

Registered number: 2737421  
Registered charity number: 1014705

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

**Report and financial statements**

**30 September 2007**



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

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

**Legal and administrative information**

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**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

**Auditor**

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

**Investment Managers**

Barcalys Wealth, Gerrard Investment Management  
4<sup>th</sup> Floor, Tay House  
300 Bath Street  
Glasgow  
G2 4LH

**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

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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 or the charity) and its subsidiaries (together, the group) for the year ended 30 September 2007.

### 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. To facilitate effective operations, the Chief Executive and senior management have delegated authority, approved by the trustees, for operational matters including finance, employment and policy activities. The trustees approve such strategies and monitor and evaluate their implementation on a regular basis.

#### Related parties

The charity has three subsidiaries. The trading subsidiary, WDCS (Trading) Ltd., raises income through merchandise, licensing and lotteries. It gift aids 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, is an organisation with similar aims and objectives as WDCS. The organisation raises funds, mainly via a whale adoption programme formerly run by the International Wildlife Coalition. WDCS (North America) Inc has developed a programme of policy work to enhance international and national efforts of the charity.

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, which has similar aims and objectives to the UK based charity, WDCS 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;

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

### **Report of the Trustees (continued)**

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#### **Structure, governance and management (continued)**

- 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.

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 and non-financial performance indicators;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The trustees have reviewed the formal risk management process introduced by the CEO. This process is linked to the strategic plan and reviewed in line with annual planning processes. 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 by 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 whole species, unique populations and their habitats.

#### **Achievements and performance**

We cannot hope to detail here all of the many activities that WDCS has engaged in over the year in pursuit of our aims. However, we can mention some of the highlights where WDCS supporters, volunteers and staff have worked together to achieve increased protection for whales and dolphins around the globe. For a full picture of the diverse range of work that WDCS does on a daily basis we would direct you to the various WDCS websites which can all be accessed via [www.wdcs.org](http://www.wdcs.org). We hope you like what you see and perhaps decide to join us in this essential work.

During the year, WDCS has continued to fund a diverse range of projects and campaigns 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 continuously need additional resources if we are to be able to make a sustained impact on their protection. WDCS has also committed to ending some of the world's worst exploitation of these animals through our campaigns against commercial whaling, drive hunts, fisheries bycatch and captivity.

WDCS has organised its work into three themes. Stop - campaigning against all threats to whales and dolphins; Protect - seeking to protect vulnerable species, populations and their habitats; and Connect - bringing people and cetaceans together to better understand the needs and remarkable nature of these creatures.

**Whale and Dolphin Conservation Society  
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**Report of the Trustees (continued)**

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**Stop**

Under the Stop theme, WDSCS has continued its unrelenting battle to end commercial whaling, as well as the many other threats facing whales and dolphins, such as fisheries bycatch and live capture and trade. WDSCS is committed to peaceful and non-violent action that can bring real change. Much of our work is behind the scenes, advising and lobbying governments, as well as bringing legitimate pressure to bear on the whaling, fishing and captivity industries. We believe this work will lead to lasting protection for whales and dolphins.

***Whaling***

In 2007, WDSCS again played a pivotal role in helping to keep the commercial whaling ban in place, and gained a strong validation of the ban by the International Whaling Commission (IWC) despite sustained pressure by whaling countries, Japan, Norway and Iceland, and their 'allies'.

WDSCS was particularly active in opposing all attempts by Japan to gain acceptance for a new category of whaling. This 'renaming' of commercial whaling would have allowed Japan (and others) to lift the commercial whaling ban. WDSCS was there to stop it.

At the meeting of CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna), WDSCS led the anti-whaling charities and non government organisations in opposition to attempts by the whalers to reinstate the international commercial trade in whale products. We helped defeat two damaging proposals to lift restrictions on this trade, thus ensuring that profits from whaling are minimized and so encouraging whalers to return to fishing and more sustainable industries such as whale watching.

Further to our success in 2006, WDSCS continues to pressure Greenland to provide more data on their hunts to the IWC so that action can be taken to reduce their unsustainable hunts of small cetaceans under the classification of Aboriginal Subsistence Whaling.

In the UK, WDSCS campaigned against links between supermarkets and fish suppliers to Icelandic whaling operations. We are pleased to report that a significant proportion of supermarkets joined in the campaign and this brought considerable pressure to bear within Iceland resulting in Cabinet level opposition to Icelandic whaling. Iceland stated in 2007 that, after a few years of testing commercial whaling, it would only resume commercial whaling if there was an economic imperative.

Meanwhile in Norway, our focus on the cruelty of whaling brought this issue to the forefront of the Norwegian press for the first time.

***Fisheries***

WDSCS has continued to work hard to mitigate the effects of fisheries bycatch on cetaceans around the world.

In North America, we helped gain a regulation preventing the use of gill nets during the calving season for the highly vulnerable North Atlantic right whale. Our commitment to protecting this critically endangered species has led to the planned expansion of our work in this area. This includes building on the launch of the North Atlantic Right Whale database through a consortium of parties working in the region. The database brings a mass of knowledge together to allow conservationists and policy makers to take appropriate conservation action, whilst at the same time engaging interested members of the public with outreach and education initiatives.

Our work in previous years to remove driftnets from the Mediterranean was followed up with an investigation into the continued illegal use of these nets. We revealed new evidence, working with the RSPCA, that drift nets are still in use in the Mediterranean five years after they were banned. WDSCS will now be pressing to close any loopholes or illegal fishing activities that still exist.

***Captivity***

WDSCS has been campaigning for many years to stop the supply of wild caught whales and dolphins for public display as well as reducing the public demand for captive facilities.

Over the past year, we have achieved many successes. We assisted the Croatian Government in blocking the construction of dolphinarium in the country; successfully campaigned for the St. Maarten government to deny permission for a captive dolphin facility on the Netherlands Antilles Island; exposed the link between dolphin drive hunts in Japan and the aquarium industry; helped ensure the passing of Mexican legislation to end the trade in dolphins and worked with the Convention on Migratory Species (CMS) and the Year of the Dolphin (YOD) partners to successfully oppose the import of live caught dolphins into the Dominican Republic.

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

### Report of the Trustees (continued)

#### *Environmental impacts*

Although the threats posed by whaling, captivity and fisheries bycatch are more visible, the more invidious threats can also cause great damage. Cetaceans are exposed to a large number of threats to their environment including chemical and noise pollution. They are increasingly also exposed to the phenomenon of rapid environmental climate change

WDCS exposed the potential threats to marine mammals from such climate change, through a joint report with WWF and secured support for an International Whaling Commission (IWC) hosted workshop on this issue.

Early in 2007, WDCS successfully campaigned for the UK Government to withhold licenses to explore for oil and gas within important dolphin habitat pending further assessment. This initial success, however, was short-lived as the Government later announced that they were likely to approve licenses for oil and gas exploration and production within the Special Area of Conservation for the Moray Firth Dolphins. This announcement spurred WDCS into further action giving rise to our Protect Our Dolphins campaign. This campaign, which aims to establish effective and appropriate protection for the Moray Firth dolphins from the cumulative impacts they face, will be a key focus for our UK Office over the coming months and years.

Such action has not just been limited to UK shores. In the US we helped gain proposals for protection under US federal law for a vulnerable population of beluga whales off the coast of Anchorage, Alaska.

Alongside our campaigns, WDCS has continued to assist in responding to strandings in the USA, UK and areas surrounding the Black and Mediterranean Seas throughout the year. We chaired the UK's Marine Mammal Rescue Coalition and coordinated stranding training for harbor masters in the USA.

#### Protect

Under our Protect theme, WDCS continues to protect and conserve some of the world's most endangered whale and dolphin species and populations.

River dolphins continue to be amongst the most threatened of all whale and dolphin species and WDCS has committed to stepping up its work to protect these vulnerable animals. As we promised last year, WDCS support enabled a comprehensive survey of the entire range of the Amazon river dolphin (boto) to take place to determine for the first time the abundance of this species. This has further convinced WDCS that urgent action should now be taken to ensure this species survival.

During the year, WDCS has also secured and partnered a ground-breaking agreement to protect whales and dolphins in the Pacific Islands Region, the largest (by area) comprehensive whale and dolphin agreement in the world, though it we hope that thousands of animals can be saved. Following the creation of the agreement, we negotiated an Action Plan to conserve whales, dolphins and their habitats in this region.

Around the world, we funded 32 vital conservation and research projects across 25 countries. This included ground-breaking research into humpback whale breeding grounds off the coast of Ecuador and supporting researchers in Bangladesh who have identified an important area in the Bay of Bengal for many whale and dolphin species.

Our scientists also found a potential breeding and nursery area for Risso's dolphins off the coast of Wales and continued vital research on whales and dolphins of Cardigan Bay and the Moray Firth, UK.

Meanwhile, our campaigners helped ensure the Agreement on the Conservation of Small Cetaceans in the North and Baltic Seas progressed and sought to focus its efforts on practical conservation.

WDCS's experts launched initiatives to provide habitat protection for whales and dolphins including, supporting the successful designation of the Cres-Lošinj Special Marine Reserve, Croatia and the creation of [www.cetaceanhabitat.org](http://www.cetaceanhabitat.org) the only website to detail information on all 600 Marine Protected Areas (MPA) and sanctuaries for cetaceans worldwide, plus offer links to the latest management plans and reports. The team, also organized an MPA scientific workshop to identify six large areas of the Mediterranean and Black seas and highlight them for protection for some of the world's most threatened whale and dolphin populations.

#### Connect

Through our Connect theme WDCS has sought to engage people with whales, dolphins and porpoises whilst empowering them to take personal action to ensure the animals' survival.

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

### Report of the Trustees (continued)

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#### *Whale watching*

WDCS has long supported the concept of developing whale watching as both an economic alternative to the lethal exploitation of whales and dolphins and as a way of bringing two sentient species face-to-face. We continue to work hard to reduce any harmful impacts of whale and dolphin watching on the animals, advising on regulations, training operators and promoting responsible boat behaviour.

We continue to lead the way in responsible whale and dolphin watching through our own travel-wing out of the blue running 34 trips to over 14 destinations.

In Florida, USA, we worked with partners to launch 'Dolphin SMART' a new voluntary education programme to reduce harmful disturbance from dolphin-watch tours. Similarly, in the Moray Firth, Scotland, we continued our work with the Dolphin Space Programme, to guide responsible dolphin-watching in the area and successfully piloted a training programme for onboard dolphin-watch guides. In addition, we were proud to host the launch of Scotland's first legal code of conduct for wildlife watchers, following our successful campaign to secure the relevant legislation that advanced protection for Scotland's cetaceans.

In Central, Latin and North America, we conducted whale-watch workshops providing advice on the sustainable management of whale watching and encouraging pro-conservation and anti-hunting initiatives.

In support of our whaling campaign, we persuaded 25 European tour operators to sign up to our campaign against Iceland's whaling programme which, we believe, was instrumental in shifting political opinion in favour of protecting whales.

#### *Education*

The Connect theme also covers our education and outreach work. WDCS's dedicated team of professionals have helped train educators, worked with school children, created exhibitions and events and launched local, national and international education initiatives to spread the word about the need to protect whales and dolphins.

Internationally, we partnered with the UN Convention on Migratory Species in launching Year of the Dolphin 2007. As part of this initiative we helped launch the 'Dolphin Diploma' and associated booklet, an educational campaign aimed at children and young people.

Nationally, we reached thousands of children and students through school activity programmes in the US, UK, Australia and Germany. Whilst locally, we helped educate local communities linked to vulnerable dolphin populations by holding 'dolphin days' in the Moray Firth, Adelaide and on the Island of Ischia, Greece.

In Australia, we were short-listed for a national award for our work researching dolphins with school children on Kangaroo Island and continued our dolphin education activities with Port Adelaide Maritime Museum.

In the UK, we built on the success of our flagship Wildlife Centre in Spey Bay, with the launch of a second visitor centre in the Moray Firth.

In the US we helped produce and launch a new children's booklet, 'Discover Marine Mammals' in collaboration with non-profit publisher Project WET and chaired the North Atlantic Right Whale education team, to raise awareness of one of the world's most endangered whale species.

We also built on previous outreach work in Japan, sponsoring an educational road-show, including a traveling exhibit of lectures and photos to highlight the beauty and plight of dolphins in Japan.

#### **Plans for future periods**

The use of technology is revolutionising the way debates on cetacean issues are taking place. The advent of networking and video sharing sites such as YouTube means that the public and charities now come into contact with a plurality of views on a daily basis. WDCS is endeavouring to engage with audiences through such technology, aiming to stimulate debate and create a voice for the protection of whales, whilst at the same time reaching a wider audience with our message.

The issue of whaling is entering one of the most dangerous phases of this industry's hopefully strangled development. In reaction to the constant barrage and pressure by pro-whaling interests, we are concerned that some conservation-minded countries may be seeking to offer a compromise deal to the whalers that legitimizes their years of rogue whaling.

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# Whale and Dolphin Conservation Society (Limited by guarantee)

## Report of the Trustees (*continued*)

### Plans for future periods (*continued*)

WDCS is determined to remain at the forefront of efforts to prevent an endorsement of plans that would sanction the killing of hundreds if not thousands of whales every year. With the continued support of the thousands of people who oppose this awful industry, WDCS will continue to expose the poor science that underpins pro-whaling argument; help minimize demands for whale products by illustrating the threats to the consumers of

contaminated whale meat; erode the additional profits whalers can make by exposing the links between them and fishing companies; and promote the sustainable benefits of whale and dolphin watching for coastal communities above and beyond that of lethal exploitation of whales.

In any such debate, it is possible that the situation may become worse before it gets better. However, WDCS will continue to create a strong voice for the protection of whales, and will not succumb to the false promises of the whalers, striving towards our goal of ending commercial whaling once and for all.

Within the UK, WDCS is prepared for a full debate with the UK Government about the potential for further oil and gas extraction and other forms of offshore development in critical dolphin habitats. WDCS will continue its public engagement campaign 'Protect Our Dolphins' focussing on the highly vulnerable populations of our last remaining dolphins.

WDCS is fully committed to launching a new and developed river dolphin conservation initiative. After some twenty years of funding research and conservation studies of these creatures, WDCS is looking to take forward a campaign that will engage governments and local people in enacting the appropriate measures and practices that will create a firm foundation for their future survival

WDCS commitments are global and ambitious, but we believe we need to set these stretching goals to meet the demand for conservation and protection action. With the world feeling the pinch of further economic slowdown this may be a factor in what we can achieve. However, with the continued help of supporters around the world and a dedicated and motivated workforce and volunteers, we will achieve much on the road to our vision of a safer future for cetaceans, a future in which these remarkable animals are able to thrive.

### Financial review

During 2006-7 the WDCS Charity generated a deficit of £52,625 for the year. The German organisation, after some years of investment, is now in surplus for the second year running. WDCS Trading Ltd returned a loss of £62,238 but allows important activities to be undertaken which benefit the charitable objectives. The North American subsidiary required continuing investment during 2006-7 but is scheduled to break-even within two financial years.

Donation income amounted to £2,432,636 – an increase of 11% over the previous year. Although income from legacies for the year reduced by almost £160,000, this is a difficult income stream to predict and an area where WDCS is increasingly benefiting. WDCS is continuing to try to reduce dependency on direct marketing income and to increase activity in other areas, such as major giving.

Within charitable activities, WDCS has increased the expenditure in Conservation, Campaigning and Education to £2,518,753, an increase of 15%. Costs relating to generating income from charitable activities have reduced by 13%.

The Charity received a refund of £158,000 from HM Revenue & Customs in settlement resulting from a review of VAT between 2003 and 2005. This review is ongoing

### Reserves policy

At the end of the year the group had reserves of £87,039 of which £73,312 represents restricted funds. WDCS has regular giving programmes which generate monthly income and this is taken into account with the current reserves policy. However, the level of unrestricted reserves does need to be increased and we will be looking to do so within the next financial year.

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

**Report of the Trustees (continued)**

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**Statement of trustees' responsibilities**

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 trustees, we certify that:

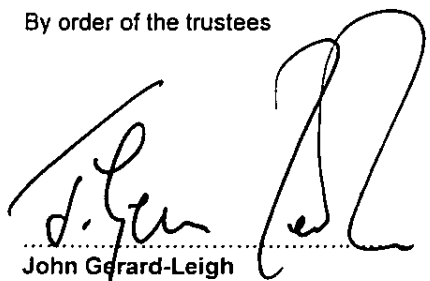
- so far we are we are aware, there is no relevant audit information of which the company's auditor is unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

**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:

*November 8<sup>th</sup> 2008*

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**

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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 2007 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 trustees and auditor**

The directors' responsibilities for preparing the report of the trustees 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 Trustees' 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 report of the trustees 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 trustees' remuneration and other transactions is not disclosed.

We read other information contained in the report of the trustees, 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 trustees 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  
(Limited by guarantee)**

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

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**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 2007 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 report of the trustees is consistent with the financial statements.

Chantrey Vellacott DFK LLP

*Chantrey Vellacott DFK LLP*

CHANTREY VELLACOTT DFK LLP

Chartered Accountants  
Registered Auditor

Reading

Date:

*8/11/08*

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

**Consolidated statement of financial activities  
Year ended 30 September 2007  
(including an income and expenditure account)**

|                                                      | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total funds<br>2007<br>£ | Total funds<br>2006<br>£ |
|------------------------------------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Incoming resources</b>                            |      |                            |                          |                          |                          |
| <b>Incoming resources from generated funds</b>       |      |                            |                          |                          |                          |
| Donations and similar income                         | 3    | 2,324,457                  | 108,179                  | 2,432,636                | 2,184,397                |
| Legacies                                             | 4    | 131,745                    | -                        | 131,745                  | 290,533                  |
| Merchandise, raffle, and<br>magazine income          | 5    | 167,659                    | -                        | 167,659                  | 205,559                  |
| Royalty and other similar income                     |      | 62,205                     | -                        | 62,205                   | 95,822                   |
| Investment income                                    | 6    | 8,418                      | -                        | 8,418                    | 7,187                    |
|                                                      |      | <u>2,694,484</u>           | <u>108,179</u>           | <u>2,802,663</u>         | <u>2,783,498</u>         |
| <b>Incoming resources from charitable activities</b> |      |                            |                          |                          |                          |
| Membership                                           |      | 104,833                    | -                        | 104,833                  | 188,966                  |
| Out of the Blue                                      |      | 258,843                    | -                        | 258,843                  | 296,329                  |
| Adopt a Whale                                        |      | 167,887                    | -                        | 167,887                  | 133,364                  |
| Adopt a Dolphin                                      |      | 1,196,638                  | -                        | 1,196,638                | 1,208,741                |
|                                                      |      | <u>1,728,201</u>           | <u>-</u>                 | <u>1,728,201</u>         | <u>1,827,400</u>         |
| <b>Total incoming resources</b>                      |      | <u>4,422,685</u>           | <u>108,179</u>           | <u>4,530,864</u>         | <u>4,610,898</u>         |
| <b>Resources expended</b>                            |      |                            |                          |                          |                          |
| <b>Costs of generating funds</b>                     |      |                            |                          |                          |                          |
| Fund raising costs                                   |      | 861,234                    | -                        | 861,234                  | 833,836                  |
| Merchandise, raffle and magazine costs               |      | 272,855                    | -                        | 272,855                  | 277,371                  |
|                                                      |      | <u>1,134,089</u>           | <u>-</u>                 | <u>1,134,089</u>         | <u>1,111,207</u>         |
| <b>Charitable activities</b>                         |      |                            |                          |                          |                          |
| Conservation and campaigns                           |      | 2,232,146                  | 98,639                   | 2,330,785                | 2,043,438                |
| Donations                                            |      | 218,211                    | -                        | 218,211                  | 370,839                  |
| Out of the Blue costs                                |      | 235,361                    | -                        | 235,361                  | 274,171                  |
| Information and education                            |      | 187,968                    | -                        | 187,968                  | 131,403                  |
| Membership                                           |      | 34,238                     | -                        | 34,238                   | 60,030                   |
| Adopt a whale                                        |      | 44,996                     | -                        | 44,996                   | 27,895                   |
| Adopt a dolphin                                      |      | 433,495                    | -                        | 433,495                  | 495,214                  |
| (Recoverable)/Unrecoverable VAT                      |      | (31,893)                   | -                        | (31,893)                 | 118,068                  |
|                                                      |      | <u>3,354,522</u>           | <u>98,639</u>            | <u>3,453,161</u>         | <u>3,521,058</u>         |
| <b>Charitable expenditure</b>                        |      | <u>3,354,522</u>           | <u>98,639</u>            | <u>3,453,161</u>         | <u>3,521,058</u>         |
| <b>Governance costs</b>                              |      | <u>28,399</u>              | <u>-</u>                 | <u>28,399</u>            | <u>26,828</u>            |
| <b>Total resources expended</b>                      | 8    | <u>4,517,010</u>           | <u>98,639</u>            | <u>4,615,649</u>         | <u>4,659,093</u>         |
| <b>Net movement in funds, being</b>                  |      |                            |                          |                          |                          |
| <b>Deficit for the year</b>                          |      | <u>(94,325)</u>            | <u>9,540</u>             | <u>(84,785)</u>          | <u>(48,195)</u>          |
| <b>Unrealised losses on investments</b>              |      | <u>(5,340)</u>             | <u>-</u>                 | <u>(5,340)</u>           | <u>-</u>                 |
| <b>Balances brought forward</b>                      |      | <u>113,392</u>             | <u>63,772</u>            | <u>177,164</u>           | <u>225,359</u>           |
| <b>Balances carried forward</b>                      | 20   | <u>13,727</u>              | <u>73,312</u>            | <u>87,039</u>            | <u>177,164</u>           |

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

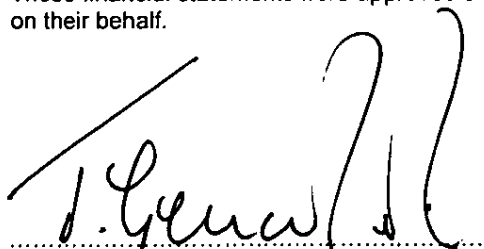
The notes on pages 14 to 25 form part of these financial statements.

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

**Balance sheet  
30 September 2007**

|                                                         | Note | Group<br>2007<br>£   | Group<br>2006<br>£    | Charity<br>2007<br>£  | Charity<br>2006<br>£  |
|---------------------------------------------------------|------|----------------------|-----------------------|-----------------------|-----------------------|
| <b>Fixed assets</b>                                     |      |                      |                       |                       |                       |
| Tangible fixed assets                                   | 13   | 169,236              | 220,151               | 164,145               | 215,918               |
| Investments                                             | 14   | 44,660               | 50,000                | 44,660                | 50,000                |
|                                                         |      | <u>213,896</u>       | <u>270,151</u>        | <u>208,805</u>        | <u>265,918</u>        |
| <b>Current assets</b>                                   |      |                      |                       |                       |                       |
| Stock                                                   | 15   | 24,971               | 36,652                | -                     | -                     |
| Debtors                                                 | 16   | 186,477              | 228,535               | 159,972               | 166,743               |
| Cash at bank & in hand                                  |      | 325,979              | 359,473               | 250,261               | 272,380               |
|                                                         |      | <u>537,427</u>       | <u>624,660</u>        | <u>410,233</u>        | <u>439,123</u>        |
| Creditors: amounts falling due within one year          | 17   | (565,018)            | (579,949)             | (410,769)             | (405,715)             |
| <b>Net current assets</b>                               |      | <u>(27,591)</u>      | <u>44,711</u>         | <u>(536)</u>          | <u>33,308</u>         |
| <b>Total assets less current liabilities</b>            |      | <u>186,305</u>       | <u>314,862</u>        | <u>208,269</u>        | <u>299,226</u>        |
| Creditors: amounts falling due after more than one year | 18   | (99,266)             | (137,698)             | (99,266)              | (137,698)             |
| <b>Total net assets</b>                                 |      | <u><u>87,039</u></u> | <u><u>177,164</u></u> | <u><u>109,003</u></u> | <u><u>161,628</u></u> |
| <b>Unrestricted funds</b>                               | 20   | 13,727               | 113,392               | 62,011                | 124,544               |
| <b>Restricted funds</b>                                 | 20   | 73,312               | 63,772                | 46,992                | 37,084                |
| <b>Total funds</b>                                      |      | <u><u>87,039</u></u> | <u><u>177,164</u></u> | <u><u>109,003</u></u> | <u><u>161,628</u></u> |

These financial statements were approved and authorised for issue by the trustees on 9th Nov 2008 and signed on their behalf.

  
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 2007**

|                                                                                  | 2007<br>£ | 2006<br>£ |
|----------------------------------------------------------------------------------|-----------|-----------|
| Net cash inflow/(outflow) from operating activities (note 22)                    | 10,133    | (6,574)   |
| Capital expenditure and financial investments                                    |           |           |
| Payments to acquire tangible fixed assets                                        | (5,196)   | (218,435) |
| Net cash(outflow)/ inflow before management<br>of liquid resources and financing | 4,937     | (225,009) |
| New hire purchase and finance lease                                              | -         | 192,131   |
| Capital elements of lease payment                                                | (38,431)  | (16,010)  |
| (Decrease) in cash in the year                                                   | (33,494)  | (48,888)  |
| Reconciliation of net cash flow to movement in net funds                         |           |           |
| Net cash decrease in year                                                        | (33,494)  | (48,888)  |
| Net funds at start of year                                                       | 359,473   | 408,361   |
| Net funds at end of year                                                         | 325,979   | 359,473   |
| Cash at bank and in hand                                                         | 325,979   | 359,473   |

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 2007**

---

**1. Company status**

The Whale and Dolphin Conservation Society (WDSCS) 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 2007 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 WDSCS and its subsidiary undertakings on a line by line basis. The accounts are made up to 30 September 2007.

In accordance with Section 230 (4) of the Companies Act 1985 WDSCS is exempt from the requirement to present its own statement of financial activities. Net movement in funds for the year ended 30 September 2007 for the charity was £(52,625).

The amount of the result for the financial period dealt with in the financial statement of subsidiaries is disclosed in note 14 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 2007 (continued)**

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**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 2007 (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 2007 (continued)**

| 3. | Donations and similar income | 2007<br>£        | 2006<br>£        |
|----|------------------------------|------------------|------------------|
|    | Individuals                  | 1,442,533        | 1,164,869        |
|    | Trusts                       | 52,565           | 62,573           |
|    | Adopt a dolphin donations    | 893,539          | 887,226          |
|    | Adopt a whale donations      | 43,999           | 69,729           |
|    |                              | <u>2,432,636</u> | <u>2,184,397</u> |

**4. Legacies**

Fifteen legacies were received totalling £131,745 (2006: £290,533 in respect of seventeen legacies).

**5. Merchandise, raffle and magazine income**

|                      | 2007<br>£      | 2006<br>£      |
|----------------------|----------------|----------------|
| Merchandising income | 76,067         | 139,163        |
| Raffle income        | 86,619         | 61,030         |
| Magazine income      | 4,973          | 5,366          |
|                      | <u>167,659</u> | <u>205,559</u> |

**6. Investment income**

|                     | 2007<br>£    | 2006<br>£    |
|---------------------|--------------|--------------|
| Interest receivable | <u>8,418</u> | <u>7,187</u> |

**7. 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.

| Current tax reconciliation                      | 2007<br>£       | 2006<br>£       |
|-------------------------------------------------|-----------------|-----------------|
| (Loss)/profit on ordinary activities before tax | <u>(62,238)</u> | <u>(68,762)</u> |
| Current tax at 19% (2006:19%)                   | (11,825)        | (13,065)        |
| Effects of:                                     |                 |                 |
| Deferred tax asset not recognised               | 11,825          | 13,065          |
| Total current tax charge for period             | <u>-</u>        | <u>-</u>        |

Chantrey Vellacott DFKLLP

**8. Total resources expended**

Other direct costs include:

|                                              |        |        |
|----------------------------------------------|--------|--------|
| Other direct costs include:                  | 2007   | 2006   |
|                                              | £      | £      |
| Audit fee - group                            | 13,000 | 13,000 |
| Operating lease rentals – land and buildings | 73,166 | 46,295 |
| - plant and equipment                        | 16,676 | 44,820 |
| Depreciation                                 | 56,111 | 43,486 |

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

**Notes to the financial statements  
Year ended 30 September 2007 (continued)**

**9. 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:

|        | <b>2007<br/>Number</b> | <b>2006<br/>Number</b> | <b>2007<br/>£</b> | <b>2006<br/>£</b> |
|--------|------------------------|------------------------|-------------------|-------------------|
| Travel | <u>1</u>               | <u>1</u>               | <u>395</u>        | <u>1,182</u>      |

**10. Staff costs**

|                               | <b>2007<br/>£</b> | <b>2006<br/>£</b> |
|-------------------------------|-------------------|-------------------|
| Wages and salaries            | 973,358           | 940,006           |
| Social security costs         | 94,320            | 93,459            |
| Other pension costs (note 12) | 37,398            | 38,970            |
|                               | <u>1,105,076</u>  | <u>1,072,435</u>  |

There was one employee (2006: one) whose emoluments for the year were within the £50,000 to £60,000 banding range.

**11. Number of staff**

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

|                                              | <b>2007<br/>No.</b> | <b>2006<br/>No.</b> |
|----------------------------------------------|---------------------|---------------------|
| Charitable activities                        | 18                  | 20                  |
| Cost of generating funds                     | 13                  | 14                  |
| Management and administration of the charity | 11                  | 9                   |
|                                              | <u>42</u>           | <u>43</u>           |

**12. 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 £37,398 (2006: £39,970).

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

**Notes to the financial statements  
Year ended 30 September 2007 (continued)**

**13. Tangible fixed assets**

| Group                       | Tenants<br>improvements<br>£ | Fixtures, fittings<br>& equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£     |
|-----------------------------|------------------------------|----------------------------------------|----------------------------|----------------|
| <b>Cost</b>                 |                              |                                        |                            |                |
| At beginning of year        | 40,000                       | 119,773                                | 255,632                    | 415,405        |
| Additions                   | -                            | 5,196                                  | -                          | 5,196          |
| Disposals                   | -                            | -                                      | -                          | -              |
| <b>At 30 September 2007</b> | <b>40,000</b>                | <b>124,969</b>                         | <b>255,632</b>             | <b>420,601</b> |
| <b>Depreciation</b>         |                              |                                        |                            |                |
| At beginning of year        | 4,000                        | 93,760                                 | 97,494                     | 195,254        |
| Charge for the year         | 4,000                        | 10,454                                 | 41,657                     | 56,111         |
| Eliminated on disposal      | -                            | -                                      | -                          | -              |
| <b>At 30 September 2007</b> | <b>8,000</b>                 | <b>104,214</b>                         | <b>139,151</b>             | <b>251,365</b> |
| <b>Net book value</b>       |                              |                                        |                            |                |
| At 30 September 2007        | 32,000                       | 20,755                                 | 116,481                    | 169,236        |
| At 30 September 2006        | 36,000                       | 26,013                                 | 158,138                    | 220,151        |

| Charity                     | Tenants<br>improvements<br>£ | Fixtures, fittings<br>& equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£     |
|-----------------------------|------------------------------|----------------------------------------|----------------------------|----------------|
| <b>Cost</b>                 |                              |                                        |                            |                |
| At beginning of year        | 40,000                       | 106,246                                | 246,798                    | 393,044        |
| Additions                   | -                            | 3,625                                  | -                          | 3,625          |
| Disposals                   | -                            | -                                      | -                          | -              |
| <b>At 30 September 2007</b> | <b>40,000</b>                | <b>109,871</b>                         | <b>246,798</b>             | <b>396,669</b> |
| <b>Depreciation</b>         |                              |                                        |                            |                |
| At beginning of year        | 4,000                        | 84,466                                 | 88,660                     | 177,126        |
| Charge for the year         | 4,000                        | 9,741                                  | 41,657                     | 55,398         |
| Eliminated on disposal      | -                            | -                                      | -                          | -              |
| <b>At 30 September 2007</b> | <b>8,000</b>                 | <b>94,207</b>                          | <b>130,317</b>             | <b>232,524</b> |
| <b>Net book value</b>       |                              |                                        |                            |                |
| At 30 September 2007        | 32,000                       | 15,664                                 | 116,481                    | 164,145        |
| At 30 September 2006        | 36,000                       | 21,780                                 | 158,138                    | 215,918        |

Included within the net book value of £169,236 (Charity: £164,145) is £113,702 (Charity £113,702) relating to assets under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £37,900 (Charity £37,900).

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

**Notes to the financial statements  
Year ended 30 September 2007 (continued)**

**14. Fixed asset investments**

|                                        | Group and Charity<br>Fixed interest securities | Charity's<br>shares in<br>subsidiaries | Charity<br>Total |
|----------------------------------------|------------------------------------------------|----------------------------------------|------------------|
|                                        | £                                              | £                                      | £                |
| <b>Cost/valuation</b>                  |                                                |                                        |                  |
| At beginning of year                   | 50,000                                         | -                                      | 50,000           |
| Less provision for diminution in value | (5,340)                                        | -                                      | (5,340)          |
| At end of year                         | <u>44,660</u>                                  | <u>-</u>                               | <u>44,660</u>    |

| Name of subsidiary        | Country of<br>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) |

The profit and loss accounts and balances sheets of the subsidiaries are summarised below:

**Profit and loss accounts**

|                                  | WDCS<br>(Trading)<br>£ | WDCS<br>gGmbH<br>£ | WDCS<br>(NA)inc<br>£ |
|----------------------------------|------------------------|--------------------|----------------------|
| Merchandising income             | 71,158                 | 4,909              | 3,670                |
| Raffle income                    | 86,619                 | -                  | -                    |
| Out of the Blue income           | 258,843                | -                  | -                    |
| Whale and Dolphin magazine       | 1,303                  | -                  | -                    |
| Adopt a Dolphin income           | -                      | 337,328            | -                    |
| Donations                        | -                      | 572,300            | 172,006              |
| Royalty and other similar income | 25,440                 | -                  | 2,881                |
| Investment income                | -                      | -                  | 1,092                |
| <b>Total income</b>              | <u>443,363</u>         | <u>914,537</u>     | <u>179,649</u>       |
| Merchandising                    | 45,710                 | -                  | 2,615                |
| Raffle expenditure               | 65,554                 | -                  | -                    |
| Out of the Blue expenditure      | 235,361                | -                  | -                    |
| Whale and Dolphin magazine       | -                      | -                  | -                    |
| Adopt a Dolphin expenditure      | -                      | -                  | -                    |
| Administration expenses          | 158,976                | -                  | -                    |
| Fundraising costs                | -                      | 72,455             | 48,958               |
| Charitable expenses              | -                      | 810,950            | 157,886              |
| <b>Total expenses</b>            | <u>505,601</u>         | <u>883,405</u>     | <u>209,459</u>       |
| <b>(Deficit)/ surplus</b>        | <u>(62,238)</u>        | <u>31,132</u>      | <u>(29,810)</u>      |

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

**Notes to the financial statements  
Year ended 30 September 2007 (continued)**

**14. Fixed asset investments (continued)**

**Balance sheets**

|                                                            | WDCS<br>(Trading)<br>£ | WDCS<br>gGmbH<br>£ | WDCS<br>(NA)<br>£ |
|------------------------------------------------------------|------------------------|--------------------|-------------------|
| Fixed assets                                               | -                      | 3,069              | 1,992             |
| Current assets                                             | 44,603                 | 95,522             | 21,768            |
| Creditors: amounts falling<br>due within one year          | (184,027)              | (103,392)          | (35,972)          |
| Net current assets                                         | (139,424)              | (7,840)            | (14,205)          |
| Total assets less net<br>Liabilities                       | (139,424)              | (4,771)            | (12,212)          |
| Creditors: amounts falling<br>due after more than one year | (51,000)               | -                  | -                 |
| Net(liabilities)                                           | (190,424)              | (4,771)            | (12,212)          |

|                  |                    |                    |                      |                      |
|------------------|--------------------|--------------------|----------------------|----------------------|
| 15. Stock        | Group<br>2007<br>£ | Group<br>2006<br>£ | Charity<br>2007<br>£ | Charity<br>2006<br>£ |
| Goods for resale | 24,971             | 36,652             | -                    | -                    |

|                                              |                    |                    |                      |                      |
|----------------------------------------------|--------------------|--------------------|----------------------|----------------------|
| 16. Debtors                                  | Group<br>2007<br>£ | Group<br>2006<br>£ | Charity<br>2007<br>£ | Charity<br>2006<br>£ |
| Amounts falling due within one year          |                    |                    |                      |                      |
| Trade debtors                                | 36,584             | 710                | -                    | -                    |
| VAT                                          | -                  | 19,103             | -                    | 3,273                |
| Amounts owed by subsidiary undertakings      | -                  | -                  | 157,456              | 118,983              |
| Less provisions against amounts owed         | -                  | -                  | (134,444)            | (112,119)            |
| Prepayments and other accrued income         | 149,893            | 208,722            | 136,960              | 156,606              |
|                                              | 186,477            | 228,535            | 159,972              | 166,743              |
| Amounts falling due after more than one year |                    |                    |                      |                      |
| Loans to subsidiary undertaking              | -                  | -                  | 51,000               | 50,000               |
| Less provisions against loans                | -                  | -                  | (51,000)             | (50,000)             |
| Total                                        | 186,477            | 228,535            | 159,972              | 166,743              |

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 2007 (continued)**

**17. Creditors**

|                              | Group<br>2007<br>£ | Group<br>2006<br>£ | Charity<br>2007<br>£ | Charity<br>2006<br>£ |
|------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade creditors              | 206,394            | 192,083            | 146,848              | 164,187              |
| Social security              | 39,897             | 25,649             | 27,829               | 25,649               |
| VAT                          | 8,218              | -                  | 13,980               | -                    |
| Accruals and deferred income | 272,083            | 323,794            | 183,686              | 177,456              |
| Hire purchase                | 38,426             | 38,423             | 38,426               | 38,423               |
|                              | <u>565,018</u>     | <u>579,949</u>     | <u>410,769</u>       | <u>405,715</u>       |

**18. Creditors: amounts falling due after more than one year**

|                                                    | Group<br>2007<br>£ | Group<br>2006<br>£ | Charity<br>2007<br>£ | Charity<br>2006<br>£ |
|----------------------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Hire purchase (repayable between 2 and five years) | <u>99,266</u>      | <u>137,698</u>     | <u>99,266</u>        | <u>137,698</u>       |

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

**19. Financial Commitments**

| Group               | 2007<br>Other<br>£ | 2007<br>Land &<br>Buildings<br>£ | 2006<br>Other<br>£ | 2006<br>Land &<br>Buildings<br>£ |
|---------------------|--------------------|----------------------------------|--------------------|----------------------------------|
| <b>Expiry date</b>  |                    |                                  |                    |                                  |
| Within 2 to 5 years | <u>7,358</u>       | <u>62,745</u>                    | <u>44,948</u>      | <u>88,361</u>                    |

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

**Notes to the financial statements  
Year ended 30 September 2007 (continued)**

**20. Statement of funds**

|                              | Balance at 1<br>October 2006<br>£ | Income<br>£      | Expenditure<br>£   | Balance at 30<br>September 2007<br>£ |
|------------------------------|-----------------------------------|------------------|--------------------|--------------------------------------|
| <b>Group</b>                 |                                   |                  |                    |                                      |
| Unrestricted funds           | 113,392                           | 4,422,685        | (4,522,350)        | 13,727                               |
| <b>Restricted funds</b>      |                                   |                  |                    |                                      |
| 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                       | 27,688                            | 108,179          | (98,639)           | 37,228                               |
| <b>Total restricted fund</b> | <b>63,772</b>                     | <b>108,179</b>   | <b>(98,639)</b>    | <b>73,312</b>                        |
| <b>Total funds</b>           | <b>177,164</b>                    | <b>4,530,864</b> | <b>(4,620,989)</b> | <b>87,039</b>                        |

|                               | Balance at 1<br>October 2006<br>£ | Income<br>£      | Expenditure<br>£   | Balance at 30<br>September 2007<br>£ |
|-------------------------------|-----------------------------------|------------------|--------------------|--------------------------------------|
| <b>Charity</b>                |                                   |                  |                    |                                      |
| Unrestricted funds            | 124,544                           | 3,017,788        | (3,080,321)        | 62,011                               |
| <b>Restricted funds</b>       |                                   |                  |                    |                                      |
| 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                        | 1,000                             | 70,772           | (60,864)           | 10,908                               |
| <b>Total restricted funds</b> | <b>37,084</b>                     | <b>70,772</b>    | <b>(60,864)</b>    | <b>46,992</b>                        |
| <b>Total funds</b>            | <b>161,628</b>                    | <b>3,088,560</b> | <b>(3,141,185)</b> | <b>109,003</b>                       |

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

**Whale and Dolphin Conservation Society  
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**Notes to the financial statements  
Year ended 30 September 2007 (continued)**

**21. Analysis of net assets between funds**

| Group                                                  | Restricted<br>funds<br>£ | General<br>funds<br>£ | Total<br>£    |
|--------------------------------------------------------|--------------------------|-----------------------|---------------|
| Fund balances at 30 September 2007 are represented by: |                          |                       |               |
| Tangible fixed assets                                  | -                        | 169,236               | 169,236       |
| Investments                                            | -                        | 44,660                | 44,660        |
| Current assets                                         | 73,312                   | 464,115               | 537,427       |
| Current liabilities                                    | -                        | (565,018)             | (565,018)     |
| Amounts due after one year                             | -                        | (99,266)              | (99,266)      |
| <b>Total net assets</b>                                | <b>73,312</b>            | <b>13,727</b>         | <b>87,039</b> |

**22. Net cash inflow/(outflow) from operating activities**

|                                                            | 2007<br>£     | 2006<br>£      |
|------------------------------------------------------------|---------------|----------------|
| Net outcoming resources                                    | (90,125)      | (48,195)       |
| Depreciation                                               | 56,111        | 43,486         |
| Unrealised loss on investments                             | 5,340         | -              |
| (Increase)/decrease in stocks                              | 11,681        | (5,289)        |
| Decrease/(increase) in debtors                             | 36,295        | 5,285          |
| (Decrease)/increase in creditors                           | (9,169)       | (1,861)        |
| <b>Net cash inflow/(outflow) from operating activities</b> | <b>10,133</b> | <b>(6,574)</b> |

**23. 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 £218,211 (2006: £368,170) to support their campaigns and conservation projects.

**24. 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.