

Whale and Dolphin Conservation Report and Financial Statements 2011-2012



WHALE AND
DOLPHIN
CONSERVATION



A world where every whale and dolphin is safe and free

Registered number: 2737421 • English registered charity number: 1014705 • Scottish registered charity number: SC040231

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

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Whale and Dolphin Conservation (Limited by guarantee)

Legal and administrative information

Trustees

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

John Gerard-Leigh (Chairman)
Johnny Reed
Percy Kelland
Countess of Antrim (resigned 7th September 2012)
Sandra Pope
George Adams
Phil Smith (from 5th December 2012)

Chief Executive

Chris Butler-Stroud

Registered office and principal office

Brookfield House
38 St Paul Street
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SN15 1LJ

Auditor

Chantrey Vellacott DFK LLP
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Berkshire
RG1 4RP

Investment Managers

Barclays Wealth, Gerrard Investment Management
4th Floor, Tay House
300 Bath Street
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G2 4LH

Bankers

Barclays Bank plc
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London
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Solicitors

Withy King
5-6 Northumberland Buildings
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Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their report (which incorporates the report of the directors) and the audited financial statements of Whale and Dolphin Conservation Society (WDC or the charity) and its subsidiaries (together, the group) for the year ended 30 September 2012

On 7 September 2012 the charity changed its name from Whale and Dolphin Conservation Society to Whale and Dolphin Conservation

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 in England and Wales and the Scottish 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 WDC. They meet key employees and other trustees.

Organisation

The trustees meet four times a year to review the strategy and performance of WDC 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, WDC (Trading) Limited (formerly WDSCS (Trading) Limited), raises income through merchandise, licensing and lotteries. It gift aids all its taxable profits to the charity. WDSCS Germany GmbH, a charitable company under German regulations, was founded to expand awareness of WDSCS' work within Germany and German speaking EU countries. WDSCS (North America) Inc, a charitable company under United States regulations, is an organisation with similar aims and objectives as WDSCS. The organisation raises funds, mainly via a whale adoption programme formerly run by the International Wildlife Coalition. WDSCS (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 WDSCS 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, WDC also provides management advice as and when required by WDSCS Australasia. WDSCS Australasia continues to assist in the delivery of WDC 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 2006. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

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

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (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 WDC 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 WDC 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

WDC 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. WDC 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's this focus on the individual and the wider populations of cetaceans that marks out WDC 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

WDC is engaged with a significant number of campaigns and programmes of work to deliver a world where whales and dolphins can be safe and free. The WDC website, www.whales.org, presents the range of WDC's work in much more detail than we can hope to recount here. In this report we are going to highlight only four of our programmes of work but we invite you to join us online to find out more about the work we undertake on behalf of our supporters from around the world.

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 International Whaling Commission ("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. WDC is committed to opposing and preventing any such moves to legitimise whaling.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Achievements and performance (continued)

Whaling (continued)

In the field of anti-whaling we therefore, 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

We have also become increasingly concerned at the commercialisation of what has been previously known as 'aboriginal subsistence whaling (ASW)' Greenland, a part of the United Kingdom of Denmark, has been expanding its ASW with increasing commercial elements This now includes the sale of whale meat and products to tourists

Successes, solutions and future challenges WDC once again sent a strong team to attend the 64th Annual meeting of the IWC, which took place in Panama City

In preparation for this important meeting WDC provided detailed briefings to all conservation countries and worked especially closely with the European Union Member States and the Buenos Aires Group (GBA) of Latin American countries WDC provided detailed briefings against all the forthcoming issues that were to be addressed at the IWC 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-Government Organisation (NGO's) representatives were encouraged to participate and our Head of Programme for our whaling and trade programme, Vanessa Tossenberger engaged with the GBA in the months running up to the meeting

WDC acted to help prevent Japan and its allies disrupting the annual meeting as they have previously by staging a walkout and claiming the quorum has been broken WDC and allies were able to provide legal analysis that helped lead to achieve a change in the rules of procedure that will hopefully prevent these abuses happening again

WDC has been committed to ending Iceland's commercial whaling operations Building on the success of last year we continued our work tracking and exposing Iceland's trade in whale products

WDC continued to work with restaurants, supermarkets and fish and chip shops in the UK to raise our concerns and we had a number of significant sign-ons in support, including the world famous Harry Ramsden's chain of fish and chip shops

Of significant note was the fact that the 2012 Olympic Organising Committee agreed not to retail Icelandic fish linked to any whaling interests during the Games The campaign had also been expanded to Germany and the USA In Germany Greenpeace has joined with WDC to help persuade the German Supermarkets and retailers to join the campaign

"Marks & Spencer will not purchase from any company actively involved in the capture or Processing of marine mammals"

Lauren Orme, Sustainable Development Manager (UK)

Under this pressure and with continued concern growing in Iceland as the future of this minority industry, Iceland carried out no Fin Whaling during the period 2010-2012

Following last years success when we stopped Iceland's main airport selling whale meat we have continued our working relationship with the US based Animal Welfare Institute (AWI) to monitor and investigate whaling interests within Iceland We look forward to reporting our results in our next report, or please look to the website if you want to follow this campaign more closely

As we noted last year we face the continued challenge of stopping visitors to Iceland eating whale meat as a 'cultural experience' Only a round 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 WDC has been working with travel companies who promote Iceland, to provide materials to their customers on the issue of eating whale meat We hope to see a steady reduction in the sale of whale meat to tourists in coming years

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Achievements and performance (continued)

Whaling (continued)

The most significant event at the annual meeting of the IWC was the debate about the IWC allocating quotas to be hunted by aboriginal subsistence hunters

In a disappointing move the USA, wanting to avoid having its own request for bowheads for Alaskan Inupiat turned down as has been done in the past by campaigns by Japan and the pro-whaling interests, bundled its proposal with that of the Russian Federation and St Vincent and the Grenadines. The latter hunt is a highly controversial hunt, with a history of mothers and calves being hunted. The USA move assisted the request of St Vincent, who is allied with Japan. Japan could not afford to antagonise St Vincent by voting against the USA's request without damaging that of St Vincent. However, the USA was not able to bring itself to bundle its proposal with that of Greenland.

In the months running up to the meeting, WDC released a report detailing the continued abuses of ASW within Greenland. WDC showed conclusively the sale of whale meat from a range of whale species including bowhead, to tourists visiting the country. WDC was able to demonstrate that a significant proportion of whales were now being fed to non-indigenous people and that Greenland did not require such a large quote from the IWC.

WDC continued its work to educate the EU Commission on the applicability of EU law with respect to international environmental agreements, and despite some lack of cooperation from the commission, the EU finally recognised its responsibilities and decided to oppose any increase in the Danish request for Greenland. WDC had previously joined with other concerned European NGO's in lobbying the European Parliament in Brussels.

Despite knowing that the EU and the GBA would oppose any quota increase the outgoing Danish Commissioner insisted on pushing the Greenlandic demand for an increased quote to a vote and it was defeated. As at 1 January 2013 Greenland has no legal quote to hunt large whales.

WDC remains committed to exposing the hypocrisy of the abuses in ASW and will continue to highlight any form of abuse of whales and dolphins.

WDC also consolidated its relationship with the International Joboba Export Council (IJEC) with a presentation at the meeting of IJEC at the In-Cosmetics Council in Barcelona, Spain. IJEC and WDC are committed to opposing all uses of whale products in personal health and beauty products.

With respect to protecting the small whales and dolphins WDC had an on-the-ground presence in the Faroes and in Taiji carrying out outreach to peoples involved in the hunts and seeking out people who wished to oppose the hunts but needed some support. At a strategic level we continued to collect additional signatures for the international scientists statement against the drive hunts and presented an Award winning poster presentation on the drive hunts at the Society for Marine Mammalogy Biennial meeting in Tampa in November 2011, leading to commitment from the Society to address the hunts in a separate ethics workshop at the next Biennial meeting in 2013. We also requested, encouraged and supported the issuance of a presidential letter from the Society for Marine Mammalogy concerning the drive hunts and issued to the government of Japan.

We continued our engagement with the US State Department, including the preparation of briefing of the US Embassy in Tokyo on the drive hunts, and with congressional representatives. We believe that we will be able to move this debate on in the coming years thanks to the foundation we are now creating.

End Captivity Cruelty- Anti- Captivity

Problem WDC 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. WDC 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 WDC team wanted to progress the retirement and/or release of Merlin's dolphins (dolphins that have come to belong to Merlin Entertainment 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.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Achievements and performance (continued)

Successes, solutions and future challenges 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 WDC suing the Nuremberg Zoo for the information to be made public. The initial analysis revealed that the dolphins at Nuremberg have been subject to more medical interventions than we would have expected. We are continuing to develop the data with the assistance of expert veterinary advice to prepare a report for the EU authorities.

WDC followed up on our report on the plight of cetaceans in Europe and the failure of the EU member states to enforce the Zoo Directive by delivering 30,000 origami dolphins to the EU Commission from children all around the world demanding an end to dolphin imports. The occasion allowed WDC to engage with sympathetic MEP's and officials. The challenge remains that, in a time of economic crisis, the EU appears reluctant to impose any further restrictions on commercial activities in Europe.

Whilst working at a strategic level at the EU Commission, WDC has also been supporting local initiatives in individual countries. We are pleased to report that thanks to a combined campaign of various groups including WDC, Switzerland banned all imports of dolphins. WDC also spearheaded opposition to three proposed facilities in the Caribbean on Turks and Caicos, St Thomas and St Maarten, successfully thwarting the proposed St Maarten facility.

WDC successfully developed and passed guidelines on exemptions under the Specially Protected Areas and Wildlife ("SPAW") Protocol, tightening up loopholes in this Caribbean focused biodiversity treaty to restrict future captive facilities.

WDC has focused attention on the transport of whales and dolphins around the world. WDC has been engaging with airlines to persuade them to stop transporting cetaceans. We are pleased to report that Hong Kong Airlines have agreed to stop carrying dolphins captured from the wild and taken in hunts. WDC shall continue to expand this campaign, targeting both the transport of captive and those taken in hunts.

The challenge remains 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.

In the USA WDC followed up on our work with the Occupational Safety and Health Administration ("OSHA"). OSHA had issued findings that SeaWorld wilfully exposed its trainers to unacceptable safety risks while interacting with orcas during 'waterwork' performances and this resulted in much more public scrutiny of the industry. Whilst still attracting considerable support from the paying public, there is now increasing negative journalistic interest in the industry and more critical appraisals taking place.

Many of the successes in the field of anti-captivity are hidden from view. The WDC team are often involved in advising governments and other NGOs with information on proposed dolphinarium developments.

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.

We can report that WDC 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. Working together, WDC and Merlin look to provide a real alternative to the cruel practice of keeping whales and dolphins in captivity.

One of the major campaigns this year was spearheading opposition to the Georgia Aquarium proposal to import 18 belugas from the Russian Federation. WDC crafted and led campaigning with a support of over 65 international animal welfare and conservation organisations. Furthermore WDC testified at the beluga import public hearing at NOAA headquarters in Silver Spring, Maryland, as well as conducting personal meetings with the US authorities involved in reviewing the permit application.

In the coming year WDC shall seek to build on our current campaigns and shall be extending our efforts to support campaigns in India and the USA.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (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 WDC 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.

Further to the publishing of 'Whales and Dolphins: Cognition, Culture, Conservation and Human Perceptions' by WDC's Mark Simmonds and Philippa Brakes we have been working on a similar publication in Germany by WDC's Dr Karsten Brensing.

WDC's standing in this field was consolidated with an invitation to the 2012 American Academy for the Advancement of Science (AAAS) on the subject of ethics, science and conservation.

Alongside a panel of distinguished scientists and philosophers WDC was able to engage with a range of some of the world's leading scientists. The event led to an enormous amount of media attention around the world and with the issue receiving critical acceptance by a growing number of scientists and academics. WDC was able to persuade the Convention of Migratory Species (CMS) of the importance of the issue and CMS are now convening a special workshop to evaluate the importance of culture and social complexity in whales and dolphins and its relevance to conservation policy. This is the first time that a major global convention has taken this step and we believe will be a turning point in developing a new relationship between humans and cetaceans.

Protecting Species and Habitats- Homes for whales and dolphins

Problem The critical habitat that is essential for whales and dolphins' survival is increasingly under threat. WDC 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. WDC is committed to protecting the places where whales and dolphins live to ensure their future.

Successes, solutions and future challenges WDC has continued our work in the Pacific building our research at Moon Reef, Fiji. Since 2008, WDC 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 continue to provide vital information about why this area is so critical to these unique dolphins. The challenge in the coming years is now making sure the spinner dolphins are protected. We have continued to work with local people and tourism companies to make sure all the whales and dolphins of Moon Reef are properly protected.

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.

Our work on the west coast of Scotland has resulted in a growing data set that is helping us to present a compelling case for Marine Protected Areas, and despite the fact that the first tranche of protected areas do not include cetaceans, we have received a commitment from the Scottish Government that they will tackle whale and dolphin protection in the coming months and years with adequate protection through MPA's.

WDC has been lobbying the UK Government to enact protection for whales and dolphins through MPA's and we are pleased to report that a Special Area of Conservation (SAC) was declared to protect porpoises off the Northern Irish Coast.

The Scottish Dolphin Centre continued to welcome visitors to the Moray Firth and thanks to the support of 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 for a record number of visitors in 2012.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Achievements and performance (continued)

Protecting Species and Habitats- Homes for whales and dolphins (continued)

On a global scale WDC has been working with coalitions of groups fighting to create a series of high seas and coastal marine protected areas, include the Antarctic's Ross Sea and the coastal waters of New Zealand to protect the highly threatened New Zealand Hectors and Maui Dolphin. As part of the broader campaign WDC helped secure a Marine Protected Area of Costa Rica, giving protection to endangered Blue Whales whilst Australia declared the largest ever network of protected areas. WDC also helped design a 55 thousand square mile protected area network in the Caribbean.

We are aiming to build on this campaign by expanding our team in the coming year to press our case for better and more protected areas in the critical areas of the world for whales and dolphins.

Who made this possible?

Our thanks go out to staff, colleagues and volunteers who have stayed with WDC in these difficult times for charities. Indeed, in the UK WDC benefited from some 13,701 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.

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 and sometimes it's the actions of individuals and the mass of WDC supporters that can change the world for whales and dolphins.

As an example in later 2012, WDC was notified by our friend Dr Paul Spong that a renewable energy company had requested to explore the possibility of placing an underwater turbine in a channel regularly used by orcas. The WDC orca adoption programme supporters reacted immediately to our request to help and within hours the Canadian Government website which was accepting comments was overwhelmed. A WDC supporter who is also involved in the renewables industry phoned and spoke to the developer and within days the proposal had been withdrawn.

This is the power of our supporters. Their action, coordinated by WDC resulted in tangible protection for whales and dolphins.

WDC shall continue to lead the way in helping supporters to find the most effective ways to enact protection for whales and dolphins. We hope that the public will continue to help us help whales and dolphins around the globe in the coming year.

Financial review

The difficult economic times have continued to have an effect on donation income however, close financial management coupled with an extraordinary legacy received during the year meant that the organisation was able to match spending to income levels and generate a consolidated net income of £897,770 for the year.

There were mixed results for our subsidiary companies. The German organisation continued to benefit from some very high profile campaigns to raise its profile and returned net income of £61k. WDC Trading Ltd returned a net loss of £15k. The online shop has not performed as well as we would like but sales from our shop at the WDC Dolphin Centre in Spey Bay have been excellent. 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 £12.7k. The North American operation donation income, like the UK, is down but two further legacies have helped to continue the stability we now see in the US charity.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Financial review (continued)

During 2011-12 the WDC UK charity generated net income of £862k. 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. Donation income amounted to £2,292,555 – a decrease from last year which we mainly attribute to the general economic situation. Income from legacies was affected by a large legacy received in the Spring. This latter area of revenue is a difficult income stream to predict although over the long-term, as WDC matures as a charity, this income is on an upward projection. This legacy has given us the means to plan a programme of investment in policy and marketing, to ensure donation income increases and therefore the continuation of our charitable work.

Overall, our income has increased over the past year but we recognise this was due to the extraordinary legacy. Donation income was actually down and we are using some of the legacy funds to invest in the growth of our database of supporters, ensuring the future work of the charity will continue. We reduced our fundraising costs last year, holding off some work in anticipation of the launch of our new website. The new website will be an important vehicle for attracting new supporters and increasing our donation income in the future. 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 charity of our size and activity.

Volunteers

The charity benefits hugely from the dedication of many volunteers who are involved in charitable activities and the administration of the charity. We calculate that our volunteers contributed 13,701 hours (2011 – 15,457), 62% (2011- 61%) of which were in our Wildlife Centres in Scotland.

Reserves policy

WDC 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 the charity. Reserves are held to cover cash flow fluctuations, provide emergency cover and to provide for unforeseen opportunities. Due to the recent history of decreasing donations, we are increasing the amount we set aside to cover cash flow fluctuations which results in a higher reserve level. In addition, the Trustees have earmarked £400,000 of the extraordinary legacy to spend on policy initiatives and investment in the growth of our supporter database. The trustees have determined that the reserve level which will meet these objectives is £1,400,000 in unrestricted funds, including the £400,000 as detailed above.

At the end of the year the group had reserves of £1,490,274 of which £1,463,730 represents unrestricted funds. This compares to the targeted level of £1,400,000 as set out above. It is anticipated that targeted and actual reserves will fall to around £1,000,000 once the planned investment has been made in growing the supporter database.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of Whale and Dolphin Conservation) 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 charity and of its incoming resources and application of resources, including the income and expenditure, of the charity 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 charitable company will continue in business

The trustees are responsible for keeping proper accounting records that 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

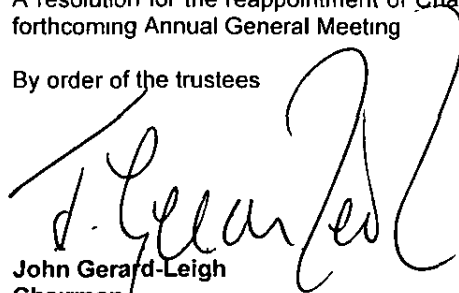
- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

By order of the trustees


John Gerard-Leigh
Chairman

Date 18 March 2013

Whale and Dolphin Conservation (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 period ended 30 September 2012 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity'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 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 trustees and auditor

As explained more fully in the Statement of Trustees responsibilities set out on page 10, the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the Report of the Trustees and 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 Practice 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 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 a 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and parent charitable company affairs as at 30 September 2012 and of its incoming resources and application of resources, including its 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 requirements of 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
(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 a 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, or
- the charitable company's financial statements are not in agreement with the accounting records and 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, or



MIKE MCALLISTER ACA (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
READING

Date 24-04-2013

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
(Limited by guarantee)**

**Consolidated statement of financial activities
Year ended 30 September 2012
(including an income and expenditure account)**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2012 £	Total funds 2011 £
Incoming resources					
Incoming resources from generated funds					
Donations and similar income	4	1,970,537	137,910	2,108,447	2,399,668
Legacies	5	1,222,995	-	1,222,995	235,283
Merchandise, raffle, and magazine income	6	126,906	-	126,906	101,969
Royalty and other similar income		40,367	-	40,367	22,886
Investment income	7	3,759	-	3,759	721
		<u>3,364,564</u>	<u>137,910</u>	<u>3,502,474</u>	<u>2,760,527</u>
Incoming resources from charitable activities					
Membership		140,402	-	140,402	197,664
Out of the Blue		2,000	-	2,000	3,933
Adoption programmes		712,676	-	712,676	756,440
		<u>855,078</u>	<u>-</u>	<u>855,078</u>	<u>958,037</u>
Total incoming resources		<u>4,219,642</u>	<u>137,910</u>	<u>4,357,552</u>	<u>3,718,564</u>
Resources expended					
Costs of generating funds					
Fund raising costs		578,491	-	578,491	640,785
Merchandise, raffle and magazine costs		155,352	-	155,352	135,867
		<u>733,843</u>	<u>-</u>	<u>733,843</u>	<u>776,652</u>
Charitable activities					
Conservation and campaigns		2,144,975	147,580	2,292,555	2,613,573
Donations			-		46,994
Information and education		223,655	-	223,655	220,408
Membership		8,240	-	8,240	6,142
Adoption programmes		200,108	-	200,108	214,325
(Recoverable)/Unrecoverable VAT		(20,680)	-	(20,680)	(237,456)
		<u>2,556,298</u>	<u>147,580</u>	<u>2,703,878</u>	<u>2,863,986</u>
Governance costs		<u>22,061</u>	<u>-</u>	<u>22,061</u>	<u>13,149</u>
Total resources expended	9	<u>3,312,202</u>	<u>147,580</u>	<u>3,459,782</u>	<u>3,653,787</u>
Net movement in funds, being net Income/ (deficit) for the year		<u>907,440</u>	<u>(9,670)</u>	<u>897,770</u>	<u>64,777</u>
Balances brought forward		<u>556,290</u>	<u>36,214</u>	<u>592,504</u>	<u>527,727</u>
Balances carried forward	21	<u>1,463,730</u>	<u>26,544</u>	<u>1,490,274</u>	<u>592,504</u>

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

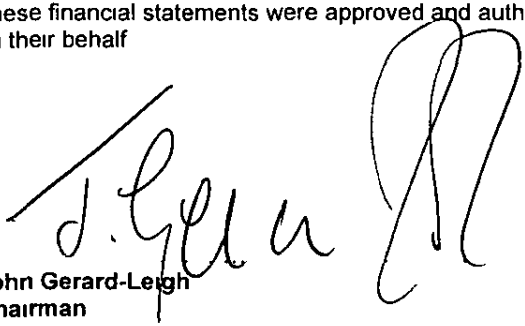
The notes on pages 16 to 27 form part of these financial statements.

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

**Balance sheet
30 September 2012**

	Note	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Fixed assets					
Tangible fixed assets	14	51,711	35,204	47,096	28,700
Investments	15	-	-	-	-
		<u>51,711</u>	<u>35,204</u>	<u>47,096</u>	<u>28,700</u>
Current assets					
Stock	16	33,982	33,333	-	-
Debtors	17	113,775	115,626	145,191	126,029
Cash at bank & in hand		1,563,506	758,445	1,446,177	640,241
		<u>1,711,263</u>	<u>907,404</u>	<u>1,591,368</u>	<u>766,270</u>
Creditors amounts falling due within one year	18	(272,700)	(350,104)	(216,631)	(234,866)
Net current assets		<u>1,438,563</u>	<u>557,300</u>	<u>1,374,737</u>	<u>531,404</u>
Total net assets		<u>1,490,274</u>	<u>592,504</u>	<u>1,421,833</u>	<u>560,104</u>
Unrestricted funds	21	1,463,730	556,290	1,411,603	548,027
Restricted funds	21	26,544	36,214	10,230	12,077
Total funds		<u>1,490,274</u>	<u>592,504</u>	<u>1,421,833</u>	<u>560,104</u>

These financial statements were approved and authorised for issue by the trustees on 19 March 2013 and signed on their behalf


John Gerard-Leigh
Chairman

The notes on pages 16 to 27 form part of these financial statements

Registered number 2737421

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

**Consolidated cash flow statement
30 September 2012**

	2012 £	2011 £
Net cash inflow from operating activities (note 22)	832,575	90,908
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(27,514)	(11,976)
Net cash inflow/(outflow) before management of liquid resources and financing	805,061	78,932
Capital elements of lease payment	-	(36,129)
Increase (decrease) in cash in the year	805,061	42,803
Reconciliation of net cash flow to movement in net funds		
Net cash increase/(decrease) in year	805,061	42,803
Net funds at start of year	758,445	715,642
Net funds at end of year	1,563,506	758,445
Cash at bank and in hand	1,563,506	758,445

The notes on pages 16 to 27 form part of these financial statements

Whale and Dolphin Conservation (Limited by guarantee)

Notes to the financial statements Year ended 30 September 2012

1 Company status

The Whale and Dolphin Conservation Society (WDCCS) 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 2012 there were five 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 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 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 2012.

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 2012 for the charity was a surplus of £861,729.

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
(Limited by guarantee)**

**Notes to the financial statements
Year ended 30 September 2012 (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 Society 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 Australasia to enable them to further their campaigns and conservation projects in their region. WDCS Australasia is able to spend these funds at their own discretion and is free of any conditions from WDC.

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

**Notes to the financial statements
Year ended 30 September 2012 (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 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
(Limited by guarantee)**

**Notes to the financial statements
Year ended 30 September 2012 (continued)**

3 Cash flow statement - Charity

	2012 £	2011 £
Net incoming resources	861,729	6,332
Depreciation	8,788	15,970
Decrease/(increase) in debtors	(19,162)	52,749
Increase/(decrease) in creditors	(18,235)	(12,648)
Net cash inflow/(outflow) from operating activities	833,120	62,403
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(27,184)	(8,837)
Net cash inflow/(outflow) before management of liquid resources and financing	805,936	53,566
Capital elements of lease payments	-	(36,129)
Increase/(decrease) in cash in the year	805,936	17,437
Reconciliation of net cash flow to movement in net funds		
Net cash increase/(decrease) in year	805,936	17,437
Net funds at start of year	640,241	622,804
Net funds at end of year	1,446,177	640,241
Cash at bank and in hand	1,446,177	640,241

4 Donations and similar income

	2012 £	2011 £
Individuals	1,546,384	1,679,101
Trusts	117,770	203,416
Adopt a dolphin donations	392,657	469,096
Adopt a whale donations	51,636	48,055
	2,108,447	2,399,668

5 Legacies

15 legacies were received totalling £1,222,995 (2011 £235,283 in respect of 24 legacies)

6 Merchandise, raffle and magazine income

	2012 £	2011 £
Merchandising income	101,843	101,932
Raffle income	25,063	37
	126,906	101,969

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

**Notes to the financial statements
Year ended 30 September 2012 (continued)**

7	Investment income	2012	2011
		£	£
	Interest receivable/loss on investment	<u>3,759</u>	<u>721</u>

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 2012 £	Total 2011 £
Costs of generating funds				
Fund raising costs	293,032	285,459	578,491	640,785
Merchandise, raffle and magazine costs				
Cost of merchandise	-	62,665	62,665	63,434
Raffle costs	-	21,715	21,715	1,133
Administration costs	52,390	18,582	70,972	71,300
	<u>345,422</u>	<u>388,421</u>	<u>733,843</u>	<u>776,652</u>
Charitable activities				
Conservation, campaigns and donations	1,257,605	1,034,950	2,292,555	2,660,567
Information and education	-	223,655	223,655	220,408
Membership	-	8,240	8,240	6,142
Adoption programmes	-	200,108	200,108	214,325
(Recoverable)/Unrecoverable VAT	-	(20,680)	(20,680)	(237,456)
	<u>1,257,605</u>	<u>1,446,273</u>	<u>2,703,878</u>	<u>2,863,986</u>
Governance costs	-	22,061	22,061	13,149
	<u>1,603,027</u>	<u>1,856,755</u>	<u>3,459,782</u>	<u>3,459,782</u>

Other direct costs include

	2012	2011
	£	£
Audit fee - group	21,800	23,334
Operating lease rentals – land and buildings	87,224	96,433
- plant and equipment	17,712	17,726
Depreciation	<u>11,007</u>	<u>16,596</u>

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

**Notes to the financial statements
Year ended 30 September 2012 (*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

	2012 Number	2011 Number	2012 £	2011 £
Travel	-	-	-	-

11 Staff costs

	2012 £	2011 £
Wages and salaries	1,411,748	1,453,197
Social security costs	156,513	156,332
Other pension costs (note 13)	34,766	36,900
	<u>1,603,027</u>	<u>1,646,429</u>

There were 2 employees (2011 two) 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

	2012 No	2011 No
Charitable activities	36	35
Cost of generating funds	11	8
Management and administration of the charity	7	10
	<u>54</u>	<u>53</u>

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 £34,766 (2011 £36,900)

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

**Notes to the financial statements
Year ended 30 September 2012 (continued)**

14 Tangible fixed assets

Group	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At beginning of year	40,000	128,519	307,875	476,394
Additions	-	27,514	-	27,514
At 30 September 2012	40,000	156,033	307,875	503,908
Depreciation				
At beginning of year	24,000	117,747	299,443	441,190
Charge for the year	4,000	2,819	4,188	11,007
Eliminated on disposal	-	-	-	-
At 30 September 2012	28,000	120,566	303,631	452,197
Net book value				
At 30 September 2012	12,000	35,467	4,244	51,711
At 30 September 2011	16,000	10,772	8,432	35,204
Charity				
Cost				
At beginning of year	40,000	109,871	294,424	444,295
Additions	-	27,184	-	27,184
Disposals	-	-	-	-
At 30 September 2012	40,000	137,055	294,424	471,479
Depreciation				
At beginning of year	24,000	106,008	285,587	415,595
Charge for the year	4,000	651	4,137	8,788
Eliminated on disposal	-	-	-	-
At 30 September 2012	28,000	106,659	289,724	424,883
Net book value				
At 30 September 2012	12,000	30,396	4,700	47,096
At 30 September 2011	16,000	3,863	8,837	28,700

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

**Notes to the financial statements
Year ended 30 September 2012 (continued)**

15 Fixed asset investments

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

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

Profit and loss accounts

	WDCS (Trading) £	WDCS GmbH £	WDCS (NA)Inc £
Merchandising income	92,729	7,693	1,420
Legacies	-	-	33,242
Raffle income	25,063	-	-
Out of the Blue income	2,000	-	-
Donations	-	689,361	297,241
Royalty and other similar income	13,562	-	2,518
Investment income	-	-	340
Total income	133,354	697,054	334,761
Merchandising	56,539	6,126	-
Raffle expenditure	21,715	-	-
Administration expenses	69,698	-	-
Fundraising costs	-	5,535	39,498
Charitable expenses	-	624,558	277,476
Governance costs	-	4,851	4,950
Total expenses	147,952	641,070	321,924
(Deficit)/ surplus	(14,598)	55,984	12,837

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

**Notes to the financial statements
Year ended 30 September 2012 (continued)**

15 Fixed asset investments (continued)

Balance sheets

	WDC (Trading) £	WDC GmbH £	WDC (NA) £
Fixed assets	-	865	3,751
Current assets	39,526	61,673	71,689
Creditors amounts falling due within one year	(322,658)	(41,293)	(27,889)
Net current assets/(liabilities)	(281,132)	20,380	43,800
Total assets plus net assets/less net liabilities	(281,132)	21,245	47,551
Creditors amounts falling due after more than one year	(50,000)	-	-
Net (liabilities)/assets	(331,132)	21,245	47,551

16	Stock	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
	Goods for resale	33,982	33,333	-	-
17	Debtors	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
	Amounts falling due within one year				
	Trade debtors	12,731	8,470	12	-
	VAT	-	5,912	-	5,912
	Amounts owed by subsidiary undertakings	-	-	325,967	326,004
	Less provisions against amounts owed	-	-	(274,596)	(302,151)
	Prepayments and other accrued income	101,044	101,244	93,808	96,264
		113,775	115,626	145,191	126,029
	Amounts falling due after more than one year				
	Loans to subsidiary undertaking	-	-	50,000	50,000
	Less provisions against loans	-	-	(50,000)	(50,000)
	Total	113,775	115,626	145,911	126,029

The loans to subsidiary undertakings are repayable on demand. However, WDC 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
(Limited by guarantee)**

**Notes to the financial statements
Year ended 30 September 2012 (continued)**

18 Creditors

	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Trade creditors	95,939	133,476	85,411	85,173
Social security	27,003	32,381	27,003	28,041
VAT	3,627	2,545	1,203	-
Accruals and deferred income	146,131	181,702	103,014	121,652
	<u>272,700</u>	<u>350,104</u>	<u>216,631</u>	<u>234,866</u>

19 Financial commitments

Group	2012 Other £	2012 Land & Buildings £	2011 Other £	2011 Land & Buildings £
Expiry date				
Within 1 year	310	15,221	14,818	-
Within 2 to 5 years	<u>2,718</u>	<u>81,720</u>	<u>2,914</u>	<u>99,267</u>

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

**Notes to the financial statements
Year ended 30 September 2012 (continued)**

20 Statement of funds

	Balance at 1 October 2011 £	Income £	Expenditure £	Balance at 30 September 2012 £
Group				
Unrestricted funds	<u>556,290</u>	<u>4,219,642</u>	<u>(3,312,202)</u>	<u>1,463,730</u>
Restricted funds				
Faroe campaign	10,230	-	(4,000)	6,230
Trusts	<u>25,984</u>	<u>137,910</u>	<u>(143,580)</u>	<u>20,314</u>
Total restricted fund	<u>36,214</u>	<u>137,910</u>	<u>(147,580)</u>	<u>26,544</u>
Total funds	<u>592,504</u>	<u>4,357,552</u>	<u>(3,459,782)</u>	<u>1,490,274</u>
	Balance at 1 October 2011 £	Income £	Expenditure £	Balance at 30 September 2012 £
Charity				
Unrestricted funds	<u>548,027</u>	<u>3,181,856</u>	<u>(2,318,280)</u>	<u>1,411,603</u>
Restricted funds				
Faroe campaign	10,230	-	(4,000)	6,230
Trusts	<u>1,847</u>	<u>95,803</u>	<u>(93,650)</u>	<u>4,000</u>
Total restricted funds	<u>12,077</u>	<u>95,803</u>	<u>(97,650)</u>	<u>10,230</u>
Total funds	<u>560,104</u>	<u>3,277,659</u>	<u>(2,415,930)</u>	<u>1,421,833</u>

Restricted funds are funds which have been given for particular purposes and projects. The Faroe campaign supports WDCS's anti-whaling work. Trusts funds are where individual donors have specifically requested how their donations may be spent.

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

**Notes to the financial statements
Year ended 30 September 2012 (continued)**

21 Analysis of net assets between funds

Group	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2012 are represented by			
Tangible fixed assets	-	51,711	51,711
Current assets	26,544	1,684,719	1,711,263
Current liabilities	-	(272,700)	(272,700)
Total net assets	26,544	1,463,730	1,490,274

22 Net cash inflow from operating activities

	2012 £	2011 £
Net incoming resources	897,770	64,777
Depreciation	11,007	16,596
Loss on sale of assets	-	-
(Increase) in stocks	(649)	7,318
Decrease/(increase) in debtors	1,851	54,638
Increase/(decrease) in creditors	(77,404)	(52,421)
Net cash inflow from operating activities	832,575	90,908

23 Related parties

During the year, WDC 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, WDC donated funds to WDCS Australia which amounted to £24,427 (2011: £42,542) to support their campaigns and conservation projects.