

THE HUMANE SOCIETY INTERNATIONAL (UK)
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

THE HUMANE SOCIETY INTERNATIONAL (UK)

Reference and Administrative Information

Trustees	Wayne Pacelle Andrew N. Rowan, Ph.D. G. Thomas Waite, III
Company Secretary	Joseph Robinson
Registered Office	5 Underwood Street London N1 7LY
Company Number	04610194 (England and Wales)
Charity Number	1098925
Auditors	BDO LLP 2 City Place Gatwick West Sussex RH6 0PA
Senior Statutory Auditor	Don Bawtree
Bankers	Wells Fargo 90 Long Acre London WC2E 9RA

THE HUMANE SOCIETY INTERNATIONAL (UK)

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**THE HUMANE SOCIETY INTERNATIONAL (UK)
TRUSTEE'S REPORT
YEAR ENDED 31 DECEMBER 2015**

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

THE TRUSTEES

The trustees who served the charity during the period were as follows:

Wayne Pacelle
Andrew N. Rowan, Ph.D
G. Thomas Waite, III

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Humane Society International (UK) is a company limited by guarantee, registered in England and Wales, company number 04610194 and a registered charity, charity number 1098925. The organisation was incorporated on 5 December 2002 and was registered as a charity on 11 August 2003. The organisation is governed by its Memorandum and Articles of Association as amended on 6 November 2007.

The power of appointing trustees is vested in a majority of the trustees. The trustees periodically review the manner in which trustees are appointed to ensure that the trustee body possess adequate skills to manage the charity's affairs properly. Any prospective new trustee will meet with the existing trustees and will be fully briefed on his or her obligations as a trustee and on all relevant policies and procedures. Any training needs will be identified at that stage and appropriate training will be provided. The trustees are satisfied that the existing trustees possess both substantial professional and other experience necessary to ensure the proper and effective management of the charity.

Management Structure

The trustees meet regularly to review the overall objectives of the charity to ensure its effective performance. The administration of the charity and the keeping of its financial books and records are carried out by the staff of the charity with administration and supervision by the trustees.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees regularly review these policies to ensure they are both up to date and effective.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Humane Society International (UK) for the purposes of company law) are responsible for preparing the Trustees' 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 Charities SORP;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

OBJECTIVES, ACTIVITIES AND RELEVANT POLICIES

Activities and specific objectives

The principal objective of The Humane Society International/UK (HSI UK), is the prevention and alleviation of the suffering of animals. During 2015, HSI UK has continued to strive to achieve its objectives and has successfully raised awareness of animal protection issues in the UK.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities and consider that we have complied with our duty to have due regard to the guidance published by the Charity Commission.

ACHIEVEMENTS AND PERFORMANCE

In early 2015, under direction from its new Executive Director, HSI UK undertook a strategic review and subsequent overhaul of its campaign areas and necessary resource needs, including staffing. The decision was taken to reduce the prioritisation of the badger cull campaign and to commence work in three new campaign areas: rodent glue traps, meat reduction and fur. These areas were selected on the basis of fit with overall priority areas for HSI internationally, plus analysis of the UK animal protection NGO sector, where HSI UK could make a unique and valuable contribution to animal welfare issues currently under-represented by other organisations.

In addition to researching, planning and ensuring proper resourcing of our new campaign areas, HSI UK also remained responsive to urgent animal welfare opportunities and threats in the UK. In the run up to the

May UK general election we encouraged our supporters to show all political parties and candidates that animal welfare is an election that matters to them at the ballot box, and in July we joined forces with other anti-hunting NGOs to enable a mass public response in opposition to an attempt to undermine the Hunting Act. These and our other key achievements from the year are listed below.

Significant achievements

- Strategic review of UK's campaign and project portfolio leading to identification of a smaller number of priority campaigns, including three new campaigns (fur, rodent glue traps, and meat reduction) for which detailed strategy plans were drawn up.
- In April, following provision of our analysis and provision of evidence to the British Veterinary Association (BVA) that humaneness of the badger cull has not improved, HSI UK welcomed the BVA's decision to withdraw its support for the free-shooting of badgers at night.
- Public campaign on the importance of animal welfare around the general election - this helped encourage some Parties and subsequently elected MPs to embed animal within their manifestos and areas of interest/concern.
- Reactive public campaign (in collaboration with Team Fox coalition of NGOs) in response to threat to undermine the Hunting Act. The involvement of cross-party opposition, plus huge public and media outcry, ultimately derailed the threat.
- Our new rodent glue trap campaign 'Unstuck', launched in October, generated the fastest ever sign up to any UK petition with 10,000 signatures collected in the first 24 hours. These signatures, plus considerable media and celebrity support, led to us convince 6 major retailers and wholesalers of glue traps to stop selling them. This means tens of thousands fewer cruel traps available on the UK market, and paves the way towards a legal ban.
- Our new fur campaign 'Make it Fake' was launched in November with another popular petition and extensive media coverage (e.g. double page article in The Sun plus Mail Online article with 10,000+ shares) of our investigation footage of a Chinese rabbit fur farm.
- Leadership of a multi-NGO petition directed at the UK government, to push for high-level diplomatic action against ongoing commercial and "scientific" whaling. The petition secured 55,000 signatures and was one of the most popular animal protection causes on the UK government petition site. It led to a renewed commitment by the UK government to find strategic and effective ways to end whaling, and to advance the IWC's animal welfare action plan.
- A three-year contract with a new London-based direct marketing company was secured in November. The new strategy pays attention to changes in the UK fundraising sector with respect to direct mail and telephone opt-in/out, as well as data sharing/protection.
- Several successful fundraising events were organised and attended by UK office staff, raising thousands of pounds and increasing HSI UK's organisational profile to both existing and new supporters. New fundraising channels were created and successfully promoted (SurveyMonkey and Benevity).
- A review of existing staff led to revisions in staff structure and some job titles, coupled with the creation of job descriptions to ensure clarity on roles and responsibilities. To meet additional work needs a new Campaign Manager was recruited, plus a part-time Office Assistant.

Our Key Campaigns in 2015

1. Stop wildlife abuse

1.1 Unstuck

In October HSI UK launched its campaign against rodent glue traps. Extensive research was carried out in the preceding months to gauge public and expert opinion of the product and the associated welfare issues. A comprehensive report was compiled, which concluded with a set of recommendations to the UK government, including a ban on the sale of glue traps to the public and stricter regulation on industry use.

A three minute campaign film was also produced, which was used to launch the campaign alongside a petition calling on wholesale distributors to take glue traps off sale (part of the strategy to result in the most immediate impact, while lobbying for a regulatory ban). The petition has proven to be the most successful UK action ever, collecting 10,000 signatures in its first 24 hours, the number since rising to more than 22,000. It has led to six companies in three months taking glue traps off sale, amounting to a total of 213 wholesale and retail outlets.

HSI UK met with and secured the support of animal welfare experts the Royal Society for the Prevention of Cruelty to Animals and the British Veterinary Association, as well as leading industry body the British Pest Control Association (BPCA), which represents professional pest controllers. The campaign additionally received public backing from several UK celebrities, as well as coverage in major online news outlets.

Through this campaign HSI UK also built relationships and sought legal advice from animal-friendly MPs, the Law Society (which has drafted a new Wildlife Bill, currently being reviewed by government) and the government department responsible for wildlife issues, Defra, towards securing a legal ban. HSI UK has secured commitment from Defra to organise a roundtable meeting to which stakeholders from industry will be invited in order to map out steps to stop the current welfare abuses caused by glue traps. Finally, HSI UK researched, produced and publicly promoted materials on humane solutions to rodent problems, and will continue to work with the pest control industry to promote these.

1.2 Badgers

HSI UK continued to campaign against the government's inhumane and ineffective badger cull. An analysis of the data, post mortem and monitoring reports from the 2014 badger culls was undertaken by HSI UK to provide a comprehensive briefing showing that the government's promises to increase the humaneness and effectiveness of culling had not materialised.

The report was shared with a range of stakeholders, including the British Veterinary Association, to encourage their public opposition to the cull. In April 2015, HSI UK welcomed the BVA's decision to withdraw its support for the free-shooting of badgers at night during the cull, a method it concluded could not be carried out effectively and humanely.

In advance of the start of the third year of culling, HSI UK was pleased to be a lead orchestrator of an open letter to Defra, signed by eminent wildlife, veterinary and livestock experts, calling on the government to immediately reconsider its decision to proceed with the failing badger culling. At the same time, HSI criticised the government's decision to roll out the cull to a third area, in Dorset.

HSI UK provided financial support for Wounded Badger Patrols in all three counties where culling took place in autumn 2015 (Dorset, Gloucestershire and Somerset), and continued to work closely with likeminded organisations as part of the Team Badger coalition.

1.3 *Make it Fake*

In response to a notable increase in the volume and availability of cheap animal fur on the UK markets, coupled with an increasing import trend, HSI UK embarked on a new campaign against the fur trade. The campaign aims to raise consumer awareness of the availability of cheap, unlabelled animal fur and urges and educates them to “Make it Fake for the Animals’ Sake”. Corporate and political goals include: educating retailers of their labelling and advertising responsibilities around fur, and exposing bad practice; campaigning for retailers and wholesalers to source alternative, cruelty free materials; and lobbying at EU level for clear and consistent labelling of animal fur items to allow consumers to make informed ethical buying choices. HSI UK also sees a need to reconnect the younger generation of consumers with the origin – and inherent cruelty – of animal fur.

A review of retail outlets across the country undertaken by HSI UK in autumn 2015 revealed a worryingly large amount of real animal fur for sale across the UK, much of it either misleadingly labelled as 100% acrylic or, in some cases, advertised as being “faux fur” when it was made from real animal fur. It was also clear from the research that the recently introduced EU Textile Labelling Regulation relating to non-textile parts of animal origin was not being implemented in the majority of cases.

At the campaign’s launch in November, HSI UK secured exposes on BBC primetime TV show ‘Fake Britain’ and in a number of leading British newspapers to shed light on this important consumer protection issue. The campaign commenced with an extremely successful media expose of the horrors of intensive rabbit fur farming and slaughter in China, the extensive print and online coverage helped quickly achieve more than 10,000 people signing the campaign’s fur-free pledge, and provided a vehicle for sharing of campaign resources including HSI UK’s consumer ‘Guide to Faking it’.

HSI UK’s market research was collated into a detailed report to be communicated to both industry and relevant government departments in 2016, with a goal of turning back the tide of mis/unlabelled animal fur on the UK market, and bringing the unacceptable cruelty of fur firmly back into consumer consciousness.

1.4 *Whales*

In the face of ongoing whaling, and trade in whale products, by Japan, Norway and Iceland, HSI UK lead a group of twelve NGOs in a campaign to petition the newly elected government to act robustly on their manifesto commitment to oppose commercial whaling. The government petition quickly reached the 10,000 signature threshold necessary to elicit a government response, and now has more than 55,000 signatures. It led to the government reaffirming its commitment to find ways to oppose commercial whaling at Ministerial level, and the team continues to work closely with the Defra whale team to find and exploit opportunities, such as the Japan/EU free trade agreement.

HSI UK also continues to work closely with Defra on the delivery of the International Whaling Commission Animal Welfare Action Plan, including assisting on the development of workshops to address welfare policy and workplan prioritisation, and also international protocols on management of whale strandings. HSI UK also continued its active engagement in Wildlife and Countryside Link’s Whale Working Group.

1.5 *Reactive campaigns/projects*

Less than three months after the UK general election, the government announced it was considering introducing changes to the 2005 **Hunting Act** which could have effectively legalised hunting of wild animals, such as foxes, hares, deer and mink, with packs of dogs. HSI UK joined with colleagues in the Team Fox coalition to oppose the changes, ran online actions to enable supporters to write to their Member of Parliament, and got involved with a demonstration outside the Houses of Parliament. A combination of widespread public opposition to the plans and the strongly held views of a large number of Members of Parliament from all leading political parties, ensured the proposed changes were not pursued.

HSI UK was also concerned that the European Commission's "**fitness check**" **evaluation of the Birds and Habitats Directives** could threaten the future integrity of these important legal frameworks. HSI UK spoke out in support of the Directives and joined with many animal protection and conservation groups to encourage supporters to take part in the EU-wide 'Nature Alert' campaign to ensure the Commission was well aware of the strength of public support for the Directives.

HSI UK's Executive Director was invited and participated in a workshop in Switzerland to develop the **World Association of Zoos and Aquariums' first Animal Welfare Strategy**, subsequently published in late 2015. While HSI maintains concerns about many aspects of zoological collections, the team welcomed the strategy providing practical, scientific and management guidance to promote reform in a number of key areas.

HSI UK continues to sponsor and work collaboratively with a post-doctoral researcher at **Oxford University's Wildlife Conservation Research Unit**, working on humane wildlife management in the UK. Dr. Baker's research has been informative to several campaign areas, and this productive partnership will continue in 2016.

1.5 Support for other wildlife campaigns/projects

Recognising the perilous situation of the critically endangered **Scottish wildcat**, HSI UK joined forces with veterinarians from the Wildcat Haven project in the Scottish Highlands to sponsor and support a unique compassionate conservation plan to protect the future of these animals by implementing a "trap neuter vaccinate release" (TVNR) programme of feral and domestic cats which threaten to dilute the wildcats' gene pool.

Working with Dr. Paul O'Donoghue, HSI UK also lent its public support to **Protect RAPID (Rhino Anti-Poaching Intelligence Device)**, a new piece of technology under development which could increase the effectiveness of anti-poaching teams' efforts, as well as conviction rates.

Working with colleagues at Hare Preservation Trust and Born Free Foundation, HSI UK continued its work on **hares**, supporting research to highlight the welfare impacts on leverets of shooting during the breeding season. The issue of closed seasons was included in the Law Commission's draft Wildlife Bill in November 2015, and HSI UK will be following the progress of this Bill with interest, for this and number of other issues.

HSI UK was pleased to be able to support the annual **UK Wildlife Crime Enforcers Conference**, bringing together Wildlife Crime Officers from police forces across the UK and representatives from Border Force, Natural England, National Wildlife Crime Unit, Crown Prosecution Service and other bodies involved in the enforcement of wildlife legislation and the prosecution of criminals who persecute wildlife. Concerned at the threat of the withdrawal of funding for the UK's specialist multi-disciplinary National Wildlife Crime Unit, HSI UK worked with its partners in Wildlife & Countryside Link to raise concerns with the two principal funders of the Unit, the Home Office and Defra, and also encouraged its supporters to call on Ministers to commit ongoing funding and support for the Unit.

2. Protecting farm animals

During 2015, HSI UK invested time and volunteer services in research to understand the public, corporate and political landscape for meat reduction campaigns in the UK, in order to design the most effective and focused strategy. This research, coupled with advice and learnings passed to the UK office from HSI colleagues in the United States, led the team to create a strategy directed at institutional catering with a specific focus on universities.

The campaign – ‘EatKind’ - will focus on the Russell Group of Universities in the UK, asking and supporting caterers to pledge to decrease the amount of meat/animal products purchased and served (across their whole menu, all week) by 20% over two years. Laying the foundations for this, HSI UK built up relationships with meat-free food producers in order to be able to encourage and facilitate uptake of meat alternatives, and has been liaising with catering providers to establish materials and a compelling business case.

Creating a public profile for the campaign, to encourage individual behaviour change, HSI UK secured the support of a high profile celebrity, actor Martin Freeman, who has narrated a short animated film advocating the benefits of meat reduction. This will be used in 2016 to publicly launch the campaign and associated online pledge.

HSI UK also joined and participated in several meetings of the Eating Better Alliance, a network of food, farming, animal welfare and environmental NGOs all working on healthy/sustainable eating. Through this alliance the UK office supported calls to the government for policy change on outdated, animal-product heavy, dietary guidelines. HSI UK participated in the ‘Monday Campaigns’ workshop event at the COP21 in Paris, and tabled at several large animal welfare/vegan events in the latter half of 2015.

3. Confronting cruelty

HSI UK and international colleagues were pleased to present findings from opinion polling which showed 74 per cent of Spanish citizens oppose the gruesome bull fiesta, known as the Toro de la Vega, to representatives from both the PSOE (Spanish socialist party) and PACMA (party against the mistreatment of animals). The fiesta, held each September, sees a bull chased out of the town of Tordesillas, by men on horseback and foot wielding long spears, to a nearby meadow where he is goaded and tormented before being stabbed to death.

A member of HSI UK staff also took part and assisted in the annual “Break a Spear” event, organised by PACMA and supported by HSI, which saw many tens of thousands of compassionate Spanish citizens take to the streets of central Madrid to register their strong opposition to cruel bull fiestas. In the latter half of 2015, responsibility for HSI’s bullfighting and bull fiesta work in Europe was handed to HSI’s EU office.

4. Protecting dogs

4.1 Dog meat

Working closely with HSI’s dog meat campaign team in China, South Korea and the USA, HSI UK’s Communications Director has provided media, celebrity and campaign planning support for our extensive dog meat campaign. This included achieving media coverage for various dog meat truck interceptions in China, co-ordinating global media during China’s Yulin dog meat festival, and global media support for several dog meat farm closures in South Korea. This media coverage achieved throughout 2015, primarily in the UK and China but also Australia, New Zealand and beyond, has significantly increased HSI’s profile on this important campaign.

In November, HSI UK had the opportunity to work with UK-based colleagues from the Asia Canine Protection Alliance to lobby MPs to support and attend the first ever Parliamentary debate on Asia’s dog meat trade. The debate was well attended and resulted in commitment from the UK government to work through embassies to find constructive ways to end the trade, as well as to investigate the human health risks of the trade through the relevant inter-governmental expert agencies, such as the WHO. HSI UK will continue to develop these new relationships with several supportive MPs, to ensure support for HSI’s campaigns in Korea and China.

4.2 Street dogs

The Mauritian government started to catch and kill street dogs again in early 2015 reneging on a previous agreement with HSI to implement a nationwide sterilisation program for street and owned dogs. After several failed attempts to take up the issue again with the Mauritian government, HSI/HSI UK, as part of the International Animal Welfare Protection Coalition (IAWPC), took the lead in working with the Marchig Trust to develop a public campaign to urge the government to reinstall the sterilisation program. Work included research into Mauritian tourism corporates (many based in the UK) and the preparation of a campaign microsite and public petition for launch in 2016, assuming no change in position by the government.

HSI UK staff continued to attend meetings of the International Companion Animal Management Coalition (ICAM) and, at the end of 2015, took over as Secretariat for the coalition in London.

5. General

HSI UK continued its involvement with, and contributions to, several umbrella bodies during 2015, including the Association of Lawyers for Animal Welfare, the All-Party Parliamentary Group for Animal Welfare, the CITES Liaison Group with the UK CITES Management Authority, and Wildlife and Countryside Link. HSI UK's Executive Director acts as Vice Chair for Link's newly formed Animal Welfare Strategy Group.

6. Media communications and celebrity engagement

During 2015 HSI UK achieved significant international and national media coverage for a multitude of UK and global campaigns including fur, bullfighting, animal testing of cosmetics, the dog meat trade, Canada's seal hunt, the badger cull, disaster relief in Nepal, rhino poaching, and the Gadhimai festival. The UK office amassed more than 750 media hits this year, 100 or so on Yulin dog meat festival alone, and achieved exclusive articles in national outlets such as the Daily Mail, The Sun and the Daily Mirror.

UK and selected international / regional celebrity supporters have also been secured and co-ordinated via HSI UK's International Media Director, including Sir Paul McCartney for a fundraising appeal in support of HSI's Canadian Seal Hunt Watch expedition, Ricky Gervais for dog meat trade work and Yulin in particular, Sam Hammington in Korea for HSI's dog meat farm closures. HSI UK's Media Director also secured 40+ global beauty bloggers for HSI's #BeCrueltyFree campaign's 'Blog For Bunnies' initiative, and devised the concept for a PSA video and photo shoot with singer Ke\$ha.

7. Fundraising, supporter liaison, financial & operational management

7.1 Fundraising and events

In 2015 the important decision was taken to change Direct Mail contractors and a tender was put out for the contract. HSI UK staff collaborated with US colleagues to select a new vendor. WPN Chameleon, a London-based Direct Marketing agency, was selected on the basis of their proposed strategy to transition toward a programme with a lower volume of mail, reduced focus on gifts, and greater tailoring of appeals to suit specific donor segments and profiles. WPN Chameleon also provided a compelling rationale for HSI UK to diversify into Direct Response TV (DRTV) in 2016, and this was agreed to as part of the three-year contract with them.

Two legacy mailings were sent in April and October, with information about HSI's present and future-planned work, and how supporters could help us help animals by naming HSI UK in their Wills. In response, very encouragingly, the office received 60 expressions of interest and will maintain communications with these individuals.

A new relationship was established with the Persula Foundation, whose Board particularly wished to support HSI's work against the dog-meat trade, as well as the UK office's new campaign against fur. The foundation kindly made two awards amounting to £10,000 in 2015, and has requested further information on the campaigns in 2016.

Although peer-to-peer fundraising has not yet been actively promoted to UK supporters, ten supporters raised nearly £3,000 through JustGiving by taking part in a variety of activities including treks, cycling, marathons, cake sales, parachuted and sky-dived and 'Stoptober' (dry October). UK office staff began research and work on a new peer-to-peer fundraising ideas and information pack for promotion in 2016, to encourage more community/sponsorship-based fundraising for the charity.

In November, HSI UK was pleased to respond to an invitation to be a charitable beneficiary of 'Google Gives'. Two staff spent the day at Google's London HQ speaking to staff about HSI's work and receiving donations, with matched funding from Google itself. The event raised several thousand pounds and many signatures of support for current campaigns.

Fundraising accounts with SurveyMonkey and Benevity (workplace giving) were established and promoted with promising initial results. Further promotion is planned for 2016, alongside the development of a profile with EasyFundraising to allow supporters to donate whilst shopping online,

In the latter part of 2015 HSI UK tabled at VegFest and Christmas Without Cruelty in London, raising a small amount of money, connecting with both new and existing supporters, and increasing the public profile of the organisation. In October HSI UK organised Stand Up For Animals comedy fundraiser at London's Comedy Store. HSI's Media Director secured an impressive line-up of comedians and worked with US colleagues to ensure good marketing for the event, resulting in it being sold-out and raising £4,000 in ticket sales plus a further £800 from a raffle on the night. HSI UK plans to make this an annual fundraising event.

2.2 *Supporter care and donor liaison*

At the end of 2014, HSI UK tendered for a new combined fulfilment house, call centre and lockbox facility to enable us to communicate efficiently and effectively with supporters, as well as process donations. In January the office began working with Telebank Ltd and a very productive working relationship has been established. Communication with supporters is handled by telephone and email responders at Telebank and more specific requests are escalated to HSI UK's Senior Manager, Donor and Supporter Care.

Throughout 2015, HSI UK continued to develop its supporter and donor programmes using both print and electronic formats. A wider range of 'flagging' options were introduced so that supporters are able to choose how much mail they receive, and whether or not they wished to receive gift mailings.

HSI's supporters in the UK advocate for animals on many issues. HSI UK continued to encourage its supporters to take action on a variety of national and international issues, by signing petitions, writing to policy-makers and pledging to protect animals in a variety of ways. By doing so, HSI's supporters in the UK help achieve important animal protection goals worldwide.

UK supporters continue to make up a significant proportion of HSI's global Facebook profile, with almost 50,000 UK-based fans. One fifth of @HSIglobal's twitter profile is based in the UK. In October HSI UK established its own Twitter handle and has seen good interest and engagement, with around 800 by year end.

HSI UK continued to distribute the UK newsletter, Animal Allies, to its regular donors during 2015. Three issues were produced, in March, June and October. Each issue went to between 4,000 and 6,000

supporters, the highest return was £8,203 and the lowest £5,375, meaning that it is a cost-effective way of keeping HSI's UK supporters updated and engaged with campaign progress. The October issue contained a feedback survey and the 200 or so responses received were overwhelmingly positive.

2.3 HR

In early 2015 the Executive Director reviewed staff structure, roles and responsibilities and resource need, and as a result introduced a revised structure with greater clarity on roles and responsibilities, including the creation of clear job descriptions for all staff.

At the end of 2015 the Executive Director worked with lawyers to update all staff contracts to include new statutory requirements over pension provision, plus the additional benefit of sick pay. Work also began, with legal advice, to develop a UK staff handbook. This will draw on policies from the HSUS staff handbook where possible.

2.4 Finance and operational management

In 2015 HSI UK moved banks from HSBC to Wells Fargo, in line with a commitment to streamline HSI's banking internationally.

HSI UK began 2015 with only three members of staff working in the London office, and by the end of the year this number had risen to seven. In order to accommodate additional staff two internal walls were removed by the landlord, at HSI UK's request, to create a more open-plan workspace. Additionally, HSI UK slightly increased its rental floor space, allowing access to a meeting room for staff.

HSI UK also began paying a small amount to recycle office waste.

HSI UK would not be able to continue its work to protect animals around the world without the support it receives from its many friends and supporters in the UK. Our campaign successes owe so much to them and their continued dedication to protecting the welfare of animals. Thank you.

My colleagues and I look forward to working with you all in the future.

Andrew Rowan

Trustee

FINANCIAL REVIEW

In early 2015, HSI UK undertook an overhaul of its campaign areas and necessary resource needs, including staffing. In order to make a unique and valuable contribution to animal welfare issues under represented by other organisations, the decision was taken to commence work in three new campaign areas and to reduce the prioritisation of the badger cull campaign.

Throughout 2015, HSI UK continued to develop its supporter and donor programmes using both print and electronic formats. 2015 saw growth in HSI UK supporter files, both online and offline, plus increased reach in social media. For online supporters, HSI UK's file grew by 36% to just under 138,000 at year end, and 2015 online donations were almost double the amount donated in 2014. HSI UK direct mail programme saw an increase in net income in 2015, compared with previous years, as well as an increase in average gift. The increase in direct mail revenue and average gift was affected by a strategic change to a new multi-service vendor for fulfilment, call centre, and lockbox needs which improved communication with supporters and effective processing of donations."

A large one time restricted donation was received in 2015 as well as a program support contribution from the Humane Society of the United States.

The total increase in income from the prior year was 132.6% to £2,541,070. This reflects a 66.7% increase in donations.

Expenditure also increased to £1,568,298 from £1,208,306 as a result of higher levels of promoting animal welfare.

The charity realised a surplus for the year of £972,772 and as at 31 December 2015 total funds were £805,558, of which £745,995 is allocated to restricted funds.

A full summary of the year's results is shown on page 14 of the financial statements.

Risk Management

Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances. The principle risks faced by the charity are considered to be continued fund generation and the charity's responsibility to its staff, supporters, and volunteers.

Fundraising in an uncertain economic environment can be challenging however the trustees believe that by monitoring reserve levels and by ensuring controls exist over key financial systems, they have established effective systems to mitigate those risks.

The charity has a number of responsibilities to its staff, supporters and volunteers. The trustees seek to consult and engage with all groups on a regular basis to ensure specific concerns are identified and resolved in an effective manner to mitigate the risk to the charity.

Reserves policy

Each year the trustees consider the appropriate level of free reserves. HSI UK's reserves policy is to maintain a level of free reserves that will enable the charity to maintain a continuity of activity and to adjust in a measured way to changes in the economic environment. The trustees agree that free reserves equivalent to 3 months operation expenditure is appropriate.

At 31 December 2015, free reserves measured £59,563 whilst three months expenditure totals £400,000. The trustees intend to continue to work towards increasing free reserves to the target level by maintaining the financial success achieved during 2015, during this time the charity will continue to receive support from its parent company.

PLANS FOR FUTURE PERIODS

The trustees do not anticipate any significant changes to the charity or its activities over the short to medium term. The intention continues to be to build on the existing donor base with a view to supporting an increased number of animal welfare campaigns.

This report has been prepared in accordance with section 418 of the Companies Act 2008 in relation to small companies.

Approved by the trustees on 09-SEP 2016 and signed on their behalf by

A handwritten signature in black ink, appearing to be 'A. Rowan', written over a horizontal line.

Andrew N. Rowan, Ph.D
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HUMANE SOCIETY INTERNATIONAL (UK)

We have audited the financial statements of The Humane Society International (UK) for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the Trustees' report or the exemption from the requirements to prepare a strategic report.



Don Bawtree - Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

Date: 14 September 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

THE HUMANE SOCIETY INTERNATIONAL (UK)
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
INCOME FROM:					
Donations and legacies	2	1,776,019	765,051	2,541,070	1,092,258
Total income		<u>1,776,019</u>	<u>765,051</u>	<u>2,541,070</u>	<u>1,092,258</u>
EXPENDITURE ON:					
Raising funding	3	524,241	-	524,241	350,728
Charitable activity					
Promoting animal welfare	4	1,025,950	18,107	1,044,057	857,578
Total expenditure		<u>1,550,191</u>	<u>18,107</u>	<u>1,568,298</u>	<u>1,208,306</u>
Net income/expenditure		225,828	746,944	972,772	(116,048)
RECONCILIATION OF FUNDS					
Fund balance brought forward at 1 January 2015		(166,265)	(949)	(167,214)	(51,166)
Fund balance carried forward at 31 December 2015		<u>59,563</u>	<u>745,995</u>	<u>805,558</u>	<u>(167,214)</u>

The Humane Society International (UK) has no recognised surpluses or deficits other than those disclosed above. All transactions relate to continuing activities. This incorporates the income and expenditure account.

The note on pages 16 to 19 form an integral part of these financial statements

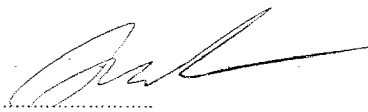
THE HUMANE SOCIETY INTERNATIONAL (UK)
BALANCE SHEET AT 31 DECEMBER 2015

Registration number 4610194 (England and Wales)

	Notes	2015		2014	
		£	£	£	£
CURRENT ASSETS					
Debtors	10	706,188		135,384	
Cash at bank and in hand		<u>227,866</u>		<u>269,744</u>	
		934,054		405,128	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	11	<u>128,496</u>		<u>572,342</u>	
NET CURRENT ASSETS/(LIABILITIES)			805,558		(167,214)
NET ASSETS/(LIABILITIES)			<u>805,558</u>		<u>(167,214)</u>
FINANCED BY:					
Restricted funds	12		745,995		(949)
Unrestricted funds	12		59,563		(166,265)
TOTAL FUNDS			<u>805,558</u>		<u>(167,214)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These financial statements were approved by the Board of Directors and authorised for issue on 09-SEP-2016. They were signed on its behalf by:



Andrew N. Rowan, Ph.D
 Director

The notes on pages 16 to 19 form an integral part of these financial statements

THE HUMANE SOCIETY INTERNATIONAL (UK)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015	2014
Cash from operating activities	16	100,008	189,930
Cash flows from financing activities			
Repayment of borrowing		(141,886)	(102,869)
Cash used in financing activities		<u>(141,886)</u>	<u>(102,869)</u>
Increase (decrease) in cash and cash equivalents in the year		(41,878)	87,061
Cash and cash equivalents at the beginning of the year		269,744	182,683
Total cash and cash equivalents at the end of the year		<u>227,866</u>	<u>269,744</u>

THE HUMANE SOCIETY INTERNATIONAL (UK)
Notes to the Financial Statements
for the year ended 31 December 2015

1 Accounting Policies

1.1. Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014.

In preparing the accounts the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP (FRS102) a restatement of comparative items was needed. No restatement was deemed necessary.

Basis of measurement

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also required management to exercise judgement in applying accounting policies. The following accounting policies have been applied:

1.2 Income

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Incoming resources from grants, where relating to performance and specific delivery requirements is recognised when the charity earns the right to consideration by its performance.

1.3 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objects of the Charity.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

1.4 Allocation of Expenditure

Support costs have been allocated to raising funds and charitable activities on the basis of expenditure incurred, pro-rated where appropriate using the proportions of the staff time engaged in these functions. Expenditure includes irrecoverable VAT where applicable.

Expenditure has been recognised on an accruals basis.

Grants payable, which do not have any conditions attached are accounted for in full as liabilities of the Charity when approved by the trustees and notified to the recipient.

Expenses that can be identified with a specific program or support service are charged accordingly to their natural expenditure classification. Certain costs common to multiple functions have been allocated among raising funds and promoting animal welfare. General and Administrative expenses include those costs that are not directly identifiable to any specific function, but provide for the overall support and directly of the Society.

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Statement of Financial Activities.

1.6 Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.7 Going concern

The trustees are required to prepare the financial statements on the going concern basis unless it is not appropriate. The trustees have reviewed the going concern status of the charity by considering the cash position of the company as at 31 December 2015, together with the anticipated level of funding for the coming year and the continued support of its parent company. Based on this review, the trustees have concluded that the financial statements should continue to be prepared on the going concern basis

2 Donations

	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
Donations	<u>1,776,019</u>	<u>765,051</u>	<u>2,541,070</u>	<u>1,092,258</u>
	<u>1,776,019</u>	<u>765,051</u>	<u>2,541,070</u>	<u>1,092,258</u>

The donations income in 2014 was £1,092,258 of which £1,067,565 was unrestricted and £24,693 was restricted

THE HUMANE SOCIETY INTERNATIONAL (UK)
Notes to the Financial Statements
for the year ended 31 December 2015

3 Raising funds

	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
Campaign costs	524,241	-	524,241	350,728
	<u>524,241</u>	<u>-</u>	<u>524,241</u>	<u>350,728</u>

The campaign costs in 2014 were £350,728 of which £350,728 was unrestricted and £Nil was restricted.

4 Promoting animal welfare

	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
Campaign costs	172,353	-	172,353	257,001
Grants payable (note 5)	27,882	-	27,882	28,221
UK office costs (note 6)	790,711	18,107	808,818	549,690
Governance costs (note 7)	35,004	-	35,004	22,666
	<u>1,025,950</u>	<u>18,107</u>	<u>1,044,057</u>	<u>857,578</u>

The promoting animal welfare expenses in 2014 were £857,578 of which £837,491 was unrestricted and £25,642 was restricted.

5 Grants payable

	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
University of Oxford - Wildlife Conservation Research Unit	15,000	-	15,000	7,280
Others	12,882	-	12,882	20,941
	<u>27,882</u>	<u>-</u>	<u>27,882</u>	<u>28,221</u>

The grants payable in 2014 were £28,221 of which £28,221 was unrestricted and £Nil was restricted.

6 UK office costs

	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
Legal and professional fees	426,348	-	426,348	285,036
Staff costs	129,973	-	129,973	126,883
Travelling	9,400	-	9,400	22,592
Bank charges	58,270	-	58,270	21,433
Subscriptions	20,130	-	20,130	21,076
Management overhead	11,633	18,107	29,740	17,897
Printing, postage and stationery	49,266	-	49,266	16,913
Rent	22,202	-	22,202	12,456
Accountancy	7,435	-	7,435	9,360
Foreign exchange differences	36,670	-	36,670	9,061
Telephone	1,087	-	1,087	3,532
Sundry Expenditure	13,755	-	13,755	3,451
Insurance	4,542	-	4,542	-
	<u>790,711</u>	<u>18,107</u>	<u>808,818</u>	<u>549,690</u>

The UK office costs in 2014 were £549,690 of which £524,048 was unrestricted and £25,642 was restricted.

7 Governance costs

	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
Audit fees:				
Current period	9,500	-	9,500	-
Prior period	3,960	-	3,960	3,870
Campaign costs	21,544	-	21,544	18,796
	<u>35,004</u>	<u>-</u>	<u>35,004</u>	<u>22,666</u>

The governance costs in 2014 were £22,666 of which £22,666 was unrestricted and £Nil was restricted.

THE HUMANE SOCIETY INTERNATIONAL (UK)
Notes to the Financial Statements (continued)
for the year ended 31 December 2015

8 Wages and salaries

	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
Wages and salaries	114,888	-	114,888	114,182
Social security costs	12,557	-	12,557	12,701
Employee Benefits	2,528	-	2,528	-
	<u>129,973</u>	<u>-</u>	<u>129,973</u>	<u>126,883</u>

The wages and salaries costs in 2014 were £126,883 of which £126,883 was unrestricted and £Nil was restricted.

The average number of employees during the year was 3 (2014 - 3).

The Trustees considers that its key management personnel comprise the Trustees and the Executive Director. The total employment benefits including employer pension contributions of the key management personnel were £50,213 (2014: £38,632). No employees had employee benefits in excess of £60,000 (2015: none).

9 Taxation

The Humane Society International (UK) is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

10 Debtors

	2015 £	2014 £
Other debtors:		
Gift Aid	33,039	34,015
Other debtors	672,200	-
Prepayments and accrued income	949	101,369
	<u>706,188</u>	<u>135,384</u>

11 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	106,163	360,627
Other taxes and social-security costs	6,618	7,784
Loan from parent undertaking	3,833	145,719
Accruals	11,882	58,212
	<u>128,496</u>	<u>572,342</u>

The loan from the parent undertaking is an unsecured liability.

12 Funds

Analysis of net assets between funds	Unrestricted	Restricted	2015	2014
Current assets	188,059	745,995	934,054	405,128
Current liabilities	(128,496)	-	(128,496)	(572,342)
At 31 December 2015	<u>59,563</u>	<u>745,995</u>	<u>805,558</u>	<u>(167,214)</u>

13 Lease commitments

At 31 December 2015 the company had total commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within one year	<u>1,080</u>	<u>1,080</u>

14 Related Parties

Expenses totalling £89,172 (2014: £34,389) were paid on behalf of the reporting entity by its parent company, The Humane Society US.

During the year the organisation received a donation of £420,300 (2014: £Nil) from The Humane Society US and incurred expenditure of £Nil (2014: £17,897) with The Humane Society US.

Included within other creditors falling due within one year is an amount due to The Humane Society US totalling £3,833 (2014: £145,719).

THE HUMANE SOCIETY INTERNATIONAL (UK)
Notes to the Financial Statements (continued)
for the year ended 31 December 2015

Expenses totalling £141,681 (2014: £137,258) were paid on behalf of the Humane Society International, an associated company.

The parent company has a charge over the assets of the company

15 Ultimate Controlling Party

The charitable company's ultimate controlling party is The Humane Society US, a not for profit organisation in the United States, registration 53-0225390. The controlling party exercises control over by virtue of common trustees. Copies of the consolidated group accounts are available at www.humanesociety.org.

16 Reconciliation of net movement in funds to net cash flow from operating activities

	2015	2014
	£	£
Net movement in funds	972,772	(116,048)
Decrease (increase) in debtors	(570,804)	(60,312)
Increase (decrease) in creditors	(301,960)	366,290
Net cash used in operating activities	<u>100,008</u>	<u>189,930</u>