

**THE HUMANE SOCIETY INTERNATIONAL
(UK)**

Reference and Administrative Information

Trustees:	G. Thomas Waite, III Wayne Pacelle (Resigned 5 Feb 2018) Andrew Rowan (Resigned 5 Feb 2018) Cristobel Block (Appointed 5 Feb 2018) Alexandra Gabrielle Freidberg (Appointed 5 Feb 2018)
Company Secretary:	Joseph Robinson
Registered Office:	5 Underwood Street London N1 7LY
Company Number:	04610194 (England and Wales)
Charity Number:	1098925
Auditors:	BDO LLP 55 Baker Street London W1U 7EU
Bankers:	Wells Fargo 90 Long Acre London WC2E 9RA HSBC Bank PLC. 9 The Boulevard Crawley West Sussex RH10 1UT
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KEY ACHIEVEMENTS

Public policy and international affairs

- We achieved cross-party political support for a strong animal welfare law recognising animal sentience and enacting a duty of regard for animal welfare, in the event of the UK leaving the EU.
- We secured Parliamentary Select Committee Inquiry on the UK trade, whose recommendations included support for our call for a public inquiry on a UK fur sales ban.
- We championed a Parliamentary petition for a fur sales ban that achieved 110,000 signatures and led to a Parliamentary debate. Thanks to our supporters encouraging their MPs to attend, this debate was attended by 40 Members of Parliament from all Parties. Our briefings to MPs helped ensure that all who spoke did so in support of a UK fur sales ban.
- Scottish Environment Minister and Petitions Committee was convinced by our evidence of need for legislative action to prohibit public sale and use of rodent glue traps.
- Following HSI UK's advocacy with other organisations and working closely with the UK government, the International Whaling Commission voted against Japan's proposal to lift commercial whaling ban, and we secured amendments to Aboriginal Subsistence Whaling proposals that will require and enable Russia to improve the welfare of its hunts.
- Following the hand-in of a one million signature petition, the Indonesian embassy in London reaffirmed their commitment to ban the dog meat trade and desire to work with HSI and the Dog Meat Free Indonesia Coalition to this end.

Corporate advocacy and impact

- Following HSI UK's advocacy, highstreet chains LK Bennet and Kurt Geiger confirmed they will stop using animal fur.
- We secured a commitment from Gate Gourmet, the world's largest airline catering company, for a partnership to support expansion of their plant-based menu options.

Training and education

- We trained more than 250 staff in fashion retail sector in real fur/fake fur identification, to support their enforcement of fur-free policies.
- Appearances on primetime TV shows including BBC Watchdog and Countryfile allowed us to educate millions of people on the risk of buying 'fake faux fur' and tips to avoid it.
- We trained 113 chefs from 16 companies in plant-based cooking, leading to eight companies (so far) reducing reliance on animal products and one opening a dedicated plant-based café.
- Continued growth in HSI UK's social media following means we are now reaching tens of thousands of supporters and members of the public.

Direct animal care and rescue

- HSI UK supported the rescue of 480 dogs from the meat trade in South Korea and China, including 26 brought to the UK for rehoming, and to become campaign ambassadors.
- We enabled more than 2,000 dogs to be sterilised in Mauritius, plus treatment for diseases, during our joint humane dog population management programme in partnership with Mauritian government.
- We raised almost £300,000 in donations to support dog meat and street dog programmes in Asia and Africa, including support for neutering and veterinary care for thousands of dogs.

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 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015 in preparing the annual report and financial statements of the charity.

THE TRUSTEES

The trustees who served the charity during the period and up to the date this report was approved, are as follows:

G. Thomas Waite, III
Wayne Pacelle (resigned 5 Feb 2018)
Andrew Rowan (resigned 5 Feb 2018)
Cristobel Block (appointed 5 Feb 2018)
Alexandra Gabrielle Freidberg (appointed 5 Feb 2018)

1. 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 organization was incorporated on 5 December 2002 and was registered as a charity on 11 August 2003. The organization is governed by its Memorandum and Articles of Association as amended on 18 October 2016.

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. The trustees have taken note of the new Governance Code for charities, and are in the process of considering how this can be best applied to the Charity.

Organizational Structure

The Humane Society International (UK) is affiliated with Humane Society International (HSI), incorporated May 1991 in Washington DC, USA. HSI educates audiences worldwide about compassion toward animals, carries out direct animal care, rescue, and disaster response; provides technical and scientific support to local partners; and seeks to increase the priority given to animal protection issues by policy-makers, industry, and civil society worldwide. HSI is 100% controlled by The Humane Society of the United States (HSUS), a not-for-profit organization, incorporated November 1954 in Delaware, USA. The primary purpose of HSUS is for worldwide advancement of humane treatment of animals through public education, awareness, and direct animal care programs.

The HSI UK is also related to HSI and HSUS in that the three current Trustees of HSI UK are also officers of HSI and two of the three current Trustees are officers of the HSUS.

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. The trustees delegate the day-to-day management of the charity to the Executive Director, Claire Bass.

Remuneration and Recruitment Policy Statement

The policy of the Humane Society of the United States and its affiliates with regard to the remuneration of employees is to pay for performance.

HSI UK provided merit increases based on the level of each employee's performance during the review period. The budget for the merit increases is determined by the organisation's budgetary committee with consultation with the human resources department. A review of salary practices of like-minded organizations as well as the overall economic climate are considered in setting the budget.

In addition, market research is conducted regularly to ensure that the total compensation and benefit packages available to our employees are competitive with like-minded non-profit organizations while still offering the best value to the organisation. Pay for performance coupled with external competitiveness/internal equity ensure that we are award compensation in a fair manner that encourages and attracts a highly motivated staff that will ensure success in our efforts toward a humane society. We have a clear and transparent process by which promotion and pay increase opportunities may be sought, as well as the process and criteria by which such requests are decided by managers.

HSI UK is clear in all of its position postings that it is an equal opportunities employer. We use a standard set of interview questions for all candidates applying for a given role, and grade responses against pre-agreed criteria, to avoid unconscious bias. We also employ skills-based tasks in addition to verbal interviews, and use standardized scoring to ensure fairness and consistency in assessment of all candidates. Where salaries are negotiable, within a range, this range is made clear to all candidates. HSI UK offers home and remote working flexibility where the position allows.

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.

The principle risks faced by HSI UK are continued fund generation and HSI UK'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.

HSI UK 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 HSI UK.

HSI UK annually updates its risk management matrix, considering both internal and external risks. The below table outlines principal risks facing the charity and the measures in place to manage these.

Key risks and management measures in place

Risk	Management
Reduction in fundraising revenue through key channel	Diversification of fundraising efforts to apply risk over more channels.
Budgetary shortfall/overspending	Monthly review of actual spend in comparison to budgeted against forecast and actual revenue, adjustment of expenditure cashflow as necessary. Monitoring of foreign exchange exposures.
High staff turnover/loss of key senior staff; expenditure on recruitment and loss of continuity.	Competitive, performance-based remuneration policy; regular salary and benefits package reviews; promoting opportunities for continuing professional development for staff; succession planning in place.
Reputational risk through negative communications	Policies in place to ensure senior staff sign off on communications, regular training for staff in communications through media and social channels. A system is in place for dealing appropriately and promptly with enquiries and complaints from the public.
Data and intellectual property security	Policies in place to ensure compliance with relevant laws (e.g GDPR) and best practice (Fundraising Regulator Code). HSI UK operates password-protection for all of its computer hardware, email accounts etc. Staff are subject to contractual arrangements which

	include clauses on ownership and confidentiality of HSI UK materials. External advice and audits where necessary and regular staff training for staff to ensure all are aware of data responsibilities.
IT failure leading to loss of data and intellectual property	Email accounts are stored centrally on the MS Exchange server and as such are recoverable in the event of loss of computer hardware. Software is in use to ensure cloud back-up of all documents so that they can be recovered in the event of loss of computer hardware.
Fraud and misappropriation of funds	HSI UK's finances are audited by external accountants and auditors. Internal mechanisms are in place to prevent internal fund mismanagement, and all partnerships with other individuals or organisations in the light of reputational risk, and design Memoranda of Understanding accordingly.

2. TRUSTEES' RESPONSIBILITIES STATEMENT

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; and
- 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.

3. 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 2018, HSI UK's impact for animals through its UK campaigns has grown, coupled with increased engagement of our supporters to advance HSI UK's campaigns and projects around the world.

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.

The public benefits of our work are expanded upon in section 4 and include, but are not limited to, the following:

- Through our Forward Food programme, training chefs at public institutions in plant-based cooking, to enable them to produce healthy, tasty, value-for-money options to diners;
- Our representation of the interests of the significant proportion of the British public and animal industries who wish to see animal welfare legal requirements safeguarded in the course of Brexit negotiations, and empowering them to act effectively and collectively in support of this goal;
- Raising public awareness of the risks to consumers of buying real fur that is wrongly labelled and sold as fake fur, and providing more than 250 retail staff and compliance officers provided with faux vs real fur identification training to tackle this problem;
- Progressing research to highlight where public funds used on 'pest control' could be more effectively and efficiently spent through adoption of key principles of ethical wildlife management; and
- Supporting the delivery of humane street dog management programmes which sustainably reduce oversized dog populations and the associated problems they can cause people (e.g. bites, traffic accidents), as well as vaccinating against rabies to protect both human and canine populations.

4. ACHIEVEMENTS AND PERFORMANCE: IMPACT AGAINST PROGRAMMATIC GOALS

HSI UK's programmatic work in 2018 consisted of a mixture of campaigns to address animal welfare issues in the UK, and support for global animal protection campaigns and programmes. In supporting global campaigns and programmes, HSI UK works in close collaboration with its overseas affiliates, including Humane Society International (US). Our work was organised under four areas: securing and

enhancing animal welfare standards post-Brexit; protecting wildlife; protecting companion animals; and reducing the number of animals suffering in farming systems.

4.1 Securing and enhancing animal welfare standards post-Brexit

Need and scope

Brexit represents a crossroads for animal welfare and policy decisions taken in the next two years will likely impact the lives of billions of animals for decades to come. HSI UK is working with other leading animal protection organisations to ensure that the animal welfare standards provided by EU regulations are not lost as the UK leaves the EU; that trade negotiations upwardly harmonise animal welfare standards; and that opportunities to improve on existing welfare laws are acted upon.

Goal

Ensure that Brexit delivers the best possible deal for animal welfare, in policy and practice.

Key activities and outputs

Following the publication of the joint NGO [Brexit & Animal Welfare Manifesto](#), and Parliamentary launch attended by more than twenty MPs in January, HSI UK continued to lead lobbying and public advocacy efforts to promote strengthening of animal welfare standards post-Brexit, and guarding against losses of key legal protections for animals. One key goal of our campaign has been to ensure that animal sentience is recognised in UK law post-Brexit, in conjunction with a duty for government to consider animals' welfare needs in policy making and implementation.

During 2018, we established a dialogue with the Secretary of State for Environment on this issue, and met regularly with senior civil servants in the Department for Environment, Food and Rural Affairs (Defra) to present research and recommendations that would help to positively shape policy. HSI UK submitted detailed responses to a Defra consultation on new Animal Welfare Bill, and EFRA Select Committee inquiry on the same, advocating the importance of enshrining animal sentience and a duty to pay regard to animal welfare into UK law, post-Brexit. In parallel, our media team secured press and social media coverage on the above, ensuring that government was aware of the strong public interest in this topic.

HSI UK also responded to three UK government consultations on future trade deals with US, New Zealand and Australia, highlighting the importance - for both animals and British farmers - of upwardly harmonizing animal welfare standards in the UK's agricultural trade post-Brexit.

Impact

- Cross party political support from twenty+ MPs and Peers who attended our 'Brexit: getting the best deal for animals' report launch in Parliament.
- Public campaigning led to Ministers and civil servants moving away from plans to create a weak law with a legal duty only to *report* on animal welfare considerations taken by government, and are now instead looking at enacting a robust law that ensures Ministers are bound to give animals' welfare needs proper regard in policy making and implementation.

4.2 Protect wildlife

Overview

2018 saw success in the long-running campaign, supported by HSI UK through supporter advocacy and co-ordinated lobbying with other organisations, to secure a full ivory trade ban in the UK. The Bill received Royal assent in December 2018, and enacts the strongest ivory trade legislation in the world. At the opposite end of the spectrum, the government continues to sanction an inhumane and unscientific badger cull, which HSI UK has continued to lend our vocal support and expertise against, via our veterinary adviser and commentary in the media.

Our longer-term proactive campaigns to protect wildlife, expanded on below, are focused on the fur trade; tackling inhumane 'pest control'; and enhancing policies and activities to protect whales via the International Whaling Commission.

Wildlife: Fur Free Britain campaign

Need and scope

Although the UK banned fur farming over fifteen years ago, deeming it unethical, since then over £700 million of animal fur has been imported from animals suffering in appalling conditions on farms and in traps overseas. The UK has effectively been outsourcing animal cruelty, the government turning a blind eye to the small number of British companies who are trading in the skins of some two million animals each year. To make matters worse, a large and apparently growing amount of real animal fur has been mis-sold as fake fur to unsuspecting consumers who do not wish to buy real animal fur. By mobilising the public, and sharing the plight of fur-bearing animals in the press, HSI UK's fur campaign is turning the tide on the insidious creep of fur back into the UK. In 2018 we gained good political traction towards our overarching campaign aim of convincing the UK government to be the first country in the world to fully close our borders to the cruel, outdated and unnecessary fur trade.

Goals (2018-19)

- a) Expose fur farm cruelty, educate and mobilise the public to gain 1 million petition signatures for a UK fur sales ban;
- b) Convince high profile designers/retailers, towns and industry bodies to go fur-free, and ensure compliance with no-fur policies;
- c) Secure government commitment to hold a public consultation on legislation to ban fur imports.

Key activities and outputs

In 2018, HSI UK continued to conduct research into sale of real fur as fake fur and found several high-street retailers - including Amazon, eBay, TK Maxx, Boots, Fatface, Tesco Direct, Kurt Geiger and Romwe - mis-selling animal fur from a range of species. Our expertise in this area was recognized by BBC Inside Out, BBC Countryfile and Watchdog, in addition numerous other media outlets who invited us to share our findings and advise shoppers on how to avoid real animal fur. HSI UK was invited to present at an industry roundtable on the issue, attended by more than 30 UK retailers and brands, organised with House of Fraser. At their request we worked with a number of retail outlets, including six high-street brands, one online platform and one large fashion market, to train their buying teams in ensuring real fur is kept out of their supply chains. We also worked

with the British Retail Consortium, participating in a roundtable session with retailers and contributing expertise to its Voluntary Guideline on Artificial/Faux Fur. We also worked extensively with Trading Standards to highlight incidents of real fur being mis-labelled/sold as fake fur, presenting evidence to the London Fair Trade Group and providing advice to individual Trading Standards officers. HSI UK also submitted information on misleading advertising to the Advertising Standards Authority and exhibited findings from its retail research at LUSH's bi-annual summit.

HSI UK's campaign for the UK to become the first country in the world to ban the sale of all animal fur (www.furfreebritain.uk) gained good public support and media coverage. In March we co-ordinated a letter from 30 celebrities, including Dame Judi Dench, Ricky Gervais and Joanna Lumley, sent to the Prime Minister to express their support for a UK fur sales ban; the letter achieved a front page exclusive with the Daily Telegraph. We achieved extensive media coverage through delivering a petition containing almost half a million signatures to 10 Downing Street, accompanied by Queen guitarist Dr. Brian May.

During the summer, HSI UK led a small coalition of animal protection organisations to promote a government e-petition calling for a UK fur sales ban. The petition achieved almost 110,000 signatures within six months, and therefore triggered a Parliamentary debate. HSI UK produced briefing materials to provide information for MPs participating in the debate, and mobilized our supporters to encourage their MPs to attend. In the event, the debate was attended by 40 MPs from all parties, and all 31 who spoke did so in full and passionate support for a UK fur sales ban.

Following the growing public and media interest, concern and support was demonstrated by politicians from all parties through numerous Parliamentary questions, and commitments of their support to the campaign through social media channels. The issue also gained interest from the Chair of the Environment Food and Rural Affairs Select Committee, who launched an Inquiry into the UK fur trade. HSI UK provided an extensive written submission to this Inquiry, and was invited to give oral evidence at the first of three sittings of the Committee. The Select Committee's report, released in July, made several recommendations including for mandatory improved labelling of real fur products, and a Public Consultation on a UK fur sales ban, both of which had been key recommendations in HSI UK's evidence and submissions to the Inquiry.

In April HSI UK partnered with anti-fur organisations in Finland and Ireland to share investigation footage of fur farms, noting that the UK imports fur from animals farmed in these countries, and secured global media coverage and public support. In October 2018 HSI UK's Executive Director teamed up with Finnish animal protection organization Oikuetta Elaimille to visit so-called 'high welfare' certified fur farms in Finland. The investigation revealed tens of thousands of fox, raccoon dogs and mink all kept in barren wire cages, with many suffering injuries and deformities, and it was covered in several national media outlets including the Sun and Independent as well as a four-page feature article in Vegan Life magazine.

Throughout the year we featured prominently in media coverage reporting high-profile designers, including Gucci, Burberry, Versace, Chanel and Michael Kors, adopting fur-free policies. In September HSI UK joined a global campaign, co-ordinated by the Fur Free Alliance, applying pressure on Prada to stop using animal fur. The campaign will continue in 2019.

Impact

- Parliamentary Select Committee (EFRA) recommended a public inquiry on UK fur sales ban.
- A shift in the government's position on a fur sales ban from *'we do not believe bans are the best way forward'* (Jan 2018) to *'it is not possible to extend existing fur trade bans at present, but after we leave the EU there will be an opportunity to consider further steps such as a ban on fur imports or a ban on sales.'* (Dec 2018).
- More than 250 retail staff and compliance officers provided with faux vs real fur identification training; over 30 UK-based retailers and brands equipped with information and resources to help their teams avoid real faux fur.
- LK Bennett and Kurt Geiger, targets of HSI UK's fur free advocacy, adopted fur-free policies.
- Millions of people educated, via HSI UK's materials and media appearances on shows like BBC Inside Out and BBC Watchdog, on the risks of buying 'fake faux fur' and how to avoid it.

Wildlife: Ethical wildlife management

Need and scope

Each year untold numbers of animals termed 'pests' and 'vermin', such as mice, rats and moles, are killed unnecessarily, and suffer from crude and inhumane trapping and killing devices. HSI UK's campaign on this issue began in 2015, focused on promoting a ban on rodent glue traps. This work continues, with progress towards a public use ban being made in the Scottish Parliament. The campaign revealed much wider inadequacies across the management of 'pest control' in UK law and practice and, in response, HSI UK has teamed up with experts at the RSPCA and Oxford University Wildlife Conservation Research Unit to develop a strategy to promote the implementation of ethical principles in all wildlife management. During initial research, we found significant deficiencies and variability in the approach taken by local authorities to manage 'pest' species and so have embarked on a programme to fully understand the status quo with a view to providing recommendations that will be more humane, effective, and cost-effective.

The badger cull is the single largest slaughter of wildlife in the UK, sanctioned by the government in an attempt to stop the spread of bovine tuberculosis. During 2018, more than 30,000 badgers were reported killed by a mixture of cage trapping and free-shooting. This is an issue that HSI UK has worked on since culling began in 2014, adding to the highly compelling body of evidence that culling badgers is neither humane nor effective at controlling bovine tuberculosis.

Goals

- a) Normalise ethical, evidence-based wildlife management;
- b) Minimise the number of 'pest' animals killed; minimise number suffering (e.g. through poor, unregulated trap design, etc.); and
- c) Make a compelling business case to encourage key public spending bodies and industry to adopt and promote the Principles for Ethical Wildlife Management.

Key activities and outputs

The year 2018 saw the completion of several pieces of extensive research in order to build an evidence base to demonstrate the ineffectiveness and costliness of current 'pest control' practices, and promote the use of humane and ethical solutions. HSI UK carried out a survey of 309 councils

across the UK using Freedom of Information Requests to determine the scale and cost of 'pest control' services provided to residents and local businesses. We worked with Oxford University Wildlife Conservation Research Unit, a recipient of a grant from HSI UK, to commission and analyse a nationwide survey to examine public attitudes towards 'pests' and 'vermin' and identify drivers of 'pest control' demand. These results will form part of a detailed report making an informed business and social case to councils for adoption of ethical and effective wildlife management methods, such as prevention and deterrence.

HSI UK continued to support the campaign for a glue trap ban in Scotland and assisted local petitioner with information on how a ban could be implemented and enforced following the models of New Zealand and Victoria, Australia. Together with the petition's authors and supporting groups, HSI UK submitted letters to the Public Petitions Committee and the Scottish Environment Minister. This led to the Scottish Environment Minister confirming that actions to prohibit the use and sale of glue traps to the public and to increase restrictions for professional use will be considered in further detail by the Scottish government.

HSI UK also continued to challenge government's inhumane, unethical and ineffective badger cull, working with other NGOs and contributing to briefings, discussions and consultations with the expertise of our veterinary adviser.

Impact

- Scottish Environment Minister persuaded by evidence of inadequacy of current glue trap regulations and confirmed that action to prohibit public use and sale of glue traps and stricter regulations for professional usage will be considered.

Wildlife: Protect whales and stop whaling

a) Addressing whaling and the International Whaling Commission

Need and scope

The International Whaling Commission's (IWC) global moratorium on commercial whaling remains under threat from the small number of countries (Japan, Norway and Iceland) that maintain commercial and so-called 'scientific' whaling programs. For decades, HSI UK and its affiliated sister organizations around the world (Humane Society International) have been at the forefront of global advocacy to repel assaults on the whaling ban, and we have developed a very good working relationship with the UK government to that end. Several thousand whales are killed each year in current whaling operations by these countries, with a significant percentage suffering long and painful deaths from the crude exploding harpoons used. In parallel, whales are facing an unprecedented assault of other threats from human activities in the oceans, including entanglements, plastic pollution, and noise pollution, as well as poorly managed whale-watching operations. Working closely with the UK government, HSI UK has led the evolution and drafting of the IWC's Animal Welfare Action Plan, including the development of a highly novel Cetacean Welfare Assessment Tool to afford the IWC a more holistic understanding of cetaceans' welfare needs when taking management decisions.

Goal

Maintain the UK as a strong vocal protector of the global whaling moratorium, support the UK government to lead delivery of the IWC's Animal Welfare Action Plan, and further build the important conservation work of the IWC.

Key activities and outputs

2018 saw the 67th meeting of the International Whaling Commission, held in Florianopolis, Brazil, and attended by two members of staff from HSI UK. This meeting was dominated by two major proposals, one from Japan requested a lifting of the commercial whaling ban, and one from aboriginal subsistence whaling countries to allow rolling quotas for subsistence hunts. Working closely with Humane Society wildlife experts from around the world, and with other animal protection organisations, HSI UK worked hard to influence negotiations around the proposals before the meeting.

Working closely with the UK government Department for Environment, Food and Rural Affairs and a Professor of Animal Welfare at Oxford University, HSI UK also continued the development of Cetacean welfare assessment tool, an update for which was presented at and endorsed by the Commission.

Impacts

- International Whaling Commission voted against Japan's proposal to lift commercial whaling ban.
- An aboriginal whaling 'bundle' of proposals was passed by consensus, including some positive amendments, influenced by HSI UK, which will require and enable Russia to improve the welfare of its gray whale hunt.

b) Improving Whale Welfare

Need and scope

Whales and other cetaceans are exposed to many new human-generated threats in the waters around the UK and all of these have implications for their welfare. The incidental capture of these animals in fishing gear, for example, can have severe welfare implications. The very worst example is where large whales towing fishing gear are slowly killed by the effects of their entanglement, a process that may take many months. HSI UK works at national and European levels to try to ensure that bycatch and other threats are better recognised and mitigated against, including by working with the relevant government departments, agencies and regional agreements.

Cetaceans also frequently strand on the shore in the UK and this generally requires an expert rescue response or, where the animals are unable to be saved, euthanasia. HSI UK is committed to ensuring that appropriate methods are developed and protocols followed to ensure the best welfare outcomes for such animals by assisting in the development of appropriate rescue protocols. HSI UK's Senior Marine Mammal Scientist currently acts as the Chair and Convener for the UK's Marine Animal Rescue Coalition (MARC), a forum for UK groups and individuals involved in rescue, focused on the development of best practice rescue and response protocols.

Key Activities and Outputs

HSI UK's marine mammal experts met as appropriate with the relevant government and agency officials and also worked closely with other NGOs to ensure that, wherever possible and appropriate, the welfare implications of human activities in the sea are understood. Similarly, we worked with colleagues via the Agreement on the Conservation of Small Cetaceans of the Baltic, North East Atlantic, Irish and North Seas to develop actions to address threats and better monitor cetacean populations.

Impacts

- The UK government recently held a workshop "Cetacean Bycatch Workshop: Hauling Up Solutions - Exploring new ways to monitor and reduce cetacean bycatch in UK fisheries" to which HSI UK contributed.
- HSI UK is part of the steering committee for the new Common Dolphin Action Plan being concluded under ASCOBANS.

4.3 Protect companion animals

Need and scope

Asia's dog meat trade claims the lives of an estimated 30 million dogs each year and causes immense suffering. It also represents a significant risk to human health, facilitating the spread of deadly diseases like rabies. And around the world, millions of street dogs suffer inhumane treatment, including culls, in failed attempts by authorities and communities to curb their populations. While HSI does not have any hands-on programmes helping homeless dogs in the UK, since this need is ably met by other charities, HSI UK employs staff who are deployed to deliver projects in other parts of the world, and raises restricted funds that are used to deliver our dog campaigns and programmes overseas. HSI UK's companion animal experts are driving positive change for dogs through strategies that engage with partner organisations, including through our membership of the International Companion Animal Management Coalition; the public and dog owning communities; and governments and local authorities in the countries where the street animal welfare challenges are greatest. HSI UK also works to promote and support diplomatic outreach by the UK Foreign and Commonwealth Office, to their counterparts in countries where the dog meat trade, or poor management of street dogs, is causing suffering.

Goals

- a) Inspire and enable concerned UK citizens to support our campaigns to end the dog meat trade, including through petitions and donations;
- b) Provide staff and financial support for Humane Society International's programmes delivering humane street dog management projects in more than ten countries; and
- c) Encourage the UK government to play a lead role in diplomatic actions to stop the dog meat trade in China, South Korea and Indonesia.

Key activities and outputs

During 2018, HSI UK worked closely with its sister organisations, Humane Society International US and Humane Society International Canada to close three dog meat farms in South Korea, rescuing all dogs and assisting the farmers to transition to alternative humane livelihoods. In addition to attending one dog farm closure, HSI UK's Director of International Media also managed global media for all three closures, including global and Korean media visiting the three farm closures, and the visit by U.S. Olympian Gus Kenworthy to a closure during the winter Olympics and exclusive media story by the Associated Press. Additional extensive UK and global media coverage included ITV's Good Morning Britain, Daily Mirror, BBC Newsbeat, The Sun, CNN, NBC, Daily Mail, Daily Telegraph, LADBible, Washington Post, New York Times, ABC News, People.com, Wall Street Journal and The Times, amongst other outlets. Media interest was significantly boosted by our grateful receipt of a £25,000 gift towards the final farm closure of 2018 from Simon Cowell.

During 2018 HSI UK facilitated the transportation and rehoming of 26 dogs, rescued from the dog meat trade in South Korea and China, in the UK via our shelter partner All Dogs Matter. In January the arrival of dogs from South Korea received an additional media boost with attendance at Heathrow by HSI UK celebrity supporter Pete Wicks.

In November, HSI UK's Director of International Media co-ordinated global media coverage for the HSI-assisted closure of South Korea's largest dog slaughterhouse, securing coverage in The Guardian, Daily Telegraph, Agence France Presse, CNN, Channel NewsAsia, Daily Mail, The Week, La Republica, Japan Times, UNILAD, BBC and others. In December HSI UK's Executive Director was invited to appear on 'This Morning' on a piece also featuring two dogs rescued from farms in South Korea.

Between January and October HSI UK promoted public petitions to the South Korean and Indonesian governments, calling for action to end the dog meat trade in these countries. Each petition met its target of one million signatures. Representing the Dog Meat Free Indonesia (DMFI) Coalition, HSI UK's Executive Director was invited to meet with the First Secretary of the Indonesian embassy, and discussed the animal welfare and human health implications of the trade. The First Secretary noted that the global petition, combined with extensive global media coverage of DMFI's exposes of the suffering of dogs in the markets and trade, had significantly raised the profile of the issue and that the Indonesian President himself was now committed to action. HSI will continue to work through the DMFI Coalition to support the government in affecting change on the ground.

In June 2018 our Director of International Media co-ordinated media coverage of our rescue of 135 dogs from a slaughterhouse in Yulin, China, and their care and rehabilitation at our partner shelter in Dalian. Media coverage included an exclusive 6-series story feature with video platform UNILAD, as well as stories in South China Morning Press, Daily Express, National Geographic, The Times, New York Times, Reuters, AsiaOne, Agence France Press, Daily Mail etc. HSI UK also filmed with Harry Potter actress Evanna Lynch for a PSA video about the plight of cats caught up in China's meat trade, which secured additional media coverage and public support.

HSI UK's Companion Animal Research and Development Manager continued to act as Secretary to the International Companion Animal Management Coalition (ICAM), focusing on designing a new

website and being part of the core planning committee of the third international conference in Mombasa, Kenya in 2019.

In February HSI signed an MOU with Mauritian government to stop the culling of some 2,000 dogs each month and run a 13-month pilot program to demonstrate the effectiveness of mass dog sterilization combined with community education and engagement. HSI UK employed a Project Manager, based in Mauritius, to manage a 20-person team to implement this project, and a Research and Development Manager, to establish baseline data on the region's dog population, including proportion of owned dogs and community attitudes to street and beach dogs.

HSI UK's Research and Development Manager co-led HSI's global MEIA (Monitoring, Evaluation and Impact Assessment) department, which trains and enables HSI staff to use design and conduct baseline and monitoring and evaluation surveys of street and owned dog populations in Humane Society International's programmes. Such efforts are key to be able to demonstrate the long-term impact and success of our humane street animal management approach. In 2018 our team undertook the first ever dog population survey in two counties in Liberia, the pilot project area in Mauritius (street and owned), country-wide dog population (street and owned) surveys in the Royal Kingdom of Bhutan and multiple HSI programmes and a third party evaluation in India. Data from these surveys formed the basis for strategy developments in new programmes (Mauritius and Liberia), and improvements to existing programme strategies (Bhutan, India and Philippines). In the Philippines during 2018 our thorough survey and analytical work allowed us to build a stronger relationship with the local government veterinary offices, and to inform and support a plan to make the government's rabies elimination programmes in Quezon City (Metro Manila) and Cebu City, more evidenced based, efficient and structured.

HSI UK also continues to challenge and inform dog and cat management practices and policies by publishing in the peer reviewed literature. In 2018 our expert staff co-authored one scientific review of dog management in the US and one scientific article on cat management approaches.

Impact

- HSI UK supported the rescue of 345 dogs saved from dog meat farms in South Korea and 135 dogs from Yulin in China, including 26 brought to the UK for rehoming and to become UK ambassadors for the campaign;
- £276,584 (2017=£314,248) raised in restricted funds for dog meat and street dog programmes, and used to deliver campaigns helping dogs in Asia and Africa;
- One million signature petitions to Indonesian and South Korean governments handed in to respective embassies - in response the Indonesian embassy reaffirmed their commitment to ban the dog meat trade and desire to work with HSI and the Dog Meat Free Indonesia Coalition to this end;
- During 2018 more than 2,000 dogs were sterilized on the island of Mauritius, numerous dogs with skin conditions treated, and extensive community and business outreach secured a positive reception for the spay-neuter pilot project;
- The improvement and expansion of HSI's humane dog population management programmes in more than ten countries, neutering and improving the lives of thousands of dogs.

4.4 Reduce the number of animals suffering in farming systems

Need and scope

HSI UK's global affiliates are active to help animals on farms in many countries around the world, working with companies and governments to move away from intensive confinement systems such as battery cages and sow stalls, and advocating for greater uptake in plant-based diets. In the UK, HSI UK's Forward Food programme focuses on inspiring and enabling food service companies to reduce their animal product procurement, by serving more tasty, nutritious and environmentally and health-friendly plant-based foods.

Reacting to the risk and opportunity that Brexit present for animals in agriculture, we are also engaged in ensuring that welfare standards in UK farms, or products imported into the UK, do not become diluted in the course of Brexit changes.

Goals

- a) Through our Forward Food programme we aim to decrease the procurement of animal products in selected largescale UK food service institutions by at least 20% over 2 years.
- b) Ensure that UK legislation adopts the highest possible farm animal welfare standards.

Key activities and outputs

During 2018, our small Forward Food team conducted an impressive 18 culinary workshops that trained 113 chefs in plant-based cooking. These workshops met the specific needs of a range of organisations and included: nine universities, three large food service providers, one major catering organisation and one environmental charity. The workshops received unanimous positive feedback with 95% of those completing follow up surveys stating their perception of plant-based cuisine has changed for the better since the workshop, and 92% saying they would recommend the culinary workshop to a colleague. In 2018 the culinary workshops have led to the development of partnerships with Gate Gourmet (the UK's largest airline catering provider), Sodexo, and The University Caterers Organisation (TUCO), as well as the continuation an existing partnership with Compass Group UK.

During 2018, the Forward Food team carried out two quantitative assessments to measure the impact plant-based menu changes can have in terms of greenhouse gas reductions and number of animals spared.

HSI UK also submitted responses to government consultations to inform revisions of the pig and laying hen codes of conduct, to promote the best welfare standards on farm, in transport and at slaughter.

To promote HSI's goal of increasing public interest in and acceptance of plant-based food options, HSI shared educational materials around world vegan month, as well as world plant milk day, Halloween (regarding gelatin-free sweets), and the environmental and animal welfare benefits of partaking in a veggie Christmas.

Impact

- 113 chefs from 16 companies inspired to create more plant-based dishes, and equipped with a toolkit to make menu changes in their companies;
- 8 Universities introduced more plant based options to the menu, with one opening a dedicated plant based café; and
- HSI UK secured a commitment from Gate Gourmet, the world's largest airline catering company, for a partnership to support expansion of their plant-based menu options.

4.5 General

HSI UK continued its involvement with, and contributions to, several umbrella bodies during 2018, 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, the Fur Free Alliance, and Wildlife and Countryside Link. HSI UK's Executive Director remained Chair of Link's Animal Welfare Strategy Group for a third year, and HSI UK's Senior Campaign Consultant continues to hold a seat on the Fur Free Alliance's Executive Committee.

5. Media communications, celebrity engagement and online support engagement

During 2018, HSI UK continued to achieve high levels of international and national media coverage for both our UK and global campaigns including Japanese whaling; the fur trade; trophy hunting; the dog meat trade in China, Indonesia and South Korea; bullfighting; trophy hunting; the animal welfare impacts of Brexit; Forward Food; and media co-ordination for HSI's disaster relief efforts in Guatemala and Kerala. HSI UK recorded hundreds of media hits including in the Sunday Telegraph, Sky News, BBC, the Guardian, BuzzFeed, Daily Mirror, Daily Mail, Reuters, ITV, Deutsche Welle, Channel News Asia, Newsweek, Japan Today and NewsWeek. HSI's #FurFreeBritain campaign also featured prominently on episodes of BBC's CountryFile, Watchdog and BBC London News. Countryfile has a viewership of approximately 9 million and Watchdog 4 million.

2018 saw a big rise in celebrity engagement for HSI UK. Thirty two of Britain's biggest celebrities including Dame Judi Dench, Sir Andy Murray and Joanna Lumley OBE pledged their support for HSI's #FurFreeBritain campaign by signing an open letter to Prime Minister Theresa May calling for a ban on UK fur sales. Queen guitarist Brian May joined HSI at Number 10 Downing Street to hand in a 425,000 signature-strong #FurFreeBritain petition, and wildlife presenter Chris Packham recorded a video directed at MPs citing the fur trade's cruelty and calling on the government to take action. Celebrities including Paloma Faith, Alesha Dixon, Kirsty Gallacher, Evanna Lynch shared their support for #FurFreeBritain on their social media channels, driving large numbers of people to both HSI UK's website and our campaign petition. TV star Pete Wicks also showed his support for #FurFreeBritain by taking part in a photo and video shoot for HSI by renowned photographer Trevor Laighton, to raise awareness of the cruelty involved in trapping animals for their fur.

Harry Potter actress Evanna Lynch starred in an HSI video raising awareness for our campaigns to end the dog and cat meat trade, highlighting the fact that cats are saved from the meat trade by HSI. Pete Wicks and actor Peter Egan helped us to raise the profile of petition hand-ins at the Indonesian and South Korean embassies in London, calling for an end to the dog meat trade. Lifestyle

influencers Lucy and Tiffany Watson took part in a Halloween themed video sharing information about where gelatine comes from as part of HSI's Forward Food campaign.

UK citizens account for the second largest following (after the USA) on HSI's global Facebook account, with more than 106,000 British fans. During the year, @HSIUKorg's twitter following rose from 4,000 to over 6,300. Since its launch in July 2017, HSI UK's Facebook page, dedicated to engaging with UK supporters on HSI's UK and global animal protection campaigns, has gained just under 10,000 followers. In November 2017, HSI UK launched its own Instagram account, which at the time of this report has 9,500 followers.

6. Fundraising, supporter liaison, and operational management

6.1 Fundraising approach

HSI UK's work in the UK and around the world would not be possible without the generosity of our supporters. We offer many different opportunities for our fundraisers and donors to engage with us to fulfil our charitable objectives. These include special events; regional and community fundraising activity and events; individual giving, which includes major gifts, mailing campaigns, and on-line donation campaigns.

HSI UK continues to raise the majority of its revenue through online campaigns, using both email and social media platforms such as Facebook. Our online email file at year-end consisted of 277,845 active UK supporters. HSI UK also runs a direct mail programme, using third party agencies for design and print (RKD) and lockbox fulfillment (Telebank). The number of supporters electing to communicate with us via post, at 2018 year-end, was 24,926. HSI UK continued to distribute the popular supporter stewardship mini-magazine, *Animal Allies*, to regular donors during 2018. Two issues were produced during the year, each sent to around 4,000 regular donors.

A growing number of supporters elected to undertake sponsored events in aid of HSI UK's work through our Just Giving platform, including a sponsored swim by a Chinese Crested Chihuahua; the Yorkshire Three Peaks Challenge; hosting a rock concert; walking 50k over the month of July; and trekking to Everest Base Camp. In 2018 we gratefully received donations of £14,558 through our Just Giving platform.

The generosity of legacy donors meant that HSI UK received over £200,000 in legacies during 2018. HSI UK maintained a consultancy partnership with Legacy Link, who are tasked with identifying legacies that name HSI UK, and ensuring their efficient and lawful processing.

Staff received excellent feedback from supporters who attended our annual sell-out Comedy Night, raising £3,618 from ticket sales and a raffle in which many companies kindly donated prizes.

HSI UK was extremely grateful to receive £144,720 as major gifts from 9 charitable trusts and foundations, several of which were restricted to specific projects including HSI's street dog programme in Mauritius and our campaign to end the dog meat trade in South Korea.

HSI UK had a presence at several events throughout the year including Greater London Vegan Festival, Brighton Vegan Festival and Animal Aid's Christmas Fayre. Staff distributed campaign materials and gathered signatures for our dog meat, fur and other petitions, as well as selling a small amount of HSI merchandise in order to cover costs of attendance.

6.2 Commitment to responsible fundraising and personal data protection

HSI UK is a member of the Institute of Fundraising (IOF) and follows its Code of Fundraising Practice. HSI UK also follows the guidance and requirements of the Charity Commission fundraising guide (CC20). HSI UK voluntarily subscribes to the Fundraising Regulator and abides by its code. In 2018 we received and actioned 15 requests to stop communications via the Fundraising Regulator's Fundraising Preference Service.

Third parties contracted by HSI UK to engage in fundraising/data management activities on its behalf are also required to adhere to all relevant regulations as well as abiding by the above codes, and HSI UK staff maintain close oversight to ensure this. HSI UK staff provide regular training to third party companies representing the organization to supporters, including for fundraising purposes.

HSI UK maintains a log of all queries and complaints and during 2018, over 1800 queries were logged by phone and email (not including those raised via social media channels), of which 1.04% were complaints relating to fundraising, primarily regarding the frequency of donation requests. All complaints were addressed and concerns rectified within six working days of receipt. HSI UK reviews all complaints very carefully and we will continue to make adjustments to fundraising practices in order to provide a positive experience for donors and supporters.

HSI UK's privacy policy (available on the website at <http://www.hsi.org/privacy-notice.html>) makes various commitments to ensure donors and supporters can be sure that their personal data is kept secure, in accordance with relevant data protection laws, as well as our commitment to be clear and transparent around the data we keep. HSI UK has established a policy not to share any of its supporter data with other charities or companies. During 2018, no wealth screening activities took place and there are no future plans to engage in wealth screening.

In response to the new General Data Protection Regulation that entered into force in May 2018, HSI commissioned ClearComm to conduct a full audit to ensure GDPR compliance. In light of their recommendations, several changes and improvements to our data management protocols have been enacted, and we updated the contractual obligations of all of our service providers to ensure their compliance, on our behalf, with GDPR.

HSI UK has had a vulnerable persons policy, with respect to its fundraising activities, since September 2016. This includes guidance to staff, and companies carrying out fundraising and donation processing on our behalf, on how to identify potentially vulnerable persons, a flagging procedure to ensure that such risks are appropriately recorded, and a policy to provide clear guidance for when donations should be questioned and/or potentially politely declined.

6.3 Human Resources

HSI UK recruited two new fundraising positions to staff during 2018. In May 2018 a Major Gifts Director was recruited, and in September a Senior Individual Giving Manager was recruited. This investment reflects our intention for HSI UK to grow our revenue, and to do so in a way that tailors fundraising messaging and strategies to UK benefactors. In 2018 we also recruited a Supporter Engagement Officer who is, in part, tasked with managing a growing number of supporter queries through our increasingly popular social media presence.

HSI UK managed compliance with its evolving responsibilities under the Pensions Regulator. Throughout the year staff attended several training seminars and workshops, including media training, training in charity accountancy and governance, and GDPR training.

During 2018, HSI UK benefited from the support of two part-time office volunteers, as well as a volunteer solicitor.

6.4 Information Technology

A new cloud phone system was installed in the office and all office laptops were scanned and updated with anti-virus protection software.

7. FINANCIAL REVIEW

HSI UK ended FY2018 with net income of £474,156 compared to a net income of £793,543 in FY2017.

The 2018 revenue of £1,802,002 was composed of donations and legacies by generous supporters through our various fundraising campaigns and events. Legacies accounted as £247,685 in 2018 (2017 figure = £343,820). Donations have been increased by 2% or £30,671. Donations also include funding support from the parent US companies, Humane Society International and The Humane Society of the United States.

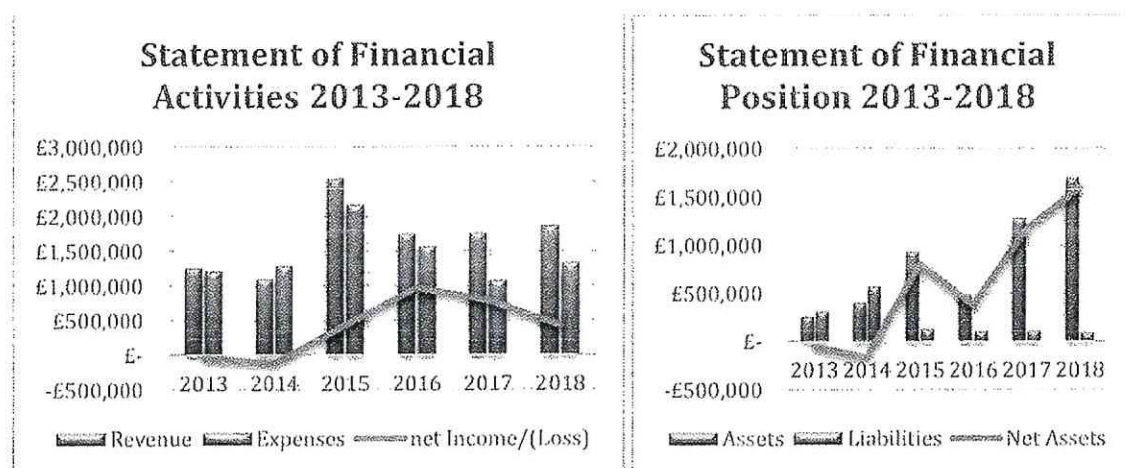
Spending for 2018 was £1,327,846 broken down as follows:

- Campaign costs for raising funds £213,810 (2017 figure = £198,349) - fundraising costs related to digital marketing campaigns and fundraising activities/events with the objective of attracting supports and generate donations to HSI UK. These includes agency fees, advertising publications and other materials. During 2017, the charity reduced direct marketing campaigns specifically for print and production development costs in favor of online development activities.
- Advocacy for animal welfare costs £619,447 (2017 figure = £484,756) - part of campaign cost incurred in undertaking HSI UK's existing programs is to promote animal welfare issues. These includes education materials/newsletters, mailings, and other materials disseminated to existing donors and the general public.

- UK Support Costs £423,389 (2017 figure = £331,720) - these were costs incurred to deliver program activities; and run the HSI UK office. These includes staff costs, legal and professional fees, travel, office occupancy, utilities, communications, and other sundry expenses. In 2018 support cost increased by 28% from 2017 due to an increase of staff related, general and administrative and consulting costs.
- Grants £58,227 (2017 figure = £44,255) - these were grants awarded to other non-for-profit organizations in support of charitable, scientific or educational activities. The activities are designed to further the objectives of HSI UK in promoting animal welfare by providing direct care and/or rehabilitation of animals.
- Governance costs £12,973 (2017 figure = £13,399, including £1,699 from 2016) - these are audit fees for statutory reporting requirements. The 2018 audit fee increased by 11% from last year.

2013 - 2018

The illustration below shows our financial activities and position for the last 5 years.



Reserves policy

Each year the trustees consider the appropriate level of free reserves. HSI UK's reserve policy is to maintain a level of free reserves that will enable 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 of operating expenditures is appropriate.

At 31 December 2018, free reserves measured as £900,017 (2017 = £594,706). It is in compliance with the company reserves policy. Three months of expenditures in 2018 total to approximately £331,962 (2017 = £268,119). Excess of reserves will be directed toward expanding of Charity's operational activities. The trustees intend to continue to work towards maintaining free reserves and financial success achieved during 2018.

Grant giving policy statement

HSI UK disburses grants to other non-for-profit organizations. Each grant has specific eligibility requirements. Grant approval process includes several steps. Details of the approval process are described below:

- Grant templates, that were drafted and approved by the Humane Society International General Counsel (HSI GC), must be used to draft the agreement.
- In the event that there is any change to the template language, approval must be obtained from OGC prior to submission.
- Further, special circumstances - in particular: grants that involve lobbying; to individuals; to non-profits - must receive additional approval from OGC, Accounting, and the HSI executive team.
- Full grantee identification, purpose, and banking information, as requested in the grant agreement, must be provided so that a background check on the grantee may be conducted.
- Budgets - and in particular restricted funds - must be fully verified for sufficient funds and purpose prior to submission of the grant.
- The grant agreement must be signed by an authorized representative of HSI UK and the grantee.
- The grant must be submitted to Accounts Payable to ensure payment of the grant amount.

PLANS FOR FUTURE PERIODS

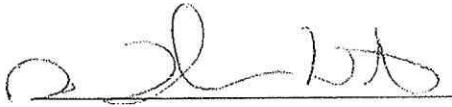
In 2019, the Trustees look forward to overseeing the charity to continue with its existing campaigns, as well as respond reactively to key opportunities or threats to animal welfare in the UK.

We look forward to seeing the office grow revenue through investing in UK staff for our individual giving and major gift programmes. These staff will also play an important role in ensuring that our fundraising approach is consistent with UK laws and best practices.

Coupled with this move we also endorse and welcome plans for the UK office, working with US colleagues, to research and develop new fundraising channels in the UK including, perhaps, more mobile and TV-based education and fundraising opportunities. The Trustees also continue to encourage and support HSI UK in its endeavours to assist, through both advocacy campaigns and financial provisions, HSI's programmes to improve animal welfare around the world.

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. We are able to achieve our campaign successes and owe so much to them and their continued dedication to protecting the welfare of animals. Thank you.

Approved by the trustees on September 24, 2019 and signed on their behalf by

A handwritten signature in dark ink, appearing to read 'G. Thomas Waite, III', written over a horizontal line.

G. THOMAS WAITE, III
Trustee

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

Opinion

We have audited the financial statements of The Humane Society International (UK) ("the Charitable Company") for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31 December 2018 and of its incoming resources and application of resources 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 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 related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees' Report. The Trustees are responsible for the other information.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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, which are included in the Trustees' Report, has 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 Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' remuneration specified by law are not made; or
- 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 and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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 determines 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

BDO LLP

Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom
Date 25 September 2019

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 2018
(incorporating an income and expense account)

	Notes	Unrestricted Funds £	Restricted Funds £	2018 £	Unrestricted Funds	Restricted Funds	2017 £
INCOME FROM:							
Donations and legacies	2	1,602,210	199,792	1,802,002	1,472,389	393,634	1,866,023
Total income		<u>1,602,210</u>	<u>199,792</u>	<u>1,802,002</u>	<u>1,472,389</u>	<u>393,634</u>	<u>1,866,023</u>
EXPENDITURE ON:							
Raising funding	3	213,810	-	213,810	198,349		198,349
Charitable activity							
Promoting animal welfare	4	1,083,089	30,947	1,114,036	732,726	141,405	874,131
Total expenditure		<u>1,296,899</u>	<u>30,947</u>	<u>1,327,846</u>	<u>931,075</u>	<u>141,405</u>	<u>1,072,480</u>
Net income		305,311	168,845	474,156	541,314	252,229	793,543
RECONCILIATION OF FUNDS							
Fund balance brought forward at January 1		594,706	577,081	1,171,787	53,392	324,852	378,244
Fund balance carried forward at December 31		<u>900,017</u>	<u>745,926</u>	<u>1,645,943</u>	<u>594,706</u>	<u>577,081</u>	<u>1,171,787</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 notes on pages 33 to 36 form an integral part of these financial statements

THE HUMANE SOCIETY INTERNATIONAL (UK)
BALANCE SHEET AT 31 DECEMBER 2018

Registration number 4610194 (England and Wales)

	Notes	2018		2017	
		£	£	£	£
CURRENT ASSETS					
Debtors	10	529,035		190,642	
Cash at bank and in hand		<u>1,202,344</u>		<u>1,093,778</u>	
		1,731,379		1,284,420	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	11	<u>85,436</u>		<u>112,633</u>	
NET CURRENT ASSETS			1,645,943		1,171,787
NET ASSETS			<u>1,645,943</u>		<u>1,171,787</u>
FINANCED BY:					
Restricted funds	12		745,926		577,081
Unrestricted funds	12		900,017		594,706
TOTAL FUNDS			<u>1,645,943</u>		<u>1,171,787</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 FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the Board of Directors and authorized for issue on Sept 24, 2019. They were signed on its behalf by:


G. Thomas Waite, III
Trustee

The notes on pages 33 to 36 form an integral part of these financial statements

THE HUMANE SOCIETY INTERNATIONAL (UK)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018	2017
Cash from operating activities			
Net cash provided by operating activities	A	<u>108,566</u>	<u>657,180</u>
Increase in cash and cash equivalents in the year		108,566	657,180
Cash and cash equivalents at the beginning of the year		1,093,778	436,598
Total cash and cash equivalents at the end of the year		<u><u>1,202,344</u></u>	<u><u>1,093,778</u></u>

A) Reconciliation of net income to net cash flow from operating activities

	2018 £	2017 £
Net income for the reporting period (as per the statement of financing activities)	474,156	793,543
(Increase) in debtors	(338,393)	(141,379)
(Decrease) / increase in creditors	<u>(27,197)</u>	<u>5,016</u>
Net cash provided by operating activities	<u><u>108,566</u></u>	<u><u>657,180</u></u>

The notes on pages 33 to 36 form an integral part of these financial statements

THE HUMANE SOCIETY INTERNATIONAL (UK)
Notes to the Financial Statements
for the year ended 31 December 2018

1. Accounting Policies

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Companies Act 2006.

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.

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 income is recognised when the charity has entitlement to the funds, it is probable the income will be received, the amount can be measured reliably and any performance conditions have been fully met.

Income from grants, where relating to performance and specific delivery requirements are 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 objectives of the Charity.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund. Restricted funds are mostly comprised of donations received for Street Animal Welfare, Stop Wildlife Abuse and Fur Free campaigns.

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. Prior year support costs restated to reflect more appropriate costs' allocation.

Expenditure has been recognized 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. Grant payables to third parties are included in expenditure for charitable activities. Where unconditional grants are made, these amounts are recognized when a legal or constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, the grant is only recognized once any unfulfilled conditions are outside of the control of the Charity.

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 of the Charity.

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

1.6 Financial instruments

The Charity has financial assets and liabilities only of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized 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 Charity as at 31 December 2018, together with the anticipated level of funding for the coming year and the continued support of its parent, The Humane Society of the United States (HSUS). Based on this review, the trustees have concluded that the financial statements should continue to be prepared on the going concern basis.

1.8 Judgment in applying accounting policies and key sources of estimation

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and actual outcomes could differ from those estimates.

1.9 Concentration of credit risk

The Charity's assets that are exposed to credit risk consist primarily of cash, gifts and other receivables, and related party transactions. The Charity's gifts and other receivables balance consists primarily of amounts due from individuals and corporations. Historically, the Charity has not experienced significant losses related to the receivable balances and, therefore the credit risk to them is minimal.

THE HUMANE SOCIETY INTERNATIONAL (UK)
Notes to the Financial Statements (continued)
for the year ended 31 December 2018

1. Accounting Policies (continued)

1.10 Legacy accounting policy

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalized and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

2. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Donations	1,352,731	199,792	1,552,523	1,521,852
Legacies	247,685	-	247,685	343,820
Other income	1,794	-	1,794	351
	<u>1,602,210</u>	<u>199,792</u>	<u>1,802,002</u>	<u>1,866,023</u>

The donations and legacies income in 2017 was £1,866,023 of which £1,472,389 was unrestricted and £393,634 was restricted.

3. Raising funds

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Campaign costs	213,810	-	213,810	198,349
	<u>213,810</u>	<u>-</u>	<u>213,810</u>	<u>198,349</u>

The campaign costs in 2017 were £198,348 of which £198,348 was unrestricted and £Nil was restricted.

4. Promoting Animal Welfare

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Advocacy for animal welfare costs	619,447	-	619,447	484,757
Grants paid (note 5)	27,280	30,947	58,227	44,255
UK support costs (note 6)	423,389	-	423,389	331,720
Governance costs (note 7)	12,973	-	12,973	13,399
	<u>1,083,089</u>	<u>30,947</u>	<u>1,114,036</u>	<u>874,131</u>

Expenses for promoting animal welfare in 2017 were £874,130 of which £732,724 was unrestricted and £141,405 was restricted.

5. Grants paid

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Stowarzyszenie Otwarte Klatki	7,280	-	7,280	-
University of Oxford	20,000	-	20,000	15,000
Humane Society International	-	30,947	30,947	-
Nowzad dogs NFP	-	-	-	8,083
Mayhew International	-	-	-	12,500
Gloucestershire Against Badger Shooting	-	-	-	8,672
	<u>27,280</u>	<u>30,947</u>	<u>58,227</u>	<u>44,255</u>

Grants paid in 2017 were £44,255 of which £22,672 was unrestricted and £21,583 was restricted. Three grants (4 - 2017) were paid to institutions in the year and nil grants (nil - 2017) were paid to individuals.

THE HUMANE SOCIETY INTERNATIONAL (UK)
Notes to the Financial Statements (continued)
for the year ended 31 December 2018

6. UK Support Costs

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Legal and professional fees	108,712	-	108,712	90,387
Staff costs	102,538	-	102,538	70,484
Travel	1,422	-	1,422	1,040
Bank charges	42,146	-	42,146	42,516
Subscriptions	20,405	-	20,405	25,617
Management overhead	86,167	-	86,167	31,989
Printing, postage and stationery	4,520	-	4,520	3,056
Rent	31,291	-	31,291	32,698
Accountancy	4,500	-	4,500	4,500
Foreign exchange differences	7,107	-	7,107	10,369
Telephone	3,457	-	3,457	4,091
Sundry expenditure	7,511	-	7,511	11,823
Equipment	1,914	-	1,914	-
Insurance	1,699	-	1,699	3,150
	<u>423,389</u>	<u>-</u>	<u>423,389</u>	<u>331,720</u>

HSI UK office costs in 2017 were £331,720 of which £211,897 was unrestricted and £119,823 was restricted.

7. Governance costs

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Audit fees:				
Current period	12,973	-	12,973	11,700
Prior period	-	-	-	1,699
	<u>12,973</u>	<u>-</u>	<u>12,973</u>	<u>13,399</u>

The governance costs in 2017 were £13,399 of which £13,399 was unrestricted and £Nil was restricted.

8. Wages and salaries

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Wages and salaries	311,729	-	311,729	209,629
Social security costs	30,064	-	30,064	21,023
Employee Benefits	-	-	-	4,293
	<u>341,793</u>	<u>-</u>	<u>341,793</u>	<u>234,946</u>

The wages and salaries costs in 2017 were £234,946 of which £234,946 was unrestricted and £Nil was restricted.

The average number of employees during the year was 10 (2017: 7).

The Trustees considers the Trustees and Executive Director as the key management personnel of the Charity. The total employment benefits including employer pension contributions of the key management personnel were £61,039 (2017: £60,098). One employee had employee benefits in excess of £60,000 (2017: Nil).

No Trustees received remuneration for performance of their role as Trustee during the year. No (2017: Nil) expenses were reimbursed to Trustees during the year.

9. Taxation

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

10. Debtors

	2018 £	2017 £
Other debtors:		
Other debtors	416,040	82,026
Amount due from parent undertaking	61,675	108,616
Prepayments and accrued income	51,320	-
	<u>529,035</u>	<u>190,642</u>

THE HUMANE SOCIETY INTERNATIONAL (UK)
Notes to the Financial Statements (continued)
for the year ended 31 December 2018

11. Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	94	66,766
Other taxes and social security costs	13,783	9,543
Accruals	71,559	36,324
	<u>85,436</u>	<u>112,633</u>

The loan from the parent undertaking has been repaid in the year 2017 and was an unsecured liability.

12. Funds

Analysis of net assets between funds	Unrestricted	Restricted	2018
	£	£	£
Current assets	985,453	745,926	1,731,379
Current liabilities	(85,436)	-	(85,436)
At 31 December 2018	<u>900,017</u>	<u>745,926</u>	<u>1,645,943</u>
Analysis of net assets between funds	Unrestricted	Restricted	2017
	£	£	£
Current assets	707,339	577,081	1,284,420
Current liabilities	(112,633)	-	(112,633)
At 31 December 2017	<u>594,706</u>	<u>577,081</u>	<u>1,171,787</u>

13. Lease commitments

At 31 December 2018, the company had total commitments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Expiry date:		
Within one year	<u>6,840</u>	<u>6,120</u>

14. Related parties

During the year, the Charity received a grant of £101,863 (2017: £44,108) from The Humane Society of the United States (the HSUS) and returned to the HSUS unspent restricted funding of £30,947.

Included within other debtors and falling due within one year is an amount due from the HSUS totalling £61,675 (2017: £108,616). This represents expenses of £108,169 (2017: £148,537) paid by the Charity in behalf of the HSUS, net of £46,494 (2017: £39,921) for expenses paid by the HSUS in behalf of the Charity.

Included within other creditors and falling due within one year is an amount due to the HSUS totalling NIL (2017: £Nil).

15. Ultimate Controlling Party

The Charity's ultimate controlling party is The Humane Society of the United States (HSUS), a not-for-profit organization in the United States, with registration number 53-0225390. The HSUS seeks to prevent and bring an end to animal cruelty in all of its forms, and to celebrate and strengthen the human-animal bond. The controlling party exercises control over by virtue of appointment of trustees. Copies of the consolidated group accounts are available at www.humanesociety.org.