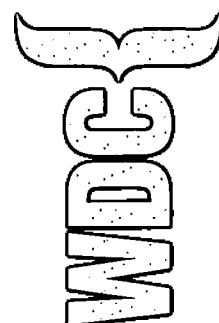


Whale and Dolphin Conservation Report and Financial Statements 2012-2013



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)

Contents

	Page
About WDC	1
A message from the chairman	2
Chief executive's report	3-7
Legal and administrative information	8
Report of the trustees	9-14
Independent auditor's report	15-16
Consolidated statement of financial activities (incorporating the income and expenditure account)	17
Consolidated and charity balance sheets	18
Consolidated cash flow statement	19
Notes to the financial statements	20-31

Whale and Dolphin Conservation was formerly known as the Whale and Dolphin Conservation Society

Whale and Dolphin Conservation (Limited by guarantee)

About WDC

Our vision is a world where every whale and dolphin is safe and free.

Our mission is to amaze people with the wonder of whales and dolphins and inspire global action to protect them.

WDC is a leading global charity dedicated to the conservation and protection of whales and dolphins. We defend these remarkable creatures against the many threats they face through campaigns, lobbying, and rescue. We advise governments, run conservation projects, and lead field research.

WDC is a passionate, global campaigner for all whales and dolphins. We care about them and we want others to care about them too. We connect with all people who care about whales and dolphins. We make sure decision makers hear our voice. We are campaigners, we are researchers, we are advisors to governments, and we are volunteers engaging with all parts of global society. Together we are 'one' WDC.

WDC's values:

- Passion – We care deeply about whales and dolphins, and we share this passion with our supporters
- Integrity – Our work is backed by robust research, science and philosophy. We are THE authority on whales and dolphins and the threats they face
- Inclusiveness – WDC does not work alone. Our supporters are at the heart of what we do. We work with other NGOs, communities and governments to achieve real protection for whales and dolphins
- Courage – We are not afraid to take on those whose actions harm whales and dolphins - whether they be big business, governments or industries

Whale and Dolphin Conservation (Limited by guarantee)

A message from the chairman

Our vision of creating a world where every whale and dolphin is safe and free remains enormously challenging, especially given the deterioration of the ocean environment and the large numbers of whales and dolphins still dying needlessly. They are being hunted, suffocated in nets, deafened by underwater noise, being sold into the captivity trade, and polluted by the rubbish we carelessly dispose of into the oceans.

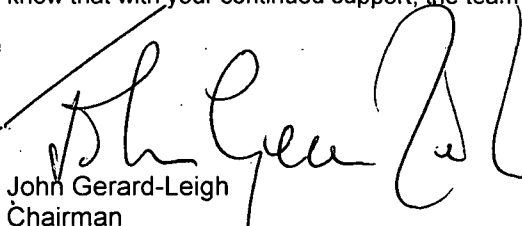
But WDC is making real progress in key areas. We are putting particular focus on supporting our whaling and captivity campaigns, and also carrying forward our work to implement Marine Protected Areas globally. Underpinning this work is our aim to gain improved recognition and respect for whales and dolphins' rights.

We have seen significant advances in our campaigns to protect whales and dolphins from whaling and directed hunts. I am especially pleased to see that our years of work to implement Marine Protected Areas is now bearing fruit. Our long held concerns as to the value of dolphin captivity has also seen some significant changes in the industry and we anticipate some exciting changes in the coming years.

We are increasing investment into our global policy work, funded through increases in legacy income. We also recognise that reaching out with our message to larger audiences worldwide is critical to achieving our goals and with this in mind we have increased investment into our multilingual website and into other digital communications and social media.

On behalf of my fellow board members I'd like to thank all our supporters, funders, interns, staff and volunteers (who gave us over 20,000 hours of their time in 2013) for their commitment, belief and hard work that makes all that we do possible. Together, we are working towards making our vision a reality.

The coming years will remain challenging. As we tackle one threat to whales and dolphins, others emerge - but I know that with your continued support, the team at WDC will be ready to meet these challenges.



John Gerard-Leigh
Chairman

Whale and Dolphin Conservation (Limited by guarantee)

Chief executive's report



This report gives me a great opportunity to feedback on all the work we have done over 2012-13, and to reflect on, as noted by the Chairman, the challenges of the future.

Thanks to our supporters and the hard work of all at WDC, we have achieved some great things for whales and dolphins in 2012/13. These and our continuing successes are updated on our website: www.whales.org. The new WDC website is becoming the central hub for all those who care about whales and dolphins, delivering up-to-date news and views about their protection.

During the year, we concentrated on four main areas of activity. These are covered in more detail below but I would like to mention some of the highlights.

Stopping Killing

Our campaign to end whaling remains a high profile priority for WDC. We have particularly focused on trade - both legal and illegal - to damage the economics funding whaling: exposing and stopping whale product being sold in Iceland's airport, it's use in the production of Icelandic beer, and the extensive sale of whale meat in Denmark. We have also, successfully tackled the abuse of aboriginal subsistence whaling for commercial gain.

Stopping Captivity

The documentary *Blackfish* has been instrumental in helping to educate people as to the truth of whales and dolphins kept in tanks, but it is still big business. WDC has prevented the opening of new aquaria which would have included captive whales and dolphins, educated the public and stopped the trade and import of dolphins.

Safeguarding whale and dolphin habitats

Marine Protected Areas are an increasingly important conservation tool for whales and dolphins and therefore a key part of the work WDC does. We ensure whales and dolphins are protected in the increasing MPA network. This means working with governments, presenting evidence and signing up tens of thousands of you with petitions and protests. Often governments have public consultation as a critical part of assessing the benefits of MPAs. This multifaceted approach really works. Further in this report you can read about notable WDC successes like our Act Right Now campaign, protecting the endangered Right whale off the North American coast.

Building the rights of whales and dolphins

Perhaps more than ever before 'rights' for whales and dolphins underpins all of our activities. WDC acts on conservation, and welfare is a principle part of who we are too, but these are not the only drivers. And in isolation they may not be enough. We believe whales and dolphins have a right to a life, free from hunting and cruelty. There are direct conservation and welfare benefits to this philosophy. Only by instilling respect through law, can we ban killing and capture for all whales and dolphins.

Whale and Dolphin Conservation (Limited by guarantee)

Chief executive's report (continued)

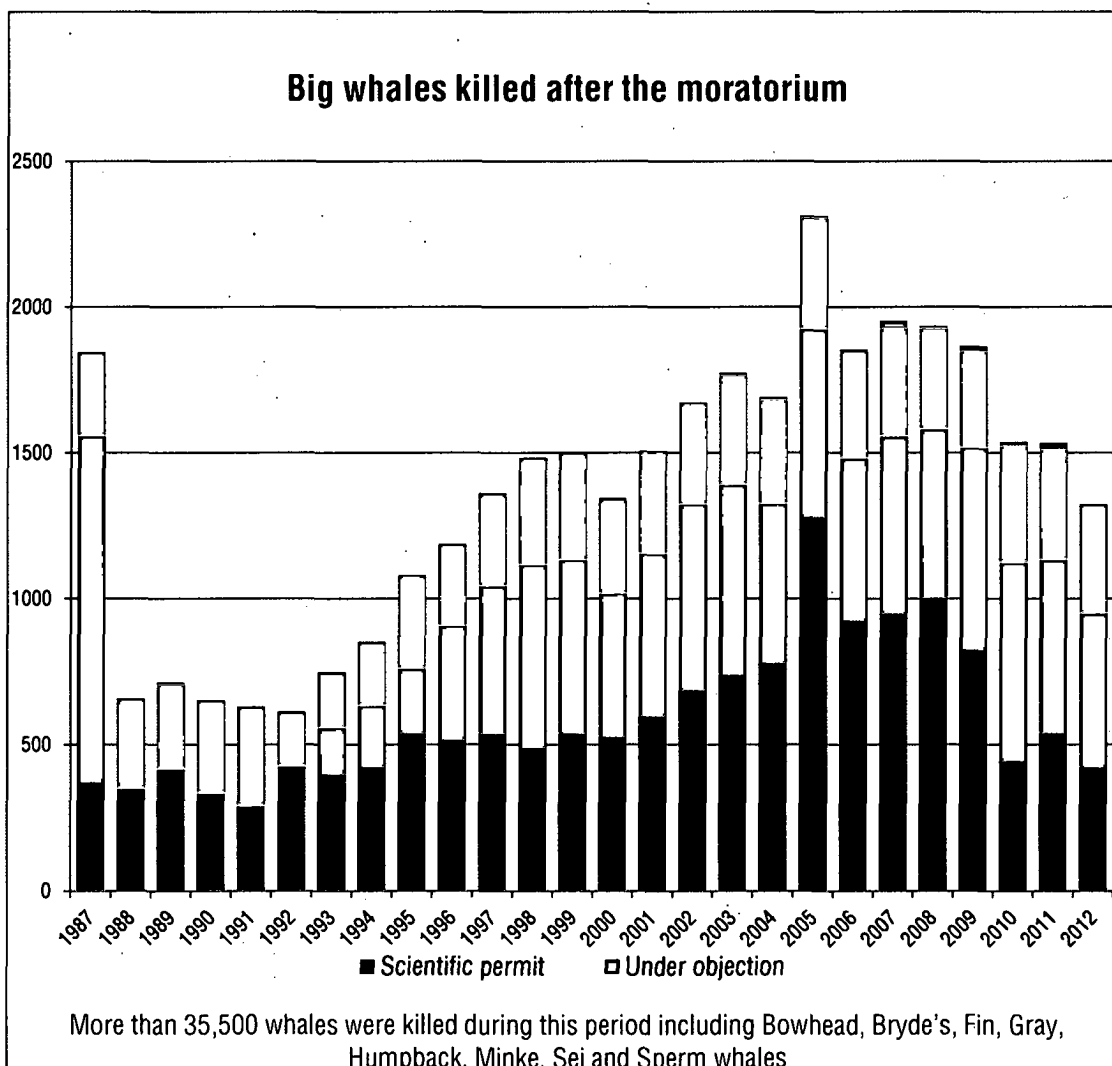
Stopping Killing

Since 1982, when the International Whaling Commission (IWC) introduced a moratorium on all commercial whaling, the majority of nations have voluntarily stopped killing whales, coming to believe that this remarkable group of fellow creatures deserves special protection.

However, a minority of nations still support their archaic whaling industries despite depressed and diminishing domestic markets. Between them Norway, Iceland and Japan continue to kill thousands of whales each year.

It's an industry driven by singular greed so it's no surprise that as well as the trade in 'meat,' the whalers are looking for other ways to make money from their grisly product. WDC has focused much of our effort in this area. We have been tracking the whale trade closely, highlighting attempts by the whalers to smuggle their illicit cargoes around the globe. The range of products and countries trading in them is truly shocking. It is our job to 'bear witness,' to gather the evidence and present it to the decision makers so we can stop the this trade once and for all'

WDC is actively opposing the wide scale abuse of the 'right' to ASW, (Aboriginal Subsistence Whaling), where blatant commercial whaling is being undertaken in the name of aboriginal rights.



Whale and Dolphin Conservation (Limited by guarantee)

Chief executive's report (continued)

Stopping captivity



In 2013 we pressed home our campaigning to end whale and dolphin captivity. WDC extensive research has demonstrated that keeping whales and dolphins in captivity for our entertainment is fundamentally cruel. Whales and dolphins are highly intelligent, social and sentient animals. In captivity, their lives are significantly compromised compared to those that live in the oceans of the world, and they can't travel the huge distances that they would normally cover each day.

Those taken from the wild are caught in extremely cruel hunts (such as in Taiji, Japan) that often leads to death of some and extreme trauma for those that survive. They are then subject to more stress when transported to marine parks across the world and face a limited life swimming around a small tank performing tricks, day after day, for food. Captivity is not education, it not conservation and it's cruel.

Opinion is changing quickly. A WDC funded survey of the US public, found that not only was there little 'support' for captivity, the US public is beginning to seriously question whether it is right at all. And that was before the release of the documentary Blackfish. This BAFTA nominated film exposes the hard reality of keeping intelligent, socially complex orcas in concrete tanks. An outdated-practice that has led to the deaths of three people and numerous whales and dolphins.

There are still large numbers kept in, and caught for use in, captive displays but the tide is turning...

Determined to face any challenge WDC led efforts to successfully block the import of 18 wild-caught belugas from Russia to the US Georgia Aquarium. A well-resourced public relations campaign by the Aquarium required WDC to establish close co-operation with US federal authorities to furnish them with the appropriate analysis that demonstrated that this application should be rejected. WDC anticipates that the Georgia Aquarium will try to appeal the decision in the coming year and WDC is committed to supporting the US Government in its decision to reject the application.



WDC believes that part of our role is to help build capacity in other countries and NGOs to enable them to help deliver our shared vision. Our work with Indian conservation and welfare groups and ongoing pressure on the Indian government helped to bring about a complete ban on dolphin captivity within India.

We helped stop dolphin circus shows in the Czech Republic and successfully blocked the development of a dolphinarium on St. Maarten in the Caribbean. WDC will continue to be a resource base of expertise that will enable such successes to continue in the coming years.

As well as fighting the building of new aquaria, WDC will continue to expose the true nature of the industry; to provide information, so the public can make an informed choice about

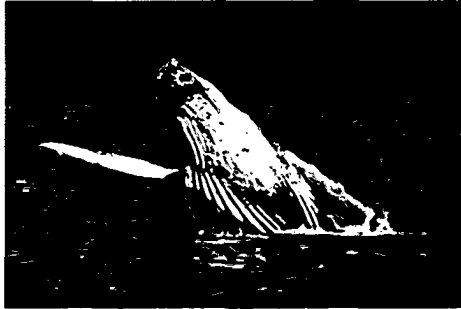
what they are really seeing and funding when they consider frequenting dolphin or killer whale 'shows.'

Our anti-captivity campaign is closely integrated with our dolphin hunts campaigns, while the 'airlines campaign' brings benefits to both these areas of concern. We believe that the role of travel companies and logistics is a key leverage point in influencing this debate. In the coming years we shall strengthen our activity in this area to deliver a knockout blow to the industry. By increasing public outrage, we will starve the industry of both its customers and the means to obtain animals from live captures.

Whale and Dolphin Conservation (Limited by guarantee)

Chief executive's report (continued)

Safeguarding whale and dolphin habitat



The human induced threats facing whales and dolphins are cumulative and growing. Pollution of our oceans and rivers, over-fishing and the use of destructive types of nets and gear, and exploration for oil and gas and increasing boat traffic all pose increasing threats to whale and dolphins and their habitat. These threats often occur in areas which are critical to whales and dolphin feeding or breeding grounds for these highly mobile groups.

Marine Protected Areas, (MPAs) provide lasting, sustainable solutions, by identifying critical areas, allowing for the enforcing of strict regulations, and bans on harmful activities. In short, MPAs are achievable, they are often a legal requirement, and they work when appropriately resourced and accompanied by well-developed management plans that engage the local community. WDC is at the forefront of identifying, designing and creating MPAs, working with governments, stakeholders and regulatory bodies worldwide.

MPAs are a great conservation tool, and it is vital to their success that conservationists, communities, government and industry engage and monitor them on an ongoing basis. In Fiji, for example, we have a continuing project supporting the Moon Reef MPA. We undertake photo-identification, acoustics and behavioural research on resident spinner dolphins that use this critical habitat. In addition, we run workshops on community awareness and education, sustainable ecotourism, and we are integrally involved in the creation of local ecosystem-based management plans.

In Papua New Guinea, near M'buke Island, we are running the first ever whale and dolphin research surveys, providing data that will be critical for establishing MPAs in the region.

Throughout 2013 our US office ran our 'Act Right Now' campaign. There is an existing MPA in core right whale habitat, off the north east coast of the US, but the government were, after a four year 'test', preparing to lift boat speed restrictions that had proved critical to reducing impacts on highly endangered north Atlantic right whales. This could have been disastrous... WDC generated over half the public responses the US government received on this issue when they asked for public comments. President Obama listened to our call, and we were successful in establishing permanent speed restrictions that will mean these endangered whales have the chance they need.



In New Zealand, the critically endangered Hector's dolphins need better protection from damaging fishing practises. WDC undertook an economic cost-benefit analysis of conservation measures, and surveyed the public as to whether they were prepared to carry the costs. The NZ public overwhelmingly supported the conservation measures. WDC shall build on the results to ensure that real protection is enacted for these precious dolphins.

Our Latin American office has been researching and documenting the devastating effect of gillnet fishing on the franciscana dolphins. We are compiling the evidence to help create an effective MPA to protect these vulnerable dolphins.

In Scotland we have continued our twenty years of research and campaigning, working hard to ensure new MPAs take the needs of whales and dolphins into account, and to establish new MPAs specifically to protect Scotland's harbour porpoise, bottlenose dolphin populations and other species. WDC shall press home our achievements to ensure that the UK and Scottish governments enact the very necessary measures needed to protect our oceans and their inhabitants.

Whale and Dolphin Conservation (Limited by guarantee)

Chief executive's report (continued)

Building the rights of whales and dolphins



We were very pleased to see this area of pioneering work develop from strength to strength.

WDC has been cooperating with a growing number of lawyers and academics that wish to help WDC develop this crucial area of whale and dolphin protection. WDC has been building the case through publication and briefings for partners around the globe.

We have also noticed that an increasing number of scientists are willing to acknowledge this area of scientific endeavour when developing recommendations for conservation policy, leading to more appropriate conservation management plans for species and habitat.

We were especially pleased to see that the Indian government noted their recognition for the rights of whale and dolphins in declaring their ban on captive whale and dolphin facilities.

We also note that the cultural transmission and social complexity debate has informed discussions around captivity of whales and dolphins, with more commentators recognising the rights that whales and dolphins should have to be protected against incarceration. We have been continuing to develop the agenda for advancing the way in which policy makers view cetacean conservation, beyond the normal geographic and genetic boundaries, towards recognising the importance of social groups for conservation efforts and in particular recognising discrete cultural units.



WDC was pleased to host a presentation by Dr Hal Whitehead of Dalhousie University on the social complexity and cultural transmission in Sperm whales and WDC's Dr Karsten Breising authored a new book on the case for the right to life of whales and dolphins, which received considerable attention across German media.

WDC participated in the Yale Personhood Conference and continued our dialogue with the US based North American Non-Human Rights Project to find a way to bring a case to recognize the personhood of a captive cetacean in the US.

We've also continued the work on raising the profile of the welfare of hunted cetaceans, through, for example the Taiji analysis and bringing this issue and analysis to the attention of the scientists gathered at the Biennial

meeting of the Society for Marine Mammalogy. Advancing the case for welfare science in conjunction with conservation efforts remains a focus for WDC.

WDC was pleased this year to announce the first ever award of the WDC Bharathi Viswanathan Award for Innovative and Non-Invasive Research award for non-invasive scientific study. This is a bi-annual award that WDC will make to a student or young scientist that applies to undertake the most innovative and benign study that progresses our understanding of whale and dolphin conservation research and policy.

We believe that there is still a long way to go, but we are looking forward to the building debate and growing awareness that this innovative area is stimulating. We believe that the 2014 WDC and Convention on Migratory Species (CMS) conference on the issue of social complexity and cultural transmission amongst whales and dolphins will be a fundamental turning point, from which a greater understanding of the need for further protection of these remarkable individuals will develop.

**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
Sandra Pope
George Adams
Philip Smith

Chief Executive

Chris Butler-Stroud

Registered office and principal office

Brookfield House
38 St. Paul Street
Chippenham
Wiltshire
SN15 1LJ

Auditor

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

Investment Managers

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

Bankers

Barclays Bank plc
99 Hatton Garden
London
EC1N 8DN

Solicitors

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

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 (WDC or the charity) and its subsidiaries (together, the group) for the year ended 30 September 2013.

Achievements and performance

Thanks to our supporters and the hard work of all at WDC, we achieved great things for whales and dolphins in 2012/13.

Our major achievements and performance in our priority areas have been outlined in the Chief executive's report above. In addition, we outline the major campaigns we have been running, detailing some notable developments, challenges and successes. We also feature some of the life-saving work we are doing in oceans, seas and rivers around the globe.

Further information on all our work is given in our website: www.whales.org.

Whaling and directed hunts - Ending the Trade:

The economic viability of Iceland and Norway's whaling is predicated on selling to Japan. Failing home markets mean that they must secure this market.

We helped expose a cargo of whale meat docking at the port of Hamburg, resulting in the shipment returning to Iceland and the shipping company involved pledging to end future transport of whale meat.

With the UK's Sunday Times newspaper, we exposed the transit of whale meat through UK and other ports. We are now working with port authorities and putting pressure on the EU to cut off Iceland's trade routes once and for all. Denied this necessary escape route for their excess whale meat, Norway and Iceland know that there is no future for their respective hunts, and the whalers will resume the normal fishing that they did before they started whaling not so many years ago.

WDC exposed the use of whale in dog food, 'bio-fuel', watches and cosmetics. We even brought the media's attention to the use of whale in Icelandic beer. The global reaction was overwhelming and people were horrified at the diversification-taking place. No longer could the whalers claim that they were 'feeding people', they were exposed as simply businesses seeking to make as much money as possible.

Following a WDC backed campaign by the online petition group Avaaz, the Dutch government agreed to block exports of whale meat that pass through its ports.

Investigating abuses

WDC is not scared to tackle the difficult issues. Last year we reported how WDC exposed the increasingly commercial nature of Greenland's ASW whaling. As a direct result of WDC's work, as of January 1st 2013, Greenland has no legal quota to hunt large whales.

WDC will hold the IWC and the countries engaged in the IWC to account to ensure that all such abuses are dealt with. This year, the issue of so-called 'scientific whaling' will come to a head at the International Court of Justice. WDC believes this will be a turning point in the debate and WDC is at the forefront of advising governments how to take forward an assertive programme to end the abuse of science once and for all.

Ending the Dolphin hunts

Despite global coverage and outrage, the dolphin hunts continue in Japan's notorious killing 'cove.'

The Dolphin drive hunts are a horrifically cruel practice and represent one of WDC's toughest challenges. The most shocking and infamous drive hunts take place in the Faroes and Japan where boats herd whales and dolphins into a small inlet or cove for slaughter. The Japanese hunt is one of the biggest slaughters of whales and dolphins in the

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Achievements and performance (continued)

world yet many of its own people don't know the hunts take place. In the Faroes the hunt (or Grind) involves rounding up entire family groups and, once stranded in shallow water, blunt-ended metal hooks are inserted into their blowholes and used to drag the animals up the beach whilst alive.

In 2013, we exposed the shocking cruelty of Japanese dolphin hunts to the world's press – with over 300,000 people watching our viral film, *The Horror Behind the Curtain*. This short film exposed the true nature of the kill, by revealing killing methods the hunters had worked very hard to hide.

To stop the fishermen making huge sums from this cruelty, WDC has been targeting airlines to stop them transporting live dolphins taken in the hunts to theme parks in places like China, Korea and Saudi Arabia. At the end of the year 70,000 people had signed our petition and over 40 airlines have come out in support of our campaign. Very soon, we shall have strangled this trade once and for all, so removing one of the major economic incentives to continue the hunt.

Within Japan, we continue to develop an educational campaign to educate the public about whales and dolphins, their beauty, their biology and the threats that they face.

The above highlights show considerable success. But the whalers never rest. Neither does WDC. We are currently working to continue to expose their dirty trade, revealing the full scale of the products and countries where they are traded, all leading up to the International Whaling Commission meeting in Slovenia, September 2014.

Whale watching

WDC encourages responsible whale watching. It's a fantastic way for people to engage with conservation, and the best possible alternative to seeing whales and dolphins in captivity. However, whales have partly become a victim of their own popularity, with unregulated, invasive operators doing more harm than good in some parts of the world.

WDC is at the forefront of working with regulators and the operators, to get standards in place that give people a great whale-watch experience whilst also ensuring the protection of whales. This work ranges from Scotland to the USA, to Sri Lanka.

Conservation and science

In order to protect, first we have to understand.

Alongside our campaigns and programmes, WDC funds, or runs, a range of research studies and projects. Assessing the status of key populations, and understanding the impacts of human activity are critical to getting governments and industry to act.

Below, we detail examples of our work across the world's oceans:

Scotland - Isle of Lewis: The waters around the Western Isles are rich with whales and dolphins, but little is known about them. WDC has an on-going field study, looking at the numbers and movements of a wide variety of species. This work is helping us to get Favourable Conservation Status at a European level, meaning the Scottish government *has* to protect their marine wildlife heritage. We are also using the data to help establish the only UK/Scottish MPA for Risso's dolphins.

Scotland – Shorewatch: Our whale and dolphin watching programme, grew significantly in 2013. The project engages communities with whale and dolphin watching, giving us key data and involving people from all walks of life in practical conservation.

UK – Renewable energy project: The rapid development of marine renewable energy is a major issue for whales and dolphins. In 2013, we published a report aimed at helping governments, developers and other key parties make the best-informed decisions as to where and how to site their facilities with minimum harm to marine wildlife. The report is the first of its kind to draw all the information together and give advice to those involved in marine renewable energy.

Australia and New Zealand: WDC has been conducting a photo ID study into the dolphins in the Adelaide, Port River since 1988. We are pleased to report an increase in numbers, largely due to the dolphin sanctuary that WDC

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Achievements and performance (continued)

was instrumental in creating. We are also advising the local government on how to cope with emergency strandings.

North America and the Caribbean: Our US office is the key local group assessing and reporting on the impact of vessel strikes. This data is critical in getting active protection measures, for right whales and humpbacks in particular.

Russia: Our joint research programme is photo-identifying and cataloguing a little known and rarely studied species, the Baird's beaked whale. Unfortunately Japan hunts 60 or so of these whales every year. It is critical that we understand the status of the population, and the impact of various threats, including whaling, if we are to give this vulnerable group of whales a chance of survival.

As part of this initiative WDC is also active studying orca (killer whales) off the Kamchatka peninsular. Unfortunately 8 whales were recently captured in the Okhotsk Sea and placed in captivity. WDC is actively campaigning to get them released.

Latin America: WDC's Argentinian office runs and funds a long-term research programme in Patagonia, focused on the Commerson's and Peale's dolphins. We are also active in Peru, Bolivia and Colombia, studying river dolphins and engaging local communities in conservation efforts. For example, we discovered, exposed, and finally stopped, some fishermen in Colombia from killing river dolphins to use as bait.

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 Office of the Scottish Charity Regulator. 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) Ltd., raises income through merchandise, licensing and lotteries. It gift aids all its taxable profits to the charity. WDC Germany GmbH, a charitable company under German regulations, was founded to expand awareness of WDC's work within Germany and German speaking EU countries. WDC (North America) Inc, a charitable company under United States regulations, is an organisation with similar aims and objectives as WDC. The organisation raises funds, mainly via a whale adoption programme formerly run by the International Wildlife Coalition. WDC (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 WDC 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 WDC Australasia. WDC Australasia continues to assist in the delivery of WDC policy work, both within Australia and New Zealand and internationally.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Structure, governance and management (continued)

Risk management

The trustees have overall responsibility for ensuring that the charity has appropriate systems 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.

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.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Financial review

Total income for the year was £2,977,818. This was down by £1,379,734 from the 2012 level of £4,357,552, mainly due to an exceptional legacy in 2012 of £985,000 and a reduction in donations and similar income of £236,770 during the year. The latter has fallen by 11% which reflects the difficult economic times and is in line with other similar charities. The cost of generating funds increased from £733,843 in 2012 to £935,092 in 2013, an increase of £201,249 (27% increase). This reflects the planned investment in direct marketing activity to increase the number and life time value of supporters.

As a percentage of total incoming resources the cost of generating funds has increased from 17% in 2012 to 31% in 2013, reflecting the exceptional legacy receipt in 2012 and the planned increase in direct marketing activity in 2013, which will only have an effect on income in future years.

The trustees are pleased to be able to report that despite the fall in income and the planned increase in direct marketing activity, charitable expenditure in the year amounted to £2,726,674, an increase of £22,796 (1%) from the 2012 level of £2,703,878. This has however only been achievable by the planned drawdown of reserves which have fallen by £709,443 (2012- increase in funds of £897,770).

There were mixed results for our subsidiary companies. The German charity had a reduction in income but matched spending accordingly and returned small net income of £7,994. WDC Trading Ltd returned a net loss of £6,165. Our shop at the WDC Dolphin Centre in Spey Bay benefitted from increased visitor numbers but Trading activities such as the raffle do not bring in as much income as they did in the past. 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. We also plan to take over the running of the café at Spey Bay in Spring 2014 which will have a good effect on income in the Trading company. The North American subsidiary had a loss of £29,198. As with the UK, investments are being made in the subsidiary companies to increase membership and donations which will have a positive effect in future years.

During 2012-13 the WDC UK charity generated a net loss of £696,733k. This contrasts with net income in the previous year of £861,729 which was influenced by the receipt of one large legacy. Following the receipt of that legacy, we planned a programme of investment. We invested in policy work to continue the protection of whales and dolphins, and in marketing to increase the generation of income which allows us to undertake our charitable work.

Donation income was down about 12% this year, continuing the trend of the last few years. We attribute this reduction to the difficult economic conditions of the past five years and the subsequent reduced spend on marketing, resulting in a lower database of supporters. We are addressing this as noted above by investment in our web presence and direct marketing, ensuring the future work of the charity will continue. Overall last year, we spent a higher percentage of our income on fundraising costs than in previous years, as this will be the vehicle for increased donations in the future and is in line with the investment plan. Our total spend on charitable activities was slightly higher than last year despite the drop in income and we continue to closely match our expenditure to our income streams whilst maintaining an appropriate level of reserves.

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 14,840 hours (2012 – 13,701), 67% (2012- 62%) 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 an appropriate level of reserves to keep pace with the development of WDC. 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, last year we increased the amount we set aside to cover cash flow fluctuations which resulted in a higher reserve level. In addition, due to the receipt in 2012 of a significant legacy, the trustees had earmarked funds within the reserves to spend on policy initiatives and investment in the growth of our supporter database that would not have been possible without these funds. Much of

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Reserves policy (continued)

this planned expenditure was spent during the year and the trustees have determined that the reserve level which will meet the continuing objectives is £650,000 in unrestricted funds. At the end of the year the group had reserves of £780,831 of which £736,683 represents unrestricted funds.

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 group and charity and of its incoming resources and application of resources, including the income and expenditure, of the group 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 group and 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 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:

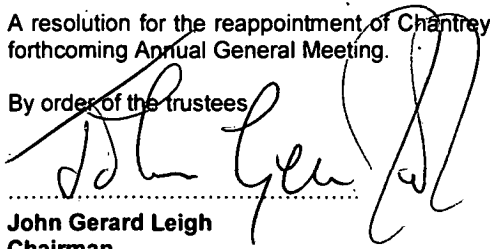
- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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:

11th June 2014

Whale and Dolphin Conservation (Limited by guarantee)

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

We have audited the financial statements of Whale and Dolphin Conservation for the period ended 30 September 2013 which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, 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 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 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 14, 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 group's 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 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's and parent charitable company's affairs as at 30 September 2013 and of the group's 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, the Charities Act 2011, and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not audited by us; or
- the parent 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.



MIKE MCALLISTER ACA (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
READING
Date 24-06-14

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

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

**Consolidated statement of financial activities
Year ended 30 September 2013
(including an income and expenditure account)**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2013 £	Total funds 2012 £
Incoming resources					
Incoming resources from generated funds					
Donations and similar income	4	1,629,537	242,140	1,871,677	2,108,447
Legacies	5	123,311	-	123,311	1,222,995
Merchandise, raffle, and magazine income	6	126,377	-	126,377	126,906
Royalty and other similar income		37,680	-	37,680	40,367
Investment income	7	1,171	-	1,171	3,759
		<u>1,918,076</u>	<u>242,140</u>	<u>2,160,216</u>	<u>3,502,474</u>
Incoming resources from charitable activities					
Membership		139,141	-	139,141	140,402
Out of the Blue		-	-	-	2,000
Adoption programmes		678,461	-	678,461	712,676
		<u>817,602</u>	<u>-</u>	<u>817,602</u>	<u>855,078</u>
Total incoming resources		<u>2,735,678</u>	<u>242,140</u>	<u>2,977,818</u>	<u>4,357,552</u>
Resources expended					
Costs of generating funds					
Fund raising costs		786,939	-	786,939	578,491
Merchandise, raffle and magazine costs		148,153	-	148,153	155,352
		<u>935,092</u>	<u>-</u>	<u>935,092</u>	<u>733,843</u>
Costs of generating funds					
Charitable activities					
Conservation and campaigns		1,955,481	224,536	2,180,017	2,292,555
Information and education		223,053	-	223,053	223,655
Membership		72,645	-	72,645	8,240
Adoption programmes		307,367	-	307,367	200,108
(Recoverable)/Unrecoverable VAT		(56,408)	-	(56,408)	(20,680)
		<u>2,502,138</u>	<u>224,536</u>	<u>2,726,674</u>	<u>2,703,878</u>
Charitable expenditure		<u>2,502,138</u>	<u>224,536</u>	<u>2,726,674</u>	<u>2,703,878</u>
Governance costs		<u>25,495</u>	<u>-</u>	<u>25,495</u>	<u>22,061</u>
Total resources expended	9	<u>3,462,725</u>	<u>224,536</u>	<u>3,687,261</u>	<u>3,459,782</u>
Net movement in funds, being net income for the year		<u>(727,047)</u>	<u>17,604</u>	<u>(709,443)</u>	<u>897,770</u>
Unrealised gains/(losses) on investments		-	-	-	-
Balances brought forward		<u>1,463,730</u>	<u>26,544</u>	<u>1,490,274</u>	<u>592,504</u>
Balances carried forward	21	<u>736,683</u>	<u>44,148</u>	<u>780,831</u>	<u>1,490,274</u>

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

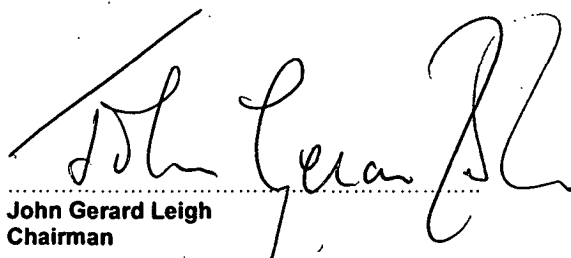
The notes on pages 20 to 31 form part of these financial statements.

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

**Balance sheet
30 September 2013**

	Note	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Fixed assets					
Tangible fixed assets	14	72,815	51,711	56,397	47,096
Investments	15	-	-	-	-
		<u>72,815</u>	<u>51,711</u>	<u>56,397</u>	<u>47,096</u>
Current assets					
Stock	16	36,909	33,982	-	-
Debtors	17	154,063	113,775	239,367	145,191
Cash at bank & in hand		755,361	1,563,506	626,243	1,446,177
		<u>946,333</u>	<u>1,711,263</u>	<u>865,610</u>	<u>1,591,368</u>
Creditors: amounts falling due within one year	18	<u>(238,317)</u>	<u>(272,700)</u>	<u>(196,907)</u>	<u>(216,631)</u>
Net current assets		<u>708,016</u>	<u>1,438,563</u>	<u>668,703</u>	<u>1,374,737</u>
Total net assets		<u>780,831</u>	<u>1,490,274</u>	<u>725,100</u>	<u>1,421,833</u>
Unrestricted funds	21	736,683	1,463,730	706,010	1,411,603
Restricted funds	21	<u>44,148</u>	<u>26,544</u>	<u>19,090</u>	<u>10,230</u>
Total funds		<u>780,831</u>	<u>1,490,274</u>	<u>725,100</u>	<u>1,421,833</u>

These financial statements were approved and authorised for issue by the trustees on 11 June 2014 and signed on their behalf.


John Gerard Leigh
Chairman

The notes on pages 20 to 31 form part of these financial statements.

Registered number: 2737421

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

**Consolidated cash flow statement
30 September 2013**

	2013 £	2012 £
Net cash (outflow)/inflow from operating activities (note 22)	(770,215)	832,575
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	<u>(37,930)</u>	<u>(27,514)</u>
Net cash inflow/(outflow) before management of liquid resources and financing	(808,145)	805,061
Increase/(decrease) in cash in the year	<u>(808,145)</u>	<u>805,061</u>
Reconciliation of net cash flow to movement in net funds		
Net cash increase/(decrease) in year	(808,145)	805,061
Net funds at start of year	<u>1,563,506</u>	<u>758,445</u>
Net funds at end of year	<u>755,361</u>	<u>1,563,506</u>
Cash at bank and in hand	<u>755,361</u>	<u>1,563,506</u>

The notes on pages 20 to 31 form part of these financial statements.

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

**Notes to the financial statements
Year ended 30 September 2013**

1. Company status

Whale and Dolphin Conservation (WDC) 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 2013 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 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 WDC and its subsidiary undertakings on a line by line basis. The accounts are made up to 30 September 2013.

In accordance with the Companies Act 2006 WDC is exempt from the requirement to present its own statement of financial activities. Net movement in funds for the year ended 30 September 2013 for the charity was a loss of £696,733.

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 2013 (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

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

Applications are submitted in a specific format and reviewed by the WDC 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

WDC donates funds to WDC Australasia to enable them to further their campaigns and conservation projects in their region. WDC 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 2013 (continued)**

2. Accounting policies (continued)

j) Taxation

The company, which is a registered charity, is not liable to taxation on 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 2013 (continued)**

3. Cash flow statement - Charity

	2013 £	2012 £
Net incoming resources	(696,733)	861,729
Depreciation	13,423	8,788
Decrease/(increase) in debtors	(94,176)	(19,162)
Increase/(decrease) in creditors	(19,724)	(18,235)
Net cash inflow/(outflow) from operating activities	(797,210)	833,120
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(22,724)	(27,184)
Net cash inflow/(outflow) before management of liquid resources and financing	(819,934)	805,936
Increase/(decrease) in cash in the year	(819,934)	805,936
Reconciliation of net cash flow to movement in net funds		
Net cash increase/(decrease) in year	(819,934)	805,936
Net funds at start of year	1,446,177	640,241
Net funds at end of year	626,243	1,446,177
Cash at bank and in hand	626,243	1,446,177

4. Donations and similar income

	2013 £	2012 £
Individuals	1,306,332	1,546,384
Trusts	181,333	117,770
Adopt a dolphin donations	335,656	392,657
Adopt a whale donations	48,356	51,636
	1,871,677	2,108,447

5. Legacies

Fifteen legacies were received totalling £123,311 (2012: £1,222,995 in respect of 15 legacies).

6. Merchandise, raffle and magazine income

	2013 £	2012 £
Merchandising income	102,547	101,843
Raffle income	23,830	25,063
	126,377	126,906

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

**Notes to the financial statements
Year ended 30 September 2013 (continued)**

7. Investment income	2013	2012
	£	£
Interest receivable	1,171	3,759

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 2013 £	Total 2012 £
Costs of generating funds				
Fund raising costs	301,736	485,203	786,939	578,491
Merchandise, raffle and magazine costs				
Cost of merchandise	-	75,332	75,332	62,665
Raffle costs	-	14,004	14,004	21,715
Administration costs	48,382	10,435	58,817	70,972
	350,118	584,974	935,092	733,843
Charitable activities				
Conservation, campaigns and donations	1,278,340	901,677	2,180,017	2,292,555
Information and education	-	223,053	223,053	223,655
Membership	-	72,645	72,645	8,240
Adoption programmes	-	307,367	307,367	200,108
(Recoverable)/Unrecoverable VAT	-	(56,408)	(56,408)	(20,680)
	1,278,340	1,448,334	2,726,674	2,703,878
Governance costs	-	25,495	25,495	22,061
	1,628,458	2,058,803	3,687,261	3,459,782

Other direct costs include:

	2013	2012
	£	£
Audit fee - group	23,717	21,800
Operating lease rentals – land and buildings	108,882	87,224
- plant and equipment	22,711	17,712
Depreciation	16,826	11,007

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

**Notes to the financial statements
Year ended 30 September 2013 (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:

	2013 Number	2012 Number	2013 £	2012 £
Travel	-	-	-	-

11. Staff costs

	2013 £	2012 £
Wages and salaries	1,393,961	1,411,748
Social security costs	189,638	156,513
Other pension costs (note 13)	44,859	34,766
	1,628,458	1,603,027

There were two employees (2012: 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:

	2013 No.	2012 No.
Charitable activities	38	36
Cost of generating funds	11	11
Management and administration of the charity	9	7
	58	54

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 £44,859 (2012: £34,766).

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

**Notes to the financial statements
Year ended 30 September 2013 (continued)**

14. Tangible fixed assets

Group	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At beginning of year	40,000	156,033	307,875	503,908
Additions	-	22,172	15,758	37,930
Disposals	-	(54,870)	(70,882)	(125,752)
At 30 September 2013	40,000	123,335	252,751	416,086
Depreciation				
At beginning of year	28,000	120,566	303,631	452,197
Charge for the year	4,000	7,690	5,136	16,826
Eliminated on disposal	-	(54,870)	(70,882)	(125,752)
At 30 September 2013	32,000	73,386	237,885	343,271
Net book value				
At 30 September 2013	8,000	49,949	14,866	72,815
At 30 September 2012	12,000	35,467	4,244	51,711
Charity				
Cost				
At beginning of year	40,000	137,055	294,424	471,479
Additions	-	22,172	552	22,724
Disposals	-	(45,238)	(70,882)	(116,120)
At 30 September 2013	40,000	113,989	224,094	378,083
Depreciation				
At beginning of year	28,000	106,659	289,724	424,383
Charge for the year	4,000	6,601	2,822	13,423
Eliminated on disposal	-	(45,238)	(70,882)	(116,120)
At 30 September 2013	32,000	68,022	221,664	321,686
Net book value				
At 30 September 2013	8,000	45,967	2,430	56,397
At 30 September 2012	12,000	30,396	4,700	47,096

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

**Notes to the financial statements
Year ended 30 September 2013 (continued)**

15. Fixed asset investments

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

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

Profit and loss accounts

	WDC (Trading) £	WDC GmbH £	WDC (NA) Inc £
Merchandising income	94,396	7,222	930
Legacies	-	-	9,179
Raffle income	23,830	-	-
Donations	3,066	487,767	303,193
Royalty and other similar income	16,797	-	1,872
Investment income	1,018	71	69
Total income	139,107	495,060	315,243
Merchandising	71,248	-	-
Raffle expenditure	14,004	-	-
Administration expenses	57,139	-	-
Fundraising costs	-	18,789	53,933
Charitable expenses	-	463,173	283,895
Governance costs	2,881	5,104	6,613
Total expenses	145,272	487,066	344,441
(Deficit)/ surplus	(6,165)	7,994	(29,198)

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

**Notes to the financial statements
Year ended 30 September 2013 (continued)**

15. Fixed asset investments (continued)

Balance sheets

	WDC (Trading) £	WDC GmbH £	WDC (NA) £
Fixed assets	9,289	295	6,834
Current assets	47,895	73,557	64,461
Creditors: amounts falling due within one year	(396,480)	(43,506)	(52,990)
Net current assets/(liabilities)	(348,585)	30,051	11,471
Total assets plus net assets/less net liabilities	-	-	-
Creditors: amounts falling due after more than one year	-	-	-
Net (liabilities)	(339,296)	30,346	18,305

16. Stock

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Goods for resale	36,909	33,982	-	-

17. Debtors

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Amounts falling due within one year				
Trade debtors	23,560	12,731	16,390	12
VAT	22,370	-	22,370	-
Amounts owed by subsidiary undertakings	-	-	444,489	325,967
Less provisions against amounts owed	-	-	(339,296)	(274,596)
Prepayments and other accrued income	108,133	101,044	95,414	93,808
	154,063	113,775	239,367	145,191
Amounts falling due after more than one year				
Loans to subsidiary undertaking	-	-	-	50,000
Less provisions against loans	-	-	-	(50,000)
Total	154,063	113,775	239,367	145,191

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 2013 (continued)**

18. Creditors

	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Trade creditors	114,363	95,939	95,171	85,411
Social security	28,858	27,003	24,763	27,003
VAT	5,628	3,627	-	1,203
Accruals and deferred income	89,468	146,131	76,973	103,014
	238,317	272,700	196,907	216,631

19. Financial commitments

Group	2013 Other £	2013 Land & Buildings £	2012 Other £	2012 Land & Buildings £
--------------	-----------------------------	--	-----------------------------	--

Expiry date

Within 1 year	155	-	310	15,221
Within 2 to 5 years	5,754	94,025	2,718	81,720

Charity	2013 Other £	2013 Land & Buildings £	2012 Other £	2012 Land & Buildings £
----------------	-----------------------------	--	-----------------------------	--

Expiry date

Within 1 year	155	-	310	15,221
Within 2 to 5 years	4,352	81,720	2,718	81,720

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

**Notes to the financial statements
Year ended 30 September 2013 (continued)**

20. Statement of funds

Group	Balance at 1 October 2012 £	Income £	Expenditure £	Balance at 30 September 2013 £
Unrestricted funds	1,463,730	2,735,678	(3,462,725)	736,683
Restricted funds				
Faroe campaign	6,230	-	(6,230)	-
Trusts	20,314	242,140	(218,306)	44,148
Total restricted fund	26,544	242,140	(224,536)	44,148
Total funds	1,490,274	2,977,818	(3,687,261)	780,831

Charity	Balance at 1 October 2012 £	Income £	Expenditure £	Balance at 30 September 2013 £
Unrestricted funds	1,411,603	1,928,038	(2,633,631)	706,010
Restricted funds				
Faroe campaign	6,230	-	(6,230)	-
Trusts	4,000	181,139	(166,049)	19,090
Total restricted funds	10,230	181,139	(172,279)	19,090
Total funds	1,421,833	2,109,177	(2,805,910)	725,100

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

21. Analysis of net assets between funds

Group	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2013 are represented by:			
Tangible fixed assets	-	72,815	72,815
Current assets	44,148	902,185	946,333
Current liabilities	-	(238,317)	(238,317)
Total net assets	44,148	736,683	780,831

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

**Notes to the financial statements
Year ended 30 September 2013 (continued)**

22. Net cash inflow from operating activities

	2013 £	2012 £
Net (outgoing)/incoming resources	(709,443)	897,770
Depreciation	16,826	11,007
Increase in stocks	(2,927)	(649)
(Increase)/decrease in debtors	(40,288)	1,851
Decrease in creditors	(34,383)	(77,404)
Net cash (outflow)/inflow from operating activities	<u>(770,215)</u>	<u>832,575</u>

23. Related parties

During the year, WDC supported an Australian based connected charity. There is a licensing agreement between the two charities which allows WDC Australia to use the WDC logo and brand. During the year, WDC donated funds to WDC Australia which amounted to £24,489 (2012: £24,427) to support their campaigns and conservation projects.