

Whale and Dolphin Conservation Report and Financial Statements

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WHALE AND
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CONSERVATION

WDC

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)

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, Whale and Dolphin Conservation, is the leading charity dedicated to the protection of whales and dolphins. We live and breathe our mission, to make our vision a reality. We are authorities on whale and dolphin issues, and are passionate about what we do.

We work globally through campaigns, lobbying, advising governments, conservation projects, field research, rescue, education and much more.

We operate at international meetings and work across many seas and oceans, as well as through our offices in the UK, North America, Argentina, Germany and Australia.

We connect with all people who care about whales and dolphins. We make sure decision makers hear our voice.

We are campaigners, researchers, lobbyists, educators and volunteers. 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

As we approach our 30th year of delivering conservation and protection for whales and dolphins, WDC's vision remains a world where every whale and dolphin is safe and free.

It is perhaps, more important for us to adhere strongly to this vision now than at any time in the history of WDC. Why? Because the world is changing, and changing rapidly.

In the time that WDC has been active for whales and dolphins, we have seen an enormous global shift in public opinion about whales and dolphins. Many people, communities and even countries now value whales and dolphins in their own 'right'; not as a commodity to be killed or traded, and not as a captive provider of entertainment. Nor do they see the high levels of deaths of whales and dolphins in fishing gear as acceptable collateral damage.

They, like WDC, believe whales and dolphins are special. There has always been such appreciation of these wonderful animals but we are now deepening our understanding of whales and dolphins' social lives, communication skills and intelligence like never before. We have a rapidly evolving appreciation of the key role some whales and dolphins play in the whole eco-system; from sustaining the major oxygen producing part of our oceans, to absorbing carbon, to the redistribution of vital nutrients through ocean currents. In short, we now appreciate cetaceans' value, not only to us, or for their own sake, but to the whole planet. This evolution of thinking affects, for example; not only whether or not they should be killed, or kept in captivity but if they have the right to a clean and safe environment and if these rights should be granted in law. These may have once been radical ideas but are now, increasingly supported by scientific evidence and robust philosophical arguments, becoming mainstream.

Yet the challenges facing WDC are greater than ever and they too are evolving rapidly. It is not just the 'stubborn' minority of whale and dolphin hunters, which are the problem. Pollution of the world's seas is increasing at an alarming rate. We don't yet fully understand the impacts of global warming on the world's oceans or on the whales and dolphins that live in them. Bycatch in fisheries – perhaps the largest outright cause of whale and dolphin deaths – is a huge problem and possibly getting worse; being both un-quantified and under reported and therefore, not adequately dealt with.

Is there a will to address these problems? Recent political changes in the US, and the UK's decision to leave the European Union, are simply an unknown quantity when it comes to their impact on whales and dolphins. We don't yet know if our hard-worked-for protection measures on either side of the Atlantic, are going to be dismantled, or if, in the case of the UK, leaving the EU actually gives us opportunities to achieve *better* protection for whales and dolphins around the UK coast. Whatever happens, WDC will work hard to ensure whale and dolphin protection measures remain strong where they already exist, or where missing, we shall fight to ensure better measures are adopted.

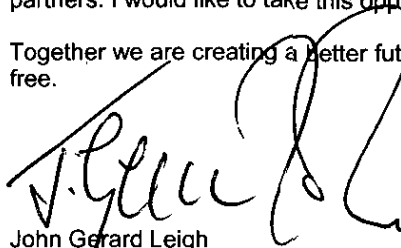
To be effective we must focus our resources where they will have the greatest impact. As with recent years, our focus is on a few key programmes, which are detailed in the coming pages, with detail on our activities and successes.

To support and underpin these programmes we will be creating outputs that speak to 'why' we must protect whales and dolphins; what the status of whale and dolphins (and measures to protect them) really is, and outlining what we need stakeholders all around the world to do: We are defining our rights and "ecological whale" arguments and gathering supporting evidence, to illustrate the value of whales and dolphins; their inherent rights to safety and freedom; and their undoubted delivery of essential function in eco-system services and the according services to the whole planet.

This work is supported by a truly global operational NGO, with offices in five countries and projects and partners in many more.

Of course, none of this is possible without the support, knowledge and passion of volunteers, staff, donors and partners. I would like to take this opportunity to thank them all.

Together we are creating a better future for whales and dolphins; a world where every whale and dolphin is safe and free.



John Gerard Leigh
Chairman

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
Lisa Drewe (appointed 6 June 2016)

Chief Executive

Chris Butler-Stroud

Registered office and principal office

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

Auditor

Moore Stephens 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 2016.

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 any 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 organisation, 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.

Risk management

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

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

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Risk management (continued)

- 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.

The three main risks identified as part of the risk management process and the actions we are using to address these risks are:

1. *Income from individual giving dropped during the year and will continue to be challenging as a result of negative publicity around fundraising activity generally, and the resultant enhanced legislation which limits our ability to communicate with supporters.* We regularly review our fundraising activity and that of our contractors to ensure compliance with relevant legislation and best practice. In addition, we have invested in other income streams (e.g. corporate fundraising) to diversify income in order to reduce reliance on one particular income source.
2. *Uncertain economic and political climate (Brexit, US administration's position on environmental issues, possible Scottish referendum) leads to general uncertainty and possible distraction from (and level of disposable income to support) whale and dolphin issues.* Our position is to see the Great Repeal Bill as an opportunity to enshrine progressive legislation for whales and dolphins in UK waters. The change in US administration may lead to higher interest in environmental matters by non-governmental organisations and grant-givers which we will pursue. We keep abreast of Scottish issues through close links with Scottish LINK and regular review of matters affecting businesses and charities operating in Scotland as well as having staff and facilities in Scotland where we can regularly get public feedback on relevant issues.
3. *Ability to keep up-to-date with technological advances, which are vital in order to communicate with our supporters and other stakeholders.* We recognise that communication via the web and social media is of the upmost importance and are currently updating our website to be able to maximise our ability to use the internet in an efficient and effective way. We have an IT service group that regularly meets to review support.

Key Management Pay

The pay of key staff is reviewed annually and normally increased in line with any pay increase given throughout the organisation as a whole. WDC salary bands are reviewed against independent benchmarking surveys at least once in a two year period. The market data considers charity pay in organisations of our size (income and staff), charity area and location.

Objectives and Activities

All of our activities are focused on the goals of our key programmes:

1. Stop whaling
2. End captivity
3. Homes for whales
4. Establishing rights for whales and dolphins
5. Ending bycatch

To support these programmes we are active with campaigns and projects, conservation, scientific research, education, outreach and political work, such as lobbying and forming conservation legislation.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Objectives and Activities (continued)

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

Here we outline the achievements from the key activities noted above.

1. *Stop Whaling:* To reduce the numbers killed and the numbers of countries whaling

The conflict with Japanese whalers that has been ongoing since the 1986 moratorium continues unabated. In recent years there has been a ruling from the International Court of Justice (ICJ), vocal criticism from pro-whale countries and thwarted attempts to re-commercialise whaling or otherwise expand it.

In Norway and Iceland the whalers are trying to increase catches and expand the market, though local markets are shrinking. Their cause is aided, perversely, by the numbers of tourists who eat whale meat, and whose custom feeds the business of whaling.

WDC continues to be both stakeholder and expert; doing our own lobbying and leading our own campaigns, but also providing reasoning, data, expertise and argument to the pro-whale voices around the world, including governments. Whilst we are active at this "top" level, we are also increasingly active "on the ground" in whaling countries, working with the anti-whaling, pro-whale change agents.

WDC has:

- Exposed the open and illegal sale of whale products to overseas customers online
- Launched an ongoing campaign to get the EU not to sign trade deals with Japan whilst it is still whaling
- Created partnerships and alliances to create measurable cultural change in whaling countries

Our focus now is on:

- Ending hunts in St Vincent and the Grenadines, in the Caribbean
- Reducing the hunting of dolphins and smaller whales
- To end Japanese "small type coastal whaling" including
 - Ensuring the International Whaling Commission (IWC) does not support quota request from Japan
 - Ending so-called "scientific" whaling
- Ending hunts in Iceland, particularly through the changing culture and changing relationship between Icelanders and whales
- Achieving a ban on the transit of whale meat through the EU
- Strengthening Aboriginal Subsistence Whaling (ASW) regulations within the IWC

2. *End captivity:* To reduce the numbers held in captivity and develop sanctuaries, or release programmes, for those held

We are now seeing major changes in the captivity arena. In recent years WDC has helped prevent new facilities from being built, helped educate the public about captivity, prevented capture and helped engender genuine change in the aquarium industry. This work is paying off. We have now – in some parts of the world – reached tipping point, notably in Europe and the US, where the public is voting with its wallet. This is leading to changes in the aquarium industry and other stakeholder industries, such as tourism. Although we are yet to see the first sanctuary established, they are firmly on the agenda as an alternative for many of the approximately 3,000 whales and dolphins currently held in captivity.

In some parts of the world, however, and particularly in China, there is a rapid growth in the number of facilities displaying whales and dolphins, captured from the wild, in Russia and Japan.

WDC has:

- Worked with Merlin Entertainment to plan and establish a beluga sanctuary. Surveys are currently taking place to ensure site suitability
 - Campaigned to change the travel industry to end support for whale and dolphin captivity
-

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Objectives and Activities (continued)

- Helped Virgin progress its "pledge for whales and dolphins"
- Worked to achieve SeaWorld's announcement to an end to orca breeding and shows
- Helped prevent captures off the coast of Namibia
- Helped to uphold a ban on Georgia Aquarium (US) from importing wild caught belugas

Our focus now is on:

- Opening sanctuaries and exploring opportunities to return ex-captive dolphins to the wild
- Phasing out dolphin captivity in Germany
- Increasing public support for an end to captivity in key countries, including the US, China and Japan
- Addressing the continued demand for live caught whales and dolphins through our work with the Convention on Migratory Species and other forums
- Persuading tour operators to break links with the captivity industry
- Preventing whales and dolphins being taken from the wild for human entertainment

3. *Homes for whales:* To increase the number of effective protected areas for whales and dolphins in national waters and on the high seas

This programme aims to protect the oceans, seas and rivers where whales and dolphins live; be that as "resident" or highly migratory species or populations. Using national and international agreements, WDC is instrumental in designing, creating and implementing various kinds of Marine Protected Areas (MPAs). We also undertake and/or fund scientific work which is essential to establishing both why we need MPAs and how they should be established and run.

Increasingly WDC is involved with identifying Important Marine Mammal Areas (IMMAs), specific areas ranging from the deep ocean to the upstream rivers inhabited by certain dolphins. IMMAs are important to whales and dolphins, for reasons of feeding, social activity or breeding. Once identified, we can use IMMAs to help determine where MPAs should be, and whether existing MPAs are doing their job.

There are now over 20,000 MPAs in the coastal regions of over 100 countries, although only a few hundred are known to protect important whale and dolphin habitat. Over 5% of the world's oceanic surface is now covered by MPAs, a figure which increased to 5.43% with the advent of the Ross Sea MPA in the Antarctic, which WDC campaigned for over many years. Protected whale and dolphin habitats are increasing but there are many species and populations not included in MPAs and there is much work to be done.

WDC has:

- Helped achieve the protection of the Ross Sea Marine Protected Area in Antarctica: the largest MPA to date
- Successfully lobbied the Scottish government to designate MPAs for harbour porpoises
- Completed research in Scotland, Wales, North East USA and Argentina, to help provide evidence to support habitat conservation
- Helped establish the expansion of North Atlantic right whale critical habitat along the east coast of the United States
- Produced a Hector's dolphins sightings app that is gaining wide adoption among New Zealand residents along the north end of South Island as a tool to identify habitat and gain local support for much greater habitat protection in New Zealand waters
- Contributed to the first Important Marine Mammal Area (IMMA) workshop where scientists identified 41 candidate IMMAs for potential protection and numerous areas of interest for future monitoring

Our focus now is on:

- Organising a series of scientific workshops for different regions of the world (across the southern hemisphere), mapping the results and preparing a living world e-atlas of sites important to whales and dolphins
 - To continue to participate in various multilateral environmental treaties to bring forward new data on marine mammals to inform decisions on marine habitats
 - To implement the Sicily Strait and at least one area in each of five marine regions of the southern hemisphere as a marine protected area or other protected status
-

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Achievements and performance (continued)

- Getting the New Zealand government to increase protection for endangered Hector's dolphins
- Building on our success protecting North Atlantic right whales: seeing an increase in the population
- Helping to create strong protection for blue whales off Central America in the "Costa Rica Dome"
- Reducing whale deaths from ship strikes off the north-east coast of the US
- Achieving Scottish MPAs for minke whales and Risso's dolphins
- Achieving effective MPAs in European waters, with particular focus on harbour porpoises, minke whales and Risso's dolphins
- Achieving greater protection for river dolphins in Latin America
- Expanding critical habitat for orcas off the Northwest US coast
- Reducing threats to franciscana and bottlenose dolphins in northern Patagonia, Argentina

4. ***Establishing rights for whales and dolphins:*** To gain the recognition of the rights of whales and dolphins

WDC's focus in this programme is about gaining **recognition** of the rights of whales and dolphins in law. This may be one of the hardest "needs" for WDC to communicate, and one of the hardest areas to show, or measure progress in. Yet it remains a key programme for WDC and is a crucial issue that underpins all of our other work. For example, we may yet get an outright ban on whaling, simply on ethical – rather than conservation – grounds. Whales and dolphins have enormous value as part of the eco-system (e.g. movement of nutrients) but they also have inherent value, based on their culture, intelligence and social complexity that puts them beyond "use". Only by enshrining their rights can we fully realise our vision of a world where every whale and dolphin is safe and free.

WDC has:

- Continued to promote the science of culture at international conservation fora
- Continued to explore the science that helps us build a case for managers to include behavior and culture in conservation models – we have established a systematic review on this theme, with positive responses and interest from the media
- Successfully expanded the Convention of Migratory Species culture expert group, to include experts from other areas who are now successfully flying the flag for this agenda through a range of avenues
- Completed first field season collecting data on humpback foraging styles, with the objective of identifying consistent individual difference (or personalities)
- Continued to promote WDC policy on the preferred use of non-invasive research

Our focus now is on:

- The Orca personhood project – establishing rights for a captive orca
- Partnership with the Non-human Rights Project
- Gathering and promoting scientific and philosophical support for rights for whales and dolphins
- Practical conservation measures in binding international forums based on whale and dolphin culture

5. ***Ending bycatch:*** To reduce the number of whales and dolphins killed and injured through entanglement in fishing lines and nets

Our immediate need is to establish the scale of the problem. As well as doing our own research, we are pushing very hard for improved monitoring and reporting in order to establish "thresholds"; in short, unacceptable levels of cetacean bycatch. To get better legislation and action, we are engaging with research, lobbying governments and working with fishing communities to reduce bycatch while respecting the livelihoods of those who depend on fishing

WDC has:

- Continued to provide expert comments to influence changes in fishing practices and regulations to reduce whale and dolphin deaths
 - Educated boaters to locate and report entangled whales to the proper authorities in the US
 - Helped create regulations to reduce entanglements of large whales and harbour porpoise along the US East Coast
 - Partnered with industry, government advisors and NGOs to produce best practice in Scottish creels to reduce whale entanglements
 - Helped create MPAs globally that better manage damaging fishing practices
-

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Achievements and performance (continued)

- Initiated a Bycatch Resolution of experts of the European Cetacean Society identifying the need to better monitor and mitigate marine mammal bycatch
- Produced papers to the International Whaling Commission on bycatch and entanglements, and contributed to the IWC setting up a Bycatch Steering Group and a long term work stream on this issue

Our focus now is on:

- Working with partners to understand and reduce large whales entanglements on the East coast of the US and Scotland
- Improving bycatch legislation in European waters
- Ensuring strong bycatch legislation is implemented in the UK once it leaves the EU
- Further understanding the welfare implications of bycatch and entanglements
- Challenging the Marine Stewardship Council to improve bycatch assessment and monitoring
- Ending bycatch of Franciscana, Bottlenose and Commerson's dolphins in Latin America
- End bycatch of Hector and Maui dolphin in New Zealand

The above information summarises, our aims and objectives and how we plan to achieve them, including outlining our approach and methods. If you want to find out more visit www.whales.org or send your enquiry to info@whales.org

Plans for the future

Plans for the future are covered by "our focus now" paragraphs in the "Achievements and Performance" section above.

Financial review

Total income for the year was £3,542,446. This was down by £693,146 from the 2015 level of £4,235,592 mainly due to the return of legacy income in the current year to more usual levels. Donations outside of the above were up slightly due to better results in the US and German subsidiaries, aided by the relative weakness of sterling at the end of the year. Income from Trading was slightly higher due to increased café and shop sales at our Centre at Moray Firth in Scotland.

The cost of generating funds has reduced by 3% from £952,094 to £920,495 which is a reflection on our ability to spend funds efficiently in the current difficult direct marketing market. Our launch of our new Adopt an Orca programme was delayed but launched pre-Christmas 2016.

Charitable expenditure in the year amounted to £2,814,297 a decrease of just under 2% from last year. Charitable spend had been matched to budgeted regular donation income expected during the year.

The US subsidiary is showing a net income of £39,247 in the year, partially due to restricted income which has not yet been spent but also the result of generous donations from foundations and businesses. The US subsidiary carries a healthy net retained income into the current year to help any fluctuations in donation income from individuals, legacies and trusts, which can be unpredictable.

The German subsidiary had a loss of £584. The German database had suffered from attrition over the last few years. We had invested in direct television advertising and although this meant attrition rates were better, it did not lead to a very large increase in income from individuals, which is disappointing. We are working to increase our income from individuals using other methods and have also been successful in raising income from businesses which share similar objectives and are helping us with relevant campaigns in Germany.

The Trading company had a good year, with the café at the Scottish Dolphin Centre completing the third full year of operation by WDC and maintaining an average review of 4.3 stars out of 5 on TripAdvisor. Online sales of merchandise also increased during the year, benefitting from having a larger audience of supporters that are interested in our whale and dolphin merchandise. As ever, the Trustees regularly review 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.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Reserves Policy

WDC has a policy of holding sufficient financial reserves to fund current and future activities. Reserves are held to cover for cash flow fluctuations, to provide for unforeseen costs, to provide for a buffer against a fall in income and to enable it to take advantage of unforeseen opportunities. WDC's objective is to maintain an appropriate level of reserves to keep pace with the development of the organisation, with regular reviews being performed of both the reserves policy itself and the level of reserves held.

As a result of the most recent review, the trustees have determined that the reserve level which will meet the above objectives is £650,000 in unrestricted funds.

At the year end, as a group, WDC had total reserves of £1,300,650 as follows:

	Cash £	Non cash £	Total £
Unrestricted – Operational	650,000	-	650,000
Unrestricted – Designated	<u>168,537</u>	<u>366,783</u>	<u>535,320</u>
Total Unrestricted	809,301	366,783	1,185,320
Restricted	<u>115,330</u>	<u>-</u>	<u>115,330</u>
Total	<u>933,867</u>	<u>366,783</u>	<u>1,300,650</u>

The "non- cash" reserves noted above consist mainly of legacies recognised in the year but not received until after the year end.

The receipt of two unusually large legacies in the past four years has resulted in unrestricted reserves being in excess of the targeted minimum reserve amount of £650,000. This "excess" has been designated as strategic reserves to allow WDC to continue its charitable operations, to invest to grow income and to begin the strategic planning process which is taking us through the next three years and beyond.

Total unrestricted reserves at the year end of £1,185,320 represents 4 months of unrestricted fund expenditure. Unrestricted cash reserves at the year end of £809,301 represents just less than 3 months of unrestricted fund expenditure.

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 group and charity and 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:

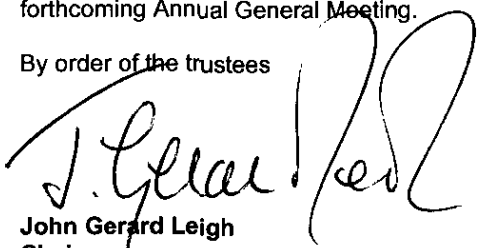
- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 Moore Stephens 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: 19-06-2017

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 year ended 30 September 2016 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 the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 11, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 visited 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 MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor
READING

Date 22-06-2017

Moore Stephens 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 2016
(including an income and expenditure account)**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies:					
Donations and similar income	4	1,643,716	202,609	1,846,325	1,713,837
Legacies	5	557,275	-	557,275	1,307,753
Charitable activities:					
Membership		206,463	-	206,463	278,419
Adoption programmes		609,154	-	609,154	625,564
Other trading activities:					
Merchandise, cafe, raffle and magazine income	6	273,426	-	273,426	258,965
Royalty and other similar income		48,228	-	48,228	48,938
Investments	7	1,575	-	1,575	2,116
Total income		3,339,837	202,609	3,542,446	4,235,592
Expenditure on:					
Raising funds					
Fund raising costs		713,196	-	713,196	748,682
Merchandise, cafe, raffle and magazine costs		207,299	-	207,299	203,014
Event costs		-	-	-	398
Costs of generating funds		920,495	-	920,495	952,094
Charitable activities					
Conservation and campaigns		2,181,262	180,218	2,361,480	2,347,622
Information and education		177,915	-	177,915	179,762
Membership		67,844	-	67,844	45,865
Adoption programmes		178,452	-	178,452	262,092
Governance costs		28,606	-	28,606	28,651
Total charitable activities expenditure		2,634,079	180,218	2,814,297	2,863,992
Total expenditure	9	3,554,574	180,218	3,734,792	3,816,086
Net movement in funds, being net Income / (deficit) for the year		(214,737)	22,391	(192,346)	419,506
Balances brought forward		1,400,057	92,939	1,492,996	1,073,490
Balances carried forward	21	1,185,320	115,330	1,300,650	1,492,996

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

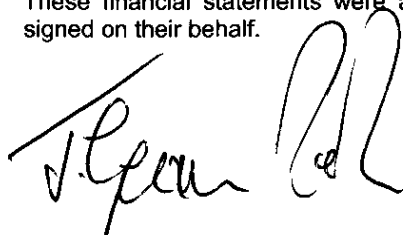
The notes on pages 17 to 28 form part of these financial statements.

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

**Balance sheet
30 September 2016**

	Note	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Fixed assets					
Tangible fixed assets	14	60,826	88,127	37,614	60,601
Investments	15	-	-	-	-
		<u>60,826</u>	<u>88,127</u>	<u>37,614</u>	<u>60,601</u>
Current assets					
Stock	16	42,704	40,107	-	-
Debtors	17	514,700	226,269	523,156	278,146
Cash at bank & in hand		933,867	1,570,818	744,321	1,369,658
		<u>1,491,271</u>	<u>1,837,194</u>	<u>1,267,477</u>	<u>1,647,804</u>
Liabilities:					
Creditors: amounts falling due within one year	18	(251,447)	(432,325)	(187,713)	(338,151)
Net current assets		<u>1,239,824</u>	<u>1,404,869</u>	<u>1,079,764</u>	<u>1,309,653</u>
Total net assets		<u>1,300,650</u>	<u>1,492,996</u>	<u>1,117,378</u>	<u>1,370,254</u>
Unrestricted funds	21				
Operational funds		650,000	650,000	650,000	650,000
Designated funds		535,320	750,057	455,733	702,642
		<u>1,185,320</u>	<u>1,400,057</u>	<u>1,105,733</u>	<u>1,352,642</u>
Restricted funds	21	<u>115,330</u>	<u>92,939</u>	<u>11,645</u>	<u>17,612</u>
Total funds		<u>1,300,650</u>	<u>1,492,996</u>	<u>1,117,378</u>	<u>1,370,254</u>

These financial statements were approved and authorised for issue by the trustees on 19-06-2017 and signed on their behalf.



John Gerard Leigh
Chairman

The notes on pages 17 to 28 form part of these financial statements.

Registered number: 02737421

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

**Consolidated cash flow statement
Year ended 30 September 2016**

	2016 £	2015 £
Net cash (outflow) / inflow from operating activities (note 22)	(633,773)	198,572
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	<u>(3,178)</u>	<u>(11,032)</u>
Net cash (outflow) / inflow before management of liquid resources and financing	(636,951)	187,540
	<u> </u>	<u> </u>
(Decrease)/increase in cash in the year	<u>(636,951)</u>	<u>187,540</u>
Reconciliation of net cash flow to movement in net funds		
Net cash (decrease) / increase in year	(636,951)	187,540
Net funds at start of year	<u>1,570,818</u>	<u>1,383,278</u>
Net funds at end of year	<u><u>933,867</u></u>	<u><u>1,570,818</u></u>
	<u> </u>	<u> </u>
Cash at bank and in hand	<u><u>933,867</u></u>	<u><u>1,570,818</u></u>

The notes on pages 17 to 28 form part of these financial statements.

Whale and Dolphin Conservation (Limited by guarantee)

Notes to the financial statements Year ended 30 September 2016

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 2016 there were seven 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, and in accordance with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective January 2015).

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the charitable company's accounting policies. Estimates and judgments are continually evaluated by Management and the Trustees based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

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 charitable 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 2016.

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 2016 for the charity was a loss of £252,876.

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 2016 (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.

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 2016 (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 reversed by the balance sheet date, except as otherwise required by accounting standards.

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 a group personal pension scheme. 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 2016 (*continued*)**

3. Cash flow statement - Charity

	2016 £	2015 £
Net (outgoing)/incoming resources	(252,876)	400,857
Depreciation	25,227	30,849
Loss on sale of assets	-	1,780
Decrease/(increase) in debtors	(245,010)	130,010
(Decrease) in creditors	(150,438)	(225,407)
Net cash (outflow)/inflow from operating activities	(623,097)	338,089
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(2,240)	(1,188)
Net cash (outflow)/inflow before management of liquid resources and financing	(625,337)	336,901
(Decrease) / increase in cash in the year	(625,337)	336,901
Reconciliation of net cash flow to movement in net funds		
Net cash (decrease)/increase in year	(625,337)	336,901
Net funds at start of year	1,369,658	1,032,757
Net funds at end of year	744,321	1,369,658
Cash at bank and in hand	744,321	1,369,658

4. Donations and similar income

	2016 £	2015 £
Individuals	1,211,706	1,023,745
Trusts	336,891	360,646
Adopt a dolphin donations	223,894	255,670
Adopt a whale donations	73,834	73,776
	1,846,325	1,713,837

5. Legacies

24 legacies were received totalling £557,575 (2015: £1,307,753 in respect of 30 legacies).

6. Merchandise, cafe, raffle and magazine income

	2016 £	2015 £
Merchandising income	128,334	123,173
Raffle income	23,899	23,460
Cafe income	121,193	112,332
	273,426	258,965

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

**Notes to the financial statements
Year ended 30 September 2016 (continued)**

7. Investment income	2016	2015
	£	£
Interest receivable	<u>1,575</u>	<u>2,116</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 2016 £	Total 2015 £
Costs of generating funds				
Fund raising costs	379,087	334,109	713,196	748,682
Merchandise, raffle and magazine costs				
Cost of merchandise, café sales	-	105,708	105,708	106,735
Raffle costs	-	19,495	19,495	20,969
Administration costs	72,612	9,484	82,096	75,310
Event expenses		-		398
	<u>451,699</u>	<u>468,796</u>	<u>920,495</u>	<u>952,094</u>
Charitable activities				
Conservation, campaigns and donations	1,379,595	981,885	2,361,480	2,347,622
Information and education	-	177,915	177,915	179,762
Membership	-	67,844	67,844	45,865
Adoption programmes	-	178,452	178,452	262,092
	<u>1,379,595</u>	<u>1,406,095</u>	<u>2,785,691</u>	<u>2,835,341</u>
Governance costs	-	28,604	28,604	28,651
	<u>1,831,294</u>	<u>1,903,496</u>	<u>3,734,790</u>	<u>3,816,086</u>

Other direct costs include:

	2016	2015
	£	£
Audit fee - group	11,500	12,213
Audit fee - other auditors	14,163	16,438
Operating lease rentals - land and buildings	111,599	111,599
- plant and machinery	11,066	4,484
Depreciation	30,848	37,589
Loss on sale of fixed assets	-	1,780

Whale and Dolphin Conservation
(Limited by guarantee)

Notes to the financial statements
Year ended 30 September 2016 (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:

	2016	2015	2016	2015
	Number	Number	£	£
Travel	-	-	-	-

11. Staff costs

	2016	2015
	£	£
Wages and salaries	1,602,734	1,529,486
Social security costs	173,704	155,175
Other pension costs (note 13)	54,856	45,372
	1,831,294	1,730,033

The number of employees paid in excess of £60,000 amounted was:

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	1

12. Number of staff

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

	2016	2015
	No.	No.
Charitable activities	37	36
Cost of generating funds	16	15
Management and administration of the charity	10	10
	63	61
Total number of employees	113	96

13. Pension costs

The group contributes to a group personal pension scheme. The charge for the year represents contributions payable by the group to the scheme and amounted to £54,856 (2015: £45,372).

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

**Notes to the financial statements
Year ended 30 September 2016 (continued)**

14. Tangible fixed assets

Group	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At beginning of year	40,000	142,076	306,354	488,430
Additions	-	938	2,240	3,178
Disposals	-	-	-	-
At 30 September 2016	40,000	143,014	308,594	491,608
Depreciation				
At beginning of year	40,000	91,024	269,279	400,303
Charge for the year	-	17,445	13,034	30,479
Eliminated on disposal	-	-	-	-
At 30 September 2016	40,000	108,469	282,313	430,782
Net book value				
At 30 September 2016	-	34,545	26,281	60,826
At 30 September 2015	-	51,052	37,075	88,127
Charity	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At beginning of year	40,000	104,892	277,697	422,589
Additions	-	-	2,240	2,240
Disposals	-	-	-	-
At 30 September 2016	40,000	104,892	279,937	424,829
Depreciation				
At beginning of year	40,000	71,809	250,179	361,988
Charge for the year	-	10,028	15,199	25,227
Eliminated on disposal	-	-	-	-
At 30 September 2016	40,000	81,837	265,378	387,215
Net book value				
At 30 September 2016	-	23,055	14,559	37,614
At 30 September 2015	-	33,083	27,518	60,601

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

**Notes to the financial statements
Year ended 30 September 2016 (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 balance sheets of the subsidiaries are summarised below:

Profit and loss accounts

	WDC (Trading) £	WDC GmbH £	WDC (NA)Inc £
Merchandising income & cafe	244,089	86	5,438
Event income	-	-	-
Legacies	-	-	57,482
Raffle income	23,899	-	-
Donations	3,011	501,392	431,302
Royalty and other similar income	14,624	-	4,138
Investment income	-	-	63
Total income	285,623	501,478	498,423
Merchandising and cafe	(191,576)	-	-
Event costs	-	-	-
Raffle expenditure	(19,395)	-	-
Administration expenses	(29,449)	-	-
Fundraising costs	-	-	(82,418)
Charitable expenses	-	(502,062)	(369,612)
Governance costs	(2,279)	-	(7,146)
Interest payable	(1,306)	-	-
Total expenses	(244,005)	(502,062)	(459,176)
Surplus/(deficit)	41,618	(584)	39,247

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

**Notes to the financial statements
Year ended 30 September 2016 (continued)**

15. Fixed asset investments (continued)

Balance sheets

	WDC (Trading) £	WDC GmbH £	WDC (NA) £
Fixed assets	9,937	157	13,116
Current assets	57,955	44,181	183,716
Creditors: amounts falling due within one year	(291,205)	(47,255)	(12,558)
Net current (liabilities)/assets	(233,230)	(3,074)	171,158
Total assets less net current liabilities	(223,313)	(2,917)	184,274
Creditors: amounts falling due after more than one year	-	-	-
Net (liabilities)/assets	(223,313)	(2,917)	184,274

16. Stock	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Goods for resale	42,704	40,107	-	-

17. Debtors	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Amounts falling due within one year				
Trade debtors	36,921	16,167	-	10,299
Amounts owed by subsidiary undertakings	-	-	258,716	342,701
Less provisions against amounts owed	-	-	(225,226)	(264,931)
Prepayments and other accrued income	477,779	210,102	489,666	190,077
Total	514,700	226,269	523,156	278,146

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 2016 (continued)**

18. Creditors

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Trade creditors	78,146	220,029	47,325	162,378
Social security	27,115	26,004	27,115	26,004
VAT	14,836	15,780	1,382	3,065
Accruals and deferred income	131,350	170,512	111,891	146,704
	251,447	432,325	187,713	338,151

19. Financial commitments

Group	2016 Other £	2016 Land & Buildings £	2015 Other £	2015 Land & Buildings £
Expiry date				
Within 1 year	2,436	17,308	-	-
Within 2 to 5 years	7,079	6,428	6,080	93,666
	2,436	17,308	6,080	93,666
Charity	2016 Other £	2016 Land & Buildings £	2015 Other £	2015 Land & Buildings £
Expiry date				
Within 1 year	2,436	3,090	-	-
Within 2 to 5 years	5,334	6,428	4,682	81,720
	5,334	6,428	4,682	81,720

The charitable company negotiated a new lease on their premises commencing 1 February 2017. The lease is for 10 years at an initial rental of £710,000 (for full 10 year term) with a break clause and rent review after 5 years.

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

**Notes to the financial statements
Year ended 30 September 2016 (continued)**

20. Statement of funds

	Balance at 1 October 2015 £	Income £	Expenditure £	Balance at 30 September 2016 £
Group				
Operational fund	650,000	3,339,837	3,339,837	650,000
Designated fund	750,057	-	214,737	535,320
Restricted fund	<u>92,939</u>	<u>202,609</u>	<u>180,218</u>	<u>115,330</u>
Total funds	<u><u>1,492,996</u></u>	<u><u>3,542,446</u></u>	<u><u>3,734,792</u></u>	<u><u>1,300,650</u></u>

	Balance at 1 October 2015 £	Income £	Expenditure £	Balance at 30 September 2016 £
Charity				
Operational fund	650,000	2,333,220	2,333,220	650,000
Designated fund	702,642	-	246,909	455,733
Restricted fund	<u>17,612</u>	<u>88,494</u>	<u>94,461</u>	<u>11,645</u>
Total funds	<u><u>1,370,254</u></u>	<u><u>2,421,714</u></u>	<u><u>2,674,590</u></u>	<u><u>1,117,378</u></u>

Restricted funds are funds which have been given for particular purposes and projects and where donors have specifically requested how their donations may be spent.

Designated funds are those unrestricted funds that have been designated for a specific purpose as explained in more detail in the reserves policy in the Trustees Report.

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

**Notes to the financial statements
Year ended 30 September 2016 (*continued*)**

21. Analysis of net assets between funds

Group	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2016 are represented by:			
Tangible fixed assets	-	60,826	60,826
Current assets	115,330	1,375,941	1,491,271
Current liabilities	-	(251,447)	(251,447)
Total net assets	115,330	1,185,320	1,300,650

Charity	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2016 are represented by:			
Tangible fixed assets	-	37,614	37,614
Current assets	11,645	1,255,832	1,267,477
Current liabilities	-	(187,713)	(187,713)
Total net assets	11,645	1,105,733	1,117,378

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

	2016 £	2015 £
Net (outgoing)/incoming resources	(192,346)	419,506
Depreciation	30,479	37,589
Loss on sale of fixed assets	-	1,780
Decrease/(increase) in stocks	(2,597)	573
(Increase) in debtors	(288,431)	(48,126)
(Decrease) in creditors	(180,878)	(212,750)
Net cash (outflow)/inflow from operating activities	(633,773)	198,572

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 £10,679 (2015: £21,934) to support their campaigns and conservation projects.