

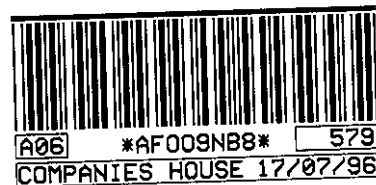
**Whale and Dolphin
Conservation Society**
(Limited by guarantee)

**Directors' report and consolidated
financial statements**

Year ended 31 March 1996

Registered number 2737421

Registered charity number 1014705



Whale and Dolphin Conservation Society

(Limited by Guarantee)

Directors' report and financial statements

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Whale and Dolphin Conservation Society (Limited by Guarantee)

Independent advisers at 31 March 1996

Auditors

KPMG
Richmond Park House
15 Pembroke Road
Bristol
BS8 3BG

Bankers

Midland Bank plc
45 Milsom Street
Bath
BA1 1DU

Solicitors

Stone King & Wardle
13 Queen Square
Bath
BA1 2HJ

Whale and Dolphin Conservation Society

(Limited by Guarantee)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1996.

Principal activity

The principal activity of the Society is to help conserve and protect whales and dolphins. This is largely achieved through conservation research, public awareness and educational campaigns.

Business review

The directors are satisfied with the results of the year shown in the statement of financial activities on page 6.

The Society has undergone a year of consolidation with respect to income generation. During the year, we have sought to recruit new supporters as well as maximising income from our existing database. The Society has also increased its activity in non direct marketing initiatives, such as legacy and corporate fundraising. These new areas will be further expanded in the coming year.

By concentrating on building a firm financial foundation, WDSC has been able to increase total income and substantially increase the amount spent on the direct charitable aims of the Society.

Policy development staff have been taken on within the campaigns and conservation departments to work on specific aspects of United Kingdom and European conservation work, as well as being able to recruit support staff to allow the campaigns and conservation team to concentrate on their respective duties. Consultants have been actively recruited, on short term contracts, to expand and specialise in areas pertinent to the charitable aims of the Society. This has enabled WDSC to come to the forefront of cetacean conservation and protection in the UK and on the global stage.

The society continues to support over 400 conservation field projects. Many of these are focused on endangered species such as the blue whale, northern right whale, river dolphins and Hector's dolphin.

A number of successful campaigns have been developed during the year, not all of which we can hope to detail here. WDSC has concentrated considerable efforts on building up its campaigning work in the UK and we have begun to address pressing UK related conservation efforts. We have been instrumental in tackling the problem of illegal driftnetting in the Mediterranean as well as addressing the problems of cetacean bycatch, and other threats in the UK and European waters.

The Society has acted to facilitate and co-ordinate the activities of non-governmental organisations in a number of countries with respect to IWC policy, including investigative research on illegal whaling, DNA testing of whale products and seeking benign alternatives to lethal exploitation of cetaceans.

Whale and Dolphin Conservation Society

(Limited by Guarantee)

Directors' report

Business Review (continued)

WDCS again acted as advisors to the UK Government at the International Whaling Commission (IWC) meeting. Now a leading organisation in the UK Wildlife and Countryside Link Cetacean Group, the Society is directly creating and influencing Link policy on a range of issues.

The Society has continued during the year to build its international reputation as one of the foremost independent cetacean organisations in the world. We now have a strong team which places us in an excellent position to expand our activities to influence policy in the UK and abroad. We shall be seeking to increase our income during the next year and so increase our expenditure on conservation and campaign areas.

Charitable status

The company is a registered charity number 1014705.

Directors and directors' interests

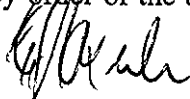
The directors who held office during the year were as follows:

T Dickinson (chairman)
I Buxton (resigned 15 January 1996)
A Chivers
M Stobie (appointed 14 November 1995)
John Gerard-Leigh (appointed 14 November 1995)

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



T Dickinson
Director

Alexander House
James Street West
Bath
Avon

3 July 1996

Whale and Dolphin Conservation Society

(Limited by Guarantee)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the statement of financial activities for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Richmond Park House
15 Pembroke Road
Clifton
Bristol BS8 3BG

Report of the auditors to the members of Whale and Dolphin Conservation Society (Limited by Guarantee)

We have audited the financial statements on pages 6 to 17.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. This charity, in common with others of a similar size and organisation, derives a proportion of its income from voluntary donations which, as they are collected on behalf of the charity and remitted to it by third parties, cannot be fully controlled until they are entered in the accounting records. The evidence available to us was limited because £61,984 of the charity's recorded income comprises such voluntary donations over which there can be no system of control until they are entered in the accounting records. There were no audit processes that we could adopt to confirm satisfactorily that such voluntary donations were complete.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning voluntary donations, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 1996 and of the excess of expenditure over income of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

3 July 1996



Whale and Dolphin Conservation Society

(Limited by Guarantee)

Consolidated statement of financial activities (incorporating the income and expenditure account)
for the year ended 31 March 1996

	Note	Unrestricted funds £	Restricted funds £	Total funds 31.3.96 £	Total funds 31.3.95 £
Incoming resources					
Subscriptions and donations	7	734,088	67,005	801,093	810,485
Adopt a whale		241,793	-	241,793	280,527
Adopt a dolphin		342,958	-	342,958	289,255
Interest receivable	8	35,907	-	35,907	32,023
Net income of trading subsidiary	3	116,496	-	116,496	110,791
Keiko Adoptions		-	2,266	2,266	-
Other income		26,150	-	26,150	-
Total incoming resources		1,497,392	69,271	1,566,663	1,523,081
Resources used					
Direct charitable expenditure					
Conservation and education project expenditure		612,659	43,658	656,317	576,432
		612,659	43,658	656,317	576,432
Other expenditure					
General membership		137,788	-	137,788	186,409
Adopt a whale		158,446	-	158,446	162,197
Adopt a dolphin		252,731	-	252,731	224,909
Fundraising		163,548	-	163,548	146,289
Administration		198,795	-	198,795	141,497
Keiko		-	7,812	7,812	-
		911,308	7,812	919,120	861,301
Total resources used		1,523,967	51,470	1,575,437	1,437,733
Net movement in funds and excess of expenditure over income					
	4-6	(26,575)	17,801	(8,774)	85,348
Transfers		(7,195)	7,195	-	-
Balances brought forward		248,076	165,025	413,101	327,753
Balances carried forward		214,306	190,021	404,327	413,101

Whale and Dolphin Conservation Society

(Limited by Guarantee)

Consolidated balance sheet at 31 March 1996

	<i>Note</i>	1996 £	£	1995 £	£
Fixed assets					
Tangible assets	10	85,572		73,115	
Current assets					
Stock	12	19,482		11,825	
Debtors	13	178,043		81,249	
Cash at bank and in hand		659,034		752,542	
		<u>856,559</u>		<u>845,616</u>	
Creditors: amounts falling due within one year	14	<u>(537,804)</u>		<u>(505,630)</u>	
Net current assets		<u>318,755</u>		<u>339,986</u>	
Net assets		<u>404,327</u>		<u>413,101</u>	
Funds					
Unrestricted (page 6)		214,306		248,076	
Restricted	15	190,021		165,025	
	16	<u>404,327</u>		<u>413,101</u>	

Whale and Dolphin Conservation Society

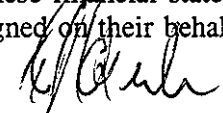
(Limited by Guarantee)

Balance sheet

at 31 March 1996

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	10		84,728		71,658
Investment	11		2		2
			<u>84,730</u>		<u>71,660</u>
Current assets					
Debtors	13	149,339		62,488	
Cash at bank and in hand		618,164		704,228	
		<u>767,503</u>		<u>766,716</u>	
Creditors: amounts falling due within one year					
	14	(503,130)		(480,003)	
Net current assets					
Due within one year			264,373		286,713
Debtors due after one year	13		50,000		50,000
			<u>314,373</u>		<u>336,713</u>
Total net current assets					
			<u>399,103</u>		<u>408,373</u>
Net assets					
			<u>399,103</u>		<u>408,373</u>
Funds					
Unrestricted			209,082		243,348
Restricted	15		190,021		165,025
			<u>399,103</u>		<u>408,373</u>
	16				

These financial statements were approved by the board of directors on 3 July 1996 and were signed on their behalf by:


T Dickinson
Director

Whale and Dolphin Conservation Society (Limited by Guarantee)

Notes

(forming part of the financial statements)

1 Company status

The Whale and Dolphin Conservation Society is a company limited by guarantee, not having a share capital. The liability of the members in the event of winding up is limited to an amount not exceeding £1 per member. At 31 March 1996 there were four members.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention rules and in compliance with Statement of Recommended Practice No 2 - Accounting by Charities.

The directors consider that the consolidated statement of financial activities presented contains all the information of income and expenditure requested by the Companies Act and is more appropriate to the activities of the company than the formats for profit and loss as laid down in the Companies Act 1985.

Basis of consolidation

The group accounts consolidate the accounts of the Whale and Dolphin Conservation Society (Limited by Guarantee) and its subsidiary undertaking. The accounts are made up to 31 March 1996. There are no associated undertakings.

In accordance with Section 230(4) of the Companies Act 1985 the Whale and Dolphin Conservation Society (Limited by Guarantee) is exempt from the requirement to present its own profit and loss account.

The amount of the loss for the financial year dealt with in the financial statements of the Whale and Dolphin Conservation Society (Limited by Guarantee) is disclosed in note 16 to these accounts.

Fixed assets and depreciation

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Fixtures, fittings, and equipment	-	20% straight line per annum
Motor vehicles	-	25% straight line per annum
Computer equipment	-	25% straight line per annum
Boat	-	33% straight line per annum

Cashflow

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cashflow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Whale and Dolphin Conservation Society (Limited by Guarantee)

Notes (continued)

2 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the taxable result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is only made for deferred tax to the extent that it is probable an actual liability will crystallise.

Income

Subscription and appeal income is allocated to the accounting period to which it relates. Other income is included in the financial statements according to its date of receipt.

Leases

All leases entered into are operating leases. The rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pensions

The group contributes to individual personal pension schemes. The assets of such schemes are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Administration and fundraising costs

General administrative and fundraising expenses are charged on an accruals basis to their respective headings. These costs are incurred solely for the purpose of running the charity and raising funds.

3 Net income from trading activities of subsidiaries

The Whale and Dolphin Conservation Society (Limited by Guarantee) has one wholly owned trading subsidiary which is incorporated in England and Wales. The subsidiary's turnover represents amounts (excluding value added tax) derived from the provision of goods and services to customers, together with income received from raffles. It also receives advertising and corporate sponsorship revenues and royalties. The company covenants its taxable profits to the Whale and Dolphin Conservation Society (Limited by Guarantee) and also pays interest on loans from the same. A summary of its trading result is shown below. Audited accounts have been filed with the Registrar of Companies.

Whale and Dolphin Conservation Society (Limited by Guarantee)

Notes (continued)

3 Net income from trading activities of subsidiaries (continued)

Profit and loss account

	1996 £	1995 £
Turnover	347,198	255,205
Cost of sales	(169,678)	(101,212)
Gross profit	177,520	153,993
Administrative expenses	(106,547)	(67,778)
Other operating income	45,931	26,010
Operating profit	116,904	112,225
Interest receivable	4,581	2,632
Interest payable	(4,303)	(3,971)
Net profit	117,182	110,886
Covenant	(116,000)	(110,000)
Profit before taxation	1,182	886
Taxation	(686)	(95)
Profit retained in subsidiary	496	791

4 Net movement in funds for the financial year

	1996 £	1995 £
<i>The net movement in funds is stated after charging:</i>		
Auditors' remuneration		
Audit	5,250	5,000
Other services	1,454	3,600
Depreciation	38,782	32,280
Rent payable under operating lease	21,500	19,231
Hire of plant and machinery - rentals payable under operating leases	4,186	2,388

Whale and Dolphin Conservation Society (Limited by Guarantee)

Notes (continued)

5 Remuneration of directors

The directors received no remuneration.

6 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year was 21 (1995: 18).

The aggregate payroll costs of these persons were as follows:

	1996 £	1995 £
Wages and salaries	293,204	242,872
Social security costs	29,813	23,518
Pension costs (note 18)	9,364	11,147
	<u>332,381</u>	<u>277,537</u>

7 Subscriptions and donations

	1996 £	1995 £
General subscriptions	265,478	274,970
Unrestricted donations	468,610	403,643
Restricted donations	67,005	131,872
	<u>801,093</u>	<u>810,485</u>

8 Interest receivable

	1996 £	1995 £
Bank interest	31,604	28,052
Interest on loan to WDCS Trading Limited	4,303	3,971
	<u>35,907</u>	<u>32,023</u>

Whale and Dolphin Conservation Society (Limited by Guarantee)

Notes (continued)

9 Taxation

The Whale and Dolphin Conservation Society (Limited by Guarantee) has the benefit of charitable status and is registered with the Charity Commissioners. As such it is entitled to the exemptions from tax offered in section 505 ICTA 1988 in so far as it applies its income and capital gains for charitable purposes only. Consequently the charge to taxation for the year results solely from the activities of the subsidiary.

	1996 £	1995 £
UK corporation tax at 25% on the profit for the year on ordinary activities	165	180
Adjustment relating to an earlier year	521	(85)
	<u>686</u>	<u>95</u>

10 Tangible fixed assets

Group	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Boat £	Total £
Cost					
At beginning of year	43,246	10,464	84,407	9,500	147,617
Additions	27,400	8,100	20,057	-	55,557
Disposals	(190)	(10,464)	-	-	(10,654)
At end of year	<u>70,456</u>	<u>8,100</u>	<u>104,464</u>	<u>9,500</u>	<u>192,520</u>
Depreciation					
At beginning of year	19,863	4,490	44,402	5,748	74,503
Charge for year	10,839	3,697	21,080	3,166	38,782
Disposals	(6)	(6,331)	-	-	(6,337)
At end of year	<u>30,696</u>	<u>1,856</u>	<u>65,482</u>	<u>8,914</u>	<u>106,948</u>
Net book value					
At 31 March 1996	<u>39,760</u>	<u>6,244</u>	<u>38,982</u>	<u>586</u>	<u>85,572</u>
At 31 March 1995	<u>23,384</u>	<u>5,974</u>	<u>40,005</u>	<u>3,752</u>	<u>73,115</u>

Whale and Dolphin Conservation Society

(Limited by Guarantee)

Notes (continued)

10 Tangible fixed assets

Company	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Boat £	Total £
Cost					
At beginning of year	42,650	10,464	82,317	9,500	144,931
Additions	27,400	8,100	20,057	-	55,557
Disposals	(190)	(10,464)	-	-	(10,654)
At end of year	69,860	8,100	102,374	9,500	189,834
Depreciation					
At beginning of year	19,549	4,490	43,486	5,748	73,273
Charge for year	10,750	3,697	20,557	3,166	38,170
Disposals	(6)	(6,331)	-	-	(6,337)
At end of year	30,293	1,856	64,043	8,914	105,106
Net book value					
At 31 March 1996	39,567	6,244	38,331	586	84,728
At 31 March 1995	23,101	5,974	38,831	3,752	71,658

11 Fixed asset investment

Company	Shares in subsidiary £
Cost	
At beginning and end of year	2

The company owns the entire issued ordinary share capital of WDCS Trading Limited, a company incorporated in Great Britain and registered in England and Wales.

The principal activity of WDCS Trading Limited, is to raise income for the company through merchandising, corporate sponsorship and the running of competitions.

Whale and Dolphin Conservation Society (Limited by Guarantee)

Notes (continued)

11 Fixed asset investment (continued)

The capital and reserves of WDCS Trading Limited at 31 March 1996 and its profit after tax for the year ended on that date are as follows:

	1996 £	1995 £
Called up share capital	2	2
Profit and loss account	5,224	4,728
Net assets	5,226	4,730
Profit before taxation	1,182	886
Profit after taxation	496	791
Profit for year attributable to the group	496	791

12 Stock

	Group		Company	
	1996 £	1995 £	1996 £	1995 £
Goods for resale	19,482	11,825	-	-

13 Debtors

	Group		Company	
	1996 £	1995 £	1996 £	1995 £
Amounts falling due within one year				
Trade debtors	553	58	-	-
Other debtors	1,411	1,778	-	-
Amount owed by subsidiary undertaking	-	-	1,525	292
Income tax recoverable	30,722	27,500	30,722	27,500
VAT	20,550	11,863	20,550	11,863
Prepayments and sundry debtors	124,807	40,050	96,542	22,833
	178,043	81,249	149,339	62,488
Amounts falling due after more than one year				
Loan to subsidiary	-	-	50,000	50,000

Whale and Dolphin Conservation Society

(Limited by Guarantee)

Notes (continued)

14 Creditors: amounts falling due within one year

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Trade creditors	96,923	60,408	66,579	37,563
Social security	8,322	6,049	8,322	6,049
Corporation tax	165	180	-	-
Accruals	19,510	37,164	15,345	36,562
Subscriptions received in advance	412,884	399,829	412,884	399,829
	<u>537,804</u>	<u>505,630</u>	<u>503,130</u>	<u>480,003</u>

15 Restricted funds

Restricted funds comprise the following unexpended balances of donations and other income received to be applied for specific purposes:

	Balance at 31 March 1995	Income	Expenditure	Balance at 31 March 1996
	£	£	£	£
Faroes campaign	137,957	49,767	27,517	160,207
Harbour porpoise appeal	18,571	13,531	10,057	22,045
Norway appeal	4,497	-	728	3,769
Right whale appeal	4,000	-	-	4,000
Keiko	-	13,168	13,168	-
	<u>165,025</u>	<u>76,466</u>	<u>51,470</u>	<u>190,021</u>

The above funds are to be applied for the specific purposes for which the various appeals were run.

Whale and Dolphin Conservation Society

(Limited by Guarantee)

Notes (continued)

16 Reserves

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Balance at the beginning of the year	413,101	327,753	408,373	323,816
(Deficit)/surplus for the year	(8,774)	85,348	(9,270)	84,557
Balance at end of year	404,327	413,101	399,103	408,373

The company's loss for the financial year was £9,270 (1995: profit of £84,557).

17 Commitments

- i) The directors are of the opinion that at the year end the company was morally obliged to provide further funds totalling approximately £58,085 in respect of conservation projects. The provision of this funding is dependent upon suitable progress reports being received from the various projects by the Charity demonstrating the effective use of funds.
- ii) Annual commitments under non-cancellable operating leases are as follows:

	1996		1995	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	21,500	1,534	-	1,118
In the second to fifth years inclusive	-	-	21,500	3,068
	21,500	1,534	21,500	4,186

18 Pension scheme

The group contributes to individual personal pension schemes. The charge for the year represents contributions payable by the group to such schemes and amounted to £9,364 (1995: £11,147). There were no outstanding or prepaid contributions at either the beginning or end of either financial year.