

Chantrey Vellacott DFK LLP

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Scottish registered charity number SC040231

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

Report and financial statements

30 September 2011

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

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**Whale and Dolphin Conservation Society
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Legal and administrative information

Trustees

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

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

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
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Berkshire
RG1 4RP

Investment Managers

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4th Floor, Tay House
300 Bath Street
Glasgow
G2 4LH

Bankers

Barclays Bank plc
99 Hatton Garden
London
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Solicitors

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Chantrey Vellacott DFK LLP

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (Incorporating the Directors' Report)

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their report (which incorporates the directors' report) and the audited financial statements of Whale and Dolphin Conservation Society (WDCS or the charity) and its subsidiaries (together, the WDCS group) for the year ended 30 September 2011

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 17 November 2008. 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 adequate accounting records which are sufficient to show and explain the charity's transactions and which disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the 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 and the group 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 and the group complies with relevant laws and regulations

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (Incorporating the Directors' Report) (continued)

Risk 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 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 Chief Executive. 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 threats 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 mixture 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. It is this focus on the individual and the wider populations of cetaceans that marks out WDCS as different.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Achievements and performance

Once again we are pleased to report that as a global voice for whales and dolphins WDCS has been able to achieve some significant advances for whales and dolphins around the world. However, we could not have done any of it without the support of the public and the many institutions and individuals that share our vision of a better future for whales and dolphins.

The continued depressed economic climate has had an impact, both on income and on potential collaboration and support of governments and agencies who are all finding that they have had to move resources, both financial and human, into other areas. Despite this situation, WDCS has continued to be on the front line of representing whales, dolphins and porpoises around the globe.

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. 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.whales.org.

During the year the organisation completed its plans for the period 2012-2014. The trustees are pleased to report that the plans allow for a scalable delivery against the agreed policy targets as well as allowing for more accountability to our supporters.

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (Incorporating the Directors' Report) (continued)

Achievements and performance (continued)

Whaling

Problem Despite a ban on commercial whaling, Norway, Iceland and Japan continue to exploit loopholes in international regulations to kill thousands of whales each year between them and are expanding their international trade in whale products. Our aim is to exert political and public advocacy to bring an end to all commercial whaling for good. Under pressure from the whalers claiming that the IWC had become a dysfunctional entity, some countries have been willing to contemplate a return to commercial whaling in the guise of 'coastal whaling'. They, falsely, we believe, argue that whilst being commercial, it would be limited and therefore not an amendment of the moratorium.

In the field of anti-whaling we wanted to continue to protect the commercial whaling moratorium and oppose all attempts to circumvent the ban whilst denying Icelandic whalers access to European markets for their fish products and so incentivise the divestment out of commercial whaling.

Successes, solutions and future challenges The WDSCS anti-whaling team set out to maximise our impact at this year's International Whaling Commission meeting despite some commentators saying little could be progressed. A few weeks before the start of 2011 IWC meeting, Buenos Aires city was the venue of the VIII Buenos Aires Group (GBA) meeting.

The GBA was formed in 2005 and consists of Latin American countries forming a regional block within the IWC with a strong conservationist position. Non Governmental Organisation's (NGO's) representatives were encouraged to participate and WDSCS's Head of Programme for our whaling and trade programme, Vanesa Tossenberger, was invited to give a lecture on the relation of CITES & IWC to the government representatives.

In the US WDSCS led a coalition of conservation and animal welfare groups who successfully petitioned the US Secretaries of Commerce and Interior under the Pelly Amendment to take action against Iceland.

The 80+ page petition to the US government set out how Iceland's whaling (and international trade in whaling products) undermines the effectiveness of the International Whaling Commission (IWC) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The result was a success with President Obama insisting on a review of the US's diplomatic relationship with Iceland, potentially including cancelling meetings with Icelandic officials and withdrawing funding for joint projects in the Arctic.

The continued **challenge** is that we need to **continue tracking and exposing Iceland's trade in whale products**. Iceland exports hundreds of thousands of kilos of whale meat and frozen whale products to Japan – we will continue to investigate and expose them until they stop.

In a major success **we stopped Iceland's main airport selling whale meat**. After WDSCS and the US based Animal Welfare Institute (AWI) exposed the illegal sale of whale meat at Iceland's Keflavik airport, the UK Foreign Office warned that UK tourists bringing this meat into the UK faced imprisonment or fines of up to £5,000. Other countries (including the US) then issued similar warnings to their citizens. Within hours, Keflavik airport withdrew the meat from its Duty Free stores.

The continued **challenge** is that **we must stop visitors to Iceland eating whale meat as a 'cultural experience'**. Only around 5% of the locals in Iceland eat whale meat and 40% of the minke whale meat slaughtered in Icelandic waters is eaten by visitors to the country, visitors who often have no idea that their actions are propping up commercial whaling.

Within the IWC WDSCS also scored a major **success. We were instrumental in the Whaling Commission cleaning up its act**. After years of alleged bribes by Japan, the International Whaling Commission (the organisation that regulates whaling) has a new and transparent way of doing business. WDSCS worked with the UK and other conservation delegations to address the administrative loopholes that allow countries to circumvent the transparency that could allow for abuses to take place. It will be much more difficult for a whaling nation to 'financially encourage' another country to support whaling in the future.

However, we still face the **challenge** of **keeping the IWC meeting on track**. Japan and many of its allies walked out of the last IWC meeting making agreement impossible and bring the meeting to a halt. We will do all we can to ensure this does not happen again.

We are really pleased to report that **we reduced the amount of fish sold in the UK with links to Icelandic whaling**. After we exposed strong links between Iceland's whaling industry and HB Grandt, one of Iceland's biggest fish exporters, WDSCS convinced all major UK supermarkets as well as wholesalers and fish and chip shop owners not to buy fish from HB Grandt.

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

Achievements and performance (continued)

The next **challenge is to stop schools selling fish linked to whaling** In the UK, we are now targeting schools serving fish linked to whaling and our German and US teams are mounting a retailer campaign mirroring the successful UK campaign

Anti- Captivity

Problem WDCC understands why people love whales and dolphins and therefore their desire to see them up-close, but we believe that keeping them in captivity inflicts cruelty and suffering These wide-ranging, social animals are forced to live in confined spaces and suffer lower life expectancy and higher infant mortality than in the wild WDCC is working for a world where whales and dolphins are no longer subjected to this cruelty and where existing captive cetaceans have a chance at being free or at least retired to a sea pen home

The WDCC team wanted to progress the retirement and/or release of Merlin's dolphins (dolphins that have come to belong to Merlin Entertainments as a result of the expansion of their activities) and establish a precedence for 'retiring' bottlenose dolphins and secure awareness of the failure of regulations to protect whales and dolphins in European dolphinaria and campaign for specific improvements including a ban on all future imports

Successes, solutions and future challenges **We built upon our success of suing the Nuremburg Zoo** No register is available for captive marine mammals in the European Union and therefore there is no public record of how many dolphins are displayed, reproduction rates, medical treatment or the health of the whales and dolphins held It took WDCC suing the Nuremburg Zoo for the information to be made public This ruling is the first of its kind and could have a major impact on captivity throughout the EU During the year we have been analysing the papers that we have been able to get access to and hope to publish the results in the coming year

WDCC published the latest in a series of reports on plight of cetaceans in Europe and the failure of the EU member states to enforce the Zoo Directive WDCC's report clearly demonstrates that the dolphinaria licensed to operate in these countries are failing to meet the requirements of the EU Zoos Directive, and that instead they are primarily commercial enterprises paying little heed to their conservation and educational responsibilities

Our report was compiled using data from 18 dolphinaria collected as part of a European-wide zoo investigation called the EU Zoo Enquiry 2011 as well as a review of literature and web-based information

When held up against the legal requirements of the EU Zoos Directive and other relevant EU legislation, the results were damning WDCC took the report to the EU Commission and MEPs and is now seeking to achieve enforcement across Europe

The challenge now is to **fight to stop all whale and dolphin captivity in the EU**. Almost 300 whales and dolphins are still held in tanks and forced to perform tricks for food in 15 of the 27 Member States of the European Union We will not stop until there are no captive whales or dolphins left in the EU performing tricks for food

Across the globe we fought to make sure that the world would know the harsh realities behind the captivity industry Through the efforts of WDCC, the hearings before the Occupational Safety and Health Administration's (OSHA) Review Commission and Sea World were open to the public WDCC supported OSHA's findings that SeaWorld wilfully exposed its trainers to unacceptable safety risks while interacting with orcas during 'waterwork' performances

Many of the successes in the field of anti-captivity are hidden from view The WDCC team are often involved in advising governments and other NGOs with information on proposed dolphinaria developments For example, we are pleased to report that working in partnership with other charities, WDCC was able to help stop the proposed establishment of a dolphin-breeding centre in Guinea-Bissau in West Africa The deep knowledge base of experienced staff that WDCC is able to draw upon is one of major assets, no more so than in the field of anti-captivity

The challenge we now face is to get the world's governments, saddled with a global economic downturn, to not abandon compliance with existing laws that protect whales and dolphins

On a happier note we are pleased to report that WDCC has continued to develop our project with Merlin Entertainments to rehabilitate and retire and where possible release, dolphins that come into Merlin Entertainments hands as they continue their global expansion During the year we developed a scientific recommendation for the project and we are pleased to report that the Merlin Board have approved the project to move to the next stage of development WDCC has identified a number of potential locations for the centre and the Merlin project team is now evaluating the recommendations to identify the best site Working together, WDCC and Merlin look to provide a real alternative to the cruel practice of keeping whales and dolphins in captivity

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (Incorporating the Directors' Report) (continued)

Achievements and performance (continued)

Ethics

Problem There are 83 species of cetaceans. Each and every one is under significant threat from human activities. Each and every individual, each family, each community and each social group of cetaceans is impacted by human activities in their environments. There is no corner of the Earth where our activities do not influence the lives of cetaceans in one way or another. Cetaceans' Right to the freedom to go about their daily lives unharmed and in peace is infringed upon on a daily basis.

Successes, solutions and future challenges Following the success of the WDCS supported launch of the Declaration of Rights for whales and dolphins in 2010 we set ourselves the target of exploring and summarising the current scientific knowledge about cetacean cognition, culture and complexity of cetacean societies and challenge how we must now change our relationship with cetaceans over the coming century.

We were not only able to take part in the 2011 Times Science Festival with a sold-out panel session but we were pleased to publish 'Whales and Dolphins: Cognition, Culture, Conservation and Human Perceptions' by WDCS's Mark Simmonds and Philippa Brakes. This seminal volume brings together experts in the relevant diverse fields of cetacean research, to provide authoritative descriptions of our current knowledge of the complex behaviour and social organisation of whales and dolphins. The authors consider this new information in the context of how different human cultures from around the world view cetaceans and their protection, including attitudes to whaling. They show how new information on issues such as cetacean intelligence, culture and the ability to suffer, warrants a significant shift in global perceptions of this group of animals and how these changes might be facilitated to improve conservation and welfare approaches.

This widely welcomed and influential book and our recent work has led to WDCS being invited to present in 2012 at the American Academy for the Advancement of Science (AAAS) on the subject of ethics, science and conservation. Something we look forward to reporting on next year.

Protecting Species and Habitats

Problem The critical habitat that is essential for whales and dolphins' survival is increasingly under threat. WDCS believes that conservation led marine protected areas are an essential tool in securing better protection for whales and dolphins and all marine species. Around the world, there are many key marine areas that are critical as homes for whales and dolphins, and others that are key migratory routes. WDCS is committed to protecting the places where whales and dolphins live to ensure their future.

Successes, solutions and future challenges In the Pacific Island States our research led to **Moon Reef, Fiji being declared a marine protected area**. Since 2008, WDCS has researched the spinner dolphins at Moon Reef in order to better understand how to protect them and how to engage local researchers and peoples in their conservation. Our efforts provided vital information about why this area is so critical to these unique dolphins and helped bring about the designation of a safe-haven to protect them.

The challenge in the coming years is now making sure the spinner dolphins are protected. We will work with local people and tourism companies to make sure all the whales and dolphins of Moon Reef are properly protected.

In a further success we helped achieve a **ban on the use of gillnets in a major fishing area off South Australia**. The numbers of dolphins dying in gillnets in this area was rising dramatically. Pressure from WDCS and our partners achieved a ban on the use of gillnets in 27,000sq km of water.

WDCS's long-term dedication to river dolphins continues to pay dividends and during the year we achieved **better protection for South America's vulnerable river dolphins**. WDCS spearheaded the South American River Dolphin Protected Area Network consisting currently of nine existing and three proposed protected areas in six countries in the Amazon and Orinoco river basins of South America. With partners in the region we shall develop plans to protect these vulnerable animals across national borders.

In North America, WDCS successfully petitioned the US Government to propose increased federally designated Critical Habitat for North Atlantic right whales. The action was in response to a federal lawsuit filed by WDCS, and collaborating conservation organisations.

In the UK the dolphins of the Moray Firth are an amazing group of animals and a much-loved part of Scotland's natural heritage, but they are also vulnerable. Our Protect Our Dolphins campaign aims to ensure that these animals have a future by helping to strengthen their legal protection, by seeking to ensure the appropriate regulation of all industries that threaten their environment and by campaigning to change the way we the public behave around them.

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (Incorporating the Directors' Report) (continued)

Achievements and performance - *Protecting Species and Habitats* (continued)

We worked closely with the UK Government to limit the number of seismic surveys for oil and gas in the Moray Firth close to the European Special Area of Conservation (SAC), whilst ensuring that the Government invested heavily in researching the risks of this growing potential threat

Our Shorewatch programme continued to develop, engaging the public across Scotland bringing them closer to the creatures on their doorstep. The WDSC Scottish Dolphin centre continued to welcome visitors to the Moray Firth and thanks to support of the BBC and local supporters we were able to develop the visitor attractions to a new high level. Our thanks go out to the volunteers and people of Moray for making the Dolphin Centre an unforgettable experience.

And it was these same Scottish staff and volunteers that meant we were able to help **save the lives of 44 pilot whales in Scotland**. June 2011 saw the UK's biggest ever mass whale stranding and together with British Divers Marine Life Rescue (BDMLR) medics and members of the public we saved the lives of many of these remarkable and sentient pilot whales.

In the coming years we need to understand more about what causes whales and dolphins to strand. Strandings have always taken place, but they seem to be increasing. With the public's support we are working hard to uncover the causes – the more we understand, the more we can do to try to prevent these tragedies.

Whilst we cannot present all our education work here we should note that in the US more than 2,500 children were reached through school presentations as well as programs at the Arizona Sea Life Aquarium in celebration of World Oceans Day and the New Bedford Whaling Museum's Right Whale Day.

In fighting to protect the wider oceans we **pushed the Whaling Commission to act on marine litter**. Marine debris is responsible for the deaths of an estimated one million birds and 100,000 marine mammals every year. We pushed the Whaling Commission to examine the impact on whales and dolphins of the estimated six million tonnes of marine litter that enters the oceans every year.

The challenge now is to clean up our oceans. We will work to document the effects of marine debris on whales and dolphins and help this new initiative to reduce this very dangerous form of pollution but we are going to need the public's help. Let us reduce, reuse, and recycle whenever possible.

Underwater Noise Pollution

On April 19th, 2011, at 5:30 pm, in Berlin City in front of Brandenburg Gate WDSC brought a 'crime scene' to the people of Germany. We arranged for an area to be roped off and a life-size whale was drawn onto the floor whilst a truck drives by and deafening noise sounds out. The noise of airguns and low frequency active sonar survey must sound very similar for whales and dolphins under water, but even many times louder. Volunteers held their ears and threw themselves, faces distorted with pain, onto the floor as an active sign against underwater noise pollution and the thoughtless handling of the living environment of the ocean. The volunteers were joined by the punk rock band, 'Itchy Poopz Kid' who launched into, 'Why Still Bother', the protest song created by the band for this campaign.

Whilst WDSC does not often carry out these direct action events, we felt that this was necessary on this occasion. April 20th marked the anniversary of the explosion of the Deepwater Horizon and together with WDSC and the well-known German actor, Andreas Hoppe, (playing the commissar in the German TV production 'Scene of the Crime'), the musicians were able to draw attention to the recklessness of the oil industry in dealing with the living environment of the ocean in front of the European head office of British Petroleum (BP).

The event led to BP offering to meet with WDSC to discuss their policy on safety for cetaceans.

Responsible Whale and Dolphin Watching

Problem WDSC does not want to deny people the great pleasure of watching whales and dolphins at sea, but is committed to ensuring that this increasingly popular pastime is managed with minimal disturbance to the animals themselves.

Successes, solutions and future challenges At the end of 2010 in Nicaragua WDSC conducted a workshop coordinated by Vanesa Tossenberger with the purpose of training local fishermen to organise watching activities.

In the words of WDSC staff in Latin America "It was a very humble village whose members were very glad to discover that they could take advantage of the presence of whales and dolphins by organising watching activities in a responsible way." This training was aimed to create a basis for local socio-economic development and sought to ensure that all participants were clear that they could use the presence of the dolphins as long as they also created the conservation strategies to protect them.

Whale and Dolphin Conservation Society (Limited by guarantee)

Report of the Trustees (Incorporating the Directors' Report) (continued)

Achievements and performance – *Responsible Whale and Dolphin Watching* (continued)

In partnership with the US Government agency, National Oceanic and Atmospheric Administration (NOAA), WDCS has developed groundbreaking programmes to reduce harassment and increase the educational value of commercial whale and dolphin watching. Successfully launched in 2007 and implemented in the southeastern US, this year Dolphin SMART expanded to Hawaii to reduce spinner dolphin harassment as tour operators target vulnerable populations. Whale SENSE grew beyond its New England based operations to include several companies in the mid-Atlantic US and added a data collection component to learn more about habitat use in this area. Both Dolphin SENSE and Whale SENSE are programmes involved with supporting safe and responsible cetacean watching.

Who made this possible?

Our thanks go out to staff, colleagues and volunteers who have stayed with WDCS in these difficult times for charities. Indeed, in the UK WDCS benefited from some 14,840 volunteer hours, which represented a huge donation of time and effort by some very special people in our shared desire to protect these remarkable creatures.

Interns and volunteers are an integral part of the operation and successes of our North American Office. Fuelled by passion and a desire to make a difference, nine full and 10 part time interns representing seven different countries became part of our WDCS family over the past year. Through data obtained and reviewed by interns, WDCS was able to enhance the protection of endangered North Atlantic right humpback, and sei whales by legally challenging the National Marine Fisheries Service's Biological Opinion of four different fisheries and contributing sightings to the Recovery Plan for Sei Whales. Our interns reached out to more than 130,000 whale watch passengers, and supported campaigns to end whaling and captivity.

The ongoing commitment of our individual supporters, partners and funders is of course, vital if we are to achieve our global and ambitious goals in the increasingly challenging economic environment.

The truth is we cannot do anything without the public. So on behalf of all the WDCS staff and volunteers, 'Thank you'.

Financial review

The difficult economic times have continued to have an effect on income however, close financial management meant that the organisation was able to match spending to income levels and generate a consolidated net income of £64,777 for the year.

There were mixed results for our subsidiary companies. The German organisation operated with a net income of just under £1k. Germany is now increasing the level of support and operating some very high profile campaigns to raise its profile. WDCS Trading Ltd returned a net loss of £48k. The raffle was rested last year, resulting in a reduction in income, but has returned during 2011/12 in a different format which we expect will more closely match current methods of giving. The trustees have reviewed the activities of the trading company and consider that it is useful to the charity as it allows important activities to be undertaken which benefit the charitable objectives. The North American subsidiary returned net income of £26k. This was in a large part due to an unexpected but welcome legacy. The North American operation has now almost completely repaid the loans made over the last few years and has added to unrestricted reserves, which lends further stability to the group.

During 2010-11 the group generated net income of £65k. We consider that, in this climate, the charity is acting prudently to ensure our work can continue. We have successfully maintained our unrestricted reserves, which gives us a cushion in these difficult times, but the confidence to continue our work. For the group, donation income amounted to £2,399,688 – a decrease from last year which we mainly attribute to the general economic situation. Income from legacies was double the amount received last year. This latter area of revenue is a difficult income stream to predict although over the long-term, as WDCS matures, this income is on an upward projection. WDCS is continuing to try to reduce dependency on direct marketing income and to increase activity in other areas, such as major giving. We have invested in our major giving team and have again increased income from Trusts this year. This income is used to support our many projects in the UK and beyond.

Overall, our income has decreased over the past year. We were able to reduce our fundraising costs and use more of our funds for charitable objects. We continue to closely match our expenditure to our income streams and worked hard to build up our reserves, which for many years have been not sufficient to support a group of our size and activity.

Volunteers

WDCS benefits hugely from the dedication of many volunteers who are involved in charitable activities and the administration of the group. We calculate that our volunteers contributed 14,840 hours (2010 – 15,457), 67% (2010-61%) of which were in our Wildlife Centres in Scotland.

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

Reserves policy

WDCS has a policy of continually reviewing the reserves position, to ensure 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. The trustees have determined that the reserve level which will meet these objectives is £430,000 in unrestricted funds.

At the end of the year the group had reserves of £592,504 of which £556,290 represents unrestricted funds. Our intention is to invest in projects this year that will bring us to our reserve target.

Statement of trustees' responsibilities

The trustees (who are also directors of Whale and Dolphin Conservation Society for the purposes of company law) are responsible 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).

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records which are sufficient to show and explain the group and the charitable company's transactions and which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the charity's constitution. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

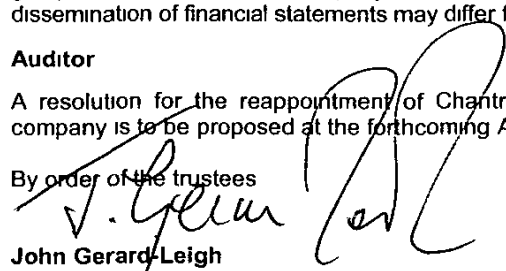
- there is no relevant audit information of which the group and the charitable company auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group and the charitable company's 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 group and the charitable company is to be proposed at the forthcoming Annual General Meeting.

By order of the trustees


John Gerard Leigh
Chairman

Date 27 February 2012

Chantrey Vellacott DFK LLP

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

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

We have audited the financial statements of Whale and Dolphin Conservation Society for the year ended 30 September 2011 which comprise the Consolidated Statement of Financial Activities, the group and parent charitable company Balance Sheet, the consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the group and parent 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 and its trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group and charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees (incorporating the Directors' Report) to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and parent charitable company's affairs as at 30 September 2011 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees (incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the charitable company's financial statements are not in agreement with the accounting records or returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Chantrey Vellacott DFK LLP

SALLY JAYNE BONNER FCA (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
READING

Date

27/2/12

Chantrey Vellacott DFK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Chantrey Vellacott DFK LLP

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

**Consolidated statement of financial activities
Year ended 30 September 2011
(including an income and expenditure account)**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
Incoming resources					
Incoming resources from generated funds					
Donations and similar income	4	2,268,384	131,284	2,399,668	2,671,181
Legacies	5	235,283	-	235,283	116,237
Merchandise, raffle, and magazine income	6	101,969	-	101,969	142,036
Royalty and other similar income		22,886	-	22,886	54,940
Investment income	7	721	-	721	521
		<u>2,629,243</u>	<u>131,284</u>	<u>2,760,527</u>	<u>2,984,915</u>
Incoming resources from charitable activities					
Membership		197,664	-	197,664	142,631
Out of the Blue		3,933	-	3,933	3,641
Adoption programmes		756,440	-	756,440	909,902
		<u>958,037</u>	<u>-</u>	<u>958,037</u>	<u>1,056,174</u>
Total incoming resources		<u>3,587,280</u>	<u>131,284</u>	<u>3,718,564</u>	<u>4,041,089</u>
Resources expended					
Costs of generating funds					
Fund raising costs		640,785	-	640,785	733,533
Merchandise, raffle and magazine costs		135,867	-	135,867	149,052
		<u>776,652</u>	<u>-</u>	<u>776,652</u>	<u>882,585</u>
Costs of generating funds					
Charitable activities					
Conservation and campaigns		2,480,142	133,431	2,613,573	2,348,485
Donations		46,994	-	46,994	15,865
Information and education		220,408	-	220,408	182,302
Membership		6,142	-	6,142	8,200
Adoption programmes		214,325	-	214,325	362,535
(Recoverable)/unrecoverable VAT		(237,456)	-	(237,456)	(41,828)
		<u>2,730,555</u>	<u>133,431</u>	<u>2,863,986</u>	<u>2,875,559</u>
Charitable expenditure		<u>2,730,555</u>	<u>133,431</u>	<u>2,863,986</u>	<u>2,875,559</u>
Governance costs		<u>13,149</u>	<u>-</u>	<u>13,149</u>	<u>13,211</u>
Total resources expended	9	<u>3,520,356</u>	<u>133,431</u>	<u>3,653,787</u>	<u>3,771,355</u>
Net movement in funds, being net Income/(expenditure) for the year					
		<u>66,924</u>	<u>(2,147)</u>	<u>64,777</u>	<u>269,734</u>
Balances brought forward		<u>489,366</u>	<u>38,361</u>	<u>527,727</u>	<u>257,993</u>
Balances carried forward	20	<u>556,290</u>	<u>36,214</u>	<u>592,504</u>	<u>527,727</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 15 to 26 form part of these financial statements.

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

**Balance sheet
30 September 2011**

	Note	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Fixed assets					
Tangible fixed assets	14	35,204	39,824	28,700	35,833
Investments	15	-	-	-	-
		<u>35,204</u>	<u>39,824</u>	<u>28,700</u>	<u>35,833</u>
Current assets					
Stock	16	33,333	40,651	-	-
Debtors	17	115,626	170,264	126,029	178,778
Cash at bank & in hand		758,445	715,642	640,241	622,804
		<u>907,404</u>	<u>926,557</u>	<u>766,270</u>	<u>801,582</u>
Creditors amounts falling due within one year	18	<u>(350,104)</u>	<u>(438,654)</u>	<u>(234,866)</u>	<u>(283,643)</u>
Net current assets		<u>557,300</u>	<u>487,903</u>	<u>531,404</u>	<u>517,939</u>
Total net assets	21	<u>592,504</u>	<u>527,727</u>	<u>560,104</u>	<u>553,772</u>
Unrestricted funds	20	556,290	489,366	548,027	523,410
Restricted funds	20	<u>36,214</u>	<u>38,361</u>	<u>12,077</u>	<u>30,362</u>
Total funds		<u>592,504</u>	<u>527,727</u>	<u>560,104</u>	<u>553,772</u>

These financial statements were approved and authorised for issue by the trustees on 27 Feb 2012 and signed on their behalf


John Gerard-Leigh
Chairman

The notes on pages 15 to 26 form part of these financial statements

Registered number 2737421

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

**Consolidated cash flow statement
30 September 2011**

	2011 £	2010 £
Net cash inflow from operating activities (note 22)	90,908	229,803
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	<u>(11,976)</u>	<u>-</u>
Net cash inflow before management of liquid resources and financing	78,932	229,803
New hire purchase and finance lease Capital elements of lease payment	<u>(36,129)</u>	<u>(46,858)</u>
Increase in cash in the year	<u>42,803</u>	<u>182,945</u>
Reconciliation of net cash flow to movement in net funds		
Net cash increase in year	42,803	182,945
Net funds at start of year	715,642	532,697
Net funds at end of year	<u>758,445</u>	<u>715,642</u>
Cash at bank and in hand	<u>758,445</u>	<u>715,642</u>

Chantrey Vellacott DF K LLP

The notes on pages 15 to 26 form part of these financial statements

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

**Notes to the financial statements
Year ended 30 September 2011**

1 Company status

The Whale and Dolphin Conservation Society is a company limited by guarantee, not having a share capital. The liability of the members in the event of winding up is limited to an amount not exceeding £1 per member. At 30 September 2011 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 2006.

The trustees 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 2006.

b) Basis of consolidation

The group accounts consolidate the accounts of the charity and its subsidiary undertakings on a line by line basis. The accounts are made up to 30 September 2011.

In accordance with the Companies Act 2006 the charity is exempt from the requirement to present its own statement of financial activities. Net movement in funds for the year ended 30 September 2011 for the charity was a surplus of £6,332.

The amount of the result for the financial period dealt with in the financial statement of subsidiaries is disclosed in note 15 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 2011 (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 when the charity becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Subscription and appeal income is allocated to the accounting period to which it relates. Other income is included in the financial statements when receivable.

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

Expenditure of a capital nature and in excess of £3,000 in value is capitalised.

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

Certain expenditure is directly attributable to charitable activities and has been included in this cost category. Where costs cannot be directly attributed to specific activities, they have been allocated to activities on a basis consistent with the use of the resources.

h) Grant making

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

Applications are submitted in a specific format and reviewed by the charity's 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

The charity 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 the charity.

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

**Notes to the financial statements
Year ended 30 September 2011 (continued)**

2 Accounting policies (continued)

j) Taxation

The company, which is a registered charity, is not liable to taxation as the net income from its primary activity

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 therefrom 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 2011 (*continued*)**

3 Cash flow statement - Charity

	2011 £	2010 £
Net incoming resources	6,332	271,553
Depreciation	15,970	52,938
Decrease in investments	-	45,797
Decrease in debtors	52,749	23,562
(Decrease) in creditors	(12,648)	(72,137)
Net cash inflow from operating activities	62,403	321,713
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(8,837)	-
Net cash inflow before management of liquid resources and financing	53,566	321,713
Capital elements of lease payment	(36,129)	(46,858)
Increase in cash in the year	17,437	274,855
Reconciliation of net cash flow to movement in net funds		
Net cash increase in year	17,437	274,855
Net funds at start of year	622,804	347,949
Net funds at end of year	640,241	622,804
Cash at bank and in hand	640,241	622,804

4 Donations and similar income

	2011 £	2010 £
Individuals	1,679,101	1,890,126
Trusts	203,416	171,587
Adopt a dolphin donations	469,096	560,292
Adopt a whale donations	48,055	49,176
	2,399,668	2,671,181

5 Legacies

24 legacies were received totalling £235,283 (2010 £116,237 in respect of ten legacies)

6 Merchandise, raffle and magazine income

	2011 £	2010 £
Merchandising income	101,932	87,338
Raffle income	37	54,698
	101,969	142,036

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

**Notes to the financial statements
Year ended 30 September 2011 (continued)**

7	Investment income			2011	2010
				£	£
	Interest receivable/loss on investment			721	521
8	Taxation				
	The company, which is a registered charity, is not liable to taxation on the net income from its primary activity				
9	Total resources expended				
		Staff costs (note 11) £	Other direct costs £	Total 2011 £	Total 2010 £
	Costs of generating funds				
	Fund raising costs	251,921	388,864	640,785	733,533
	Merchandise, raffle and magazine costs				
	Cost of merchandise	-	63,434	63,434	27,649
	Raffle costs	-	1,133	1,133	45,217
	Administration costs	52,390	18,910	71,300	76,186
		304,311	472,341	776,652	882,585
	Charitable activities				
	Conservation, campaigns and donations	908,936	1,751,631	2,660,567	2,364,350
	Information and education	-	220,408	220,408	182,302
	Membership	-	6,142	6,142	8,200
	Adoption programmes	-	214,325	214,325	362,535
	(Recoverable)/Unrecoverable VAT	-	(237,456)	(237,456)	(41,828)
		908,936	1,955,050	2,863,986	2,875,559
	Governance costs	-	13,149	13,149	13,211
		1,213,247	2,440,540	3,653,787	3,771,355
	Other direct costs include			2011	2010
				£	£
	Audit fee - group			13,000	13,000
	Operating lease rentals – land and buildings			96,433	87,469
	– plant and equipment			17,726	17,435
	Depreciation			16,596	53,883

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

**Notes to the financial statements
Year ended 30 September 2011 (*continued*)**

10 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

	2011 Number	2010 Number	2011 £	2010 £
Travel	-	-	-	-

11 Staff costs

	2011 £	2010 £
Wages and salaries	1,075,515	1,020,390
Social security costs	100,832	94,816
Other pension costs (note 13)	36,900	41,780
	1,213,247	1,156,986

There were 2 employees (2010: one) whose emoluments for the year were within the £50,000 to £60,000 banding range

12 Number of staff

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

	2011 No	2010 No
Charitable activities	31	30
Cost of generating funds	7	17
Management and administration of the charity	10	9
	48	46

13. 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 £36,900 (2010: £41,780).

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

**Notes to the financial statements
Year ended 30 September 2011 (continued)**

14 Tangible fixed assets

Group	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At beginning of year	40,000	125,380	299,038	464,418
Additions	-	3,139	8,837	11,976
Disposals	-	-	-	-
At 30 September 2011	40,000	128,519	307,875	476,394
Depreciation				
At beginning of year	20,000	115,949	288,645	424,594
Charge for the year	4,000	1,798	10,798	16,596
Eliminated on disposal	-	-	-	-
At 30 September 2011	24,000	117,747	299,443	441,190
Net book value				
At 30 September 2011	16,000	10,772	8,432	35,204
At 30 September 2010	20,000	9,431	10,393	39,824
Charity				
Cost				
At beginning of year	40,000	109,871	285,587	435,458
Additions	-	-	8,837	8,837
Disposals	-	-	-	-
At 30 September 2011	40,000	109,871	294,424	444,295
Depreciation				
At beginning of year	20,000	104,431	275,194	399,625
Charge for the year	4,000	1,577	10,393	15,970
Eliminated on disposal	-	-	-	-
At 30 September 2011	24,000	106,008	285,587	415,595
Net book value				
At 30 September 2011	16,000	3,863	8,837	28,700
At 30 September 2010	20,000	5,440	10,393	35,833

Included within the net book value of £35,204 (Charity £28,700) is £nil (Charity £nil) relating to assets under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £10,344 (Charity £10,344).

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

**Notes to the financial statements
Year ended 30 September 2011 (continued)**

15 Fixed asset investments

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

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

Profit and loss accounts

	WDCS (Trading) £	WDCS gGmbH £	WDCS (NA)Inc £
Merchandising income	78,141	23,639	152
Raffle income	37	-	-
Out of the Blue income	3,933	-	-
Donations	-	720,039	288,263
Royalty and other similar income	7,252	-	1,592
Investment income	-	-	364
Total income	89,363	743,678	290,371
Merchandising	63,434	-	-
Raffle expenditure	1,133	-	-
Administration expenses	72,580	-	-
Fundraising costs	-	24,126	33,414
Charitable expenses	-	718,667	230,477
Total expenses	137,147	742,793	263,891
(Deficit)/ surplus	(47,784)	885	26,480

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

**Notes to the financial statements
Year ended 30 September 2011 (continued)**

15 Fixed asset investments (continued)

Balance sheets

	WDCS (Trading) £	WDCS gGmbH £	WDCS (NA) £
Fixed assets	-	2,109	4,395
Current assets	35,428	34,839	95,441
Creditors amounts falling due within one year	(303,962)	(74,529)	(64,165)
Net current assets/(liabilities)	(268,534)	(39,690)	31,276
Total assets plus net assets/less net liabilities	(268,534)	(37,581)	35,671
Creditors amounts falling due after more than one year	(50,000)	-	-
Net assets/(liabilities)	(318,534)	(37,581)	35,671

16. Stock	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Goods for resale	33,333	40,651	-	-

17 Debtors	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Amounts falling due within one year				
Trade debtors	8,470	38,750	-	-
VAT	5,912	13,298	5,912	13,298
Amounts owed by subsidiary undertakings	-	-	326,004	280,055
Less provisions against amounts owed	-	-	(302,151)	(220,751)
Prepayments and other accrued income	101,244	118,216	96,264	106,176
	115,626	170,264	126,029	178,778
Amounts falling due after more than one year				
Loan to subsidiary undertaking	-	-	50,000	50,000
Less provisions against loans	-	-	(50,000)	(50,000)
Total	115,626	170,264	126,029	178,778

The loan to subsidiary undertakings are repayable on demand. However, the charity has indicated that they will not seek repayment within 12 months. The loans receive interest at 2% above the base rate of the Bank of England. There is no security on this loan.

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

**Notes to the financial statements
Year ended 30 September 2011 (continued)**

18 Creditors

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Trade creditors	133,476	101,305	85,173	64,453
Social security	32,381	32,326	28,041	26,051
VAT	2,545	2,888	-	-
Accruals and deferred income	181,702	266,006	121,652	157,010
Hire purchase	-	36,129	-	36,129
	<u>350,104</u>	<u>438,654</u>	<u>234,866</u>	<u>283,643</u>

19 Financial commitments

Group	2011 Other £	2011 Land & Buildings £	2010 Other £	2010 Land & Buildings £
Expiry date				
Within 1 year	14,818	-	1,692	-
Within 2 to 5 years	<u>2,914</u>	<u>99,267</u>	<u>16,274</u>	<u>87,469</u>

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

**Notes to the financial statements
Year ended 30 September 2011 (continued)**

20 Statement of funds

	Balance at 1 October 2010 £	Income £	Expenditure £	Balance at 30 September 2011 £
Group				
Unrestricted funds	<u>489,366</u>	<u>3,587,280</u>	<u>(3,520,356)</u>	<u>556,290</u>
Restricted funds				
Faroe campaign	14,230	-	(4,000)	10,230
BBC Wildlife Trust	6,807	-	(6,807)	-
Trusts	<u>17,324</u>	<u>131,284</u>	<u>(122,624)</u>	<u>25,984</u>
Total restricted fund	<u>38,361</u>	<u>131,284</u>	<u>(133,431)</u>	<u>36,214</u>
Total funds	<u>527,727</u>	<u>3,718,564</u>	<u>(3,653,787)</u>	<u>592,504</u>

	Balance at 1 October 2010 £	Income £	Expenditure £	Balance at 30 September 2011 £
Charity				
Unrestricted funds	<u>523,410</u>	<u>2,578,005</u>	<u>(2,553,388)</u>	<u>548,027</u>
Restricted funds				
Faroe campaign	14,230	-	(4,000)	10,230
BBC Wildlife Fund	6,807	-	(6,807)	-
Trusts	<u>9,325</u>	<u>79,215</u>	<u>(86,693)</u>	<u>1,847</u>
Total restricted funds	<u>30,362</u>	<u>79,215</u>	<u>(97,500)</u>	<u>12,077</u>
Total funds	<u>553,772</u>	<u>2,657,220</u>	<u>(2,650,888)</u>	<u>560,104</u>

Restricted funds are funds which have been given for particular purposes and projects. The Faroe campaign supports WDCS's anti-whaling work. The BBC Wildlife Fund monies were for quarterly wildlife surveys in the UK. Restricted Trusts funds are where individual donors have specifically requested how their donations may be spent.

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

**Notes to the financial statements
Year ended 30 September 2011 (continued)**

21 Analysis of net assets between funds

Group	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2011 are represented by			
Tangible fixed assets	-	35,204	35,204
Current assets	36,214	871,190	907,404
Current liabilities	-	(350,104)	(350,104)
Total net assets	36,214	556,290	592,504

22 Net cash inflow from operating activities

	2011 £	2010 £
Net incoming resources	64,777	269,734
Depreciation	16,596	53,883
Decrease in investments	-	45,797
Decrease/(Increase) in stocks	7,318	(1,366)
Decrease in debtors	54,638	21,478
Decrease in creditors	(52,421)	(159,723)
Net cash inflow from operating activities	90,908	229,803

23 Related parties

During the year, the charity supported an Australian based connected charity. There is a licensing agreement between the two charities which allows Australasia to use the WDCS logo and brand. During the year, the charity donated funds to Australasia which amounting to £42,542 (2010 £15,865) to support their campaigns and conservation projects.