

Registered number 2737421
Registered charity number 1014705

Chantrey Vellacott DFK LLP



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

Report and financial statements

30 September 2006

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

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

Legal and administrative information

Trustees

The trustees who held office during the year, unless otherwise stated, were as follows

John Gerard-Leigh (Chairman)
Claire Lyell
Johnny Reed
Percy Kelland
Countess of Antrim
Sandra Pope

Chief Executive

Chris Butler-Stroud

Registered office and principal office

Brookfield House
38 St Paul Street
Chippenham
Wiltshire
SN15 1LJ

Auditors

Chantrey Vellacott DFK LLP
Prospect House
58 Queens Road
Reading
Berkshire
RG1 4RP

Investment Managers

Gerrard Limited
40-42 Queen Square
Bristol
BS1 4QP

Bankers

Barclays Bank plc
99 Hatton Garden
London
EC1N 8DN

Solicitors

Withy King
5-6 Northumberland Buildings
Queen Square
Bath
BA1 2JE

Chantrey Vellacott DFK LLP

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of Whale and Dolphin Conservation Society (WDCS) and its subsidiaries for the year ended 30 September 2006

Structure, governance and management

Governing document

The charity is an incorporated legal entity limited by guarantee, the business of which is governed by its Memorandum and Articles of Association dated 7 July 1992. It is registered as a charity with the Charity Commission. There are currently six trustees on the board.

Appointment of trustees

Trustees are appointed by the board of trustees by a majority vote. Trustees serve for a three year period and may then be re-elected.

Trustee induction

New trustees receive information on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the strategic plan and recent performance of WDCS. They meet key employees and other trustees.

Organisation

The trustees meet four times a year to review the strategy and performance of WDCS and to approve operating plans and budgets. Sub committees meet more frequently with senior management and report back to the full board. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and policy activities.

Related parties

The charity has three subsidiaries. The trading subsidiary, WDCS (Trading) Ltd., raises income through merchandise, licensing and lotteries. It gifts all its taxable profits to the charity. WDCS Germany GmbH, a charitable company under German regulations, was founded to expand awareness of WDCS' work within Germany and German speaking EU countries. WDCS (North America) Inc, a charitable company under United States regulations, was incorporated September 2005 and is an organisation with similar aims and objectives as WDCS. The organisation raises funds, mainly via a whale adoption programme formally run by the International Wildlife Coalition. WDCS (North America) Inc has developed a programme of policy work to enhance international and national efforts.

The charity also financially supports the connected charity WDCS Australasia, which was established in October 2003. As well as funding the set up period of this related party, it has similar aims and objectives to the UK based charity, which also provides management advice as and when required by WDCS Australasia. WDCS Australasia continues to assist in the delivery of WDCS policy work, both within Australia and New Zealand and internationally.

Risk management

The trustees have overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The charity is operating efficiently and effectively,
 - Its assets are safeguarded against unauthorised use or disposition,
 - Proper records are maintained and financial information used within the charity or for publication is reliable,
 - The charity complies with relevant laws and regulations
-

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (continued)

Structure, Governance and Management (continued)

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the trustees,
- Regular consideration by the trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews,
- Delegation of authority and segregation of duties,
- Identification and management of risks

The trustees have introduced a formal risk management process. This review is linked to the strategic plan. Systems have been developed to monitor and control these risks:

- Identifying the types of risk WDCS faces,
- Prioritising them in terms of potential impact and likelihood,
- Identifying means of mitigating the risks

These risks and controls are reviewed by the trustees on a regular basis.

Objectives and activities

The objectives of WDCS are:

- to reduce and ultimately eliminate the continuing threat to cetaceans (whales, dolphins and porpoises) and their habitats,
-
- to raise awareness of these wonderful animals and the need to protect them in their natural environment

WDCS achieves its objectives through a mix of campaigning, conservation, research, education and awareness raising, and representing the interests of whales and dolphins at appropriate national and international fora. WDCS is unique in combining concern for the welfare of the animals with efforts to ensure the protection of the whole species, unique populations and their habitats.

Achievements and performance

WDCS – Practical protection

WDCS continues to fund a diverse range of projects around the world focusing on either species and/or populations that are facing the most immediate of threats. Whilst we have made further inroads to helping these creatures we need additional resources if we are to be able to make a sustained impact in protecting these creatures. Here are a few examples of WDCS' work to protect the world's often forgotten river dolphins.

River dolphins are amongst the most threatened and WDCS projects this year included one focusing on the boto (Amazon River dolphin) where researchers are conducting systematic surveys not only in Colombia and Venezuela, but also along the Amazon River and its tributaries in Bolivia, Peru and Ecuador. Recognised as a priority at the IWC (International Whaling Commission), these surveys will help establish protocols and techniques to evaluate river dolphin abundance, and to train local scientists in conservation techniques. WDCS is confident that the impact of this project will be very positive with regard to the increase in scientific capacities in all these countries and also in the production of the first abundance estimate of river dolphin in different river basins of South America.

Another of our flagship projects, the "Vikramshila Gangetic Dolphin Sanctuary" (the only sanctuary in the world dedicated to Gangetic dolphins) is currently focusing on and encouraging, local government and community participation with conservation and protection initiatives.

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (*continued*)

Achievements and performance (*continued*)

WDCS recognises that year by year funding will not secure the future for these vulnerable animals and so we are enhancing a 3 to 5 year work-plan that will set out what we believe is required of NGOs, Governments and the public in order to protect these dolphins. As part of these proposals for investing for the future, we are investigating the possibility of conducting a regional river dolphin workshop, inviting all researchers currently studying Asian river dolphins to present their work and collaborate to devise a conservation and management Action Plan.

In our drive to understand what threats these animals face WDCS also co-funded during the year a comprehensive survey of one of the world's most endangered dolphins, Pakistan's Indus River dolphin. The survey was completed earlier in 2006 with approximately 1,200 dolphins, (including nearly 150 calves), being recorded. This is a substantial increase from the estimate of 725 dolphins reported in this area by the same survey team in 2001. The Indus dolphin population however is by no means safe as it occurs in a very small area and the population is severely fragmented. Incidental entanglement remains a serious threat and WDCS is committed to helping to mitigate this threat.

We have also had reports of great success through our funding of two projects focusing on two separate populations of the endangered freshwater Irrawaddy dolphin. Both the Myanmar and Indonesian Governments have agreed to declare critical dolphin habitat in the Ayeyarwady and Mahakam Rivers respectively, as protected areas. This work was the result of a workshop co-funded by WDCS on the "Conservation priorities for populations of the freshwater Irrawaddy dolphin".

Setting the standards

WDCS is pleased to report that on 19 November, Robert Hepworth, Executive Secretary of the Convention on Migratory Species (CMS), and Chris Butler-Stroud, WDCS' Chief Executive signed an important partnership agreement to formalize a new working relationship between the two organisations. This partnership sets out to develop a joint work programme to increase conservation measures for whales, dolphins and porpoises worldwide, addressing multiple impacts on cetaceans, protecting critical habitat, such as feeding and breeding grounds, and coordinating regional and international efforts to achieve these goals.

WDCS are incredibly proud of this recognition by one of the most important global United Nations Conservation Conventions that is a fundamental part of the initiative by the UN Environmental Programme. At the same time it is a huge challenge, but also an opportunity for us to partner with CMS to develop important conservation initiatives that are urgently needed to protect whales and dolphins.

During 2006 we retained our strong and ongoing commitment to the two existing regional Agreements – the Agreement on the Conservation of Small Cetaceans of the Baltic and North Seas (ASCOBANS) and the Agreement on the Conservation of Cetaceans of the Black Sea, Mediterranean Sea and Contiguous Atlantic Area (ACCOBAMS). In Europe WDCS was part of the launch of the 2007 Year of Dolphin whilst also celebrating the 10th Anniversary of ACCOBAMS.

However we are especially proud to report that in September 2006 Samoa, Cook Islands, Federated States of Micronesia, Fiji, Niue, Vanuatu, New Zealand, Australia and France, on behalf of their Pacific Territories French Polynesia, New Caledonia and Wallis and Futuna, signed an important agreement to protect and conserve whales and dolphins in the Pacific Islands Region. The agreement, negotiated under the Convention on Migratory Species of Wild Animals (CMS), covers a vast region spanning between the Tropic of Cancer and 60 degrees south latitude and between 130 degrees east longitude and 120 degrees west longitude, covers all whales and dolphins in the region and addresses all threats that they face. This makes it the largest (by area) comprehensive whale and dolphin protection agreement in the world.

To give some way of connecting with this large area, it is bigger than the land mass areas of Australia, Canada, China and the USA combined.

The signing of the agreement marks the beginning of a process that will lead to real on-ground tangible results for the region and the whales and dolphins that call this region home.

In recognition of our core technical role through negotiations, WDCS had the honour of signing this agreement alongside these Countries as an official 'Collaborating Organisation'. WDCS believes this will make a difference to literally thousands of animals in the Pacific Islands Region.

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (*continued*)

Achievements and performance (*continued*)

WDCS – Campaigning for whales and dolphins

Whilst WDCS strategic conservation work has continued through our work in major conventions and Agreements that affect whales and dolphins, we have also continued in our campaigns for responsible whale watching, in opposition to the capture of whales and dolphins for captive shows and have been steadfast in our opposition to whaling. We do not have the space here to discuss all we have achieved in 2006, but we thought we would highlight some of our campaign work.

In our anti-captivity work we have continued our worldwide campaign to end captures of dolphins from the wild and the continued expansion of the dolphinarium industry through our correspondence with governments on the threats posed by live captures and confinement in captivity to these animals, contributing to national, regional and international legislation to protect them from these threats and raising public awareness of the problems associated with keeping these animals in captivity.

We have continued to publish and distribute the results of our investigative work with a multi-stakeholder report detailing the involvement of the aquarium industry in Japan's dolphin drive hunts, and we have contributed to a paper on the live capture of dolphins in Cuba for presentation at the International Whaling Commission meeting. We have also produced a review of captive marine mammal legislation for the United Nations Environment Programme's (UNEP) Specially Protected Areas and Wildlife Protocol in the Caribbean.

- As a result of our information and encouragement, the World Association of Zoos and Aquariums condemned Japan's dolphin drive hunts, declaring that it is against their professional code of ethics and standards for member institutions to remove dolphins from the wild through inhumane or cruel methods, and citing drive hunts as an unacceptable way of capturing dolphins.
- Mexico has one of the world's fastest growing dolphin captivity industries, fuelled by 'swim with dolphins' tourist trips. With encouragement from WDCS and other groups in Mexico, the Mexican government has now outlawed trade in marine mammals.
- Following a long running campaign involving WDCS in the Dominican Republic, whose Manatí Park is described as one of the world's worst captive dolphin facilities, we celebrated the news this year that the government of Dominican Republic has banned dolphin imports. The Dominican Republic has imported at least 10 dolphins from Cuba in the last 10 years, where captures of bottlenose dolphins continued with an unknown impact on the populations targeted.
- Following a long running campaign involving WDCS, St Maarten in the Netherlands Antilles decided not to allow the construction of a captive dolphin facility there.
- Recent news reports suggest that some Russian companies are being prevented from exporting belugas. The international trade in wild-caught belugas is something WDCS has been campaigning against for years. We will continue to push for a ban on the live capture and export of belugas from Russia.

We cannot talk about WDCS campaigning without mentioning the whaling debate. During the year WDCS has fought the whaling nations at every level – in meetings (two IWC and two Convention on the International Trade in Endangered Species (CITES) meetings), in the press, through public protests, by encouraging governments to take stronger actions against whaling nations (WDCS was the core of a formal petition to US to embargo Iceland).

The whaling interests have really continued to apply pressure this year to force through a resumption of commercial whaling, and whilst this has been a David and Goliath task to try and stop this runaway train, WDCS has achieved some significant things within the campaign.

In response to years of pressure from WDCS, Greenland reduced its narwhal hunting quotas and imposed a ban on the export of narwhal ivory. If WDCS had not been applying pressure, nothing would have changed.

WDCS revealed just how low the demand for whale meat is in the three whaling nations, the huge stockpiles of meat and blubber, and the efforts made by the governments to promote the meat and stimulate the market, through the sale of whale meat in pet food, the promotion of whale burgers and whale ice cream, the creation of travelling cookery demonstrations, and the inclusion of whale meat in school lunch programmes.

WDCS supporters also helped persuade the EU not to impose a tariff on imports of jojoba esters which would have increased demand for whale spermaceti in cosmetics instead.

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (*continued*)

Achievements and performance (*continued*)

Whilst the Policy challenges have been larger than ever, WDCS has continued to organise itself to be able to respond to the growing needs for whale and dolphin protection. In the UK WDCS has been implementing a new database with a partner organisation. This large and complex project will, when implemented in coming years, mean that WDCS shall be able to communicate with supporters and the public with a much higher level of precision. The integration of all WDCS' databases shall mean that potential wastage of time can be reduced and supporters can be assured that WDCS is applying the most cost effective solution we can have to manage this valuable knowledge.

During the year we have been managing a complete review of all our websites and we are planning on launching these new sites across all the regions WDCS operates in. The new websites have been designed, partly by volunteers, and partly by staff, to allow for the public and whale and dolphin advocates to be able to engage in more immediate campaigning and be a closer part of the overall WDCS campaigning team. This is a further step in recognising the truth that WDCS cannot solve all the issues facing whales and dolphins on our own, but that it is going to be a cumulative effort between ourselves, other NGOs, our supporters, the public, governments and like-minded individuals being empowered with the right knowledge and the motivation to take action.

Volunteers are contributing their time, expertise and enthusiasm throughout the work of WDCS, benefiting our work whilst also developing their own skills and experiences. This year, we benefited from 9,200 volunteered hours (2005 8,600). That time has been spent on a wide variety of tasks – from distributing information, helping on survey field trips, serving in the shop, holding education events, to completing major projects. It is fair to say that we would not be able to achieve what we do without our volunteers across the UK and internationally. Information for potential volunteers (including role and task descriptions) is available on our website or via our Supporter Services team.

That brings us full circle in some ways. The plight of the river dolphins is now known, but we need to engage the public and decision makers to take action. WDCS is grateful for your continued support, as without it, we could achieve none of these things. I truly believe that we can secure a positive future for the world's whales and dolphins if we can work together, bring the necessary resources to bear and focus the passion these remarkable creatures elicit in everyone of us, to see the real protection that they need.

Thank you again for all your support. WDCS pledges to ensure that it means real protection and conservation for whales and dolphins for now and the future.

Financial review

During 2005-06, to deliver charitable objectives of campaigning, conservation and education, WDCS has increased charitable expenditure to £3.52 million, this represents 76% of the Charity's total income for the year of £4.61 million.

Through the period WDCS and its supporters have worked to increase funds through various means including legacies, trust and grants and high value donors. Once again, we saw a growth in income from these areas, which we hope will continue to develop in coming years. The increased diversity in income streams will ensure fundraising success, and we will continue to review all methods of raising funds to ensure effectiveness.

Reserves policy

At the end of the period the group had reserves of £177,164 of which £37,084 represents restricted funds. We have a policy of continually reviewing the reserves position, to ensure that it holds sufficient financial reserves to fund current and future trading. Our objective is to maintain the level of reserves appropriate to keep pace with the development of WDCS. Reserves are held to cover cash flow fluctuations, provide emergency cover and to provide for unforeseen opportunities.

Plans for future periods

It is planned that in the next period boto surveys will continue until the entire Amazon River basin has been covered. Data analysis will follow and WDCS shall be working with local scientists to judge what further practical conservation measures can be undertaken with this knowledge.

With the Yangtze River dolphin (or baiji) rapidly on the road to extinction, we must continue to work closely with researchers and government representatives in China to ensure the same fate doesn't lie in store for the Indo-Pacific humpback dolphin (otherwise known as the Chinese white dolphin). WDCS took part in a follow-up trip to China in December 2006 to discuss the implementation of the first-ever comprehensive, and collaborative, survey of Indo-Pacific humpback dolphins in Chinese waters.

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (*continued*)

Plans for future periods (*continued*)

WDCS shall be seeking to secure the resources to carry out a significant cooperative effort with Chinese officials and conservationists to carry out the survey and implement protective measures. We are planning on continuing to monitor the implementation of the Protected Areas in both Myanmar and Indonesia.

In the coming years CMS and WDCS will be able to exchange experience and information. WDCS will have the opportunity to develop and support CMS core programmes and promote projects of mutual interest. This work will all contribute to CMS and WDCS being able to progress new Regional Agreements for cetacean protection.

We wish to build on our campaigning successes by

- Building on the momentum of change against the drive hunts, particularly by the international aquarium industry
- While countries such as Mexico, Chile and the Dominican Republic are implementing legislation to prevent further captures and trade in live dolphins, there appears to be a movement towards the development of existing dolphinaria in Europe to build swimming with dolphins facilities and new dolphinaria are currently proposed in France and Germany. We need the public's support to stop the expansion of an industry in a region which seemed to be turning away from the exploitation of these animals through circus-style shows
- Continuing our opposition to the capture of dolphins in Cuban waters, and seek to block the opening up of new sources of live dolphins and continued capture of belugas in Russia

Within the whaling campaign, the coming years promise to be tougher altogether. Iceland has threatened to continue to press for commercial whaling and have indicated that they are planning to export whale meat and products at the earliest opportunity. With continued support WDCS shall be working to prevent the whaling nations from keeping their majority at the IWC meeting which they will use to make a request to CITES (both IWC and CITES met back to back in 2007) to resume trade in whale meat. We shall be also fighting proposals at CITES to resume trade in whale meat. We shall be seeking to turn Denmark from its current pro-whaling position, as well as continuing to highlight and educate the abuses of whaling around the world.

Trustees' responsibility in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make sound judgements and estimates that are reasonable and prudent, and
- Prepare financial statements on the going concern basis unless it is appropriate to presume that the charity will not continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as company directors, we certify that

- so far we are aware, there is no relevant audit information of which the company's auditor is unaware, and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

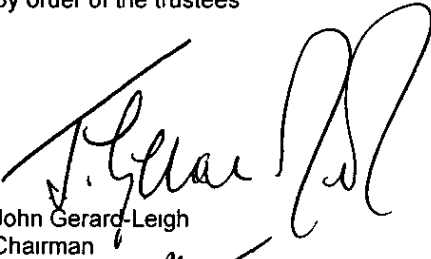
**Whale and Dolphin Conservation Society
(Limited by guarantee)**

Report of the Trustees (*continued*)

Auditor

A resolution for the reappointment of Chantrey Vellacott DFK LLP as auditor of the charity is to be proposed at the forthcoming Annual General Meeting

By order of the trustees



John Gerard-Leigh
Chairman

Date

15th January 2006

Chantrey Vellacott DFK LLP

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

**Independent auditor's report to the members of
Whale and Dolphin Conservation Society**

We have audited the charitable company and group financial statements (the "financial statements") of the Whale and Dolphin Conservation Society for the year ended 30 September 2006 which comprise the consolidated statement of financial activities, consolidated and company balance sheets, consolidated cash flow statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of the directors and auditor

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. 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 group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Whale and Dolphin Conservation Society
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**Independent auditor's report to the members of
Whale and Dolphin Conservation Society (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's and the group's affairs as at 30 September 2006 and of the group's incoming resources and application of resources, including their income and expenditure for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Chantrey Vellacott DFK LLP

CHANTREY VELLACOTT DFK LLP

Chartered Accountants
Registered Auditor

Reading

Date 18/1/08.

Chantrey Vellacott DFK LLP

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

**Consolidated statement of financial activities
Year ended 30 September 2006
(including an income and expenditure account)**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2006 £	As restated Total funds 2005 £
Incoming resources					
Incoming resources from generated funds					
Donations and similar income	3	2,106,513	77,884	2,184,397	1,891,931
Legacies	4	290,533	-	290,533	124,201
Merchandise, raffle, and magazine income	5	205,559	-	205,559	192,995
Royalty and other similar income		95,822	-	95,822	102,508
Investment income	7	7,187	-	7,187	14,209
		<u>2,705,614</u>	<u>77,884</u>	<u>2,783,498</u>	<u>2,325,844</u>
Incoming resources from charitable activities					
Membership		188,966	-	188,966	202,379
Out of the Blue		296,329	-	296,329	228,074
Adopt a Whale		133,364	-	133,364	143,400
Adopt a Dolphin		1,208,741	-	1,208,741	1,254,817
		<u>1,827,400</u>	<u>-</u>	<u>1,827,400</u>	<u>1,828,670</u>
Total incoming resources		<u>4,533,014</u>	<u>77,884</u>	<u>4,610,898</u>	<u>4,154,514</u>
Resources expended					
Costs of generating funds					
Fund raising costs		833,836	-	833,836	740,882
Merchandise, raffle and magazine costs		277,371	-	277,371	267,931
		<u>1,111,207</u>	<u>-</u>	<u>1,111,207</u>	<u>1,008,813</u>
Charitable activities					
Conservation and campaigns		1,992,242	51,196	2,043,438	1,692,046
Donations		370,839	-	370,839	387,059
Out of the Blue costs		274,171	-	274,171	219,258
Information and education		131,403	-	131,403	115,695
Membership		60,030	-	60,030	53,632
Adopt a whale		27,895	-	27,895	45,817
Adopt a dolphin		495,214	-	495,214	680,130
Unrecoverable VAT		118,068	-	118,068	101,146
		<u>3,469,862</u>	<u>51,196</u>	<u>3,521,058</u>	<u>3,294,783</u>
Charitable expenditure		<u>3,469,862</u>	<u>51,196</u>	<u>3,521,058</u>	<u>3,294,783</u>
Governance costs		<u>26,828</u>	<u>-</u>	<u>26,828</u>	<u>19,247</u>
Total resources expended	9	<u>4,607,897</u>	<u>51,196</u>	<u>4,659,093</u>	<u>4,322,843</u>
Net movement in funds		<u>(74,883)</u>	<u>26,688</u>	<u>(48,195)</u>	<u>(168,329)</u>
Balances brought forward					
As previously reported		336,726	37,084	373,810	327,844
Prior year adjustment	22	(148,451)	-	(148,451)	65,844
		<u>188,275</u>	<u>37,084</u>	<u>225,359</u>	<u>393,688</u>
As restated		<u>188,275</u>	<u>37,084</u>	<u>225,359</u>	<u>393,688</u>
Balances carried forward	23	<u>113,392</u>	<u>63,772</u>	<u>177,164</u>	<u>225,359</u>

All results arose from continuing operations. There were no recognised gains or losses for either financial year other than the results shown above.

The notes on pages 14 to 25 form part of these financial statements.

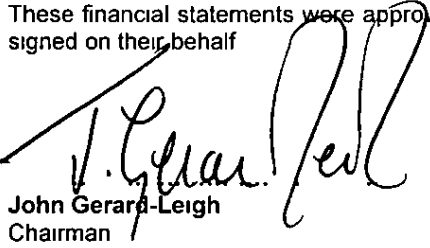
**Whale and Dolphin Conservation Society
(Limited by guarantee)**

**Balance sheet
30 September 2006**

	Note	Group 2006 £	As restated Group 2005 £	Charity 2006 £	As restated Charity 2005 £
Fixed assets					
Tangible fixed assets	15	220,151	45,202	215,918	41,692
Investments	17	50,000	50,000	50,000	50,000
		<u>270,151</u>	<u>95,202</u>	<u>265,918</u>	<u>91,692</u>
Current assets					
Stock	16	36,652	31,363	-	-
Debtors	18	228,535	233,820	166,743	253,668
Cash at bank & in hand		359,473	408,361	272,380	319,635
		<u>624,660</u>	<u>673,544</u>	<u>439,123</u>	<u>573,303</u>
Creditors amounts falling due within one year	19	(579,949)	(543,387)	(405,815)	(298,474)
Net current assets		<u>44,711</u>	<u>130,157</u>	<u>33,308</u>	<u>274,829</u>
Total assets less current liabilities		<u>314,862</u>	<u>225,359</u>	<u>299,226</u>	<u>366,521</u>
Creditors amounts falling due after more than one year	20	(137,698)	-	(137,698)	-
Total net assets		<u>177,164</u>	<u>225,359</u>	<u>161,528</u>	<u>366,521</u>
Unrestricted funds	23	113,392	188,275	124,544	329,437
Restricted funds	23	63,772	37,084	37,084	37,084
Total funds		<u>177,164</u>	<u>225,359</u>	<u>161,628</u>	<u>366,521</u>

These financial statements were approved and authorised for issue by the Trustees on
signed on their behalf

18/1/08 and


John Gerard-Leigh
Chairman

The notes on pages 14 to 25 form part of these financial statements

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

**Consolidated cash flow statement
30 September 2006**

	2006 £	As restated 2005 £
Net cash inflow from operating activities (note 26)	(6,574)	57,533
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(218,435)	(19,058)
Net cash(outflow)/ inflow before management of liquid resources and financing	(225,009)	38,475
New hire purchase and finance lease	192,131	-
Capital elements of lease payment	(16,010)	-
Increase in cash in the year	(48,888)	38,475
Reconciliation of net cash flow to movement in net funds		
Net cash increase in year	(48,888)	38,475
Net funds at start of year	408,361	369,886
Net funds at end of year	359,473	408,361
Cash at bank and in hand	359,473	408,361

The notes on pages 14 to 25 form part of these financial statements

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

**Notes to the financial statements
Year ended 30 September 2006**

1. Company status

The Whale and Dolphin Conservation Society (WDOS) 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 30 September 2006 there were six members.

2. Accounting policies

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

a) Basis of accounting

The financial statements have been prepared under the historical cost convention rules and in accordance with Statement of Recommended Practice "Accounting and Reporting by Charities", issued in March 2005, applicable accounting standards and the Companies Act 1985.

The directors consider that the consolidated statement of financial activities presented contains all the information of income and expenditure required 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.

b) Basis of consolidation

The group accounts consolidate the accounts of the WDOS and its subsidiary undertakings on a line by line basis. The accounts are made up to 30 September 2006.

In accordance with Section 230 (4) of the Companies Act 1985 WDOS is exempt from the requirement to present its own statement of financial activities. Net movement in funds for the year ended 30 September 2006 for the charity was £(204,893).

The amount of the result for the financial period dealt with in the financial statement of subsidiaries is disclosed in note 6 to these accounts.

c) Investments

Investments in listed securities are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are recognised in the consolidated statement of financial activities. Realised gains or losses on investments are calculated as the difference between the disposal proceeds and the balance sheet value. Unrealised gains or losses are derived from the movement on market values during the year.

Investment income is the amount receivable for the year.

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

2 Accounting policies (continued)

d) Income

Donations, except in relation to legacies, are accounted for at the time of receipt at head office. Legacies are included in the statement of financial activities where probate was granted prior to the balance sheet date and a distribution is considered probable.

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.

Gifts in kind are recognised within donations in the year that they are received at a market value provided by the donor.

e) Fixed assets and depreciation

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

Tenants improvements	- period of lease
Fixtures, fittings & equipment	- 20% straight line per annum
Computer equipment	- 25% straight line per annum

f) Expenditure

All expenditure is accounted for on an accruals basis.

Expenditure categories include support costs (wages and salaries, rent, rates, depreciation and sundry other), which are allocated based on staff numbers, head count or asset value as appropriate.

g) Charitable expenditure

This includes the direct costs of providing Out of the Blue holidays and has been classified in this manner on the advice of the Charity Commissioners.

h) Grant making

WDCS invites applications for funding of cetacean research projects, using benign research techniques.

Applications are submitted in a specific format and reviewed by the WDCS panel of staff and consultants. Projects are monitored on a regular basis and a final report is submitted for each project. The liability for the grant is recognised at the point that the contract is signed and authorised by the Chief Executive. Grants awarded during the year did not exceed 5% of total resources expended.

i) Donations

WDCS donates funds to WDCS Australia to enable them to further their campaigns and conservation projects in their region. WDCS Australia is able to spend these funds at their own discretion and is free of any conditions from WDCS.

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

2 Accounting policies (continued)

j) Taxation

The society was registered as a charity in August 1992. Under s505 ICTA 1988 the charity is not subject to taxation on its charitable activities.

The profits of the non-charitable UK subsidiary are normally gift aided to the parent company, any surplus remaining is subject to a taxation charge. The charge for taxation is based on the result for the year. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not covered by the balance sheet date, except as otherwise required by FRS 19.

k) Leases

All leases entered into are operating leases. The rental charges are charged to the statement of financial activities on a straight line basis over the life of the lease.

l) Pensions

The group contributes to individual pension schemes. The amount charged against income represents the contributions payable to the schemes in respect of the accounting period.

m) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the statement of financial activities.

n) Fund accounting

The charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Restricted income funds

Donations or legacies which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation. From these funds, the donation and income deriving there from may be utilised in accordance with the specific purposes.

General funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

3	Donations and similar income	2006 £	As restated 2005 £
	Individuals	1,164,869	980,353
	Trusts	62,573	86,710
	Adopt a dolphin donations	887,226	764,082
	Adopt a whale donations	69,729	60,786
		<u>2,184,397</u>	<u>1,891,931</u>

4 Legacies

Seventeen legacies were received totalling £290,533 (2005 £124,201 in respect of fifteen legacies)

5	Merchandise, raffle and magazine income	2006 £	As restated 2005 £
	Merchandising income	139,163	119,819
	Raffle income	61,030	68,106
	Magazine income	5,366	5,070
		<u>205,559</u>	<u>192,995</u>

6	Subsidiaries' income and costs	WDSC (Trading) £	WDSC gGmbH £	WDSC (NA)inc £	Total 2006 £	As restated Total 2005 £
	Merchandising income	104,678	24,098	10,387	139,163	119,819
	Raffle income	60,910	-	-	60,910	68,106
	Out of the Blue income	296,329	-	-	296,329	228,074
	Whale and Dolphin magazine	5,366	-	-	5,366	5,070
	Adopt a Dolphin income	-	291,992	-	291,992	281,400
	Donations	-	354,671	221,383	576,054	95,525
	Royalty and other similar income	17,126	-	2,651	19,777	7,688
	Investment income	-	4,122	120	4,242	3,165
	Total income	<u>484,409</u>	<u>674,883</u>	<u>234,541</u>	<u>1,393,833</u>	<u>808,847</u>
	Merchandising	41,653	-	4,909	46,562	52,571
	Raffle expenditure	40,086	-	-	40,086	46,589
	Out of the Blue expenditure	274,171	-	-	274,171	219,258
	Whale and Dolphin magazine	17,894	-	-	17,894	9,399
	Adopt a Dolphin expenditure	-	55,178	-	55,178	139,685
	Administration expenses	179,367	-	-	179,367	159,497
	Fundraising costs	-	36,749	61,488	98,237	39,522
	Charitable expenses	-	472,644	148,898	621,542	434,057
	Total expenses	<u>553,171</u>	<u>564,571</u>	<u>215,295</u>	<u>1,333,037</u>	<u>1,100,578</u>
	(Deficit)/ surplus	<u>(68,762)</u>	<u>110,312</u>	<u>19,246</u>	<u>60,796</u>	<u>(291,731)</u>

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

		2006	As restated 2005
		£	£
7	Investment income		
	Interest receivable	7,187	14,209

8. Current and deferred taxation

The company, which is a registered charity, is not liable to taxation on the net income from its primary activity. Stated below are the tax details of the subsidiary WDSC (Trading) Limited.

Factors affecting the tax charge for the current period

The current tax charge for the period differs from the standard rate of corporation tax in the UK (19%). The differences are explained below.

	2006	2005
	£	£
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	(68,762)	(58,851)
Current tax at 19% (2005 19%)	(13,065)	(11,182)
Effects of Deferred tax asset not recognised	13,065	11,182
Total current tax charge for period	-	-

9 Total resources expended

	Staff costs	Other direct costs	Total 2006	As restated Total 2005
	£	£	£	£
Costs of generating funds				
Fund raising costs	391,301	442,535	833,836	740,882
Merchandise, raffle and magazine costs				
Cost of merchandise	-	46,562	46,562	52,571
Raffle costs	-	40,086	40,086	46,589
Magazine costs	-	17,894	17,894	9,399
Administration costs	139,613	33,216	172,829	159,372
	530,914	580,293	1,111,207	1,008,813
Charitable activities				
Conservation, campaigns and donations	681,134	1,733,143	2,414,277	2,079,105
Information and education	-	131,403	131,403	115,695
Out of the blue costs	-	274,171	274,171	219,258
Membership	-	60,030	60,030	53,632
Adopt a Whale	-	27,895	27,895	45,817
Adopt a Dolphin	-	495,214	495,214	680,130
Unrecoverable VAT	-	118,068	118,068	101,146
	681,134	2,839,924	3,521,058	3,294,783
Governance costs	-	26,828	26,828	19,247
	1,212,048	3,447,045	4,659,093	4,322,843

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

10 Total resources expended (continued)

Other direct costs include

	2006 £	2005 £
Audit fee - group	13,000	12,500
Operating lease rentals – land and buildings	46,295	46,295
- plant and equipment	44,820	40,420
Depreciation	43,486	20,250

11 Trustee remuneration

The trustees neither received nor waived any emoluments in either year. The number of trustees to whom reimbursements were made for out of pocket expense and the amounts of were as follows

	2006 Number	2005 Number	2006 £	2005 £
Travel	1	1	1,182	417

12 Staff costs

	2006 £	2005 £
Wages and salaries	940,006	870,170
Social security costs	93,459	86,136
Other pension costs (note 14)	38,970	32,152
	1,072,435	988,458

There was one employee (2005 one) whose emoluments for the year were within the £50,000 to £60,000 banding range

13 Number of staff

The average number of employees, calculated on a full-time equivalent basis, analysed by function was

	2006 No	2005 No
Charitable activities	20	20
Cost of generating funds	14	14
Management and administration of the charity	9	9
	43	43

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

14 Pension costs

The group contributes to a stakeholder pension scheme and other personal pension schemes. The charge for the year represents contributions payable by the group to such schemes and amounted to £34,952 (2005 £24,129).

15 Tangible fixed assets

Group	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At beginning of year (as restated)	-	110,659	86,311	196,970
Additions	40,000	9,114	169,321	218,435
Disposals	-	-	-	-
At 30 September 2006	40,000	119,773	255,632	415,405
Depreciation				
At beginning of year (as restated)	-	81,924	69,844	151,768
Charge for the year	4,000	11,836	27,650	43,486
Eliminated on disposal	-	-	-	-
At 30 September 2006	4,000	93,760	97,494	195,254
Net book value				
At 30 September 2006	36,000	26,013	158,138	220,151
At 30 September 2005 (as restated)	-	28,735	16,467	45,202
Charity				
Cost				
At beginning of year	-	99,938	77,477	177,415
Additions	40,000	6,308	169,321	215,629
Disposals	-	-	-	-
At 30 September 2006	40,000	106,246	246,798	393,044
Depreciation				
At beginning of year	-	74,713	61,010	135,723
Charge for the year	4,000	9,753	27,650	41,403
Eliminated on disposal	-	-	-	-
At 30 September 2006	4,000	84,466	88,660	177,126
Net book value				
At 30 September 2006	36,000	21,780	158,138	215,918
At 30 September 2005	-	25,225	16,467	41,692

Included within the net book value of that £220,151 (Charity £215,918) is £151,602 (Charity £151,602) relating to assets under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £17,628 (Charity £17,628).

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

16	Stock	Group 2006 £	As restated Group 2005 £	Charity 2006 £	As restated Charity 2005 £
	Goods for resale	<u>36,652</u>	<u>31,363</u>	<u>-</u>	<u>-</u>

17	Fixed asset investments	Group and Charity Fixed interest securities £	Charity's shares in subsidiaries £	Charity Total £
	Cost/valuation			
	At beginning of year	50,000	17,257	50,000
	Less provision for diminution in value	-	(17,257)	-
	At end of year	<u>50,000</u>	<u>-</u>	<u>50,000</u>

Name of subsidiary	Country of registration	
WDCS (Trading) Limited	England	(100% owned by WDCS)
WDCS Germany gGmbH	Germany	(100% owned by WDCS)
WDCS (North America) Inc	USA	(Under the control of WDCS)

18	Debtors	Group 2006 £	As restated Group 2005 £	Charity 2006 £	As restated Charity 2005 £
	Amounts falling due within one year				
	Trade debtors	710	1,402	-	1,402
	VAT	19,103	830	3,273	-
	Amounts owed by subsidiary undertakings	-	-	118,983	56,997
	Less provisions against amounts owed	-	-	(112,119)	(16,236)
	Prepayments and other accrued income	208,722	231,588	156,606	211,505
		<u>228,535</u>	<u>233,820</u>	<u>166,743</u>	<u>253,668</u>
	Amounts falling due after more than one year				
	Loans to subsidiary undertaking	-	-	50,000	50,000
	Less provisions against loans	-	-	(50,000)	(50,000)
	Total	<u>228,535</u>	<u>233,820</u>	<u>166,743</u>	<u>253,668</u>

The loans to subsidiary undertakings are repayable on demand. However, WDCS have indicated that they will not seek repayment during the next year. The loans receive interest at 2% above the base rate of the Bank of England. There is no security on these loans.

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

19 Creditors

	Group 2006 £	As restated Group 2005 £	Charity 2006 £	As restated Charity 2005 £
Trade creditors	192,083	146,719	164,287	96,183
Social security	25,649	25,033	25,649	25,033
VAT	-	3,876	-	3,876
Accruals and deferred income	323,794	367,759	177,456	173,382
Hire purchase	38,423	-	38,423	-
	<u>579,949</u>	<u>543,387</u>	<u>405,815</u>	<u>298,474</u>

20 Creditors amounts falling due after more than one year

	Group 2006 £	Group 2005 £	Charity 2006 £	Charity 2005 £
Hire purchase (repayable between 2 and five years)	<u>137,698</u>	<u>-</u>	<u>137,698</u>	<u>-</u>

The hire purchase creditors above and disclosed in note 19 are secured on the assets to which they relate

21 Financial Commitments

Group	2006 Other £	2006 Land & Buildings £	2005 Other £	2005 Land & Buildings £
Expiry date				
Within 2 to 5 years	<u>44,948</u>	<u>88,361</u>	<u>40,240</u>	<u>46,295</u>

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

22 Prior year adjustment

During the year it was identified that in previous years, transactions in the German subsidiary company relating to a substantial contract and the treatment of funds received from the parent company and another party were incorrectly treated. This has resulted in prior year adjustments to the group's reserves of £148,451.

23 Statement of funds

	As restated Balance at 1 October 2005 £	Income £	Expenditure £	Balance at 30 September 2006 £
Group				
Unrestricted funds	<u>188,275</u>	<u>4,533,014</u>	<u>(4,607,897)</u>	<u>113,392</u>
Restricted funds				
Faroe campaign	26,230	-	-	26,230
Harbour porpoise appeal	2,847	-	-	2,847
Right whale appeal	4,000	-	-	4,000
Keiko	3,007	-	-	3,007
Trusts	<u>1,000</u>	<u>77,884</u>	<u>(51,196)</u>	<u>27,688</u>
Total restricted fund	<u>37,084</u>	<u>77,884</u>	<u>(51,196)</u>	<u>63,772</u>
Total funds	<u>225,359</u>	<u>4,610,898</u>	<u>(4,659,093)</u>	<u>177,164</u>
	Balance at 1 October 2005 £	Income £	Expenditure £	Balance at 30 September 2006 £
Charity				
Unrestricted funds	<u>329,437</u>	<u>3,298,557</u>	<u>(3,503,450)</u>	<u>124,544</u>
Restricted funds				
Faroe campaign	26,230	-	-	26,230
Harbour porpoise appeal	2,847	-	-	2,847
Right whale appeal	4,000	-	-	4,000
Keiko	3,007	-	-	3,007
Trusts	<u>1,000</u>	<u>49,617</u>	<u>(49,617)</u>	<u>1,000</u>
Total restricted funds	<u>37,084</u>	<u>49,617</u>	<u>(49,617)</u>	<u>37,084</u>
Total funds	<u>366,521</u>	<u>3,348,174</u>	<u>(3,553,067)</u>	<u>161,628</u>

Restricted funds are funds which have been given for particular purposes and projects

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

24 Analysis of net assets between funds

Group	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2006 are represented by			
Tangible fixed assets	-	220,151	220,151
Investments	-	50,000	50,000
Current assets	63,772	560,888	624,660
Current liabilities	-	(579,949)	(579,949)
Amounts due after one year	-	(137,698)	(137,698)
Total net assets	63,772	113,392	177,164

25. Subsidiary companies

WDCS has three wholly owned subsidiaries WDCS (Trading) Limited, WDCS Germany gGmbH and WDCS (North America) Inc all of which are consolidated on a line by line basis. The results of both subsidiaries are summarised below.

Profit and loss account

	WDCS (Trading) £	WDCS gGmbH £	WDCS (NA) inc £	Total 2006 £	As restated Total 2005 £
Turnover	467,283	674,883	231,889	1,374,055	801,158
Cost of sales	(373,804)	-	(4,909)	(378,713)	(327,817)
Gross profit	93,479	674,883	226,980	995,342	473,341
Administration expenses	(177,119)	-	(138,181)	(315,300)	(338,579)
Other operating income	17,126	-	2,652	19,778	7,689
Operating profit	(66,514)	674,883	91,451	699,820	142,451
Interest payable	(2,248)	-	-	(2,248)	-
Interest receivable	-	-	120	120	-
Net profit/(loss) before charitable spend and Gift aid	(68,762)	674,883	91,571	697,692	142,451
Gift aid	-	-	-	-	-
Charitable expenses	-	(564,571)	(72,325)	(636,896)	(434,182)
Results before and after tax	(68,762)	110,312	19,246	60,796	(291,731)

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

**Notes to the financial statements
Year ended 30 September 2006 (continued)**

25 Subsidiary companies (continued)

Balance sheet	WDCS (Trading) £	WDCS gGmbH £	WDCS (NA) £	Total 2006 £	As restated Total 2005 £
Fixed assets	-	3,488	746	4,234	3,510
Current assets	104,216	58,080	29,897	192,193	141,000
Creditors amounts falling due within one year	(182,400)	(99,213)	(11,486)	(293,099)	(301,910)
Net current assets	(78,184)	(41,133)	18,411	(100,906)	(160,910)
Total assets less net liabilities	(78,184)	(37,645)	19,157	(96,672)	(157,400)
Creditors amounts falling due after more than one year	(50,000)	-	-	(50,000)	(50,000)
Net(liabilities)/assets	(128,184)	(37,645)	19,157	(146,672)	(207,400)

26 Net cash (outflow)/ inflow from operating activities

	2006 £	As restated 2005 £
Net outgoing resources	(48,195)	(168,329)
Depreciation	43,486	20,250
(Increase)/decrease in stocks	(5,289)	653
Decrease/(increase) in debtors	5,285	(62,662)
(Decrease)/increase in creditors	(1,861)	201,777
Prior year adjustments to reserves	-	65,844
Net cash (outflow)/inflow from operating activities	(6,574)	57,533

27 Related parties

During the year, WDCS supported an Australian based connected charity. There is a licensing agreement between the two charities which allows WDCS Australia to use the WDCS logo and brand. During the year, WDCS donated funds to WDCS Australia which amounting to £368,170 (2005 £387,059) to support their campaigns and conservation projects.

28 Contingent liabilities

In December 2003, WDCS (Trading) Limited took out a bond for £38,555 with the Co-operative Bank to comply with the ABTOT Regulations.