

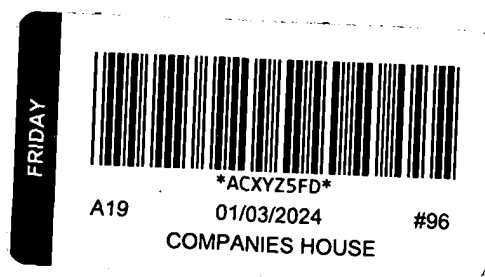
INTERNATIONAL FUND FOR ANIMAL WELFARE (IFAW)

(Limited by guarantee)

Company registered number 02701278

Charity registered number 1024806

Annual report and financial statements for the year ended 30 June 2023



International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Annual Report and Financial Statements for the year ended 30 June 2023

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Message from CEO

Since IFAW's founding, our dual focus on rescue and conservation has set us apart from our peers. It has formed the foundation of our global effort to build a future in which animals and people thrive together. And we have no plans of stopping anytime soon.

The challenges our shared planet faces are urgent and complex. As an organisation, we understand that our efforts to save animals will be in vain in the long-term if those animals have nowhere left to live. Consequently, the relationship between our rescue and conservation programmes is more critical than ever and is vital to our focus on protecting biodiversity across the globe.

This year, we committed to creating a climate-forward future where peaceful coexistence is foundational. This definitive step comes at a crucial time for our organisation. It allows us to prioritise the long-term protection of biodiversity as well as the species that provide critical life support across our shared planet.

Through Room to Roam, IFAW is fulfilling its visionary transcontinental initiative creating connectivity in areas in Africa where humans and animals can thrive together in climate-resilient landscapes. We continue strengthening relationships and forging new partnerships with communities, traditional leaders, governments, and other NGOs, united in connecting key African landscapes to support elephant populations and other species well into the future.

When disasters struck, from large-scale wildfires in Greece to devastating earthquakes in Turkey and Syria, our teams rushed urgent aid to animals and communities in desperate need of emergency veterinary care, food, shelter, and more. We also continued providing critical support in Ukraine. For example, we assisted partners as they rescued and evacuated wildlife that had been held captive in private collections, breeding facilities, and sanctuaries near the frontline. This work gave hope to many in the midst of conflict.

IFAW's knowledge, experience, best practices, and trust-based reputation in the field of animal rescue mean that communities, NGOs, and government agencies often reach out to us. Requests for our professional rescue skillset and experience have tripled in recent years. These requests will most likely continue to rise as the impacts of climate change, illegal wildlife trade, human population growth, and other threats drive increasing need for animal rescue. While knowledge is important, we believe that sharing knowledge is even more important.

Our philosophy and programmes express our belief that every individual animal matters. Perhaps the best example of this is our long-standing campaign to bring the North Atlantic right whale (NARW) back from the brink of extinction and onto a path of recovery. With fewer than 340 individuals left, there is no room for failure. Our efforts during fiscal year 2023 (FY23) focused on escalating our campaign across the United States and Canada to drive public awareness and advocate for policy change to protect right whales. We continued pressing for the adoption of policies to increase the use of innovative, ropeless fishing technologies, which significantly reduce whale entanglements. We also commissioned the Song of the Whale research vessel to collect lifesaving data on mother NARWs and calves all along the east coast of North America.

During 2023 we launched new and unconventional initiatives to mitigate climate change through sustainable community-led solutions. For example, as part of our Asian Elephant Protection project in China, we worked alongside local partners to develop an innovative carbon sequestration community model that integrates Asian elephant conservation. Beekeeping provides local communities with an eco-friendly, sustainable livelihood. It reduces human-elephant conflict because it's a livelihood that does not rely on people going into the nearby mountains where they are more likely to encounter elephants. The project produced 3,000 bottles of zero-carbon honey, the sale of which will support the sustainable development of the community.

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Advancing legal frameworks and international agreements remained fundamental to IFAW's work in FY23. We also attended the Convention on International Trade in Endangered Species of Wild Fauna and Flora (COP19 CITES) in Panama City, where we advocated for crucial protections for species ranging from elephants to rhinos to sharks.

During the COP15 United Nations Biodiversity Conference in Montreal, Canada, IFAW supported the negotiation of a comprehensive biodiversity framework for sustainable and environmentally sound natural resource management.

IFAW also hosted the fifth annual World Wildlife Day (WWD) International Youth Art Contest in collaboration with CITES and the United Nations Development Programme (UNDP). This year's WWD focused on people—from community members, to scientists, to wildlife groups, organisations, and governments—working together to protect and conserve endangered and threatened species. Open to young people aged 4–18 years, the contest received entries from more than 1,000 contestants. In just five years, the contest's reach has grown from 18 countries to nearly 90, helping to inspire the next generation to conserve the world's precious wildlife.

At IFAW, we continuously strive for impact. And that impact is measured primarily by our ability to save lives. Across all regions, across all species, both now and well into the distant future. We intend to ensure that future is a promising one for both people and animals.

Azzedine Downes
President & Chief Executive Officer
International Fund for Animal Welfare

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Trustees' report for the year ended 30 June 2023

Trustees and advisors

Trustees

Mark T. Beaudouin (Chair)
Joyce C. Doria (Vice Chair)
Barbara U. Birdsey (Vice Chair)
Graeme R. Cottam
Catherine H. Lilly
Virginia A. Pollak
Catherine Z. Bearder
Judi W. Wakhungu
Constantin Falk-Bjerke (*term ended 30 June 2023*)
John C. Albrecht (*appointed 13 June, 2023*)
Christine A. Eosco (*appointed 16 February, 2023*)

Executive management

Azzedine T. Downes, Chief Executive Officer
Blaine Hoovis, Chief Financial Officer

Independent auditors

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Bankers

HSBC Bank plc
28 Borough High Street
London
SE1 1YB

Investment advisors

Holden & Partners
113-117 Farringdon Road
London
EC1R 3BX

Brokers

Rathbones Investment Management Limited
8 Finsbury Circus
London
ECM2 7AZ

Principal & registered office

209-215 Blackfriars Road
London
SE1 8NL

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Trustees' report for the year ended 30 June 2023 (continued)

The Trustees present their report and the audited financial statements of the charitable company for the year ended 30 June 2023. The Trustees have had regard to the Charity Commission's guidance on public benefit.

Structure and Governance

Board of Trustees - Consists of 11 current members at 30 June 2023, with each serving during the fiscal year and up to the date of signing the financial statements unless otherwise noted. Each of the Trustees is elected for a three-year term and may be re-elected for an additional three terms. No trustee may hold office for more than four consecutive terms (12 years) without a period of at least a year out of office.

Board members' responsibilities include organisational governance, fiduciary responsibility, networking, and fundraising. Board members act as ambassadors for the organisation and work to ensure that the organisation is effectively fulfilling its mission by making certain that organisational initiatives, grantmaking, investment, and donor stewardship activities all support and advance IFAW's mission. They are also responsible for the appointment, oversight and appraisal of the Chief Executive Officer. Day-to-day operations are delegated by the Trustees to the Chief Executive Officer, who leads the Executive office.

The guarantors of the Charity are the Trustees who are also the members. The liability of each guarantor is limited to £1. The Trustees who held office during the year are listed on page 4. The maximum number of Trustees is not limited, but the minimum number is three.

Board Committees - Six Board Committees and one Sub-Committee convene according to their Charters to formulate recommendations to the full Board. The Committees are comprised of both Board members and non-Board members. The professional skills and expertise of the individual members are evaluated and aligned to meet the varying needs of each of the following Committees:

Executive – The Executive Committee assists the Board of Trustees in fulfilling its responsibilities by serving as the core organising and facilitating Committee of the Board of Trustees. It serves as the key communication vehicle for management to the Board of Trustees and acts in a proxy capacity to represent the Trustees and act on its behalf when it is impractical for the entire Board to do so. The Executive Committee's duties include evaluating the performance of the Board and senior management, setting the agenda for Board Meetings and acting for the Board between meetings.

Audit & Risk Oversight- The Audit & Risk Oversight Committee assists and makes recommendations to the Board of Trustees in fulfilling its responsibility to provide oversight regarding: (1) IFAW's systems of internal controls and risk management; (2) the integrity of IFAW's financial statements; (3) IFAW's compliance with legal and regulatory requirements and ethical standards; and (4) the engagement, independence, and performance of IFAW's independent auditors.

Finance & Investments – The Finance & Investments Committee assists and makes recommendations to the Board of Trustees in fulfilling its financial oversight responsibilities as well as in maximizing the efficient, productive, and responsible use of IFAW's financial assets. The Finance & Investments Committee's duties include reviewing financial statements, including results of the financial statement audit; monitoring the budget for unusual transactions; and supervising investments

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Trustees' report for the year ended 30 June 2023 (continued)

International Development – The International Development Committee assists and makes recommendations to the Board of Trustees in identifying, attracting, and cultivating philanthropy and future leaders for the benefit of the IFAW's worldwide mission.

Data Protection & Fundraising Compliance – The Data Protection & Fundraising Compliance Subcommittee is a subcommittee of the Audit & Risk Oversight Committee established to provide oversight of data protection and fundraising compliance matters.

Media & External Affairs – The Media & External Affairs Committee was established to assist in increasing the profile of, and awareness about, the activities and programs of IFAW. The Committee helps IFAW target and develop relationships with brands, organisations and individuals such as media outlets, journalists, experts in advertising and public relations, content creation, celebrities and other high-profile/highly influential supporters to engage them in promoting IFAW and IFAW's work.

Nominating – The Nominating Committee assists and makes recommendations to the Board of Trustees in proactive identification, cultivation, recruitment, vetting, and orientation of new Trustees in order to optimize effective governance, ensuring that the Board of Trustees is comprised of leadership capabilities, expertise, skills, and philanthropic capacity to support IFAW's mission and strategic goals. The Nominating Committee is responsible for ensuring that the nomination process is carried out in a timely and efficient manner.

The Nominating Committee of the current Board reviews and recommends new Board members. Potential new members are recommended by existing Board members or staff. New Board members are elected and Board members whose three-year term is about to expire are eligible for election at the June General Annual Meeting. The Board members are divided into three groups whose terms expire in consecutive years. Once appointed trustees participate in an orientation session and are provided a manual which contains information such as IFAW's mission and values statements, organisational charts, Board of Trustees directory, programmatic overviews, Board of Trustees committee structures, financial overviews, by-laws and conflict of interest policy. While certain Trustee members may serve on boards of other entities, they are required to complete an annual Conflict of Interest Statement disclosing all other affiliations. For the year ending 30 June 2023, management found there to be no conflict of interest relating to members of the Board for the Charity

President and CEO – reports to the IFAW Global Board of Trustees, who govern the legal entities that make up IFAW around the world. The President/CEO is ultimately responsible for the overall health of the organisation and its success in performing its mission of rescuing and protecting animals. In addition to serving as a vital link between the Board of Trustees and the organization as a whole, the CEO is responsible for setting the tone for the institution's internal relationships and serving as the organisation's most public face in the interaction with donors, world leaders and high-level government officials. The President/CEO directly manages executives who are based in geographically diverse locations.

Global General Counsel – provides legal advice to the CEO and senior executives across the organisation, manages corporate legal relationships, and promotes legal compliance across all IFAW entities.

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Trustees' report for the year ended 30 June 2023 (continued)

Executive Office – protects and nurtures the mission of IFAW and ensures that the Strategic Plan is executed and is expected to provide leadership at an organisational, strategic level. The office is responsible for the line management of teams of people based across wide geographical locations. It is structured in this way to take advantage of talent and skill sets across the globe. The Executive Management is made up of Vice President and Director level team members who directly manage our Animal Welfare and Conservation Programs, Communications, Human Resources, Finance, Information Technology, Legal, and Development. The Programs, Communications, and Development departments have significant staff located in the regional and country offices, while the Finance, IT, and Human Resources and Legal departments are more centralized, although not exclusively, in the United States of America.

Head of Finance & Operations United Kingdom – is responsible for the day-to-day operational management for the UK office

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice 'Accounting and Reporting by Charities ('the Charities SORP')';
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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Trustees' report for the year ended 30 June 2023 (continued)

Statement of disclosure to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Related Parties

All affiliated entities maintain separate Boards of Trustees. However, the Trustee membership and senior management are substantially common among affiliates. All affiliates operate as separate and independent entities.

Although grants are made within the affiliated group, the Charity does not enjoy the rights of ownership of the assets and revenues of these affiliates, nor is it subject to their liabilities. The Charity does not hold a majority ownership interest in its affiliates except for IFAW Commerce Limited nor does the Charity have control of a majority of the Trustee appointments of the affiliated group.

The International Fund for Animal Welfare, Inc. (IFAW US), is a company established under the laws of the Commonwealth of Massachusetts (USA) and registered with the US Internal Revenue Service under Section 501(c)(3) of the US Internal Revenue Code. As a charitable organisation IFAW US possesses a mission consistent with the objects of the Trust. IFAW US provides direct support for certain programme, fundraising and administrative activities for all the IFAW entities. Other activities include shared finance, technology and human resource support. The Charity (and other IFAW affiliated entities) make financial contributions to IFAW US for their participation in shared support. The Trust and IFAW US are part of a network of organisations in which no parent, subsidiary relationship exists between the two organisations.

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Strategic Report

The objectives of the Charity are to advance the welfare and conservation of animals throughout the world by reducing commercial exploitation of animals, helping animals in crisis or distress and working to prevent cruelty and suffering to wild animals and domestic animals; to protect, conserve and preserve terrestrial and marine wildlife habitats and to educate policy makers and the public in respect of the foregoing.

Our Vision: Animals and people thriving together.

Our Mission: Fresh thinking and bold action for animals, people and the places we call home.

Our Approach: Every animal is part of a species, and every species depends on its habitat for survival. RE:SOLVE approach mirrors the same interconnectedness. By marrying animal welfare and conservation, IFAW delivers comprehensive protection to individual animals, populations and habitats.

RE:SOLVE means that we rescue animals in need, rehabilitate them back to health and safely release them back into secure and sustainable habitats. As a standalone, each of these pillars delivers value. But the sum of its parts creates immediate and enduring impact for animals, people and the places we call home.

Our Belief: In order to achieve IFAW's vision of animals and people thriving together, we follow three key principles in our work.

- Conservation policy should be based on sound science within an ethical framework that recognises the intrinsic value of individual animals and species, and the welfare needs of animals as sentient beings.
- Conservation decisions should be guided by full consideration of ecological and biological sustainability and the precautionary principle.
- Humans have a moral responsibility to provide for the needs of those animals who are dependent on them. This responsibility extends to protecting wild animals and their habitats from human harm, whether caused intentionally or unintentionally. Responsible human behaviour should prevent, avoid, or, at the very least, minimise direct and indirect harm to all animals.

Risk management

The Charity faces many financial and non-financial risks. The Trustees actively monitor key risks, and perform periodic assessments of the effectiveness of its risk management systems and procedures. The assessment process includes:

- a review of the risks the Charity faces in fundraising, investment and reserves management and financial commitments;
- a review of systems in place to mitigate risk and provide timely information to down-turns in performance/revenue or upturns in programme demand; and
- regular reviews and initiatives to minimise the impact of external risk factors on the Charity.

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Strategic report for the year ended 30 June 2023 (continued)

Reputation and external forces risk

The Charity has established a reputation for being a leader in the field of animal welfare and habitat protection. The Charity takes strict measures to ensure that its programme, fundraising, and governance activities align with its charitable objects. Further, the Charity monitors external forces to evaluate compliance with relevant regulations and industry best-practices.

Financial and physical assets misappropriation risk

The Charity maintains robust controls over its physical and financial assets. Controls are monitored and reviewed routinely to ensure that they are properly designed and functioning effectively.

Credit risk

Credit risk on amounts owed to the Charity is low. The majority of debtors relate to accrued legacies and amounts due from affiliated organisations.

Income and liquidity risk

The Charity is reliant upon donations from its supporters to finance activities in support of achieving its objects. Cash flows are continuously monitored and evaluated to ensure cash outflows associated with its operational activities are matched by inflows from donations and investment income. As noted in the Financial Reserves Policy section (below), the Charity, with the other IFAW affiliated entities, intends to maintain global operating reserves and global strategic reserves.

Foreign exchange risk

The Charity maintains its funds in Sterling, and most expenses are incurred in Sterling and US dollars. The organisation has a foreign exchange management policy designed to reduce volatility and unpredictability of payments for purchases of goods and services denominated in other currencies. The policy provides for the Charity to enter into foreign currency purchase and sale contracts with other affiliated entities. At 30 June 2023 the organisation did not have outstanding foreign exchange hedging contracts.

Employee safety risk

Employee safety (in the office and while travelling) is critically important to our work and our culture. Safety protocols and procedures are maintained to educate and prepare staff for workplace emergencies. Additionally, the Charity and its affiliates subscribe to a traveller assistance service which offers complete travel information and support (pre, during and post travel) along with medical and security incident management.

Data protection risk

Data protection is a significant risk for businesses and charities around the world. IFAW has made data privacy a priority and devoted significant resources towards our efforts to ensure compliance. The Trustees, senior management and staff are actively engaged and IFAW is committed to continue working to the highest standards of data privacy. The Charity has a dedicated position (Head of Data Protection and Fundraising Compliance) to oversee implementation and compliance with current regulations.

Following the reviews of the Charity's risk management systems and procedures, the Trustees are satisfied that the above risks are adequately monitored and mitigated.

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Strategic report for the year ended 30 June 2023 (continued)

Going Concern

The Board of Trustees is of the opinion that The Charity has adequate financial resources to continue in operational existence for the foreseeable future. This opinion is based upon financial results, conditions and forecasts prepared monthly and quarterly by Executive Management, which are provided to the Trustees. Further, management's income projections for the remainder of FY2024 and preliminary targets for FY2025 reflect confidence that continued donor support coupled with the Charity's variable cost expense structures provide additional support for going concern. Lastly, the Charity maintains healthy operating and strategic reserves levels, which serve to mitigate budgetary risks.

The Executive Management regularly review and evaluate potential effects on IFAW's and the Charity's operational and financial wellbeing. Management compiles and reviews key data which includes revenue performance, operating results, and operating and strategic levels on a regular basis.

Financial Reserves Policy

Careful consideration is always given to financial resource needs for planned projects, campaigns and emergency response activities as well as the Trustees' fiduciary responsibility to grow the Charity's funds base through prudent investment management.

The worldwide affiliated IFAW entities are financially and operationally interdependent. IFAW's Financial Reserves Policy establishes discrete funds to support specific goals and objectives for IFAW at the global level. As such, individual IFAW entities may vary with respect to nature and quantities of reserves. Financial reserves have been established as follows:

1. Operating reserves – cash and liquid assets intended to provide an internal source of funds for unforeseen situations that threaten budgeted activities
2. Strategic reserves – invested assets intended to provide unrestricted financial resources to support the organisation's annual budgets and long range strategic objectives
3. Donor endowed assets – maintained (as relevant) to provide financial resources to the Organisation in accordance with donors' intentions

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

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

At 30 June 2023, the strategic reserves add up to £6.8 million. This is a decrease from strategic reserves of £7.4 million at 30 June 2022. Given financial interdependency of the worldwide IFAW entities, local reserves are an important component of the operating reserve considerations. Restricted reserves were £nil (2022: £nil).

Investment policy and performance

The Charity's investment policy stipulates that investments be allocated between fixed income and equity investments in ratios ranging from 30% - 70%. Further, the policy provides for an ethical mandate which requires screening of all portfolios to ensure underlying investments align with the IFAW's global mission and values. Investment manager (Rathbones Investment Management Limited) compliance

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Strategic report for the year ended 30 June 2023 (continued)

with the policy is monitored monthly by an investment advisor, Holden & Partners, and annually by the Trustees for appropriateness considering performance and programme demands.

During Fiscal year 2023, portfolio values increased £1.9 million compared to the decrease of £1.2 million during fiscal year 2022. Increase relates to purchase of Fixed Income investments with excess cash in bank which offset investment loss. Fiscal year 2023 results reflect another year of weak market conditions. Total managed investment holdings were £9.2 million at 30 June 2023 (2022: £7.0 million).

Remuneration Policy

Position descriptions form the basis of the Organisation's wage and salary programme. Staff positions, including senior management roles, are evaluated and priced against market data that is obtained from an independent compensation consultant. Each position is priced using relevant local data that is deemed representational of similar not-for-profits. The Chief Executive Officer's compensation level is reviewed against available market data and is approved (including changes) by the Executive Committee of the Board of Trustees. Key management remuneration is discussed further in note 6.

Grant Making Policy

The Charity achieves its mission objectives through a combination of staff, vendors and partnerships. The Charity frequently engages in grant making as a means of delivering programmatic impact while maintaining flexible and efficient cost structures. Grants are awarded to organisations that advance the interests of the Charity. Grants are subject to underwriting procedures and formal documentation of terms and conditions. Grants are awarded to recipients that effectively demonstrate: expertise in areas of rescue and/or conservation; impact for animals and their environments; and accountability for funding. The Charity typically requires recipients provide financial and non-financial reporting regarding the use and effectiveness of the funding. The level of monitoring and evaluation of grantees is commensurate with the value of the award, the nature of and timing of programmatic work and reputation and performance history of the grantee.

Fundraising review

The Charity supporters continued to give in Fiscal year 2023, providing vital resources that advance our mission to protect animals and the places they call home. Fundraising results for Fiscal 2023 reflect the resilience of our supporter's commitment as well as the impacts of changes in fundraising strategies.

The Organisation takes seriously its obligation to maintain responsible cost structures to procure the vital resources needed to improve the lives of animals. In addition, The Charity understands that donor attitudes, public perception and the regulatory environment are all critical components of our fundraising strategies.

Fundraising Approach - Over the years, The Charity has developed a variety of channels designed to engage a diverse donor base including direct marketing, online marketing and planned giving. This multi-faceted approach enables the Organisation to effectively communicate with donors about the issues that are most important to them. The Charity engaged a professional fundraising agency to telephone supporters on our behalf. The Charity did not engage commercial participators in Fiscal 2023. The Organisation is registered with the Fundraising Regulator and is a member of the Chartered Institute of Fundraising and the Data and Marketing Association. The Charity also has staff membership in the Institute of Legacy Management.

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Strategic report for the year ended 30 June 2023 (continued)

Fundraising Compliance and Monitoring- The Charity understands that donor confidence is essential to maintaining a sustainable relationship. The Organisation maintains policies designed to demonstrate our commitment to protecting donors' interests.

The Charity engaged a telephone fundraising agency who are members of the Direct Marketing Association. The agency was contractually required to record all calls, provide the recording of any call on request and a random sample of calls on a regular basis. IFAW assisted the telemarketing agency with the content and provision of training materials and scripts. IFAW has internal procedures to regularly monitor the calls undertaken by the agency and a detailed checklist based on the list recommended by the Chartered Institute of Fundraising is completed for each monitored call to ensure that high standards are met. 130 calls (1.8%) were monitored, a checklist for each was completed and no concerns were found.

Periodically, the organisation receives feedback and complaints from donors. During this period the Organisation received 92 complaints relating to fundraising activity, donor experience and administrative process. The majority of these complaints were satisfactorily resolved by the Donor Relations Team. Complaints that require escalation are handled in compliance with the Charity's Complaint Policy and resolved by the applicable senior member/s of staff. There were no compliance failures in Fiscal 2023.

The Charity is committed to following the Fundraising Regulator's Code of Fundraising Practice, the Data & Marketing Association's Guidelines for Ethical Practice and the Advertising Standards Authority's UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (CAP code).

The Organisation has a Vulnerable Person's Policy which gives guidance to IFAW's staff and Trustees on relevant issues, such as how to identify if a person is vulnerable and what to do in those situations. If IFAW works with third party fundraisers, they will be required to follow this policy. Relevant fundraising staff have received training and guidance. The policy also voices IFAW's commitment to not engage in unreasonable intrusion, being unreasonably persistent and putting pressure on people to give money. In addition, the Charity has a Gift Acceptance Policy and a Returning Donations Policy which highlights our responsibilities to vulnerable people.

The Charity stops online contact without delay when a supporter unsubscribes. IFAW aims to stop all postal direct mail within 28 days of request. The Organisation has internal Copy and Design Guidelines, the guiding principles of which is to put into practice our commitment to treating our supporters and members of the public with respect, being responsive and sensitive to their needs and taking responsibility for our fundraising actions. The Charity commits to ethical and legal fundraising that keeps our supporters' best interests at the forefront.

Data protection- The Charity is fully committed to the highest standards of privacy and ensuring compliance with the UK General Data Protection Regulations implemented by the Data Protection Act 2018. IFAW's Head of Data Protection and Fundraising Compliance leads on the implementation and training of charity staff and oversees continued compliance.

Financial review

The accounts, which constitute an integral part of this report, comply with the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities'. Trustees consider that

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Strategic report for the year ended 30 June 2023 (continued)

in preparing these accounts, they have consistently applied appropriate accounting and reporting policies supported by reasonable and prudent judgements and estimates where required.

Sources of funds for charitable expenditure- The Charity's revenue sources in Fiscal year 2023 were comprised primarily of monthly donations (sustainers), sweepstakes, multi-purpose direct mail gift appeals (newsletters) that educate/advocate as well as fundraise, legacies and gift aid income. The income produced from these activities totalled approximately £2.9 million (2022: £3.1 million), £1.1 million (2022: £1.3 million), £2.3 million (2022: £2.6 million), £7.7 million (2022: £8.5 million), and £1.1 million (2022: £1.3 million) respectively.

During Fiscal 2023 donations and contributions totalled £16.3 million, a decrease of approximately £1.9 million (2022: £18.2 million), which was primarily due to weaker than expected bequest income. Slight declines in sustainer and sweepstakes income were generally anticipated as investments in these channels are being diverted into new channels (such as digital and legacy) that have greater growth potential. For additional details, see note 2 of the accounts.

Expenditure of funds- Total expenditures for Fiscal 2023 totalled £15.6 million compared to Fiscal 2022 of £15.2 million. Overall, Fiscal 2023 expenditures increased compared with prior year, due to an ability to spend more as the lingering impact of COVID-19 has cleared. Included in annual expenditures for Fiscal 2023 were grants of £7.3 million (2022: £5.4 million) which included grants to unrelated organisations for £1.9 million (2022: £1.4 million). For additional details, see note 5 of the accounts.

The overall result for the entire Organisation for Fiscal year 2023 was a deficit totalling £2.35 million. This was a decrease from the budgeted breakeven for the year. (2022: surplus £2.5 million). The income amounts did not meet budget expectations and expenses were above budgeted amounts. This deficit was an appropriate utilization of prior year surpluses of the last few years.

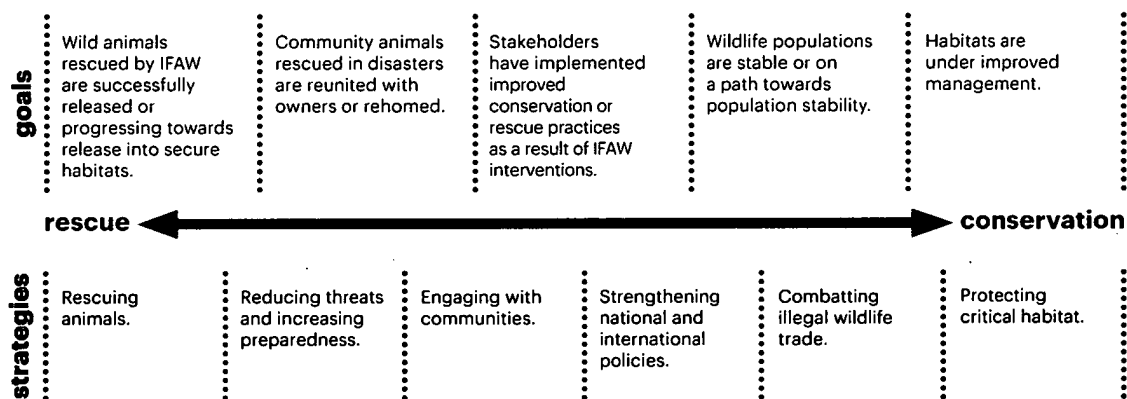
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Strategic report for the year ended 30 June 2023 (continued)

Programmes Overview: Goals, Progress

FY 2023 marked the third year of implementing IFAW's current five-year institutional strategic plan. The strategy focuses on improving the welfare of individual animals and the conservation status of wildlife populations in priority habitats through on-the-ground efforts, community engagement and global advocacy. Our dual-emphasis on rescue and conservation promotes animal welfare, species population stability and secure habitats. To sustain the welfare of species and the places they call home, our work must be comprehensive. Across IFAW's Programme portfolio, we are pursuing the following goals via these strategies.



The Organisation globally achieved the following results towards the five strategic goals:

- 72.8% of rescued wild animals were released or progressing towards release, getting closer to our ambitious 75% target. The Disaster Response team fulfilled 98% of all requests from Authorities Having Jurisdiction, totalling 50 from 29 different countries, in the process rescuing 140,009 community animals or providing them with relief during disaster.
- 76.3% of partners and 98.7% of communities targeted are implementing improved conservation or rescue practices, together exceeding our 80% target.
- 69 policy actions were fully adopted in line with IFAW's recommendations and 24 policy actions were partially adopted.
- For the populations where we have FY23 census data, 85.7% of targeted species populations are stable or increasing, and 50% of our targeted habitat linkages are considered secure for safe passage.
- 35,157km² of priority habitats are under improved management in FY23, up from 29,161 km² in FY22. We have an ambitious target of 63,469km² to secure, a substantial portion of which represents Tsavo National Park in Kenya and other Room to Roam landscapes.

The Charity supported this progress via grants to collaborating organisations, grants to IFAW affiliates, programme work within the UK, and UK-based global programme expertise. FY23 Project highlights for each programme area below describe selected activities and outcomes supported by the Charity that contribute to the global results.

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Plans for FY 2024

The Charity's plans for FY 2024 include:

- continuing outreach to tackle national wildlife crime, engaging Government and partners including the National Wildlife Crime Unit. This includes disseminating research on why many cases fail at prosecution and how to mitigate this, and continuing to call on the UK Home Office to make more wildlife crimes "notifiable" (recordable in national statistics);
- continuing leadership on coalition campaigning to close loopholes in the UK hunting legislation, to protect more wildlife affected by illegal hunts;
- continuing engagement with the UK Government to support the implementation of the UK Ivory Act and promised extension to other species. This includes understanding trends, threats and engaging online marketplaces;
- continuing leadership with influential global networks such as United for Wildlife, to support collaboration between industry, financial institutions and NGOs in tackling illegal wildlife trade;
- engaging partners on nature and biodiversity concerns, supporting the Nature 2030 campaign to move the UK closer to goals set under international policy agreements;
- outreach on UK marine protection, following up input on a joint consultation response around how remote electronic monitoring can be used to reduce bycatch;
- as UK elections approach in 2024, amplifying a 'Manifesto' of asks on animal welfare and biodiversity issues we want to see addressed by this Government and the next;
- scoping outreach opportunities around the impact of free trade areas on illegal wildlife trade, and the online exotic pet trade online;
- through UK leadership of IFAW's international policy programme, leveraging our participation in global environmental conventions, including CITES Standing Committee 77, CMS CoP 14 and UNFCCC CoP 28, to push for increased biodiversity protection measures and funding;
- providing continued grant support for our rescue and conservation partners Wildlife Trust of India, Wild is Life in Zimbabwe and others;
- sustaining momentum for the Room to Roam initiative to increase connectivity for elephants across East and Southern Africa through landscape conservation, wildlife crime prevention and community engagement efforts;
- continued support for rescuing and assisting animals through global disaster response and preparedness efforts wherever we are most needed;
- sustaining efforts to save the North Atlantic Right Whale, and to reduce the threats of ship strikes, noise and entanglement, through UK leadership of IFAW's global marine conservation programme;

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Carbon Emissions

In alignment with our mission, we are dedicated to reducing the environmental impact of our operations. Since 2020, IFAW has commissioned Three Squares Inc. to conduct carbon footprint analysis on the Greenhouse Gas (GHG) emissions resulting from IFAW facilities and operations on a calendar year basis. This is a departure from our fiscal year reporting and as a result a year behind. Reporting is prepared in accordance with the World Resources Institute's Greenhouse Gas Protocol (GHG Protocol). According to the GHG Protocol, emissions are divided into direct and indirect emissions. Direct emissions originate from owned or controlled sources by the reporting entity. Indirect emissions are generated as a consequence of the reporting entity's activities, yet they occur at sources owned or controlled by another entity.

The total carbon footprint for IFAW UK Charity facilities and operations for the 2022 calendar year was 624.21 metric tonnes (mt) of carbon dioxide equivalents (CO₂e), broken down as follows:

Scope	Emissions (mtCO ₂ e)	% of Total
Scope 1: <i>Direct Emissions produced by the burning of fuels of the emitter</i>	0	0
Scope 2: (Market-Based): <i>Indirect Emissions from energy consumed and purchased by the emitter</i>	8.35	1.3%
Scope 3: <i>Other Indirect Emissions, such as travel, waste, accommodations, and shipments</i>	615.86	98.7%
Total	624.21	100%

We fully offset our carbon emissions by supporting approved offset projects on the UN Climate Neutral Now platform. The chosen projects align with IFAW's guiding principles and with programme and geographic priorities. For 2021, IFAW supported projects promoting efficient cookstoves in Malawi, composting in India, and energy efficient mass transport in China. Offsets for 2022 will be purchased upon completion of global carbon emissions analysis for all IFAW corporate entities which is expected to be completed early calendar year 2024

IFAW UK, continually seeks ways to adopt and improve green practices. From using energy saving solutions, to recycling, offering more plant-based options at office and hosted events, cutting down the use of plastics, using recycled or eco-friendly paper options and promoting a hybrid work environment to reduce daily office commuting by more than 50%. Staff are also encouraged to consider more eco-friendly options when traveling, for example, taking a train when practical instead of flying, or whether the meeting can be remote.

Animal Rescue

Wildlife Rescue

An important way that IFAW supports conservation efforts is by rescuing wildlife in distress, rehabilitating them and, whenever possible, releasing them back to the wild. We are committed not

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only to saving more animals and improving standards of welfare worldwide, but also supporting the conservation of threatened and endangered species.

Our aim is always to release as many rescued animals as possible back to the wild. However, not all rescued animals complete this journey as some remain in care, some die from their injuries or illness, and others need to be humanely euthanised to prevent further suffering.

Over the last 20 years, our teams have responded to, rescued, and cared for more than 655,000 animals across the globe. To share our knowledge and experience so it can help more animals in need of rescue, we offer advanced learning opportunities via our new Academy of Rescue and Conservation (ARC).

Vultures poisoned in India recover and take flight back to the wild

An unintentional poisoning in Assam, India resulted in several Himalayan vultures (status: Near Threatened) and several slender-billed vultures (status 'Critically Endangered') requiring emergency care. Communities quickly alerted the IFAW-Wildlife Trust of India (WTI) mobile veterinary unit, which responded and provided emergency veterinary treatment.

Once stabilised the vultures were transported to the WTI Centre for Wildlife Rehabilitation and Conservation (CWRC) and six vultures were eventually returned to the wild. Since 2003, CWRC has responded to 360 cases of vultures in distress and released 218 back to the wild.

Rescuing raptors in China

In FY23, 222 raptors of 22 species were brought to IFAW's Beijing Raptor Rescue Center (BRRC) for rehabilitation and care; 87 were released back to the wild and three were being tracked with solar-powered GPS transmitters. BRRC was established to rescue, rehabilitate, and return to the wild sick or injured birds of prey and those confiscated from illegal trade.

During the year, BRRC conducted four online and in-person training sessions, reaching more than 600 rescuers from more than 45 institutions across China. We also continued collaborative scientific research with institutions including Beijing Normal University, China Agricultural University, and the University of the Chinese Academy of Sciences. We also welcomed 200 professional and educational visitors to the centre.

Rescuing, rehabilitating and releasing hundreds of animals in Australia

We work with many partners, including wildlife veterinary teams, in Australia and the wider Oceania region to rescue, rehabilitate, and release animals back into the wild. Our long-standing partner Friends of the Koala in New South Wales has seen a significant increase in the number of koalas being injured or killed because of car strikes. As people continue to encroach on koala habitat, koalas are more likely to cross roads, putting them at risk of getting hit by cars. In FY23, the IFAW-supported Friends of the Koala veterinary team treated 316 koalas.

Our long-term partner Bonorong Wildlife Sanctuary in Tasmania runs the state's first and only dedicated wildlife hospital. During FY23, the veterinary team treated 945 animals. The sanctuary also released several animals including critically endangered swift parrots, endangered Tasmanian devils,

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wedge-tailed eagles, eastern quolls, and wombats. One of them was Reidy-Bear, an orphaned wombat joey, who spent 18 months under the care of the incredible IFAW veterinary team and expert caretakers.

In Victoria, IFAW continued supporting the vital work of Mosswood Wildlife, which rescues and rehabilitates injured and orphaned wildlife. The volunteer-run team treated 163 koalas and 271 other animals in FY23.

Disaster Response

Disasters are striking more frequently and with greater intensity, creating complex challenges for animals and people. With an emphasis on preparedness, our work starts before disaster strikes. IFAW's Disaster Response & Risk Reduction teams continued working in FY23 to reduce animal suffering before, during, and after disasters. We did this by building community resilience, keeping families together, and providing animal rescue efforts in person or via emergency aid.

We continue expanding our global team so that we can better respond to disasters in more parts of the world. In FY23, we added a team for the Latin American and Caribbean region, following our expansion to Europe in FY22. From Ukraine to Indonesia and Australia, our teams were busy once again in FY23 saving wildlife, keeping pets with their families, and helping communities build local capacity to prepare for, respond to, and recover from disasters.

Earthquake response in Turkey and Syria

When a 7.8 magnitude earthquake leveled entire towns and killed thousands of people in southeastern Turkey and northern Syria in February 2023, we immediately provided emergency funding. With our support, teams from Watan Foundation, a relief organisation in Turkey, helped 1,847 animals and provided urgently needed food to 4,079 animals. Our support also helped House of Cats Ernesto in Syria treat more than 1,200 animals, rescue and shelter 130, administer 150 vaccinations (including to 25 police dogs), and distribute 2,250 kilograms of dog food in 22 villages.

Continuing help for the people and animals of Ukraine

IFAW's work, and that of our partners, continued to make a difference throughout FY23 for the animals and people affected by the war in Ukraine. In this past fiscal year, we supported partners inside Ukraine and in surrounding countries—which directly helped 65,205 animals, supported the emergency needs of companion animals and their owners, ensured safety for wildlife, and more

Helping rescue animals from deadly floods

In the US, catastrophic flooding in eastern Kentucky killed at least 37 people and left thousands of animals at risk in July 2022. At the request of local authorities, IFAW quickly deployed trained responders to help with animal search and rescue, and emergency sheltering. We worked closely with Kentucky River Regional Animal Shelter to help manage donated supplies for local communities, care for shelter animals, and reunite cats and dogs with their owners. We also provided emergency grants to Mountain View Wildlife Rehabilitation, Starfish Animal Rescue, and the Animal Disaster Relief Coalition.

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When Pakistan experienced the worst flooding in its history in August 2022, we supported local partner Education, Awareness and Community Health with funds to purchase and distribute food for thousands of cattle and other farm animals belonging to hundreds of families. And through our international partner Dog Trust Worldwide, we provided an emergency grant to Lucky Animal Protection Shelter in the Khyber Pakhtunkwa province of Pakistan, whose shelter facilities were flooded in the disaster. The grant helped them cover expenses for a temporary shelter, including rent, dog food, and veterinary care.

Floods also affected Australia in FY23, with four states experiencing flooding simultaneously. IFAW provided emergency funding and support to 11 groups to deal with the influx of wildlife needing rescue and care.

Disaster awareness and preparedness

Timed to coincide with the US national preparedness month in September 2022, we launched a #disasterready campaign in a wide variety of media. The campaign encouraged people to protect pets, wildlife, and farm animals by downloading, sharing, and acting on animal disaster preparedness resources, such as checklists on how to prepare pets for a disaster and what to pack in a pet disaster kit.

We launched the #disasterready campaign in Europe on October 13, the International Day for Disaster Reduction. We also released our report *Beyond Rescue: Animals in Disasters—Europe*, which highlights that an increase in the frequency and severity of disasters in Europe requires urgent policy changes to address the impact on animals. IFAW continues to recommend the integration of animal welfare into disaster management in the EU, and within EU funding.

Marine Mammal Rescue

IFAW's Marine Mammal Rescue programme is a world-recognised leader in stranding response. We rescue marine mammals, provide cutting-edge veterinary care, drive constant innovation, and lead ground-breaking research. We are constantly working to increase the survival rate of stranded or at-risk marine mammals. We also share our knowledge, experience and data to help improve stranding response around the world, advance the welfare of individual marine mammals, and promote conservation.

In FY23, our team responded to 350 stranded marine mammals. This included responses to 85 live cetaceans (including small whales, dolphins, and porpoises). Forty-five of these were released back into the wild, 26 with satellite tracking tags. Additionally, the team conducted 41 animal autopsies (necropsies) of cetaceans and pinnipeds that died during stranding events.

Responding to pilot whale strandings

When six long-finned pilot whales stranded in Eastham, Massachusetts, US in December 2022, more than 50 responders mobilised, including IFAW staff, volunteers, and surrounding area teams. One calf died during the rescue operation, but the other five were refloated and released.

Unfortunately, four soon re-stranded and their health had greatly declined. Rescue possibilities were further limited due to unfavourable weather and tides, so the team had to make the difficult decision

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to euthanise them to prevent further suffering. The fifth pilot whale was satellite tagged and successfully made it offshore and back to its natural habitat.

We performed necropsies (animal autopsies) on the whales that died to help us understand why they may have stranded and how to better help cetaceans at future strandings.

Releasing endangered dolphins after illegal captivity

In a first for Bahrain, authorities convicted the people responsible for poaching three endangered Indian Ocean humpback dolphins and selling them for display at a tourist attraction. After the decision in the prolonged court case, IFAW provided expert support to ensure the dolphins, which had spent more than a year in captivity, were in good condition and healthy enough to be safely released back to the wild.

We worked together with key agencies in Bahrain, including the Supreme Council for Environment, Public Prosecution, Coast Guard Department, General Administration of Civil Defense, Tails Veterinary Clinic, and others. Thanks to a contribution from the Dutch Postcode Lottery, each dolphin was fitted a temporary satellite tracking tag before they were released back to the sea.

Indian Ocean humpback dolphins are listed as endangered on the International Union for Conservation of Nature (IUCN) Red List and their numbers are decreasing.

Rescue training for team from Kenya

Two marine mammal rescuers from Kenya traveled to Cape Cod, US, for training from IFAW experts in all aspects cetacean stranding response, from live dolphin health assessments to necropsy. They were also trained in whale disentanglement at the Center for Coastal Studies in Provincetown.

Costs for the Animal Rescue programme were £5,072,874 in FY23.

Landscape Conservation

Wild animals and the ecosystems of which they are part face major threats, including habitat loss and fragmentation, poaching, climate change, and human-wildlife conflict. IFAW's approach to landscape conservation involves sustainable solutions that benefit ecosystems, wildlife, and local people. We focus on promoting long-term sustainable ecosystem management and protecting habitats and species by developing resilient ecological networks, building law enforcement capacity, and engaging communities in natural resource management.

Creating room to roam in Africa

Room to Roam is about looking ahead. As our world constantly evolves, the rules of survival, sustainability, and conservation must transform as well. Backed by more than 20 years of science and fieldwork, IFAW is making technical and financial investments in Kenya, Malawi/Zambia and Zimbabwe to implement evidence-based conservation solutions aimed at reducing poaching and human-wildlife conflict, securing connected habitats, and enhancing community well-being. Through the Room to Roam initiative, we are working to ensure viable, stable elephant populations long into the future, maintain biodiversity, build greater resilience to climate change, and secure a future where wildlife and communities can thrive together.

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Strengthening law enforcement capacity

Wildlife rangers are on the frontlines of protecting habitats and fighting poaching, which continues to be a major threat to elephants and other species. Rangers put their lives on the line and make sacrifices to protect animals and the surrounding landscape, so their welfare and well-being are key to protecting wildlife and communities.

In FY23, we worked with Zimbabwe Parks & Wildlife Management Authority (ZimParks) to build a new ranger base in the Makona section of Hwange National Park. The base includes a recreational centre, ranger houses, an operations centre, and an administration block. We also continue to ensure that rangers are properly equipped with boots, uniforms, and patrol equipment so they can comfortably and efficiently perform their challenging work in the field.

Equipment and training are vital for effective law enforcement and for enabling rapid response to incidents of poaching or human-wildlife conflict. In FY23, we funded 30 Olgulului Community Wildlife Rangers from Amboseli, Kenya to attend workshops to develop new skills as first responders in wildlife crime scene investigation. And with our support, 15 community rangers were trained at the Kenya Wildlife Service Law Enforcement Academy to effectively handle wildlife crimes.

In Zimbabwe, 60 field rangers completed IFAW-supported training on the Spatial Monitoring and Reporting Tool (SMART), which improves their effectiveness and efficiency in securing critical habitats. Enhanced anti-poaching efforts included 5,415 patrols covering 25,900 km², removal of 1,000 wire snares, and the arrest of 17 poachers.

Securing space for wildlife

We are dedicated to securing space for wildlife to roam freely, while providing local communities with employment and revenue from tourism. In FY23, an additional 1,204 km² of land in the Room to Roam landscapes came under improved protection and management.

This year ZimParks and IFAW signed a historic 25-year agreement to secure a US\$50 million partnership to support wildlife conservation in Zimbabwe's Hwange National Park. At 14,652 km², Hwange is the largest national park in Zimbabwe and forms a key part of the Kavango-Zambezi-Transfrontier Conservation Area.

Orphaned elephants in Zimbabwe closer to life in the wild

Through IFAW-supported rescue and rehabilitation centres—Wild is Life-Zimbabwe Elephant Nursery in Zimbabwe and Lusaka Elephant Nursery in Zambia—orphaned and abandoned elephants receive the care needed for proper rehabilitation for a successful transition back into the wild. This year seven rehabilitated elephant calves moved a step closer to life in the wild after they were translocated to a release facility in the Panda Masuie Forest Reserve in Zimbabwe. Here orphans regularly interact with free-roaming herds, sometimes spending extended periods with wild elephants. This second rehabilitation stage is vital to enabling elephants to integrate and eventually join established wild herds migrating through the area.

Costs for the Landscape Conservation programme were £3,855,317 in FY23.

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Wildlife Crime

Wildlife crime puts the survival of thousands of species of animals at risk and accelerates the ongoing collapse of biodiversity. The illegal trade in live wildlife causes tremendous suffering; countless animals die while being captured, transported, and kept in homes as exotic pets. Even legal wildlife trade, particularly when there is a lack of regulation and enforcement, can facilitate the spread of zoonotic diseases, which are a huge threat to humanity.

To combat wildlife crime, we focus on building law enforcement capacity, strengthening policies, reducing consumer demand, and disrupting online wildlife trade. We also investigate what drives wildlife consumption, and then we use that information to help develop campaigns to change behaviours by teaching people about wildlife crime and how to avoid the products created by it.

Strengthening law enforcement capacity

In FY23, we strengthened law enforcement capacity by training or mentoring 770 key people from more than 40 countries.

In July 2022, China Customs, IFAW, and the Wildlife Conservation Society (WCS) held the China-Americas Law Enforcement Workshop on Combating Wildlife Trafficking. The online conference welcomed 70 customs and wildlife conservation authorities from 10 countries in Latin America and strengthened cooperation between agencies in China and those in Latin America.

In April 2023, IFAW, WCS, and the Wildlife Trade Monitoring Network (TRAFFIC) sponsored Operation Mekong Dragon, a workshop in Shanghai that gathered customs representatives from more than 20 countries to combat wildlife smuggling in Southeast Asia.

UK Ivory Act is reducing ivory trade

The number of online marketplace advertisements in the UK selling items made from ivory dropped by 66% between 2021 and 2023 according to our snapshot surveys. This indicates that the UK Ivory Act, which came into force in June 2022, is helping reduce the amount of ivory being traded online. We also commissioned a YouGov poll in the UK in February 2023, which showed that 93% of people surveyed thought it was morally wrong to poach an animal for their ivory. And 90% supported extending the existing Act beyond non-elephant ivory.

We used these research findings to engage the UK Government, enforcement agencies, and online platforms in battling the ivory trade. In a move welcomed by IFAW, the UK Government announced plans in May to extend the Ivory Act to cover ivory from five other non-elephant species—hippo, narwhal, sperm whale, killer whale, and walrus.

Continuing the fight against cybercrime

More than 40 delegates, representing 16 domestic and international organisations, attended an IFAW-supported workshop in October 2022 to tackle wildlife cybercrime in the Greater Mekong Subregion and Malaysia. The workshop was specifically designed to enhance the capacity of civil society organisations (CSOs) tackling the issue. It was financed by the EU-funded initiative Partners Against Wildlife Crime.

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We also continued involvement with the Coalition to End Wildlife Trafficking Online. Since its launch in 2018, the number of Coalition members has more than doubled from 21 to 47. In FY23, a total of 2,344 staff from Chinese companies were trained by the Coalition's NGO partners in detecting and combating wildlife crime.

Calls for EU legislation against illegally sourced wildlife

The EU continues to be a hub, transit point, and destination for exotic pets according to *Stolen Wildlife IV*, a report we produced with Pro Wildlife and Humane Society International. The report, released in September 2022, highlights that existing legislation is insufficient to protect global biodiversity and combat wildlife trafficking. It recommends further international trade restrictions and stricter national legislation. A key priority is EU laws to prohibit the import, sale, purchase, and possession of wildlife illegally sourced in its country of origin.

Campaigns to discourage purchases of illegal wildlife products

Our China Wildlife Free Traveler campaign was launched in November to discourage Chinese nationals from purchasing illegal wildlife products, especially ivory, during travel. In surveys of people who saw the campaign, 96% expressed no intention to consume wildlife products in future and 95% said they found it unacceptable for family or friends to do so.

We also developed a social media campaign with the Institute of Psychology of the Chinese Academy of Sciences highlighting how wildlife consumption could lead to social embarrassment and legal risks. In the campaign evaluation survey, 52% said the campaign made them less likely to consume wildlife parts and products in the future.

Inspiring young people to protect birds in Lebanon

More than 3,000 young people in Lebanon better understand the need to stop the poaching and illegal taking of birds, thanks to our project with Levant Operation for Bird Rescue (LOBR). Together we hosted community awareness activities at private and public schools. Our aim was to inspire young people to become bird protection advocates. Some participants also visited the LOBR centre to better understand the suffering caused by bird poaching and to see the efforts to treat, rehabilitate, and ultimately release birds back to the wild.

Costs for the Wildlife Crime programme were £2,773,565 in FY23.

Marine Conservation

The healthy ocean needed to sustain a healthy planet continues to face ever-increasing threats from human activities such as unsustainable fishing, shipping, industrial development, and pollution. Large marine animals, particularly whales and sharks, play a key role in regulating marine ecosystems and keeping carbon locked in the ocean. Protecting these animals is critical and provides benefits for other species and vital habitats throughout the global ocean.

IFAW works to promote alternative fishing strategies, engage governments and industry, strengthen regulations, and establish protections for marine animals and their habitats. Throughout FY23, our Marine Conservation programme continued making impact in three key areas: saving the North

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Atlantic right whale, addressing collisions between ships and endangered whales, and reducing underwater noise pollution.

The future of the North Atlantic right whale hangs in the balance

The North Atlantic right whale (NARW) is one of the most endangered marine animals in the world. Fewer than 340 individuals remain, of which fewer than 70 are reproductive females. Alarming, since 2017, 115 right whales have died or been injured in US and Canadian waters.

IFAW research gives insight to help protect right whales

Tracking and monitoring NARWs is imperative for their survival as a species. In January 2023, we commissioned the research vessel, *Song of the Whale*, to conduct a major research survey to help increase knowledge of right whale habitat use, distribution, and threats. Underwater microphones, known as hydrophones, were used to detect whales, while aerial survey teams photographed, identified, and logged the location of whales. The team also helped conduct a second field season of research focused on di-methyl sulfide—a compound released by NARW prey, and a potential predictor for NARW presence.

Song of the Whale is an innovative research platform and part of IFAW's rich history of exploring and protecting the ocean and its marine mammals. The original *Song of the Whale* was built by IFAW in 1987, and we commissioned a replacement in 2002. *Song of the Whale* is now operated by Marine Conservation Research Ltd. It is one of the quietest research vessels in the world, so we can study whales up close without disturbing them.

More testing of fishing gear that's safer for whales

We continue working closely with the US fishing industry to test and improve on-demand (ropeless) fishing gear, which reduces the risk of whale entanglement by eliminating the need for a fixed rope running from lobster and crab traps on the ocean floor to buoys on the surface.

We continue collaborating with lobster boat crews that are willing to be early adopters of the technology. In FY23, we again received permits for them to conduct tests in federal waters that are otherwise closed to fixed-gear fishing operations during peak right whale occurrences. And for the first time we also received permits to test in state waters. Testing the gear is vital for improving it and finding better ways to continue fishing in ways that keep whales safe.

Fin whale hunt in Iceland suspended

Our decades-long effort to end whaling in Iceland was strengthened when Iceland's Fisheries Minister made the unprecedented decision to temporarily suspend the summer 2023 whaling season. The decision followed a government study that showed more than 40% of whales killed during the most recent whaling season suffered slow and painful deaths, which did not comply with the Icelandic Animal Welfare Act. The current whaling quota is due to expire at the end of 2023, after which a new five-year quota would need to be authorised by the Fisheries Minister.

Gathering support for reducing ship speeds for quieter oceans

Our Blue Speeds campaign continued to gather support for an EU-wide measure that would slow ships to 75% of their designed speed (or approximately a 10% speed reduction). Globally, this

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straightforward solution could reduce overall noise from shipping by 50%, reduce the risk of whales being struck by ships by 40%, and reduce GHG emissions by 13%.

The campaign officially launched at the European Parliament in October 2022 and attracted more than 80,000 signatures and 130,000 visits to the Blue Speeds website in FY23.

Rerouting shipping lanes to reduce threats to endangered whales

Sperm whales in the Hellenic Trench off Greece will face fewer risks thanks to commitments by leading shipping companies. In FY23, DFDS, one of Europe's largest shipping companies, Stolt Tankers, and Armateurs de France, agreed to route and speed changes that should halve the risk of collisions with sperm whales to the west of the Peloponnese. It is estimated that only around 200 sperm whales remain in the Eastern Mediterranean and the population is classified as endangered.

The companies acted in response to scientific advice from a coalition comprising IFAW, OceanCare, the Pelagos Cetacean Research Institute, and WWF Greece. Long-term data gathered show that if all ships avoided the areas of highest risk, the overall risk of collisions would be reduced by 70%. These companies join MSC, the world's largest shipping container company, which agreed in FY22 to alter their routes in this key sperm whale habitat.

Major aerial survey of Kenya's marine megafauna

IFAW supported a first-in-30-years aerial survey of marine species along Kenya's 600-kilometre coastline in March 2023. The survey aimed to better understand marine species' distribution along the coast and the threats they face. The results will help inform appropriate conservation and management measures.

Kenya's waters host more than 35 species of marine mammal, five species of marine turtle (all listed as endangered or critically endangered), and 105 species of bony fish, including sharks and rays. The significant species of concern were dugongs, Indian Ocean humpback dolphins, whale sharks, and whales. These are all threatened by the effects of climate change and harmful human activities such as unsustainable fisheries, habitat loss, pollution, and port construction.

The survey report calls for measures to eradicate dangerous fishing gear, such as gill nets that can kill dugongs and turtles. It also recommends involving small-scale fishing communities in implementing marine conservation best practices and sustainable fishing techniques. The aerial survey, conducted by a 50-strong survey team, was a collaboration between Wildlife Research & Training Institute, Kenya Wildlife Service, and IFAW.

Costs for the Marine Conservation programme were £1,740,221 in FY23.

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International Policy

Through our powerful advocacy work we call for laws and policies to safeguard habitats and species for the long-term. We forge strategic partnerships with governments, non-governmental organisations, institutional funders, and other stakeholders. Throughout our policy work we continue to press for our priorities, which are focused on animals and people thriving together, to be included in political agendas.

Groundbreaking vote to control shark trade

IFAW welcomed a groundbreaking decision by world governments to strengthen protection for nearly 100 species of sharks and rays by increasing regulation and monitoring of international trade to ensure that it is sustainable, traceable, and legal. Sharks and rays are the second-most threatened vertebrate group on the planet, often fished to excess for their fins and meat.

The decision was made at the 19th Conference of the Parties (COP19) of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), held in Panama. All 54 species of the requiem shark family, six additional hammerhead shark species, and 37 guitarfish (shark-like species of rays) are now listed on CITES Appendix II. This puts nearly all shark species traded for their fins under CITES oversight and controls. The Appendix II listing makes it far easier for customs and enforcement officials to ensure only legal and sustainable trade is taking place.

We will continue to help governments implement CITES shark protections, for example with training on how to identify shark products and enforce trade restrictions. We will also provide policy advice on fisheries management and national regulations and legislation to reduce the number of sharks killed.

New global goals for nature conservation

We participated in key UN negotiations in FY23 to champion the cause of nature. A pivotal outcome was the agreement of world governments for a new 10-year framework to address the nature crisis facing our planet. The agreement was made at the 15th Conference of the Parties (COP15) to the United Nations Convention on Biological Diversity.

The Kunming Montreal Global Biodiversity Framework (GBF) includes targets such as protecting 30% of the planet by 2030. It also includes targets for restoring degraded land, conserving species, and preventing overexploitation of wild animals and plants. Despite negotiations watering down some goals and targets the GBF still represents a major step forward—if implemented effectively. We are calling for governments to start implementing this framework immediately; the next 10 years are critical in solving the nature crisis engulfing our planet.

Working for marine protected areas

After nearly two decades of talks, UN Member States adopted a legal framework aimed at greater protection and management of the high seas in June 2023. As part of the High Seas Alliance, we have worked for more than a decade to achieve this outcome. The new treaty is significant because it will make it possible to establish high seas marine protected areas. It also sets new standards for the assessment and management of human activities on the high seas, setting the stage for strengthening conservation of marine life.

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The high seas are parts of the ocean that lie outside of national boundaries; they cover half of our planet's surface and account for two-thirds of the global ocean. Consequently, the high seas are the largest habitat on Earth, home to millions of species, and our greatest ally against the impacts of climate change.

Calling on the EU to combat environmental crime

Throughout FY23, we continued to draft key recommendations for the revision of the EU's Environmental Crime Directive. Together with other environmental, conservation, and animal protection organisations we called for European Parliament and Member States' negotiators to include a definition of what constitutes an environmental crime. We also called for strong and dissuasive terms of imprisonment and sanctions for people and entities that perpetrate environmental crimes.

In addition, we've called for listing underwater noise as one of the pollutants that cause substantial damage to marine environments and marine life. All IFAW's main calls were included in the Position of the European Parliament adopted in March 2023. This provides a strong basis for the upcoming negotiations with EU Member States.

New EU Action Plan to fight wildlife trafficking

We have long campaigned for stricter regulation of wildlife trade in the EU. In November, we welcomed the new five-year Action Plan against Wildlife Trafficking, launched by the European Commission. The renewed EU Action Plan includes ambitious actions and addresses many shortcomings and loopholes of the previous plan, which was introduced in 2016.

It has created a framework from 2022–2027 for European countries to step up their role in the global fight against wildlife trafficking. The plan prioritises prevention, enforcement, and strengthening global partnerships. It also prioritises strengthening the legal EU framework, something we have strongly and consistently called for.

Other key aspects of the plan include implementing demand reduction activities to change consumers' behaviour and monitoring of the implementation of the new EU rules on ivory trade. In line with our calls, wildlife cybercrime will be addressed through dedicated guidance on online wildlife trade under the new Digital Services Act. It will also involve specific training for enforcement agencies, and engagement with the Coalition to End Wildlife Trafficking Online, launched in 2018 by IFAW, WWF and TRAFFIC.

Costs for the International Policy programme were £587,390 in FY23.

Community Engagement

The number of incidents of human-wildlife conflict is rising sharply as animals and people increasingly compete to use land and access vital resources such as food and water, with the challenges amplified by the impacts of climate change. The complex and co-dependent relationships between wild animals and people mean that community involvement is vital to the success of all our conservation work.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Strategic report for the year ended 30 June 2023 (continued)

We take time to listen to local people, ensuring that all voices are equally heard, as we learn about their lives and understand the challenges they face. This is the starting point for empowering communities to take the lead in conservation and animal welfare initiatives. Together, we strengthen local capabilities and develop practical community approaches to wildlife conservation based on strong science and evidence.

Reducing human-wildlife conflict in Zimbabwe

To help mitigate human-wildlife conflict in Zimbabwe’s greater Hwange ecosystem, IFAW worked with Zimbabwe Parks & Wildlife Management Authority to construct predator-proof livestock enclosures (bomas) that keep livestock out of sight of predators. Predator-proof bomas reduce losses for farmers, which improves food security and builds resilience to potential shocks like droughts. By reducing attacks on livestock, predator-proof bomas also reduce the desire of farmers to engage in retaliatory killings of predators. The bomas have been constructed in selected wards of the Hwange district, with plans to build some in Tsholotsho district in the future.

Establishing community conservation hubs in Zimbabwe

We are supporting the construction of community conservation hubs in the buffer communities (communities near protected areas) of the greater Hwange ecosystem. The hubs include a community shelter with a storeroom and an office, a solar-powered borehole, a fenced nutrition garden, and toilets. The first community conservation hub is being built in Malonga village, and in FY23 phase one of this development was completed with the construction of a 300-seat community shelter. By facilitating gatherings and dialogues, community hubs can help build social cohesion and foster community resilience.

Costs for the Community Engagement programme were £192,900 in FY23.

The Trustees’ Report and the Strategic Report were approved by the Trustees on 20 February 2024 and signed on their behalf by;

<div>DocuSigned by: <i>Graeme Cottam</i> 7F3B7F0EEE284DB...</div> <div>Graeme R. Cottam, Trustee</div>	20 February 2024 Date
<div>DocuSigned by: <i>Mark Beaudouin</i> 58B4236GGE70424...</div> <div>Mark Beaudouin, Chair and Audit & Risk Oversight Committee Chair</div>	20 February 2024 Date

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

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

Opinion

We have audited the financial statements of International Fund for Animal Welfare (IFAW) (the 'charitable company') for the year ended 30 June 2023 which comprise the Statement of Financial activities, Statement of financial position, Statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 7 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from internal advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the General Data Protection Regulations. We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)

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

Chartered Accountants

25 Farringdon Street

EC4A 4AB

28 February 2024

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 30 June 2023

	Note	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Income from:					
Donations and legacies	2	16,074,742	221,516	16,296,258	18,176,156
Grants from connected organisations	17	-	102,681	102,681	108,216
Interest and Investment income		214,833	-	214,833	146,135
Total income		16,289,575	324,197	16,613,772	18,430,507
Expenditure on:					
Raising funds	3	3,136,559	-	3,136,559	3,016,118
Charitable activities	3	15,261,334	324,197	15,585,531	12,139,806
Total expenditure		18,397,893	324,197	18,722,090	15,155,924
Net resources incoming before investment losses		(2,108,318)	-	(2,108,318)	3,274,583
Net loss on investments		(173,705)	-	(173,705)	(732,117)
Net resources incoming		(2,282,023)	-	(2,282,023)	2,542,466
Other recognised losses	4	(69,906)	-	(69,906)	(12,367)
Net movement in funds		(2,351,929)	-	(2,351,929)	2,530,099
Reconciliation of funds					
Total funds brought forward	18	20,424,559	-	20,424,559	17,894,460
Total funds carried forward		18,072,630	-	18,072,630	20,424,559

The notes on pages 37 to 55 form part of these accounts.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Statement of Financial Position at 30 June 2023

		2023	2022
	Note	£	£
Fixed assets			
Tangible assets	9	97,968	148,578
Investments	10	9,174,119	6,974,857
Other investments	10	2	2
Total fixed assets		9,272,089	7,123,437
Current assets			
Debtors	11	6,652,941	6,915,739
Cash in bank and in hand		3,145,424	7,656,252
Total current assets		9,798,365	14,571,991
Liabilities			
Creditors falling due within one year	12	(974,120)	(1,190,274)
Net current assets		8,824,245	13,381,717
Creditors falling due after more than one year	13	(23,704)	(80,595)
Total Net assets		18,072,630	20,424,559
The Funds of the charity			
Unrestricted income funds	18	18,072,630	20,424,559
Restricted income funds	18	-	-
Total charity funds		18,072,630	20,424,559

The financial statements on pages 37 to 55 were approved by the board of Trustees and authorised for issue on 20 February 2024 and signed on its behalf by:

DocuSigned by:

Graeme Cottam

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Graeme R. Cottam, Trustee

DocuSigned by:

Mark Beaudouin

58B4235CCE70424...

Mark Beaudouin, Trustee

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Statement of cash flows for the year ended 30 June 2023

	Note	2023 £	2022 £
Cash provided by operating activities	19a	(2,278,136)	2,098,711
Cash flows from investing activities			
Interest & investment income		214,833	146,135
Payments to acquire tangible fixed assets		(6,279)	-
Payments to acquire fixed asset investments		(3,422,422)	(826,317)
Proceeds from sales & maturities of fixed asset investments		1,048,984	1,259,577
Cash provided by investing activities		(2,164,884)	579,395
Cash flows from financing activities			
Repayments of borrowing		(56,890)	(56,890)
Interest paid		(10,918)	(10,874)
Cash applied to financing activities		(67,808)	(67,764)
Increase in cash and cash equivalents in the year		(4,510,828)	2,610,342
Cash and cash equivalents at the beginning of the year		7,656,252	5,045,910
Total cash and cash equivalents at the end of the year	19b	3,145,424	7,656,252

The notes on pages 37 to 55 form part of these accounts.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2023

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: accounting and reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition, effective 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. International Fund for Animal Welfare (IFAW) meets the definition of a public benefit entity under FRS 102. The statements are presented in the functional currency of the Organisation, British pound sterling (GBP).

Going Concern

The Charity has adequate financial resources and the Trustees consider it is well placed to manage the business risks. As explained in the Trustees' Report, the planning process, including financial projections, takes into consideration the current economic climate, and potential impact on the various sources of income and planned expenditures. The Trustees have a reasonable expectation that the Charity has adequate resources to meet all obligations for at least 12 months after issuance of these statements and requires no assistance from affiliated organisations. It is the Trustees' view that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future. As noted above, this view is based upon management's income projections for the remainder of FY2024 and preliminary targets for FY2025 reflect confidence that continued donor support (including legacy income) coupled with the Charity's variable cost expense structures provide additional support for going concern. Lastly, the Charity maintains healthy operating and strategic reserves levels, which serve to mitigate budgetary risks. The accounts have therefore been prepared on the basis that the charity is a going concern.

Financial Statements

The accounting policies are set forth below:

Funds

General Fund

This fund is not restricted as to its use and is for activities that fall within the objects of the charity. The General Fund is available to fund the annual expenditure of the Charity.

Designated Funds

These are funds set aside by the Trustees out of unrestricted general funds for particular future purposes or projects. The Trustees have designated funds to generate income to fulfil the long-term objects of the charity. The income generated by this fund remains within the fund. The fund and current needs of the charity are reviewed on a regular basis and transfers to unrestricted funds are made as deemed necessary by the Trustees.

Restricted Funds

Certain grant and other income that is restricted as to its use by the donor is shown separately on the Statement of Financial Activities together with related expenditure.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2023 (continued)

Legacies

Legacy income is recognised on an accrual basis when it becomes probable that the legacy will be received and the amount is determinable. Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received by the Executor. Residuary legacies are recognised as receivable once probate has been granted, notification has been received by the Executor and they can be valued with reasonable certainty, this includes a considered deduction to allow for fees, losses on asset values and administration. Life interest legacies are recognised at the date of death of the life tenant.

Donation income

Donations, other than legacy income, and other similar income, are recorded when receivable.

Income from grants

Grants receivable are recognised in the period in which the conditions for receipt of the grant have been met.

Income from investments and deposits

Income on investments and deposits is recognised on an accruals basis.

Intangible income

Gifts of services or assets, which the Charity would otherwise have had to purchase, are reflected in the financial statements at cost to the donor, where the benefit is quantifiable and measurable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Tangible fixed asset purchases less than £5,000 are deemed de minimis, and therefore are expensed through the Statement of Financial Activities in the period in which they were acquired. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

- Computer equipment is depreciated over three to five years.
- Furniture and fixtures are depreciated over five years.

Tangible fixed assets are evaluated for impairment when there are indications that their carrying value may be greater than their recoverable amount. If an asset's carrying value is determined to be greater than its recoverable amount, an impairment charge in the amount of the excess is to be recorded on the statement of financial activities.

Fixed asset investments

Investments are stated at market value at the balance sheet date. Any realised and unrealised gains or losses are reflected within the Statement of Financial Activities.

Other investment is comprised of investments in affiliated organisations, and is stated at its historical purchase cost.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2023 (continued)

Leasing and hire purchase commitments

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the statement of financial activities in the proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term or, if shorter the period ending when prevailing market rentals will become payable.

Grant expenditure

Grants payable are recognised in the Statement of Financial Activities at the time each grant is approved and communicated to the recipient.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any value added tax that cannot be recovered. Expenses are recognised in the period in which goods and/or services are received.

Certain expenditures are directly attributable to specific activities and have been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by personnel on those activities.

Charitable expenditures are those costs incurred directly in support of expenditures on the objects of the Charity and include project management.

Fundraising costs involve inducing potential donors to contribute money, securities, services, materials or time. They include publicising and conducting fundraising campaigns, maintaining donor mailing lists, preparing and distributing fundraising materials, and conducting other activities involved with soliciting.

Governance costs include the direct costs of administering the Charity. Support costs include oversight, business management, general record keeping, budgeting, financing, and all management and administration in support of charitable activities. Governance and support costs are apportioned to the relevant cost categories based upon the estimated time and effort associated with direct activities of the organisation.

Pensions and similar obligations

The Charity operates a defined contribution pension scheme and costs are charged to the Statement of Financial Activities as incurred. Assets of the pension scheme are held separately to those of the company.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2023 (continued)

Foreign currencies

Operational transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Differences arising on translation are taken to the Statement of Financial Activities. Forward exchange contracts are recognised at fair value on the balance sheet date. Resulting unrealised gains or losses are taken to the Statement of Financial Activities.

Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets held at amortised cost comprise current asset investments, cash at bank and in hand, and debtors excluding prepayments.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Investments, including bonds and cash held as part of the investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary and affiliated organisation are held at cost less impairment.

The Charity enters into foreign currency forward contracts to manage the foreign change risk of future transactions and cash flows. The contracts are valued based on available market data. The company does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in the profit or loss.

Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation. Significant areas of estimation and judgement include accrued legacy income, which is estimated based on the best information available at the balance sheet date. Management's estimate is prudent in respect of illiquid asset to be accrued.

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2023 (continued)

2 Donations and contributions

	2023	2022
	£	£
Sustainer donations	2,916,123	3,134,997
Sweepstakes donations	1,086,602	1,255,910
Newsletter appeal donations	2,297,220	2,585,176
Legacies	7,732,288	8,454,020
Gift aid contributions	1,138,038	1,327,969
Other donations	1,125,986	1,418,084
	<u>16,296,257</u>	<u>18,176,156</u>

This table reflects unrestricted income of £16,074,741 (2022: £17,947,433) and restricted income of £221,516 (2022: £228,723).

3 Allocation of expenses

Costs by charitable activity for Fiscal year 2023 and 2022 were as follows:

	2023				2022
	Activities undertaken directly	Activities undertaken through grants	Support costs	Total	
	£	£	£	£	£
Charitable activities:					
Landscape Conservation	1,348,713	2,506,604	369,549	4,224,866	3,407,040
Wildlife Crime	1,104,611	1,668,954	265,859	3,039,424	2,824,899
Animal Rescue	3,268,203	1,804,671	486,256	5,559,130	4,650,322
Marine Conservation	972,094	768,127	166,808	1,907,029	881,993
International Policy	200,651	386,738	56,304	643,693	370,552
Community Engagement	23,997	168,903	18,489	211,389	-
General Support	-	-	-	-	5,000
Total Programmes	<u>6,918,269</u>	<u>7,303,997</u>	<u>1,363,265</u>	<u>15,585,531</u>	<u>12,139,806</u>

Fiscal 2023 programme expenses were comprised of £15,261,334 unrestricted (FY22 £11,792,867) and £324,197 restricted (FY22 £346,939).

Cost apportionment between charitable activities is based upon:

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

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2023 (continued)

3 Allocation of expenses (continued)

Costs of raising funds for Fiscal year 2023 and 2022 were as follows:

	Total 2023 £	Total 2022 £
Campaigns and projects:		
Direct staffing	17,368	12,224
Support staffing	390	259
Support costs	9,201	5,600
Total	26,959	18,083
Multimedia outreach and influence:		
Digital marketing and fundraising	35,256	38,556
Direct staffing	37,874	20,929
Support staffing	1,643	1,258
Support costs	38,741	27,254
Total	113,514	87,997
Supporter awareness and advocacy:		
Outreach, production and distribution	1,450,424	1,472,434
Direct staffing	287,344	294,751
Support staffing	39,039	37,387
Support costs	1,219,279	1,105,466
Total	2,996,086	2,910,038
Total mission costs	3,136,559	3,016,118

Governance costs included for Fiscal year 2023 and 2022:

	2023 £	2022 £
Auditors' remuneration	73,151	40,832
Legal fees	84,368	40,961
Trustee indemnity insurance	12,755	8,740
	170,274	90,533

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

3 Allocation of expenses (continued)

Total support costs which is included in raising funds and charitable activities of £1,363,265 (2022: £1,501,764) include Direct expenditure of £427,618 (2022: £673,379) and Institutional shared support costs of £935,647 (2022: £828,385) representing the Charity's portion of worldwide support costs reimbursed to IFAW US by the Charity at cost. The apportionment of all costs is based upon the estimated amount of staff time and effort required to perform the above activities.

4 Other recognised gains

	2023	2022
	£	£
Loss on foreign exchange	(69,906)	(12,367)
	<u>(69,906)</u>	<u>(12,367)</u>

5 Grants Payable

Grants payable were as follows

	2023	2022
	£	£
Affiliated organisations	5,388,229	4,065,964
Unaffiliated organisations	1,915,768	1,377,230
	<u>7,303,997</u>	<u>5,443,194</u>

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

5 Grants Payable (continued)

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

	2023							2022
	Landscape Conservation £	Wildlife Crime £	Animal Rescue £	Community Engagement £	Marine Conservation £	International Policy £	Total £	Total £
International Fund for Animal Welfare, Inc. (United States)	1,238,836	1,607,577	687,854	111,002	278,623	386,738	4,310,630	4,048,965
International Fund for Animal Welfare NPC (South Africa)	732,498	721	36,699	-	-	-	769,918	10,000
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)	42,471	34,062	111,769	57,900	53,592	-	299,794	-
International Fund for Animal Welfare (Zimbabwe) Trust	2,092	3,094	-	1	-	-	5,187	-
International Fund for Animal Welfare (IFAW) Limited (Malawi)	2,000	-	-	-	-	-	2,000	2,000
International Fund for Animal Welfare (France)	-	-	700	-	-	-	700	-
International Fund for Animal Welfare IFAW in Action	-	-	-	-	-	-	-	5,000
	2,017,897	1,645,454	837,022	168,903	332,215	386,738	5,388,229	4,065,965

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

5 Grants Payable (continued)

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

					2023				2022
	Location of Impact	Landscape Conservation £	Wildlife Crime £	Animal Rescue £	Community Engagement £	Marine Conservation £	International Policy £	Total £	Total £
Wild is Life Foundation	Zimbabwe	159,381	7,850	717,317	-	-	-	884,548	841,608
Wildlife Trust of India	India	329,326	-	250,332	-	-	-	579,658	527,851
Marine Conservation Research International	United State/North America	-	-	-	-	435,912	-	435,912	-
Jakarta Animal Aid Network	Indonesia	-	10,300	-	-	-	-	10,300	-
Conserv Congo	Democratic Republic of Congo	-	5,350	-	-	-	-	5,350	-
Project Jonah	New Zealand	-	-	-	-	-	-	-	7,771
		488,707	23,500	967,649	-	435,912	-	1,915,768	1,377,230

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

6 Employees

	2023 £	2022 £
Wages and Salaries	1,415,980	1,202,180
Social Security Costs	288,759	260,111
Pension costs	102,346	100,781
	<u>1,807,085</u>	<u>1,563,072</u>

Average staff activities are illustrated as follows:

	2023	2022
Program	8	9
Program support	10	7
Fundraising	11	11
	<u>29</u>	<u>26</u>

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

£	2023	2022
60,001 - 70,000	2	2
70,001 - 80,000	3	-
80,001 - 90,000	-	2
90,001 - 100,000	2	1
140,001 - 150,000	1	-

Contributions of £47,566 (2022: £30,389) were made into a defined contribution pension scheme on behalf of the above employees and charged to unrestricted charitable activities on the Statement of Financial Activities.

As it relates to termination, employees of the Charity are generally provided with a termination notice in writing and can receive termination benefits directly corresponding to years of service at the Charity. The cost for such payments was approximately £79,800 in fiscal year 2023 (2022: £nil).

The key management personnel of the Charity are the Trustees the Chief Executive Officer (CEO), and the Chief Financial Officer (CFO). The Trustees receive no remuneration. The CEO and CFO are employees of the International Fund for Animal Welfare, Inc., the United States affiliate and World Headquarters for the IFAW affiliated entities. These salaries are part of the institutional shared costs discussed in Note 3. Total employee compensation of these key management positions were £670,023 (2022: £584,569). Included in these amounts were amounts paid for defined contribution pension plans of £52,971 (2022: £47,172) The amount of these costs allocated to the Charity were £144,467 (2022: £126,618).

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

7 Trustees' emoluments

The Trustees received no remuneration in the period (2022: £nil). One Trustee was reimbursed for travel expenses totalling £6,599 (2022: £nil).

The Organisation pays for certain meeting costs on behalf of the Trustees, such as travel and accommodations. The total amount paid was £42,326 (2022: £24,121).

Trustees are covered by indemnity insurance, the cost of which is incurred by the Charity's US affiliate, and is included as a component of institutional shared support. The cost of such insurance was £12,755 in Fiscal year 2023 (2022: £8,740).

8 Taxation

The income of the Charity is applied exclusively to charitable purposes and is exempt from taxation in accordance with Section 505 of the Income and Corporation Taxes Act 1988.

9 Tangible Assets

	Furniture and Fixtures £	Computer Equipment £	Total £
Cost			
At 1 July 2022	291,133	30,538	321,671
Additions	-	6,281	6,281
At 30 June 2023	291,133	36,819	327,952
Accumulated depreciation			
At 1 July 2022	142,555	30,538	173,093
Charge for the period	56,891	-	56,891
At 30 June 2023	199,446	30,538	229,984
Net book value			
At 30 June 2023	91,687	6,281	97,968
At 1 July 2022	148,578	-	148,578

The net book value of furniture and fixtures includes £97,968 (2022: £148,578) in respect to assets held under hire purchase contracts

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

10 Fixed Asset Investments and Other Investments

	2023 £	2022 £
Fixed Asset Investments:		
Investment portfolio at 1 July	7,383,027	8,318,544
Less: Cash deposits awaiting investment at 1 July	(408,170)	(178,310)
Market value at 1 July	6,974,857	8,140,234
Additions at cost	3,422,419	826,317
Disposal proceeds	(1,048,984)	(1,259,577)
Net investment (losses)	(174,173)	(732,117)
Market value at 30 June	9,174,119	6,974,857
Add: Cash deposits awaiting investment at 30 June	152,662	408,170
Investment portfolio at 30 June	9,326,781	7,383,027
Historical Cost:		
Investments portfolio at cost at 30 June	8,182,098	5,259,443

Market value comprises:

	2023 £	2022 £
Equities:		
Services	412,379	342,738
Financials	2,211,615	2,681,724
Fixed Income	4,259,555	1,556,373
Utilities	863,108	1,075,713
Consumer goods	398,636	396,758
General industry	815,557	553,899
Property Funds	213,269	367,652
	9,174,119	6,974,857

No individual investment was greater than 10% of the portfolio. All investments are listed securities held within the United Kingdom.

Other investment is a 1/6th interest in International Fund for Animal Welfare (Australia) Pty Ltd, an affiliated Organisation at a cost of £1. The Charity also owns a 1/6th interest in IFAW Internationaler Tierschutz-Fonds gGmbH (Germany), an affiliated organisation at a cost of £1. The investment is reported at cost, as the Organisation owns a minority interest and exercises no managerial or operational control over this entity.

Other investment of the Charity is only £2. This represents the 1/6 interests discussed above.

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

11 Debtors: Amounts falling due within one year

	2023 £	2022 £
Accrued legacy income	5,606,387	6,200,442
Other accrued income	444,784	315,671
Prepayments	265,784	159,272
Due from connected organisations (see note 17)	335,986	240,354
	<u>6,652,941</u>	<u>6,915,739</u>

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	694,501	561,540
Due to connected organisations (see note 17)	2,000	263,760
Accruals and deferred revenue	221,637	266,633
Hire purchase creditors	55,982	55,982
Other creditors	-	42,359
	<u>974,120</u>	<u>1,190,274</u>

13 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Hire purchase creditors	23,704	80,595
	<u>23,704</u>	<u>80,595</u>

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

Hire purchase creditors	2023 £	2022 £
Amounts due:		
Within one year	55,982	55,982
Between two to five years	23,704	80,595
	<u>79,686</u>	<u>136,577</u>

International Fund for Animal Welfare (IFAW)

Company registered number 02701278

Notes to the financial statements for the year ended 30 June 2023 (continued)

14 Net movement in funds

Net movement in funds is stated after charging

	2023 £	2022 £
Property lease rental	304,011	320,940
Depreciation of owned tangible fixed assets	56,891	56,890
	<u>360,902</u>	<u>377,830</u>

15 Lease commitments

At 30 June 2023, the Charity had total commitments under non-cancellable operating leases as follows:

Land and buildings	2023 £	2022 £
Amounts due:		
Within one year	220,116	220,116
Between two to five years	128,401	348,517
	<u>348,517</u>	<u>568,633</u>

16 Membership of the company

The Charity was incorporated on 27 March 1992 in the United Kingdom and is limited by the guarantee of its members. The guarantee of each member is restricted to one pound. The members are the directors of the company and also act as Trustees for the charitable activities of the Charity.

17 Related party transactions

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

Name	Country
International Fund for Animal Welfare (Australia) Pty Ltd	Australia
International Fund for Animal Welfare (Belgium) AISBL	Belgium
International Fund for Animal Welfare Inc./ Fonds international pour la protection des animaux inc.	Canada
Fonds international pour la protection des animaux (IFAW France)	France
Fonds International pour la Protection des Animaux (IFAW)	France
IFAW Internationaler Tierschutz-Fonds gGmbH	Germany
International Fund for Animal Welfare (IFAW) Limited *	Malawi
Stichting IFAW (International Fund for Animal Welfare)	Netherlands
International Fund for Animal Welfare NPC	South Africa
International Fund for Animal Welfare IFAW in Action	United Kingdom
International Fund for Animal Welfare, Inc.	United States
International Fund for Animal Welfare Limited *	Zambia
International Fund for Animal Welfare (Zimbabwe) Trust	Zimbabwe

*The Charity is an entity member for International Fund for Animal Welfare (IFAW) Limited and International Fund for Animal Welfare Limited. As an entity the member this does not constitute an investment contains nor provides interest for the Charity

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

17 Related party transactions (continued)

Amounts owed by connected organisations at 30 June:

	2023 £	2022 £
IFAW Internationaler Tierschutz-Fonds gGmbH (Germany)	106,867	58,439
Fonds international pour la protection des animaux (IFAW France)	86,225	48,878
International Fund for Animal Welfare, Inc. (United States)	52,643	-
International Fund for Animal Welfare (Australia) Pty Ltd	36,021	47,786
Stichting IFAW (Netherlands)	30,510	17,112
International Fund for Animal Welfare NPC (South Africa)	15,434	62,956
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)	5,976	5,183
International Fund for Animal Welfare IFAW in Action (UK)	2,310	-
	<u>335,986</u>	<u>240,354</u>

Amounts owed to connected organisations at 30 June:

	2023 £	2022 £
International Fund for Animal Welfare (IFAW) Limited (Malawi)	2,000	2,154
International Fund for Animal Welfare, Inc. (United States)	-	242,909
International Fund for Animal Welfare Limited (Zambia)	-	15,287
International Fund for Animal Welfare IFAW in Action	-	3,410
	<u>2,000</u>	<u>263,760</u>

Income received from connected organisations:

	2023 £	2022 £
International Fund for Animal Welfare, Inc. (United States)	82,944	91,822
Stichting IFAW (Netherlands)	9,611	2,200
IFAW Internationaler Tierschutz-Fonds gGmbH (Germany)	8,476	-
International Fund for Animal Welfare (France)	1,650	-
International Fund for Animal Welfare (Australia) Pty Ltd	-	14,194
	<u>102,681</u>	<u>108,216</u>

This table reflects restricted grants from connected organisations of £102,681 (2022: £108,216). There were no unrestricted grants from connected organisations (2022: £nil).

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

17 Related party transactions (continued)

Grants paid to connected organisations:

	2023 £	2022 £
International Fund for Animal Welfare, Inc. (United States)	4,310,630	4,048,964
International Fund for Animal Welfare NPC (South Africa)	769,917	10,000
International Fund for Animal Welfare Inc./Fonds international pour la protection des animaux inc. (Canada)	299,794	-
International Fund for Animal Welfare (Zimbabwe) Trust	5,187	-
International Fund for Animal Welfare (IFAW) Limited (Malawi)	2,000	2,000
International Fund for Animal Welfare (France)	700	-
International Fund for Animal Welfare IFAW in Action (United Kingdom)	-	5,000
	<u>5,388,228</u>	<u>4,065,964</u>

During Fiscal year 2023 International Fund for Animal Welfare, Inc. (IFAW US) provided certain programme, fundraising and support costs for all the IFAW entities. Such shared costs includes programmatic strategy, projects and campaign development strategy and campaign communication strategy and public awareness, along with shared finance, technology and human resource support. This shared cost is reimbursed to IFAW US by the Charity at cost. These costs are reported as a component of institutional shared costs totalling £4,738,218 (2022: £3,926,019).

18 Funds

As part of the Charity's overall reserves and risk management strategies, the Trustees voted to adopt an Institutional Financial Reserves Policy at the October 2013 Board of Trustees meeting. The worldwide affiliated IFAW entities are financially and operationally interdependent, and therefore the policy established discrete funds to support specific goals and objectives for IFAW at the global level. As such, individual IFAW entities may vary with respect to nature and quantities of reserves. Financial reserves have been established as follows:

- Operating reserves – intended to provide an internal source of funds for unseen situations
- Strategic reserves – intended to provide unrestricted financial resources to support the organisation's long range strategic objectives
- Donor endowments – maintained (as relevant) to provide financial resources to the Organisation in accordance with donors' intentions

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

18 Funds (continued)

This structure is intended to mitigate financial risks embedded in the Organisation's operating activities and position the Organisation to pursue programmatic and institutional programme activities. IFAW intends to maintain global operating reserves of approximately two months of operating expenditures and global strategic reserves sufficient to generate approximately 1-2% of annual budgeted expenditures. Concurrent with the Financial Reserves Policy, the Directors voted to adopt a revised Institutional Investment Policy Statement to support the goals and objectives of the respective reserve funds.

The Charity's funds were comprised of the following as of 30 June 2023 and 2022:

	General Fund	Restricted Fund	Total
	£	£	£
At 1 July 2022	20,424,559	-	20,424,559
Incoming resources	16,289,575	324,197	16,613,772
Resources expended	(18,397,893)	(324,197)	(18,722,090)
Unrealised loss on investments	(542,496)	-	(542,496)
Realised gains on investments	368,791	-	368,791
Other recognised gains	(69,906)	-	(69,906)
At 30 June 2023	18,072,630	-	18,072,630
At 30 June 2022	20,424,559	-	20,424,559

During Fiscal year 2023 the Charity received funds from donors and affiliated organisations totalling £324,197 (2022: £336,939), which were restricted to use for costs associated with the Charity's priority and regional programmes. During Fiscal year 2023, restricted funds totalling £324,197 (2022: £346,939) were expended. No amounts restricted as to use as of 30 June 2023 and 2022.

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

18 Funds (continued)

Net assets by fund were comprised of the following at 30 June 2023:

	General Fund	Restricted Funds	Total
	£	£	£
Fixed assets	9,272,089	-	9,272,089
Current assets	9,798,365	-	9,798,365
Current liabilities	(974,120)	-	(974,120)
Noncurrent liabilities	(23,704)	-	(23,704)
Net assets	<u>18,072,630</u>	<u>-</u>	<u>18,072,630</u>

Net assets by fund were comprised of the following at 30 June 2022:

	General Fund	Restricted Funds	Total
	£	£	£
Fixed assets	7,123,437	-	7,123,437
Current assets	14,571,991	-	14,571,991
Current liabilities	(1,190,274)	-	(1,190,274)
Noncurrent liabilities	(80,595)	-	(80,595)
Net assets	<u>20,424,559</u>	<u>-</u>	<u>20,424,559</u>

19 Notes to the cash flow statement

Note 19a	2023 £	2022 £
Net resources incoming	(2,282,023)	2,542,466
Deduct investment income shown in investing activities	(214,833)	(146,135)
Add back depreciation charge	56,891	56,890
Hire purchase interest paid	10,918	10,874
Realised losses from tangible investments	174,173	732,117
Foreign exchange loss	(69,906)	(12,367)
Increase in debtors	262,798	(870,670)
Decrease in creditors	(216,154)	(214,464)
Net cash provided by operating activities	<u>(2,278,136)</u>	<u>2,098,711</u>

International Fund for Animal Welfare (IFAW)

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Notes to the financial statements for the year ended 30 June 2023 (continued)

19 Notes to the cash flow statement (continued)

Note 19b

	1 July 2022	Cashflow	Non Cash Movement	30 June 2023
	£	£	£	£
Cash and equivalents				
Cash at bank and in hand	7,248,082	(4,255,320)	-	2,992,762
Cash Investments	408,170	(255,508)	-	152,662
	<u>7,656,252</u>	<u>(4,510,828)</u>	<u>-</u>	<u>3,145,424</u>
Hire purchase creditors				
Short Term	55,982	-	-	55,982
Long Term	80,595	(56,891)	-	23,704
	<u>136,577</u>	<u>(56,891)</u>	<u>-</u>	<u>79,686</u>

20 Financial instruments

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

	2023	2022
	£	£
Financial assets		
Instruments measured at fair value through statement of financial activities	<u>9,326,781</u>	<u>7,383,027</u>

21 Forward contracts

The Organisation hedges certain anticipated cash flows using forward exchange contracts. At 30 June 2023 and 2022 the Organisation had no outstanding forward exchange contracts.

22 Dormant Trading subsidiary: IFAW Commerce Limited (Company Registered Number 7572366)

IFAW Commerce Limited is a wholly owned subsidiary of the Charity. The principal activity of IFAW Commerce Limited was that of undertaking research activities to support the aims of the charity, utilising the research vessel *Song of the Whale*. In Fiscal 2013, the Directors and the Trustees of the companies took the decision to grant the vessel and related equipment on economic grounds.

As a result of this grant, and the lack of financial activity since 2014 IFAW Commerce Limited's shared capital of £150 is not consolidated in these financial statements.