

**World Animal Protection
Canada
Financial Statements
For the year ended December 31, 2024**

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Independent Auditor's Report

To the Directors of World Animal Protection Canada

Opinion

We have audited the financial statements of World Animal Protection Canada, which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of World Animal Protection Canada as at December 31, 2024, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 World Animal Protection Canada in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management 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, management is responsible for assessing World Animal Protection Canada'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 management either intends to liquidate World Animal Protection Canada or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing World Animal Protection Canada's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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.



Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of World Animal Protection Canada's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on World Animal Protection Canada's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause World Animal Protection Canada to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario

June 12, 2025

World Animal Protection Canada Statement of Financial Position

December 31 2024 2023

Assets

Current

Cash	\$ 1,324,227	\$ 792,027
HST receivable	95,916	79,477
Prepaid expenses and sundry receivable	83,225	43,627
Due from related charity (Note 11b)	2,976	16,204
	<u>1,506,344</u>	<u>931,335</u>

Investments (Note 2a) 3,654,050 3,378,234

Annuity (Note 3) 256,982 -

Capital assets (Note 4) 19,549 21,129

\$ 5,436,925 \$ 4,330,698

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 365,166	\$ 333,862
Deferred contributions (Note 5)	-	7,381
Due to related charity (Note 11c)	171,294	195,250
	<u>536,460</u>	<u>536,493</u>

Annuity (Note 3) 256,982 -

793,442 536,493

Net assets

Internally restricted	2,500,000	2,500,000
Endowment	35,357	35,357
Invested in capital assets	19,549	21,129
Unrestricted	2,088,577	1,237,719
	<u>4,643,483</u>	<u>3,794,205</u>

\$ 5,436,925 \$ 4,330,698

On behalf of the Board:



Maureen Armstrong, Chair of the Board



Michelle Séguin, Treasurer

The accompanying notes are an integral part of these financial statements.

World Animal Protection Canada
Statement of Changes in Net Assets

For the year ended December 31

	Internally Restricted	Invested in Capital Assets	Unrestricted	Endowment	2024 Total	2023 Total
Balance, beginning of year	\$ 2,500,000	\$ 21,129	\$ 1,237,719	\$ 35,357	\$ 3,794,205	\$ 3,802,500
Excess (deficiency) of revenue over expenses for the year	-	(10,252)	859,530	-	849,278	(8,295)
Purchase of capital assets	-	8,672	(8,672)	-	-	-
Balance, end of year	\$ 2,500,000	\$ 19,549	\$ 2,088,577	\$ 35,357	\$ 4,643,483	\$ 3,794,205

The accompanying notes are an integral part of these financial statements.

World Animal Protection Canada

Statement of Operations

For the year ended December 31	2024	2023
Revenue		
Individual (non-restricted) contributions	\$ 3,239,711	\$ 3,470,703
Individual (restricted) contributions	-	4,258
Bequests (non-restricted)	1,522,602	904,118
Donations of life insurance premiums (Note 6)	9,249	6,756
Contributed services and materials (Note 1)	313,135	334,409
Foundation and corporation (non-restricted)	629,579	286,632
Foundation and corporation (restricted)	105,000	256,401
Affinity income	31,274	43,281
Sundry and grant income	22,857	17,117
	<u>5,873,407</u>	<u>5,323,675</u>
Expenses		
Animal Protection Programs (Schedule)	4,034,002	3,984,521
Fundraising development	1,086,804	1,333,526
Administration (Note 7)	350,152	358,726
Life insurance premiums (Note 6)	9,249	6,756
	<u>5,480,207</u>	<u>5,683,529</u>
Excess (deficiency) of revenue over expenses before other items	393,200	(359,854)
Investment income (Note 2b)	457,564	350,381
Foreign exchange gain (loss)	(1,486)	1,178
Excess (deficiency) of revenue over expenses for the year	\$ 849,278	\$ (8,295)

The accompanying notes are an integral part of these financial statements.

World Animal Protection Canada

Statement of Cash Flows

For the year ended December 31 **2024** **2023**

Cash provided by (used in)

Operating activities

Excess (deficiency) of revenue over expenses for the year	\$ 849,278	\$ (8,295)
Adjustments required to reconcile excess (deficiency) of revenue over expenses with cash provided by (used in) operating activities		
Amortization (Note 8)	10,252	8,963
Unrealized gain on investments	(176,839)	(196,916)
Realized gain on investments	(166,428)	(37,743)
Changes in non-cash working capital balances		
HST receivable	(16,439)	11,092
Prepaid expenses and sundry receivable	(39,598)	59,892
Due from related charity	13,228	(10,901)
Accounts payable and accrued liabilities	31,304	(45,563)
Deferred contributions	(7,381)	(15,254)
Due to related charity	(23,956)	(62,357)
Deferred rent	-	(3,849)
	473,421	(300,931)

Investing activities

Purchase of investments	(884,830)	(948,552)
Proceeds from sale of investments	952,281	1,087,151
Purchase of capital assets	(8,672)	(6,698)
	58,779	131,901

Increase (decrease) in cash during the year **532,200** **(169,030)**

Cash, beginning of year **792,027** **961,057**

Cash, end of year **\$ 1,324,227** **\$ 792,027**

World Animal Protection Canada

Notes to Financial Statements

December 31, 2024

1. Nature of Operations and Significant Accounting Policies

Nature of Operations

World Animal Protection Canada has a vision of a world where animals live free from suffering.

The Canadian entity is affiliated with World Animal Protection International which brings together 14 national offices around the world who work collaboratively towards a shared vision and mission. Collectively, World Animal Protection International is one of the largest animal protection organizations in the world, pioneering sustainable, large-scale solutions to end animal suffering. World Animal Protection International believes that good animal welfare is fundamental to the well being of communities, to food production and agricultural systems, to the environment, to public health, to a sustainable global economy and planet.

Through its General Status at the United Nations and formal recognition by the World Organization for Animal Health (OIE) and other intergovernmental organizations, World Animal Protection International is uniquely placed to improve animal health and welfare worldwide.

Globally, World Animal Protection International seeks to improve the lives of animals in communities, farming, disasters and in the wild, with specific campaigns ranging from stopping the mass suffering of industrially farmed animals to ending the inhumane culling of stray dogs. World Animal Protection International is the international leader in animal-focused disaster response and risk reduction and is dedicated to safeguarding animals - often forgotten victims - in disasters. World Animal Protection International acts for animals on the ground and at a global level and achieves its aims through action and education, and works in partnership with governments, businesses, local communities and individuals to move the world to protect animals.

World Animal Protection Canada is incorporated under Part II of the Canada Corporations Act as a non-profit organization whose objectives are the promotion of the conservation and protection of animals. World Animal Protection Canada is a registered charity under the Income Tax Act (Canada) and is exempt from income tax.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

World Animal Protection Canada

Notes to Financial Statements

December 31, 2024

1. Nature of Operations and Significant Accounting Policies (continued)

Revenue Recognition

World Animal Protection Canada follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions to the Endowment Fund are recorded directly as revenue of the Endowment Fund.

Contributed services and materials that would otherwise be paid for by World Animal Protection Canada are recorded at fair value when the services are provided or the materials are received. Amounts contributed for the year were \$313,135 (2023 - \$334,409).

A number of volunteers have made significant contributions of their time to World Animal Protection Canada. Since these services are not normally purchased and because of the difficulty in determining their fair value, donated services for volunteer activities are not recognized in these financial statements.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments are reported at fair value. Any realized/unrealized gains and losses, dividends and interest income from the investments are reported in the statement of operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Allocation of Expenses

World Animal Protection Canada allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense to the following categories: animal protection programs, fundraising development, and administration.

The basis is applied consistently each year as follows:

Payroll costs - on percentage of actual time spent on each category

Office expenses - on the basis of staff working on each category

Program office expenses - on percentage of costs incurred on each program

World Animal Protection Canada

Notes to Financial Statements

December 31, 2024

1. Nature of Operations and Significant Accounting Policies (continued)

Translation of Foreign Currencies

The monetary assets and liabilities of World Animal Protection Canada denominated in foreign currencies are translated at the rates of exchange at the statement of financial position date. Revenues and expenses are translated at the average exchange rate prevailing during the year.

Annuity

The annuity relates to World Animal Protection Canada's annuity donations, under which donors purchase a life annuity. The annuity is measured at fair market value as of December 31, 2024, which is the present value of the remaining guaranteed annual payments. Regular annuity payments are made, and a corresponding liability for all such future payments is recognized in the statement of financial position.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided annually on bases designed to amortize the assets over their estimated useful lives as follows:

Computer equipment	- 30% declining balance basis
Computer software	- 100% declining balance basis
Furniture and fixtures	- 25% declining balance basis
Leasehold improvements	- straight-line basis over term of the lease

Internally Restricted Fund

The Internally Restricted Fund was established for general operating contingencies and unforeseen future expenditures. The funds are not available for use without the prior approval of the Board of Directors.

Endowment Fund

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the Unrestricted Fund to be used for activities in Ontario. Investment income earned is reinvested.

World Animal Protection Canada

Notes to Financial Statements

December 31, 2024

2. Investments

- a) Investments consist of cash and equivalents in a brokerage account, fixed income pooled funds, fixed income, and equity securities that are managed by a third party. The investments are subject to an investment policy set by the Board of Directors which has as its main objective, the preservation of capital while earning a reasonable rate of return. The Endowment Fund is included in the investment portfolio. In the prior year, fixed income investments earned interest at rates ranging between 1.128% to 3.55% with maturity dates between March 2024 to March 2026; no fixed income investments were held at December 31, 2024.

	2024	2023
Cash and equivalents in brokerage account	\$ 134,806	\$ 90,900
Fixed income pooled funds	1,227,132	860,383
Fixed income	-	232,210
Canadian equities	1,137,075	1,125,883
Foreign equities	1,155,037	1,068,858
	<u>\$ 3,654,050</u>	<u>\$ 3,378,234</u>

Cash and foreign equity securities held in the foreign currency noted are as follows:

	2024	2023
US Dollars	356,917	375,242
Hong Kong Dollars	478,991	312,182
Euros	109,690	114,315
Singapore Dollars	98,805	72,805
Pound Sterling	68,966	37,133
Japanese Yen	10,932,375	13,212,154
Swedish Krone	457,983	410,613

- b) Investment income is as follows:

	2024	2023
Realized gain on investments	\$ 166,428	\$ 37,743
Unrealized gain on investments	176,839	196,916
Dividend income	109,862	99,351
Interest income	4,435	16,371
	<u>\$ 457,564</u>	<u>\$ 350,381</u>

World Animal Protection Canada

Notes to Financial Statements

December 31, 2024

3. Annuity

During the year, World Animal Protection Canada was gifted an annuity, which is to be received in equal instalments of \$34,187 over the next 10 years to 2033. A corresponding liability is recognized with respect to future contractual liability payments.

4. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 167,918	\$ 152,269	\$ 159,246	\$ 143,182
Computer software	7,775	7,775	7,775	7,775
Furniture and fixtures	130,051	126,151	130,051	124,986
Leasehold improvements	120,581	120,581	120,581	120,581
	\$ 426,325	\$ 406,776	\$ 417,653	\$ 396,524
Net book value		\$ 19,549		\$ 21,129

5. Deferred Contributions

	2024	2023
Balance, beginning of the year	\$ 7,381	\$ 22,635
Less: amounts recognized as revenue in the year	(7,381)	(15,254)
Balance, end of year	\$ -	\$ 7,381

6. Life Insurance Policies

World Animal Protection Canada has been given life insurance policies under which it is the owner and beneficiary. The total coverage provided under the three policies owned by World Animal Protection is \$200,000 (2023 - three policies, \$102,654).

World Animal Protection Canada

Notes to Financial Statements

December 31, 2024

7. Administration

	2024	2023
General administration	\$ 311,149	\$ 319,187
Professional fees	39,003	39,539
	\$ 350,152	\$ 358,726

8. Allocation of Expenses

Payroll costs of \$2,221,208 (2023 - \$2,216,185) have been allocated as follows:

	2024	2023
Animal protection programs	\$ 1,409,897	\$ 1,297,051
Fundraising development	607,086	722,664
Administration	204,225	196,470
	\$ 2,221,208	\$ 2,216,185

Office expenses of \$148,163 (2023 - \$196,833) have been allocated as follows:

	2024	2023
Animal protection programs	\$ 77,302	\$ 98,417
Fundraising development	51,535	73,812
Administration	19,326	24,604
	\$ 148,163	\$ 196,833

Animal protection programs office expenses of \$77,302 (2023 - \$98,417) have been allocated as follows:

	2024	2023
Education and awareness	\$ 37,381	\$ 46,171
Farm animals	12,233	14,841
Protection of wildlife	10,231	14,333
Wildlife and exotic pet trade	5,391	8,156
Companion animals	3,114	2,487
Policy	2,173	2,671
Science & research	2,169	2,671
Disaster management and response	1,891	2,472
Bears	1,469	2,001
Whales, dolphins and marine life	876	1,919
Welfare captive animals	374	695
	\$ 77,302	\$ 98,417

World Animal Protection Canada

Notes to Financial Statements

December 31, 2024

8. Allocation of Expenses (continued)

Amortization expense of \$10,252 (2023 - \$8,963) been allocated as follows:

	<u>2024</u>	<u>2023</u>
Animal protection programs	\$ 5,349	\$ 4,482
Fundraising development	3,566	3,361
Administration	<u>1,337</u>	<u>1,120</u>
	<u>\$ 10,252</u>	<u>\$ 8,963</u>

9. Financial Instrument Risks

Market Risk

Market value risk is the risk of potential loss caused by fluctuations in fair value or future cash flows of financial instruments by changes in their underlying market value. While World Animal Protection Canada is exposed to market risk through its investments, this risk is mitigated through purchasing low risk investments and on-going monitoring and reporting.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in market interest rates. While World Animal Protection Canada is exposed to interest rate risk, this risk is mitigated through purchasing low risk investments, controls whereby the Board of Directors approve all investment decisions, and on-going monitoring and reporting.

Foreign Currency Risk

World Animal Protection Canada is exposed to financial risks as a result of exchange rate fluctuations with respect to operations conducted in U.S Dollars. See Note 2 for the currency risk exposure relating to investments. World Animal Protection Canada has the following cash balance and accounts payable and accrued liabilities balance at year end in US dollars.

	<u>2024</u>	<u>2023</u>
Cash	\$ 23,684	\$ 8,652
Accounts payable and accrued liabilities	17,333	20,890

World Animal Protection Canada

Notes to Financial Statements

December 31, 2024

10. Commitments

World Animal Protection Canada is committed under operating leases for the use of their premises. The minimum annual lease base rent payments for the next two years are as follows:

2025	\$	29,397
2026		19,968
	\$	<u>49,365</u>

11. Related Party Balances and Transactions

- a) World Animal Protection Canada and World Animal Protection International entered into a collaboration agreement that commenced on September 13, 2024, which replaces any previous agreements in relation to collaboration in force between the parties. The agreement shall automatically renew every year unless written notice is received to not renew the agreement. The agreement will be reviewed from time to time in the event of a material change impacting the operation of the network or after four years from the commencement date of the agreement whichever is sooner. This agreement highlights the collaborative nature of the relationship between the two organizations to develop an efficient, effective and integrated global network to best deliver the strategic goals of the network and provides clarity about the obligations of each Party.

The agreement reflects on a unified approach through which all organizations that make up World Animal Protection network are united under one vision, mission, strategy and brand developed in consultation. The collaboration across the various organizations is accomplished in a number of ways:

- World Animal Protection's Global Strategy is developed with the input of World Animal Protection Boards of Directors, staff and stakeholders from across the organizations. The organizations work together to ensure that the strategy reflects the global nature of the work undertaken to protect animals.
- The entire International organization is involved in the implementation of the Global Strategy.
- The Board of World Animal Protection Canada approves the Global Strategy and the annual plan of the organization that aids in the implementation of the Global Strategy.

World Animal Protection Canada

Notes to Financial Statements

December 31, 2024

11. Related Party Balances and Transactions (continued)

- a) Included in the Animal Protection Programs are contributions made through a contract for service with World Animal Protection International to fund international programs undertaken globally in the amount of \$310,000 (2023 - \$220,401).

World Animal Protection Canada receives services from World Animal Protection International, the fair value of which has not been reflected in these financial statements.

- b) Due from related charity consists of the following:

	<u>2024</u>	<u>2023</u>
World Animal Protection USA	<u>\$ 2,976</u>	<u>\$ 16,204</u>

The amount due from related charity is unsecured and non-interest bearing with no set terms of repayment. World Animal Protection Canada has an economic interest in the above noted charity.

- c) Due to related charity consists of the following:

	<u>2024</u>	<u>2023</u>
World Animal Protection International	<u>\$ 171,294</u>	<u>\$ 195,250</u>

The amount due to related charity is unsecured and non-interest bearing with no set terms of repayment. World Animal Protection Canada has an economic interest in the above noted charity.

World Animal Protection Canada
Schedule of Animal Protection Programs

For the year ended December 31	2024	2023
Education and awareness	\$ 1,916,665	\$ 1,867,229
Farm animals	836,615	587,614
Protection of wildlife	521,513	713,242
Wildlife and exotic pet trade	203,444	266,020
Bears	157,092	158,896
Companion animals	146,794	95,045
Policy	103,059	102,089
Disaster management and response	88,957	94,480
Whales, dolphins and marine life	41,590	73,339
Welfare captive animals	18,273	26,567
	\$ 4,034,002	\$ 3,984,521
