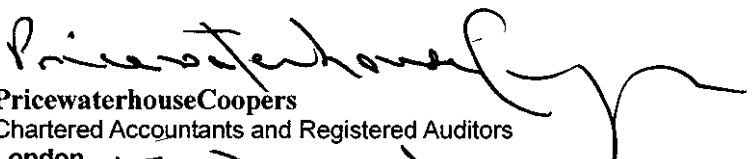
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company limited by guarantee)

Independent auditors' report to the directors (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 30 June 2002 and of its net outgoing resources and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London 17 December 2002.

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Statement of Financial Activities for the year ended 30 June 2002

	Notes	2002 £	Restated 2001 £
Income and expenditure account			
Income			
Donations	2	12,171,768	12,875,006
Net sweepstakes income	3	2,946,149	4,206,872
Other income and interest receivable	4	183,720	265,058
Total incoming resources		15,301,637	17,346,936
Resources expended			
Programme services	5	10,445,933	10,823,632
Fundraising expenses	5	2,095,351	2,244,031
Management and administration	5	3,200,814	3,914,870
Total resources expended	5	(15,742,098)	(16,982,533)
Net (outgoing)/incoming resources before taxation		(440,461)	364,403
Taxation	8	-	-
Net (outgoing)/incoming resources for the year	18	(440,461)	364,403

All figures in the Statement of Financial Activities relate to continuing operations in respect of unrestricted funds.

The net outgoing resources as stated above are prepared on a historical cost basis, and therefore no reconciliation to historical cost is required.

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Statement of total recognised gains and losses

	2002	Restated 2001
	£	£
For the year ended 30 June		
(Loss)/profit for the financial year	<u>(440,461)</u>	<u>364,403</u>
Total recognised (losses)/gains for the year	<u>(440,461)</u>	<u>364,403</u>
Prior year adjustment	<u>339,811</u>	<u>-</u>
Total (losses)/gains recognised since last annual report	<u>(100,650)</u>	<u>364,403</u>


INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Balance sheet at 30 June 2002

	Notes	£	2002 £	£	Restated 2001 £
Fixed assets					
Tangible assets	9		54,103		113,578
Investments	10		<u>2</u>		<u>2</u>
			54,105		113,580
Current assets					
Debtors: amounts falling due after more than one year	11	460,545		504,099	
Debtors: amounts falling due within one year	11	617,694		643,279	
Investments	12	-		1,389,611	
Cash at bank and in hand	13	<u>2,203,424</u>		<u>569,917</u>	
		3,281,663		3,106,906	
Creditors: amounts falling due within one year	14	<u>(2,513,955)</u>		<u>(1,958,212)</u>	
Net current assets			767,708		1,148,694
Net assets			<u>821,813</u>		<u>1,262,274</u>
Capital and reserves					
Income and expenditure account	18		<u>821,813</u>		<u>1,262,274</u>

The financial statements which comprise the Statement of Financial Activities, the balance sheet, the cash flow statement and the related notes were approved by the Board of Directors on 17 December 2002 and were signed on its behalf by:


 Thomas C. Ramey
 Director

INTERNATIONAL FUND FOR ANIMAL WELFARE
(A company limited by guarantee)
Cash flow statement
for the year ended 30 June 2002

	2002	Restated 2001
	£	£
Net (outgoing)/incoming resources	(440,461)	364,403
Interest receivable	(88,160)	(172,961)
Depreciation	71,318	68,326
Decrease/(increase) in debtors	69,139	(95,016)
Increase/(decrease) in creditors	555,743	(995,861)
Net cash inflow/(outflow) from operating activities	167,579	(831,109)
Returns on investments and servicing of finance		
Interest received	88,160	172,961
Capital expenditure and financial investment		
Disposal of tangible fixed assets	2	128,429
Purchase of tangible fixed assets	(11,845)	(14,387)
Net cash (outflow)/inflow from capital expenditure and financial investment	(11,843)	114,042
Cash inflow/(outflow) before management of liquid resources	243,896	(544,106)
Management of liquid resources		
Disposal of investments	1,389,611	-
Increase in short term bank deposit	-	(81,719)
Increase/(decrease) in cash balances	1,633,507	(625,825)
Changes in cash balances/net funds		
At 1 July 2001	569,917	1,195,742
Net cash inflow/(outflow)	1,633,507	(625,825)
At 30 June 2002	2,203,424	569,917

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002

1 Principal accounting policies

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 financial statements, the directors have set out on page 8 a Statement of Financial Activities 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. A summary of the more important accounting policies of the Company, which have been consistently applied, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention and applicable Accounting Standards in the United Kingdom.

Income

Donations, other than bequest income, and other similar income, is recorded as received. Bequest income is recorded when it is considered reasonably certain that the bequest will be received.

Fixed assets

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

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Fixtures, fittings and equipment	20
Vehicles	20
Computer equipment	33

Leasehold improvements are depreciated over the life of the lease.

Operating leases

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

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

Foreign currencies

Operational transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Differences arising on translation are taken into the Statement of Financial Activities.

Taxation

Tax is accounted for in respect of other income and interest received.

Pension costs

The Company operates a defined contribution scheme and costs are charged to the income and expenditure account as incurred.

Change in accounting policy

The Company changed its accounting policy for recognising bequest income from recognising it on a receipts basis to recognising it when it becomes reasonably certain that a bequest will be received. The reason for this change is to comply with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" that was introduced in the year. The SORP states that bequest income should be recorded when it becomes reasonably certain that the legacy will be received. The effect of the change in policy is to decrease donations income in the Statement of Financial Activities and accrued income in the balance sheet by £ 143,841. The effect of the change in policy on the preceding period has been to increase donations and accrued income by £ 129,541. The comparative figures have been restated accordingly.

2 Donations

The geographical analysis of donations is as follows:

	2002	2001
	£	£
United Kingdom	12,163,659	12,868,216
Rest of Europe	8,109	6,790
	<u>12,171,768</u>	<u>12,875,006</u>

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

3 Sweepstakes income

The net income from the sweepstakes programme is made up as follows:

	2002	2001
	£	£
Proceeds	7,065,888	8,568,345
Cost	(4,119,739)	(4,361,473)
Net income	<u>2,946,149</u>	<u>4,206,872</u>

4 Other income and interest receivable

	2002	2001
	£	£
Interest receivable	88,160	172,961
Other income	95,560	92,097
	<u>183,720</u>	<u>265,058</u>

5 Operating expenditure

(a) The surplus of income over expenditure is stated after charging:

	2002	2001
	£	£
Auditors' remuneration	43,016	42,173
Depreciation	71,318	68,326
Operating leases -- land and buildings	<u>223,872</u>	<u>216,147</u>

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

(b) Operating expenditure is analyzed as follows:

	2002			2001	
	Programme services	Fund raising	General and admini- strative	Total	Total
	£	£	£	£	£
Salaries	665,182	134,483	197,315	996,980	1,042,878
Benefits	117,897	18,764	42,422	179,083	226,285
Professional and contract fees	766,996	162,620	338,317	1,267,933	1,420,792
External grants	159,011	-	-	159,011	252,735
Printing and publications	2,248,600	839,203	11,649	3,099,452	2,515,719
Travel	114,566	2,025	23,808	140,399	144,088
Communications	1,171,763	178,287	74,755	1,424,805	1,118,822
Facilities	85,608	9,580	196,568	291,756	295,491
Office supplies and computing	58,791	2,857	33,819	95,467	116,582
Public information	247,796	-	-	247,796	264,837
Bank charges	242	30	152,040	152,312	156,920
Taxes	15,104	2,568	17,835	35,507	96,548
Other	54,472	10,970	8,202	73,644	206,705
Depreciation	-	-	71,318	71,318	68,330
Grants to affiliates	1,843,937	-	-	1,843,937	2,806,490
Management fee expense	2,895,968	733,964	2,032,766	5,662,698	6,249,311
Total expense	10,455,933	2,095,351	3,200,814	15,742,098	16,982,533

6 Directors' emoluments

The directors did not receive any emoluments from the Company for the year ended 30 June 2002 (2001: £nil).

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

7 Employee information

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2002 Number	2001 Number
Operations and administration	<u>32</u>	<u>39</u>

	2002 £	2001 £
Staff costs		
Wages and salaries	996,980	1,042,878
Social security costs	90,562	100,259
Other pension costs	88,521	126,026
	<u>1,176,063</u>	<u>1,269,163</u>

8 Taxation

The Company incurred no tax charge for the year ended 30 June 2002 (2001: nil).

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

9 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Vehicles £	Total £
Cost				
At 1 July 2001	63,381	339,343	6,000	408,724
Additions	-	11,845	-	11,845
Disposals	-	(86,594)	-	(86,594)
At 30 June 2002	63,381	264,594	6,000	333,975
Depreciation				
At 1 July 2001	31,067	262,279	1,800	295,146
Charge for year	32,314	37,806	1,200	71,320
Disposals	-	(86,594)	-	(86,594)
At 30 June 2002	63,381	213,491	3,000	279,872
Net book value				
At 30 June 2002	-	51,103	3,000	54,103
At 30 June 2001	32,314	77,064	4,200	113,578

10 Fixed asset investments

The group qualifies as a medium-sized group and, consequently, consolidated financial statements have not been prepared as permitted by Section 248 of the Companies Act 1985.

The Company holds two £1 ordinary shares in IFAW Trading Limited, a company registered in England and Wales, which comprises the entire share capital. The investment is stated at cost of £2.

At 30 June 2002, IFAW Trading Limited had a surplus on capital and reserves totalling £15,131 (2001: £1,195) and made a surplus of £13,936 (2001: deficit £1,451) during the year ended on that date.

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

11 Debtors

	2002	2001
	£	£
Amounts falling due after more than one year		
Other debtors (see below)	460,545	504,099
	<u>460,545</u>	<u>504,099</u>
	£	£
Amounts falling due within one year		
Amounts owed by affiliates (see note 16 (c))	22,101	5,463
Other debtors (see below)	43,554	76,722
Prepayments and accrued income	552,039	561,094
	<u>617,694</u>	<u>643,279</u>
Total debtors	<u>1,079,239</u>	<u>1,147,378</u>

Other debtors at 30 June 2002 include a loan that carries interest at 2% above the Lloyds Bank base rate subject to a minimum rate of 10% per annum. The loan is repayable by 2010. The capital amount and accrued interest at 30 June 2002 was £504,099 (2001: £543,525) of which £43,554 (2001: £39,426) falls due within one year and £460,545 (2001: £504,099) after more than one year.

12 Current asset investments

The investment held in 2001 for less than one year was a six-month term deposit held with a financial institution within the United Kingdom.

13 Cash at bank and in hand

All cash balances are available for use at the discretion of the directors.

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

14 Creditors: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	842,058	364,589
Amounts owed to affiliates (see note 16 (c))	1,608,493	1,478,371
Other tax and social security	2	293
Accruals and deferred income	63,402	95,632
Grants payable	-	19,327
	<u>2,513,955</u>	<u>1,958,212</u>

15 Lease commitments

At 30 June 2002 the Company had annual commitments under non-cancellable operating leases as follows:

	2002	2001
	£	£
Land and buildings		
In less than one year	-	2,414
Between one and five years	34,051	36,275
Expiring in over five years	<u>106,795</u>	<u>106,795</u>

16 Related party transactions

(a) Charge for services

The Company's US affiliate provides certain record keeping and management services for the Company. These services are provided to the Company at cost plus 10% fee, which in the opinion of the directors approximates to fair market value. Cost is determined based on the Company's relative share of IFAW's worldwide active membership. As of March 1998, the US affiliate expanded its management services contract to include an additional 10% fee on all direct costs incurred on behalf of the Company. These costs are included within the figures for operating expenditure shown in note 5(b) under the following headings:

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

	2002	2001
	£	£
Programme services	2,895,968	3,170,290
Fundraising	733,964	861,836
General and administrative	2,032,766	2,217,185
	<u>5,662,698</u>	<u>6,249,311</u>

(b) Grants and donations

The following grants from and donations to affiliates were made during the year:

	2002	2001
	£	£
Grants received		
International Fund for Animal Welfare (South Africa)	10,150	705
International Fund for Animal Welfare (Australia) Pty Limited	1,830	716
International Fund for Animal Welfare Inc / Fonds international pour la protection du animaux inc (Canada)	1,560	-
Internationaler Tierschutz-Fonds (IFAW) GmbH (Germany)	1,100	500,000
International Fund for Animal Welfare, Inc (USA)	1,000	18,067
Stichting IFAW (International Fund for Animal Welfare) (Netherlands)	1,100	1,435
International Fund for Animal Welfare (France)	1,100	697
IFAW Promotions Limited (United Kingdom)	-	250,000
International Fund for Animal Welfare, Inc / Fonds International pour la Protection du Animaux, Inc (Canada)	-	709
	<u>17,840</u>	<u>772,329</u>
Donations made		
IFAW Charitable Trust	<u>182,000</u>	<u>409,632</u>

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

	2002	2001
	£	£
Grants made		
International Fund for Animal Welfare, Inc (USA)	887,921	583,000
International Fund for Animal Welfare Inc / Fonds international pour la protection du animaux inc (Canada)	549,875	-
International Fund for Animal Welfare (South Africa)	221,401	665,017
International Fund for Animal Welfare (France)	685	131,682
Stichting IFAW (International Fund for Animal Welfare) (Netherlands)	685	1,059
International Fund for Animal Welfare (Australia) Pty Limited	685	700
Internationaler Tierschutz-Fonds (IFAW) GmbH (Germany)	685	700
International Fund for Animal Welfare, Inc / Fonds International pour la Protection du Animaux, Inc (Canada)	-	1,014,700
	<u>1,661,937</u>	<u>2,396,858</u>

(c) **Balances with affiliates**

	2002	2001
	£	£
Debtors: amounts falling due within one year		
Internationaler Tierschutz-Fonds (IFAW) GmbH (Germany)	17,345	157
Stichting IFAW (International Fund for Animal Welfare) (Netherlands)	3,016	-
International Fund for Animal Welfare, Inc / Fonds International pour la Protection du Animaux, Inc (Canada)	925	3,214
International Fund for Animal Welfare (Australia) Pty Ltd	477	2,045
International Fund for Animal Welfare (France)	338	-
International Fund for Animal Welfare (South Africa)	-	47
	<u>22,101</u>	<u>5,463</u>

	2002	2001
	£	£
Creditors: amounts falling due within one year		
International Fund for Animal Welfare, Inc (USA)	1,476,806	1,459,823
IFAW Charitable Trust	127,049	-
International Fund for Animal Welfare (South Africa)	4,528	-
IFAW Promotions Limited	110	18,548
	<u>1,608,493</u>	<u>1,478,371</u>

All balances at 30 June 2002 represent current accounts.

INTERNATIONAL FUND FOR ANIMAL WELFARE

(A company limited by guarantee)

Notes to the financial statements for the year ended 30 June 2002 (continued)

17 Significant events

The Board of Directors and the members have approved the dissolution of IFAW Trading Limited, a wholly owned subsidiary of the Company. The activities and net assets of IFAW Trading Limited will be transferred to the Company during the upcoming fiscal year.

18 Movement on income and expenditure account

	2002	Restated 2001
	£	£
Opening balance at 1 July	922,463	687,601
Prior year adjustment	339,811	210,270
Opening balance as restated	1,262,274	897,871
Net (outgoing)/incoming resources for the year	(440,461)	364,403
Closing balance at 30 June	821,813	1,262,274