

Whale and Dolphin Conservation Report and Financial Statements 2018-2019



A world where every whale and dolphin is safe and free

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Whale and Dolphin Conservation (Limited by guarantee)

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About WDC

WDC, Whale and Dolphin Conservation, is the leading charity dedicated to the protection of whales and dolphins.

Our teams in the UK, USA, Germany and Australia – along with Fundación Cethus in Argentina – work across the world, and in every ocean, to give a voice to whales and dolphins.

Through our work, we inspire global action from governments, policy-makers and individuals to achieve our vision of a world where every whale and dolphin is safe and free.

We are authorities on the issues facing whales and dolphins and our work ranges from campaigning, lobbying and advising governments, to running conservation projects, partnerships, rescue work, science, education and fieldwork.

We increase awareness of new science and understanding of whale and dolphin culture and intelligence. At the same time we build a greater appreciation of the role whales and dolphins play in healing our oceans and tackling climate change.

We are entirely funded through voluntary donations and grants by people and partners who, like us, believe that whales and dolphins are extraordinary.

Whale and Dolphin Conservation (Limited by guarantee)

A message from the Chairman

2019 was one of those years that remind you that good things don't just come to those who wait, but also to those who don't give up.

- Our creation, with SEA LIFE Trust, of the world's first sanctuary for captive whales was the culmination of a conversation begun by WDC some 20 years ago and provides a model for others around the world hoping to rescue whales and dolphins from captivity.
- The news that Virgin Holidays, British Airways and Trip Advisor will no longer sell tickets to facilities such as Seaworld did not come out of the blue, but resulted from WDC's strategy of shining a spotlight on tour operators.
- Japan's withdrawal from the International Whaling Commission, while not yet an end to its whaling, was arguably a face-saving exercise following its failure to overturn the whaling moratorium which WDC and our partners so ardently defended and shall continue to defend.
- The growth in responsible whale watching in Norway, Iceland, Japan and the Caribbean, which has long been championed by WDC as an alternative to whaling, matches the decline in whale meat consumption and hunting in those countries, and is a hopeful sign of changing attitudes.
- And proposals for marine protected areas as far afield as Scotland, the Antarctic and Indian Ocean, owe much to WDC's pioneering work to identify the most important locations for marine mammals to feed, breed and raise their young.

These are just a few examples of the difference WDC is making with the help of our supporters and allies. They are also reminders that the important things in life are never easy and rarely quick.

The need for urgency, however, has never been greater. "Our house is on fire", as Greta Thunberg reminds us, and in my lifetime, one species (the Baiji) has gone functionally extinct, three more (the Vaquita, Māui and North Atlantic Right Whale) are staring extinction in the face, and a dozen more are not far behind. Without action, several species of whale and dolphin may be lost and populations could collapse. WDC is not here to catalogue the decline in whales and dolphins. As the charity dedicated to the protection of whales and dolphins it is our job to be a voice for them, to champion their cause, and to see their populations grow. The question is, how can we be most effective?

Over the last 30 years, WDC has built up an enviable international reputation for gathering scientific evidence, building coalitions, growing public support and making the case for whales and dolphins with passion and integrity. We know we are at our most successful when we are focused and single-minded. This year therefore we began our most comprehensive ever strategic review, analysing every aspect of our work to ensure our efforts and resources are concentrated in the right areas.

As we refocus our work, we are building everything we do around a central, fundamental belief in the 'value' of whales and dolphins – not in monetary terms of course, but intrinsically as non-human persons in their own right, and extrinsically, as intelligent allies in helping to tackle the man-made climate crisis. The growing evidence of the ecological role whales and even dolphins play in locking carbon into the ocean makes the cause of whale and dolphin conservation more relevant and urgent than ever. The natural restoration, or 'rewilding', of the seas with whales and dolphins is not just the right thing to do, but a crucial part in returning the ocean, our life support system, to health.

Just as the whale in the 20th Century was an international symbol for mankind's appalling treatment of other species, we believe that it can, in the 21st Century, become an international symbol of hope and optimism.

None of this work would be possible without our many wonderful supporters, partners, volunteers and staff. Their support cannot just be counted in monetary terms – important though that is – but in the passion, enthusiasm, optimism and energy they give us. Thank you!



Dr. Lisa Drewe

Legal and administrative information

Trustees

The trustees, who are also directors, who held office during the year, unless otherwise stated, were as follows:

Lisa Drewe (Chairman)
John Gerard Leigh
Johnny Reed
Percy Kelland
Philip Smith

Registered office and principal office

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

Auditor

BDO LLP
Bridgewater House
Finzels Reach
Counterslip
Bristol
BS1 6BX

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

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

Charity number: 1014705 (England and Wales)
SC040231 (Scotland)

Company number: 02737421

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ended 30 September 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trustees have considered a period of at least 12 months from the date of signing these financial statements. Given the level of reserves, cash and bank balances and the current operating position of the charitable group, they consider that the accounts should be prepared on a going concern basis.

Structure, governance and management

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 five trustees on the board.

Appointment of trustees

Trustees are appointed by the board of trustees by a majority vote on a skills basis. 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.

Governance code

The trustees are mindful of the principles and recommended practice set out in the Charity Governance Code and believe the charity applies the principles, as evidenced in this annual report, of organisational purpose, leadership, integrity, decision making, risk and control, board effectiveness, diversity, openness and accountability.

Related parties

The charity has three subsidiaries. The trading subsidiary, WDC (Trading) Ltd., raises income through merchandise, running a café, licensing and lotteries. It gifts 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. Whale and Dolphin Conservation, 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. The US charity 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;

Report of the Trustees (continued)

Risk management (continued)

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

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

- A strategic plan and an annual budget approved by the trustees;
- Regular consideration by the trustees of financial results, variance from budgets and non-financial performance indicators;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The trustees have reviewed the formal risk management process introduced by the 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 four main risks identified as part of the risk management process and the actions we are using to address these risks are:

1. *COVID-19.* We are still assessing the impact that COVID-19 will have on the activities, income and reserves of the charity. In February we established a small team that met regularly to assess and plan for potential lockdown. As this came to pass, we implemented home-working for most staff and safety procedures to allow those few staff who do continue to use our offices to work safely and within government guidelines. This is continually being assessed. We comment further on the impact of COVID-19 below.
2. *Government Policy.* We are still in a period of uncertainty with regard to the withdrawal of the UK from the European Union. The major risk is that uncertainty has a negative impact on consumer behaviour. We are also concerned to ensure that the strict level of protection afforded to cetaceans in current EU law is carried over into UK law and is not diluted under pressure from other countries to create favourable trade deals. WDC is working with a coalition of UK NGOs to represent its views to government and the EU. We remain receptive to supporters' views on these issues and continue to keep them informed of our activities through publications and website and then communicate our collective views to government and agencies.
3. *Reliance on established income streams:* Income from individual giving has stabilised during the period but remains a significant proportion of our income. Whilst we have grown our income from corporate partners, we shall continue to seek to diversify our individual giving to ensure growth but also reduce risk of reliance on one income stream.
4. *Ability to keep up-to-date with supporter segmentation and the impact of 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 utmost 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 and we have hired new staff with specialist e-media experience. We shall continue to be outwardly facing with regard to changes in technology to ensure that WDC is able to maximise our ability to communicate with stakeholders.

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. WDC considers its key management personnel to be the Trustees and the members of the UK senior management team. Trustees are unpaid. Senior management team salary, except for that of the Chief

Report of the Trustees (continued)

Risk management (continued)

Executive, is set by the Chief Executive and approved by the Trustees. The Chief Executive's pay is set by the Trustees.

Objectives and Activities

Whales and dolphins have the right to life and freedom. They also play a vital role in the health of our planet. These twin pillars underpin our vision and provide the foundation for all our work. Our key programmes are:

1. Stop whaling
2. End captivity
3. Create Healthy seas
4. End bycatch

We support each of these through campaigns and projects, conservation, scientific research, education, outreach and political work, such as lobbying and influencing legislation.

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

1. Stop Whaling

(Aim: reduce the numbers killed and the numbers of countries whaling)

The moratorium on whaling agreed in 1986 was one of the greatest ever international conservation agreements and one which needs to be defended. WDC works through international fora such as the International Whaling Commission (IWC) and Convention on International Trade in Endangered Species (CITES), advising governments that oppose those who would overturn the ban.

At the same time we seek to counter those governments of whaling nations who disregard, undermine or seek to find loopholes in international conventions and agreements. As well as operating at a governmental level therefore, we work on the ground in whaling countries, with the groups and voices that oppose whaling and which will bring about eventual cultural change. We also campaign to ensure the issue of whaling remains high on the agenda, for example, by putting pressure on countries not to allow whale meat to be exported through their ports, or making sure the issue is always raised during trade negotiations with whaling nations.

Highlights for 2019:

Iceland - One of the most significant events of 2019 was something that didn't happen: for the first time since 2002 Icelandic whalers didn't hunt any whales. It is too soon to celebrate, however this is good news for our long-running campaign to consign Icelandic whaling to the history books. WDC will continue to put pressure on restaurants, hotels and supermarkets to reduce demand for whale meat.

Japan – While the Japanese Government's withdrawal this year from the International Whaling Commission created a global outcry, it was largely a tactical decision resulting from its failure to overturn the moratorium on whaling (the moratorium continues to be backed, with support from WDC, by the majority of IWC members). As the Japanese Government moves to shore up the declining appetite for whale meat within Japan, WDC has shifted its focus to supporting Japanese anti-whaling voices. As part of this we ran a social media campaign to coincide with the Rugby World Cup in Japan to highlight to Japanese authorities the way whaling undermines the country's otherwise good reputation. Our 'Love Japan' messaging reached over 3.8 million users.

St Vincent and the Grenadines - WDC supported the Saint Vincent and the Grenadines Environment Fund to launch two boats that will be dedicated to whale and wildlife watching tours. The two vessels will operate out of Barrouallie, a place better known for the hunting of pilot whales, orcas and some species of dolphins – one of the boats being captained by an ex-whaler himself. The move is the result of a five-year project by WDC partner, Fundación Cethus, and Saint Vincent and the Grenadines Environment Fund to persuade traditional whalers and whaling communities to transition to whale watching.

Small cetacean hunts – WDC participated in the Aquatic Wild Meat Working Groups of the IWC and CMS (Convention on Migratory Species) to formulate recommendations and action plans for Governments to halt the escalating, international threat to small whales, dolphins and porpoises from intentional slaughter.

Report of the Trustees (continued)

Achievements and performance (continued)

Celebrity backing – Iconic fashion designer Katherine Hamnett created a new campaign t-shirt ‘Please stop killing whales’ with proceeds from sales going to support WDC’s anti-whaling efforts. The t-shirt was worn and shared on-line by celebrities and activists including Kate Moss, Brian May, Bryan Adams, Sophie Dahl, Will Young, Caroline Lucas and Carrie Symonds.

Plans for the future

WDC will:

- Develop stronger links with anti-whaling groups within whaling nations – particularly Japan - to create more culturally effective campaign strategies to reduce support for whaling.
- Continue to work closely with the relevant expert working groups within both IWC and CMS to tackle the unsustainable and mostly illegal slaughter of small cetaceans around the world.
- Actively participate in IWC meetings to contribute to the protection of cetaceans, including: The Operational Effectiveness Working Group, Scientific Committee and 68 IWC Plenary meeting in Portoroz, Slovenia.
- Continue to monitor and counter any moves by Japan, which still has a strong voice inside the IWC and is an active observer, which might weaken protections for whales and dolphins.
- Continue to support the development of whale watching companies in St Vincent and the Grenadines.

2. End captivity

(Aim: reduce the numbers held in captivity and develop sanctuaries or release programmes, for those held)

WDC was among the first organisations to oppose the keeping of whales and dolphins in captivity for entertainment and has campaigned and lobbied against the industry for many years. This has led to outright bans on captures and captivity in some countries and severe restrictions on the import, export and the keeping of whales and dolphins in captivity in others. We aim to put an end to capture and trade altogether. With respect to the 3,000 or so whales and dolphins already in captivity the aquariums will need to evolve as quickly as the public’s attitude and WDC is well placed to use our expertise to create a better future for these whales and dolphins.

Highlights for 2019:

The World’s first ex-captive whale sanctuary - WDC is an official partner of The SEA LIFE Trust Beluga Whale Sanctuary, the world’s first ocean whale sanctuary. This year we transported two beluga whales, Little Grey and Little White, from Shanghai to a new purpose-built sanctuary in Iceland. At the time of writing the whales are in a critical care pool close to the sanctuary site, being readied for their transfer into the bay in Spring 2020. The Beluga Whale Sanctuary provides a blueprint for the development of other sanctuaries around the world and an alternative to whales and dolphins being held captive for human entertainment.

Tour operator campaign – WDC’s years of campaigning to end tour operator support for facilities holding whales and dolphins in captivity led to some significant wins in 2019 with Virgin Holidays, British Airways and Trip Advisor all announcing the end of their support for whale and dolphin captive facilities.

Phasing-out captivity in Germany – WDC launched a new campaign ‘Free: my home has no walls’ to ban the captive breeding of dolphins and end dolphin transports between zoos, as a first step to ending dolphin captivity in Germany. So far, more than 4,000 supporters have signed our e-protest addressed to the two zoos still holding dolphins. We have also presented our findings at the World Marine Mammal Conference in Barcelona in December 2019 from analyzing more than 14,000 data sets from the Nuremberg Zoo files showing very poor record keeping and high levels of medication, possibly posing a health risk to the dolphins kept there.

Canada – Canada became the latest country to pass legislation phasing out holding whales and dolphins in captivity. From this point it is an offence in Canada to keep captive, breed, import, or export any whale, dolphin, or porpoise. This followed a long-running campaign supported by WDC and helped by our supporters who wrote to encourage Senators and Members of Parliament to back the bill.

Russia – The closure of the infamous ‘whale jail’ in Russia’s far east and tightening of laws to protect whales was a tremendous blow against the trade in wild whales. WDC was pleased to see President Putin intervene, after we joined the international call for him to have the whales released into their home waters and never again issue permits for the capture of orcas and belugas.

Report of the Trustees (continued)

Achievements and performance (continued)

Plans for the future

WDC will:

- Move Little Grey and Little White into their new Icelandic sanctuary in 2020 and identify other captive beluga whales who might be re-homed.
- Support other organisations interested in following the model set by the Beluga Whale Sanctuary.
- Build on our success of 2018 and 2019 by continuing to target large tour operators, and seeking to persuade the industry to raise its welfare and ethical standards.
- Continue our work in international conventions to secure protection against live captures for whales and dolphins and support the development of legislation that restricts the keeping of whales and dolphins in captivity.
- Develop a strategy to tackle the alarming growth of whale and dolphin captivity in China.

3. Create healthy seas

(Aim: protect the places where whales and dolphins live)

To protect whales and dolphins we must protect their homes. This means a multi-disciplinary approach, not tackling one issue or threat but many, and often simultaneously.

This programme therefore, encompasses a broad range of work. For example, the promotion of reducing plastic consumption through our #NotWhaleFood project and the reduction of vessel strikes in areas where whales, dolphins and vessels overlap.

A key focus in this programme is our work on marine protected areas (MPAs) and Important Marine Mammal Areas (IMMAs). Since 2017, we have identified 114 IMMAs across the Mediterranean and in the Southern Hemisphere with a six-year funded programme that goes to 2021, and that plans to tackle the rest of the global ocean in the years to come. Already, there is a clear precedence of success and a real appetite from countries to protect their marine heritage and the whales and dolphins and other species which live there. WDC is a key player in this global effort.

We are putting IMMAs on governments' radars; especially focusing on areas away from land and country jurisdiction, but where there is lots of activity and which may be crucial feeding or breeding grounds or simply important 'highways' for migrating populations.

Highlights for 2019:

IMMAs - WDC achieved agreement that IWC's shipstrike work will focus on working through IMMAs to evaluate threats to those cetaceans most affected by ship traffic. We also assisted in workshops to identify 54 candidate IMMAs throughout the Western Indian Ocean and Arabian Seas which, after peer review, resulted in 37 IMMAs, 3 candidate IMMAs and 23 'areas of interest'. WDC engaged in IMMA implementation work in Mozambique, helping authorities there to spotlight the Bazaruto Archipelago to Inhambane Bay area for future protection efforts of endangered Indian Ocean humpback dolphins, humpback whales, and a rare, intact population of dugongs.

UK – After almost a decade of lobbying and data collection by WDC, three Marine Protected Areas (MPAs) were put out to public consultation by the Scottish government this year. An announcement on the designation is due in early 2020 and we continue to lobby for effective management in these sites, and others including the network of harbour porpoise Special Areas of Conservation, designated after years of WDC lobbying.

North America - After five years of WDC campaigning, the US government moved forward with expanding protections for more of the home of the Southern Resident orcas including new legislation for better habitat protection for salmon, stronger regulations for chemicals, protection from risk of oil spills, and new vessel regulations. We also successfully petitioned to increase federally designated Critical Habitat for endangered North Atlantic right whales.

Latin America – A large part of our focus this year has been on data collection and analysis, including research into the behaviour of southern right whales in Miramar, Buenos Aires Province, aimed at securing greater protection for the species, and acoustic surveys to support plans for marine protected areas around Islas Orcadas del Sur/ South Orkneys Islands and the Antarctic Peninsula. In addition we have worked with the National Park Administration of Argentina to develop a whale and dolphin species guide for tourists and sailors visiting two national marine parks (Yaganes and Banco Burdwood), and provided advice on the potential impact of seismic exploration on cetaceans. We carried out a strandings workshop in conjunction with Makenke Interjurisdiccional Marine Park in Santa Cruz.

Report of the Trustees (continued)

Achievements and performance (continued)

Australia - Following an alarming increase in calf deaths in the Adelaide Dolphin Sanctuary, WDC led the campaign to revise and better regulate boat speed limits to try and reduce the rate of boat strikes, particularly with jet skis. While new limits have been introduced we continue to push for increased policing of them. WDC has opposed trials of swimming-with-humpbacks programs in the Ningaloo Marine Park in Western Australia. Our concerns over the dangers associated with the practise were confirmed when rogue operators were connected with boats being damaged. The WA Government is undergoing a public consultation process to move from trials to a permanent program. WDC has supported increased protection for a southern right whale nursery sanctuary in Encounter Bay south of Adelaide. Following a number of illegal boat interactions, the proposal advocates for a boat-free zone during the whale migration season.

Plans for the Future

WDC will:

- continue to focus on MPAs and IMMAs that will reduce or prevent human impact in areas important for whales and dolphins. From 2020-2021, WDC will assist in IMMA identification and implementation work in Australia-New Zealand waters and the South East Indian Ocean (2020) and South West Pacific and Eastern Tropical and Temperate Pacific Waters (2020-21).
- Develop a monitoring protocol for IMMAs as well as further plans for collaborative work to implement them (and encourage others to do the same), in various parts of the world.
- ensure the management plans for the proposed MPAs in Scotland are fit for purpose with robust monitoring programmes put in place.
- work toward the development of Critical Habitat designations in the US for endangered Pacific humpback whales.
- measure sound levels from seismic surveys in the proximity of Banco Burdwood Marine Park and continue to use passive acoustic vessel surveys and visual methods to study cetaceans around the Antarctic Peninsula.
- publish papers on beaked whales, Commerson's dolphins and southern right whales in peer-review journals.
- participate in the development of a conservation management plan for South American river dolphins.

4. End bycatch

(Aim: reduce the number of whales and dolphins killed or injured through entanglement in fishing lines and nets)

Every year, hundreds of thousands of whales and dolphins are accidentally killed in fishing nets and ropes. The estimated numbers dwarf every other threat.

In addition to the deaths, many individuals suffer terribly in nets, leading to wide-reaching impacts on both individuals and populations. Preventing this 'bycatch' is crucial to reducing this suffering and allowing populations to recover.

This is an increasingly important, international priority for WDC. WDC works with fishing communities and companies to develop technologies that could reduce the number of deaths and injuries and seeks to influence policy and practice at a governmental level. Our priorities include work to protect the endangered North Atlantic right whale off the east coast of the USA and Canada and the threatened Hector's and Māui Dolphin native to New Zealand.

Highlights for 2019:

EU – WDC submitted a formal complaint to the European Commission about the poor bycatch measures in place to protect whales and dolphins in European waters. As a result of our efforts, bycatch is now a priority for the Commission, which is engaging with a number of member states on the issue. WDC co-hosted a cetacean bycatch event in European Parliament to raise the profile of the issue with MEPs, and we were successful in getting bycatch on the agenda of the first Fisheries Committee in 2020. We will continue to engage and apply pressure for the Commission to require EU member states to implement robust bycatch measures towards eliminating bycatch in European waters.

UK – WDC continues to participate and lobby the UK Bycatch Focus Group to develop a strategy that eliminates bycatch in UK waters. We focused on the Fisheries Bill in 2019, working with lawyers and other experts to ensure that whale and dolphin (and other protected species) bycatch is represented. We also supported Exeter University analysis of the use of 'pingers' to reduce porpoise mortalities, and to investigate disturbance impacts. This work is critical to understanding how we can protect porpoises in UK waters, and around the world.

Report of the Trustees (continued)

Achievements and performance (continued)

Scotland – WDC is a founding member of the Scottish Entanglement Alliance, a collaborative project working with fishermen to understand the number of whales and other marine animals entangled in fishing ropes in Scottish waters. This work has demonstrated that entanglements are more common than was previously known and that fishermen are keen to work with us to find solutions, including investigating ropeless fishing, to reduce whale entanglements.

Germany - WDC Germany continued to engage with decision makers so as to strive for better monitoring of cetacean bycatch, improved fisheries regulation, and continued informing the general public about the situation and how it can be solved.

New Zealand – During 2019 WDC stepped up its campaign to save Hector's and Māui dolphins from the threat of extinction from coastal set-netting and trawls, focusing on the government's proposed Threat Management Plan (TMP). We submitted a substantial case for the immediate phase out of harmful fishing practices in the known range of these dolphins, bringing together a coalition of New Zealand and international NGOs to coordinate our efforts and briefing the Minister for Conservation in person. We engaged the public through an app, which increased the number of Hector's dolphin sightings in the national database fivefold, providing strong evidence for the importance of the seas around the top of South Island as a habitat for Hector's dolphins. We carried out a public speaking tour to coastal communities and a social media campaign backed by national women rugby players and New Zealand influencers, which recruited almost 37,000 people to support the cause. We took out prominent space in leading NZ papers to highlight the issue and set up a petition which led to almost 10,000 people writing directly to Prime Minister Jacinda Ardern. A decision is expected from the New Zealand government in the first quarter of 2020.

Latin America – We advised the Santa Cruz province authorities on ways to reduce the by-catch of Commerson's dolphins in Southern Patagonia, carried out a workshop on whale and dolphin conservation at Universidad Nacional de la Patagonia, Austral and ran a roadshow on cetacean species for coastal communities in Argentina. Together with colleagues we have identified a new sub-species of Bottlenose dolphin, the Lahille's bottlenose dolphin, found off the coast of Argentina.

North America - WDC expanded its outreach programme, At the Helm of Conservation, working with boat operators and commercial whale watch companies to identify and report entangled whales to specialist rescue teams, keeping whales alive as we work on the long term solution of preventing entanglements.

Plans for the future

WDC will:

- continue to work with the world's leading bycatch experts, including through our role in the IWC Bycatch Expert Group, to find the most effective and quickest ways to reduce bycatch, focusing at this time on small scale gillnet fisheries, where some of the highest numbers of dolphins, porpoises and whales are bycaught. WDC teams will continue to participate in expert workshops, particularly in the UK, EU, North America and Latin America, to find solutions for bycatch.
- work with others to encourage supermarkets to consider whale and dolphin bycatch in their purchasing decisions.
- continue to engage with the Marine Stewardship Council to encourage adequate consideration of bycatch in their fish labelling scheme, so consumers can be more confident that their fish has not resulted in bycatch of non-target species.
- continue raising awareness within communities across the world through educational activities which show the threats cetaceans face including by-catch.

The above information summarises our aims and objectives and how we plan to achieve them, including outlining our approach and methods.

Underpinning all of this work is the philosophy that drives our vision: a world where every whale and dolphin is safe and free. WDC believes in the intrinsic and extrinsic value of whales and dolphins; both in terms of their inherent right to life and their value to all of us, and even to the planet itself. For example, the way whales distribute nutrients around the oceans and help fight climate change by soaking up carbon. A key part of our work over the coming years, therefore is addressing suffering as well as threats to vulnerable species and populations, and promoting appreciation of the role whales, dolphins and porpoises play in maintaining healthy eco-systems and the role these individuals play within their families, social communities and cultures.

This philosophy gives us ever more compelling reasons to protect these amazing creatures and to ensure their right to life and freedom and we look forward to developing this exciting work in the coming months and years.

Report of the Trustees (continued)

Assessment of the impact of COVID-19

From March 2020, WDC's activities have been impacted by measures taken by governments and societies in all the locations in which we operate. We have withdrawn staff from fieldwork activities and from specific roles that could not be delivered during the various lockdowns, ensured most of our people are safely set up to work from home and can follow government guidelines regarding essential work and safe distancing, and we have temporarily closed the Scottish Dolphin Centre, including our thriving café and shop.

Much of our work involves working with international fora such as the International Whaling Commission, the Convention on International Trade in Endangered Species and Conservation of Migratory Species of Wild Animals. Many meetings and conferences have had to be postponed or cancelled, although our staff continue to contribute to these bodies where possible through the use of digital and virtual conferencing technologies. We remain in close contact with the SeaLife Trust in the operation of the Beluga Sanctuary although planned trips there have been postponed. Where possible, we continue to influence and support governments through online meetings and advice. However, we would note that we have seen increasing numbers of government officers and colleagues with whom we would normally collaborate transferred to COVID-19 or other roles during this period, making it increasingly difficult to deliver some of our core services in the timelines we were originally operating within.

It is too early, at the time of writing, to be able to accurately assess the impact COVID-19 will have on our ongoing income and therefore on our reserves. The good news is that we have healthy unrestricted reserves of £1,806,228. In order to protect these in these uncertain times, we have stopped all discretionary expenditure. Where possible, and where we had seen a significant restriction in their ability to deliver their roles, we have furloughed staff under the UK Government's Coronavirus Job Retention Scheme and this is continually under review. We are drawing up forecasts under differing income scenarios. As noted, our Trading income from our Scottish Dolphin Centre will be affected, although we are hopeful, subject to national and local restrictions, and with respect the views of the local community in which we operate, we can open from mid-July 2020, and so still take advantage of what, historically, was our busiest time of year - where usually 80% of our visitors come to see us.

The impact on individual giving is hard to predict. We saw a greater than usual number of cancellations of direct debits in March 2020, but later months' cancellations have stabilised. We had planned an appeal that went out just after the lockdown in the UK began and we have seen a great response to that, which only adds to the lack of clarity about what the medium and longer-term effects of COVID-19 could be. We anticipate from early indicators around the group that, with so many businesses struggling, we may see a reduction in our expected income from Corporate Partners, although by the half year mark we had already achieved 70% of the budgeted income.

Income from foundations and trusts is often linked to specific programs of work. If we are not able to undertake the work when originally planned, the funder may ask us to complete the work later, and therefore delay payment of grants. Where the funder is paying for staff salaries and contributing to the overheads of the charity through full cost accounting, this will have a negative impact on our in-year income, which could contribute to a further reduction in unrestricted reserves.

There may be a decrease in funding to charities not perceived as being directly involved in the domestic humanitarian challenges highlighted by the pandemic. On the other hand there may actually be an increase in support for charities seen as tackling the systemic problems of animal welfare and environmental degradation that contributed to an environment in which the outbreak could happen. It is too early to predict either way.

The trustees reviewed the charity's estimates in March 2020 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis. However, the impact of the recent Covid-19 outbreak and its financial effect has meant that the executive team and trustees have been reviewing financial plans for the next 12 months to ensure the charity can continue its business-critical activities and remain a going concern.

The Government's decisions on social distancing is expected to have an effect on WDC's financial situation and an estimated worst-case scenario of a £1,205,000 reduction in total income for the year ended 30 September 2021. This is across all areas of income, with much of this from corporate fundraising and individual income and a delay in the administration of wills.

The Trustees have, therefore, decided to carry out some cost reductions to mitigate this impact with further cost saving levers which can be pulled should it be required. This includes the furlough of staff who are not involved in business-critical work. Should the above reduction in income come to fruition, there would be a corresponding reduction in costs and the Trustees have also identified further cost savings which together would amount to £889,200 for the year ended 30 September 2021.

Report of the Trustees (continued)

Assessment of the impact of COVID-19 (continued)

The length of the Covid-19 outbreak and the measures taken by the Government to contain this are not known and outside of our control but we have put processes in place to manage cash flow on a monthly basis and review financial stability as matters progress.

We have performed a stress test which assumes that there is no income from 1 June 2020 as an extreme worst-case scenario. Allowing for the time needed to implement cost reductions the charity would have a cash deficit of approximately £45,000 at the end of the year to 31 May 2021 but could utilise funds available from its US and German subsidiaries to offset this amount. This would see the charity through and past the 12 months period from sign off. This situation is extremely unlikely and in fact to 16 June income received in the month of June was in excess of £96,000.

Given the cash resources and unrestricted funds as at the date of signing these financial statements, and as WDC has not yet experienced a downturn of the order of the worst case scenario modelled above, let alone a no income situation, the trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

The Charity does not consider that there would be a significant potential effect on the balance sheet for 2020 over and above the knock on effect of any downward effects from matters noted above.

Fundraising practices

WDC is incredibly fortunate to have the support of a large group of individuals who are passionate and committed to whale and dolphin conservation. Many of our supporters have been part of our organisation for decades, and we could not deliver our work without their financial support and their backing for our campaigns. For the year under review, an astonishing 85% of our supporters made donations in the previous year and we will continue to nurture these relationships and demonstrate to our supporters how much we value their commitment to WDC and the impact that their support is having on whale and dolphin conservation and welfare. More recently, our fundraising activity has increased, particularly with the addition of a partnerships team, and as a result we have received support from a range of companies and individuals, and in particular, from the global computer games industry.

In summary, WDC fundraises via:

- whale and dolphin adoption products and donations from individuals
- community and events activity
- gifts in wills
- commercial partnerships with companies and prominent individuals
- charitable trusts and foundations

WDC is signed up to the Fundraising Regulator, which oversees fundraising activity in the UK, and is fully compliant with its regulations. In the past year we received no complaints from any regulatory body.

WDC maintains a complaints log and four complaints were received directly from individuals about fundraising activity, all of which were satisfactorily resolved.

As an organisation we have fully explored the requirements of the GDPR regulations and have taken the necessary actions to ensure that we are fully compliant. In reality, since 2015 WDC asked supporters for opt-in consent to all our channels, and has never shared data with other organisations.

WDC has a relatively small fundraising team and we work closely with a small number of carefully selected specialised fundraising agencies and companies to help us deliver our fundraising activity. We operate to the highest ethical standards in all our fundraising activity and only work with external suppliers who match our standards.

In terms of ensuring that we are fully in compliance with all relevant regulations, we are regulated by The Gambling Commission for our bi-annual raffle and Clearcast and the Advertising Standards Agency for press and TV advertising. We comply with all relevant regulations for our telephone fundraising activity and the Give as you Earn agencies that we use are in compliance with their regulatory authority.

Whale and Dolphin Conservation (Limited by guarantee)

Report of the Trustees (continued)

Fundraising practices (continued)

In line with the new requirements under Social responsibility code provision 4.3.1 of the License Conditions and Codes of Practice of the Gambling Act 2005, we report that 100% of net lottery proceeds were returned to the purposes of the charity (WDC) from the two lotteries promoted in 2018/19.

In addition, for telephone fundraising, we undertake training with the agency's staff before campaigns, and regularly listen in to and review calls to ensure that the agency is operating to the highest standards.

With any of our activity, supporters are always given an option to opt out or unsubscribe from future communication and we always act upon and respect these requests.

We have a vulnerable person policy, which includes escalation guidance, and public facing staff are aware and know when to escalate.

Lastly, we have a Supporters Charter which details our commitment to our supporters. WDC would not be able to carry out our work without our supporters and we will never take this support for granted.

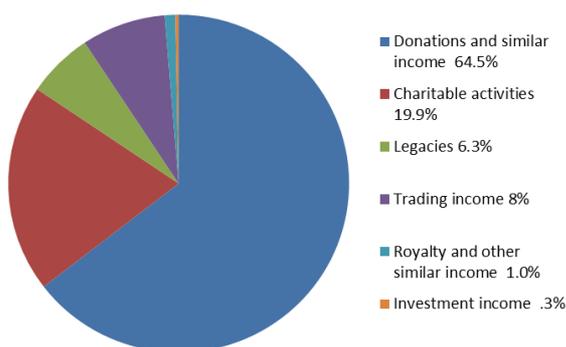
Financial review

For the year ended 30 September 2019, we are reporting a decrease in income of £1,213,623 to £3,914,549 (2018: £5,128,172). This reduction is because two income streams – income from partnerships and income from legacies, which were exceptionally high in 2018, returned to more usual levels of income for WDC. This type of income can be volatile but continues to be an important source for us, along with our income from trusts and foundations, whale and dolphin adoptions, memberships and other regular givers.

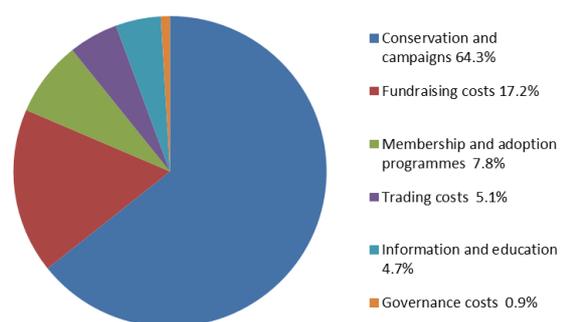
Charitable expenditure in the year amounted to £3,378,364 (2018: £2,963,858). This increase of 14% was because the higher income levels in the previous year allowed us to plan with confidence and to increase our charitable expenditure on projects and work in all of our four programmes. All spend continues to be matched to budgeted regular donation income expected during the year.

The cost of generating funds has decreased by 3% from £999,910 to £969,947. We completed the work to upgrade our website and, in line with our strategy to increase funds, we have invested in our income generating team, thus the total expenditure is fairly similar to last year. Additionally, our Trading activities incurred higher expenditure in the year but this resulted in increased income.

Where our income came from:



Where the money is spent:



Performance of Subsidiaries

The US subsidiary is showing net income of £38,589 in the year. Income from Trusts showed a significant increase, rising to £212,214 from £90,693 in the previous year. Expenditure was matched to income, and increased from £434,988 to £613,868, a significant amount being expenditure in line with the conditions of restricted grants for policy work. 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.

Report of the Trustees (continued)

Financial review (continued)

The German subsidiary had net income of £6,910. Income from individuals was higher than budget, with some new products that were tested last year continuing to be attractive to our supporters. Germany is building on these successes to continue to produce a positive year end result.

The Trading company had a good year, producing a surplus of £63,259, 24% higher than last year (2018 - £50,908). We have now had a full year of extending the trading season at the Scottish Dolphin Centre at Spey Bay, with the café and shop only closing at Christmas and reopening in February. WDC (Trading) had an historic deficit which has been reduced in each of the last seven years (and should be eradicated over the next two to three years). 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 but may not be able to be undertaken by a charity. This is especially true as we expand our corporate activities, some of which can most effectively be done via this company.

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 £1,000,000 in unrestricted funds.

At the year end, as a group, WDC had total reserves of £1,807,113 as follows:

	Total £
Unrestricted – Operational	1,000,000
Unrestricted – Designated	<u>806,228</u>
Total Unrestricted	1,806,228

The receipt of two unusually large legacies in the past five years and higher than usual partnerships income in 2018 has resulted in unrestricted reserves being in excess of the targeted minimum reserve amount of £1,000,000. The balance of £806,228 has been designated as a strategic reserve. This is being allocated to current and future projects that will allow WDC to invest and grow income in order to implement our strategic plan over the next two years.

Total unrestricted reserves at the year-end of £1,806,228 represent just over five months of unrestricted fund expenditure for the group.

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 judgments 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 legislation in other jurisdictions.

Auditor

A resolution for the reappointment of BDO LLP as auditor of the charity is to be proposed at the forthcoming Annual General Meeting.

By order of the trustees



Dr. Lisa Drewe
Chairman

Date: 24 June 2020

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

Opinion

We have audited the financial statements of Whale and Dolphin Conservation (the 'charitable company') for the year ended 30 September 2019 which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance sheets, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 30 September 2019 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's and group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and group and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 require us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the report of the trustees is inconsistent with the financial statements.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities Statement set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act, and 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 and the charity's trustees 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, the charitable company's members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Heather Wheelhouse, *Senior Statutory Auditor*

For and on behalf of BDO LLP, Statutory Auditor

Bridgewater House
Finzels Reach
Counterslip
Bristol
BS1 6BX

Date: 25 June 2020

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

**Consolidated statement of financial activities
Year ended 30 September 2019
(including an income and expenditure account)**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies:					
Donations and similar income	5	2,154,041	372,474	2,526,515	3,335,295
Legacies	6	245,657	-	245,657	650,182
Charitable activities:					
Membership		199,559	-	199,559	205,041
Adoption programmes		579,030	-	579,030	572,538
Other trading activities:					
Merchandise, cafe, raffle and magazine income	7	312,190	-	312,190	268,626
Royalty and other similar income		39,439	-	39,439	92,055
Interest	8	12,159	-	12,159	4,435
Total income		3,542,075	372,474	3,914,549	5,128,172
Expenditure on:					
Raising funds					
Fund raising costs		747,558	-	747,558	792,097
Merchandise, cafe, raffle and magazine costs		222,389	-	222,389	207,813
Costs of generating funds		969,947	-	969,947	999,910
Charitable activities					
Conservation and campaigns		2,480,705	314,572	2,795,277	2,431,981
Information and education		203,125	-	203,125	172,820
Membership		31,719	-	31,719	69,535
Adoption programmes		307,577	-	307,577	248,489
Governance costs		40,666	-	40,666	41,033
Total charitable activities expenditure		3,063,792	314,572	3,378,364	2,963,858
Total expenditure	10	4,033,739	314,572	4,348,311	3,963,768
Net gains/(losses) on investments		(5,010)	-	(5,010)	1,481
Net (deficit)/income for the year		(496,674)	57,902	(438,772)	1,165,885
Balances brought forward		2,302,902	195,233	2,498,135	1,332,250
Balances carried forward	24&25	1,806,228	253,135	2,059,363	2,498,135

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

The net loss for the year of the parent was £509,675 (2018: net income £985,289)

The notes on pages 22 to 38 form part of these financial statements.

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

**Consolidated statement of financial activities
Year ended 30 September 2018
(including an income and expenditure account)**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Income from:				
Donations and legacies:				
Donations and similar income	5	3,126,009	209,286	3,335,295
Legacies	6	650,182	-	650,182
Charitable activities:				
Membership		205,041	-	205,041
Adoption programmes		572,538	-	572,538
Other trading activities:				
Merchandise, cafe, raffle and magazine income	7	268,626	-	268,626
Royalty and other similar income		92,055	-	92,055
Interest	8	4,435	-	4,435
Total income		4,918,886	209,286	5,128,172
Expenditure on:				
Raising funds				
Fund raising costs		792,097	-	792,097
Merchandise, cafe, raffle and magazine costs		207,813	-	207,813
Costs of generating funds		999,910	-	999,910
Charitable activities				
Conservation and campaigns		2,255,538	176,443	2,431,981
Information and education		172,820	-	172,820
Membership		69,535	-	69,535
Adoption programmes		248,489	-	248,489
Governance costs		41,033	-	41,033
Total charitable activities expenditure		2,787,415	176,443	2,963,858
Total expenditure	10	3,787,325	176,443	3,963,768
Net gains on investments		1,481	-	1,481
Net income for the year		1,133,042	32,843	1,165,885
Balances brought forward		1,169,860	162,390	1,332,250
Balances carried forward	24&25	2,302,902	195,233	2,498,135

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

The notes on pages 22 to 38 form part of these financial statements.

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

**Balance sheet
30 September 2019**

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed assets					
Tangible fixed assets	15	106,000	73,064	66,254	58,644
Investments	16	-	-	-	-
		<u>106,000</u>	<u>73,064</u>	<u>66,254</u>	<u>58,644</u>
Current assets					
Stock	17	37,465	42,270	-	-
Debtors	18	389,124	817,185	442,476	886,995
Investments	19	183,243	179,163	20,356	25,366
Cash at bank & in hand		1,681,818	1,763,354	1,393,648	1,497,914
		<u>2,291,650</u>	<u>2,801,972</u>	<u>1,856,480</u>	<u>2,410,275</u>
Liabilities:					
Creditors: amounts falling due within one year	21	<u>(338,287)</u>	<u>(376,901)</u>	<u>(272,081)</u>	<u>(308,591)</u>
Net current assets		<u>1,953,363</u>	<u>2,425,071</u>	<u>1,584,399</u>	<u>2,101,684</u>
Total net assets		<u><u>2,059,363</u></u>	<u><u>2,498,135</u></u>	<u><u>1,650,653</u></u>	<u><u>2,160,328</u></u>
Unrestricted funds					
Operational funds	24&25	1,000,000	1,000,000	900,000	1,000,000
Designated funds		806,228	1,302,902	668,292	1,088,128
		<u>1,806,228</u>	<u>2,302,902</u>	<u>1,568,292</u>	<u>2,088,128</u>
Restricted funds	24&25	<u>253,135</u>	<u>195,233</u>	<u>82,361</u>	<u>72,200</u>
Total funds		<u><u>2,059,363</u></u>	<u><u>2,498,135</u></u>	<u><u>1,650,653</u></u>	<u><u>2,160,328</u></u>

These financial statements were approved and authorised for issue by the trustees on ~~24 June 2020~~ and signed on their behalf.



**Lisa Drewe
Chairman**

The notes on pages 22 to 38 form part of these financial statements.

Registered number: 02737421

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

**Consolidated cash flow statement
Year ended 30 September 2019**

	2019	2018	
	£	£	
Net cash (outflow)/inflow from operating activities (note 26)	(32,371)	565,349	
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets	<u>(49,165)</u>	<u>(58,867)</u>	
Net cash (outflow)/inflow before management of liquid resources and financing	(81,536)	506,482	
	<u> </u>	<u> </u>	
(Decrease)/Increase in cash in the year	<u>(81,536)</u>	<u>506,482</u>	
Reconciliation of net cash flow to movement in net funds			
Net cash (decrease)/increase in year	(81,536)	506,482	
Net funds at start of year	<u>1,763,354</u>	<u>1,256,872</u>	
Net funds at end of year	<u>1,681,818</u>	<u>1,763,354</u>	
	<u> </u>	<u> </u>	
Cash at bank and in hand	<u>1,681,818</u>	<u>1,763,354</u>	
Analysis of changes in cash in hand			
	2018	Cashflow	2019
	£	£	£
Cash at bank and in hand	<u>1,763,354</u>	<u>(81,536)</u>	<u>1,681,818</u>

The notes on pages 22 to 38 form part of these financial statements.

Notes to the financial statements
Year ended 30 September 2019

1. Legal status of the charity

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 2019 there were five members.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

Whale and Dolphin Conservation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost of transaction value unless otherwise stated in the relevant accounting policy note.

The presentational currency of these financial statements is pound sterling rounded to the nearest £1.

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 2019.

In accordance with the Companies Act 2006 WDC is exempt from the requirement to present its own statement of financial activities. This is however, a requirement in Scotland so it has been included in note 3. Net movement in funds for the year ended 30 September 2019 for the charity was a loss of £509,675.

The amount of the result for the financial period dealt with in the financial statement of subsidiaries is disclosed in note 16 to these accounts.

c) Preparation of the accounts on a going concern basis

The Trustees have considered a period of at least 12 months from the date of signing these financial statements. Given the level of reserves, cash and bank balances and the current operating position of the charitable group, they consider that the accounts should be prepared on the going concern basis.

The Trustees are of the opinion that there is no material uncertainty related to going concern and that the Charity will continue to be a going concern for a period of at least 12 months from the date of signing the financial statements.

Since the 30 September 2019 to the date of signing these financial statements the outbreak of the pandemic, Covid-19, has had an economic effect across all sectors and WDC has considered the effect on the charity as a going concern, its resilience through this period and the effect on the assets and funds of the charity. The trustees have reviewed the revised financial plans and agreed a series of responses that should ensure financial stability in these difficult times. The estimated worst case financial effect is mainly seen in an estimated £1,205,000 reduction in income, with a planned £889,200 reduction in expenditure to mitigate the effect and ensure that this does not affect our business-critical activities. Forecast legacies receivable of £350,000 may also be affected if property prices and stock markets fall.

On review of the financial plans to the end of 30 September 2021 the trustees have concluded that this will not affect the ability of the charity to continue as a going concern.

Notes to the financial statements
Year ended 30 September 2019 (continued)

c) Preparation of the accounts on a going concern basis (continued)

Stress test

The length of the Covid-19 outbreak and the measures taken by the Government to contain this are not known and outside of our control but we have put processes in place to manage cash flow on a monthly basis and review financial stability as matters progress.

We have performed a stress test which assumes that there is no income from 1 June 2020 as an extreme worst-case scenario. Allowing for the time needed to implement cost reductions the charity would have a cash deficit of approximately £45,000 at the end of the year to 31 May 2021 but could utilise funds available from its US and German subsidiaries to offset this amount. This would see the charity through and past the 12 months period from sign off. This situation is extremely unlikely and in fact to 16 June income received in the month of June was in excess of £96,000.

Given the cash resources and unrestricted funds as at the date of signing these financial statements, and as WDC has not yet experienced a downturn of the order of the worst case scenario modelled above, let alone a no income situation, the trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The trustees, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

The Charity does not consider that there would be a significant potential effect on the balance sheet for 2020 over and above the knock on effect of any downward effects from matters noted above.

d) Income

Donations, except in relation to legacies and non-monthly adoptions, are accounted for when receivable at head office.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 20).

Most adoption programme income is collected on a monthly basis. However, there are some annual and quarterly adoptions. Income received for these adoptions is deferred and matched to the period the adoption covers. See note 22.

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

Notes to the financial statements
Year ended 30 September 2019 (continued)

- f) **Current asset investments**
The Company carries investments at fair value. Interest and dividends are recorded when earned. Gains and losses are recognised as incurred or based on fair value changes during the period. Investments are exposed to risks such as interest rates, credit and overall market volatility.
- g) **Resources expended**
Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charitable company, such as the costs of board and committee meetings, satisfying statutory requirements.
- 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.
- j) **Taxation**
The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

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) **Operating 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) **Stock**
Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.
- m) **Debtors**
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- n) **Cash at bank and in hand**
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account
- o) **Creditors and provisions**
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
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Notes to the financial statements
Year ended 30 September 2019 (continued)

- p) **Financial instruments**
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.
- q) **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.
- r) **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.
- s) **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 or by the terms of the appeal. Such purposes are within the overall aims of the organisation. From these funds, the donation and income deriving there from may only 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.
- t) **Transition to FRS 102**
The transition date was 1 October 2015.
- u) **Critical accounting estimates and areas of judgement**
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement 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 principal judgements and estimates adopted relate to the accounting for legacies and the amount receivable at the year end; and the provision required against the carrying value of the investments in group companies.

Whale and Dolphin Conservation
(Limited by guarantee)

Notes to the financial statements
Year ended 30 September 2019 (continued)

3. Statement of financial activities – Charity

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
Income from:				
Donations and legacies:				
Donations and similar income	1,315,553	126,337	1,441,890	2,439,308
Legacies	240,627	-	240,627	482,880
Charitable activities:				
Membership	199,559	-	199,559	205,041
Adoption programmes	579,030	-	579,030	572,538
Other activities:				
Intercompany income	90,577	-	90,577	82,673
Royalty and similar income	17,380	-	17,380	55,040
Interest	6,974	-	6,974	5,125
Total income	2,449,700	126,337	2,576,037	3,842,605
Expenditure on:				
Raising funds				
Fund raising costs	737,562	-	737,562	783,420
Costs of generating funds	737,562	-	737,562	783,420
Charitable activities				
Conservation and campaigns	1,665,751	116,176	1,781,927	1,564,925
Information and education	203,125	-	203,125	172,820
Membership	31,719	-	31,719	69,535
Adoption programmes	307,577	-	307,577	248,489
Governance costs	18,792	-	18,792	19,669
Total charitable activities expenditure	2,226,964	116,176	2,343,140	2,075,438
Total expenditure	2,964,526	116,176	3,080,702	2,858,858
Net (losses)/gains on investments	(5,010)	-	(5,010)	1,542
Net (loss)/income for the year	(519,836)	10,161	(509,675)	985,289
Balances brought forward	2,088,128	72,200	2,160,328	1,175,039
Balances carried forward	1,568,292	82,361	1,650,653	2,160,328

Restricted fund information for the comparative period was: donations and similar income £126,337; conservation and campaigns expenditure £116,176; net income £10,161

Whale and Dolphin Conservation
(Limited by guarantee)

Notes to the financial statements
Year ended 30 September 2019 (continued)

4. Cash flow statement - Charity

	2019 £	2018 £
Net cash inflow from operating activities (note 26)	(84,644)	545,968
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	<u>(19,622)</u>	<u>(53,284)</u>
Net cash (outflow)/inflow before management of liquid resources and financing	(104,266)	492,684
(Decrease)/increase in cash in the year	<u>(104,266)</u>	<u>492,684</u>

Reconciliation of net cash flow to movement in net funds

Net cash (decrease)/increase in year	(104,266)	492,684
Net funds at start of year	<u>1,497,914</u>	<u>1,005,230</u>
Net funds at end of year	<u>1,393,648</u>	<u>1,497,914</u>
Cash at bank and in hand	<u>1,393,648</u>	<u>1,497,914</u>

Analysis of changes in cash in hand

	2018 £	Cashflow £	2019 £
Cash at bank and in hand	<u>1,497,914</u>	<u>(104,266)</u>	<u>1,393,648</u>

5. Donations and similar income

	2019 £	2018 £
Individuals	1,483,746	1,286,415
Corporate Partnerships	471,319	1,564,843
Trusts	348,874	241,347
Adopt a dolphin donations	148,466	167,170
Adopt a whale donations	74,110	75,520
	<u>2,526,515</u>	<u>3,335,295</u>

6. Legacies

19 legacies were received totalling £245,657 (2018: £650,182 in respect of 25 legacies).

7. Merchandise, cafe, raffle and magazine income

	2019 £	2018 £
Merchandising income	135,458	124,671
Raffle income	27,660	26,974
Cafe income	149,072	116,981
	<u>312,190</u>	<u>268,626</u>

8. Investment income

	2019 £	2018 £
Interest receivable	<u>12,159</u>	<u>4,435</u>

Notes to the financial statements
Year ended 30 September 2019 (continued)

12. Staff costs

	2019	2018
	£	£
Wages and salaries	1,900,005	1,688,958
Social security costs	201,039	180,563
Other pension costs (note 14)	65,899	55,443
	<u>2,166,943</u>	<u>1,924,964</u>

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

WDC considers its key management personnel to be the Trustees and the seven members of the UK Senior Management Team. The total employment benefits including employer's pension contributions of the key management personnel was £313,212 (2018: £271,685 for six staff) on which there was employer's NI of £24,450 (2018 - £20,390). The Trustees receive no remuneration.

13. Number of staff

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

	2019	2018
	No.	No.
Charitable activities	39	37
Cost of generating funds	20	19
Management and administration of the charity	11	10
	<u>70</u>	<u>66</u>
Average number of employees	<u>95</u>	<u>94</u>

14. 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 £65,899 (2018: £55,443). Pension commitments as at the year-end were £6,227 (2018: £4,771)

Notes to the financial statements
Year ended 30 September 2019 (continued)

15. Tangible fixed assets

Group	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At beginning of year	40,000	202,446	308,594	551,040
Additions	-	49,165	-	49,165
Disposals	-	(2,765)	-	(2,765)
At 30 September 2019	40,000	248,846	308,594	597,440
Depreciation				
At beginning of year	40,000	140,728	297,248	477,976
Charge for the year	-	14,797	303	15,100
Eliminated on disposal	-	(1,636)	-	(1,636)
At 30 September 2019	40,000	153,889	297,551	491,440
Net book value				
At 30 September 2019	-	94,957	11,043	106,000
At 30 September 2018	-	61,718	11,346	73,064

Charity	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At beginning of year	40,000	158,741	279,937	478,678
Additions	-	19,622	-	19,622
At 30 September 2019	40,000	178,363	279,937	498,300
Depreciation				
At beginning of year	40,000	100,400	279,634	420,034
Charge for the year	-	11,709	303	12,012
At 30 September 2019	40,000	112,109	279,937	432,046
Net book value				
At 30 September 2019	-	66,254	-	66,254
At 30 September 2018	-	58,341	303	58,644

16. Fixed asset investments

Name of subsidiary	WDC (Trading) Limited	WDC Germany GmbH	WDC (North America) Inc
Country of registration	England	Germany	USA
Registered address	Brookfield House 38 St Paul Street Chippenham SN15 1LJ UK	Implerstrasse 55 81371 Munich Germany	7 Nelson Street Plymouth 02360 MA USA
Company number	02593116	HRB126158	Not applicable
Ownership	100% owned by WDC	100% owned by WDC	Licence agreement and under the control of WDC through Board membership

Notes to the financial statements
Year ended 30 September 2019 (continued)

16. Fixed asset investments (continued)

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	274,197	-	10,332
Event income	-	-	-
Legacies	-	-	5,030
Raffle income	27,660	-	-
Donations	6,071	499,171	632,187
Royalty and other similar income	15,015	-	974
Investment income	-	-	3,934
Total income	322,943	499,171	652,457
Merchandising and cafe	(199,216)	-	-
Event costs	-	-	-
Raffle expenditure	(21,692)	-	-
Administration expenses	(34,558)	-	-
Fundraising costs	-	-	(65,944)
Charitable expenses	-	(483,558)	(537,721)
Interest payable	(1,250)	-	-
Governance costs	(2,968)	(8,703)	(10,203)
Total expenses	(259,684)	(492,261)	(613,868)
Surplus	63,259	6,910	38,589

Balance sheets

	WDC (Trading) £	WDC GmbH £	WDC (NA) £
Fixed assets	4,473	-	35,273
Current assets	60,034	128,739	323,936
Creditors: amounts falling due within one year	(140,337)	(53,311)	(26,542)
Net current (liabilities)/assets	(80,303)	75,428	297,394
Total assets less net current liabilities	(75,830)	75,428	332,667
Creditors: amounts falling due after more than one year	-	-	-
Net (liabilities)/assets	(75,830)	75,428	332,667

17. Stock	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Goods for resale	37,465	42,270	-	-

Stock recognised in cost of sales during the year as an expense was £134,817 (2018 - £126,916).

Whale and Dolphin Conservation
(Limited by guarantee)

Notes to the financial statements
Year ended 30 September 2019 (continued)

18. Debtors

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Amounts falling due within one year				
VAT	3,731		6,059	
Amounts owed by subsidiary undertakings	-	-	151,655	213,292
Less provisions against amounts owed	-	-	(75,830)	(129,520)
Prepayments and other accrued income	385,393	817,185	360,592	803,223
Total	<u>389,124</u>	<u>817,185</u>	<u>442,476</u>	<u>886,995</u>

The loans to subsidiary undertakings are repayable on demand, however, WDC have indicated that they will not seek repayment during the next year. A loan of £50,000 (2018: £50,000) included in the above balances, received interest at 2% above the base rate of the Bank of England. There is no security on this loan.

19. Current asset investments

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Listed investments	20,356	25,366	20,356	25,366
Other investments	162,887	153,797	-	-
	<u>183,243</u>	<u>179,163</u>	<u>20,356</u>	<u>25,366</u>

The listed investments above relate to shares held in Rolls Royce Holdings plc.

The other investments related to open-end mutual funds registered with the Security and Exchange Commission (SEC) held by WDC (NA). These funds are required to publish their net asset value and transact at that price and are deemed to be actively traded.

20. Contingent assets – legacy income

As of 30 September the charity had been notified of 1 legacy (2018: 1) with an estimated value of £46,250 (2018: £46,250). This has not been included in the accounts as there was insufficient probability of receipt to enable its inclusion. This remains the situation as at the time of signing the accounts.

21. Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade creditors	147,154	122,725	124,785	99,117
Social security	30,662	29,321	30,662	29,321
VAT	-	15,627		
Deferred income	35,017	35,017	35,017	35,017
Accruals	125,454	174,211	81,616	143,228
Total	<u>338,287</u>	<u>376,901</u>	<u>272,080</u>	<u>308,591</u>

22. Deferred income

Whale and Dolphin Conservation
(Limited by guarantee)

Notes to the financial statements
Year ended 30 September 2019 (continued)

Deferred income comprises income from adoptions received during the year but which relates to the next financial year. This amount is estimated based on annual and quarterly donations and the balance of deferred income is adjusted to reflect the amount relevant to future periods.

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Balance as at 1 October	35,017	36,477	35,017	36,477
Released to income earned from charitable activities	(35,017)	(36,477)	(35,017)	(36,477)
Deferred in year	35,017	35,017	35,017	35,017
Balance at 30 September	<u>35,017</u>	<u>35,017</u>	<u>35,017</u>	<u>35,017</u>

23. Financial commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

Group	2019 Other £	2019 Land & Buildings £	2018 Other £	2018 Land & Buildings £
Expiry date				
Within 1 year	8,557	98,012	7,006	100,810
In 2 to 5 years	21,064	101,953	8,457	181,047
In over 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charity	2019 Other £	2019 Land & Buildings £	2018 Other £	2018 Land & Buildings £
Expiry date				
Within 1 year	6,002	83,207	4,444	86,139
In 2 to 5 years	18,964	94,360	4,557	173,387
In over 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 £700,000 (for full 10 year term) with a break clause and rent review after 5 years. Only the liability relating to the lease until the break clause is included above. The additional liability is £350,000 which would be split a further £256,667 (£2018 - £186,667) in 2 to 5 years and £93,333 (2018 - £163,333) in over 5 years.

Notes to the financial statements
Year ended 30 September 2019 (continued)

24. Statement of funds

	Balance at 1 October 2018 £	Income £	Expenditure £		Balance at 30 September 2019 £
Group					
Operational fund	1,000,000	3,542,075	3,542,075		1,000,000
Designated funds	1,302,902	-	496,674		806,228
Restricted funds	195,233	372,474	314,572		253,135
Total funds	<u>2,498,135</u>	<u>3,914,549</u>	<u>4,353,321</u>		<u>2,059,363</u>
Charity					
	Balance at 1 October 2018	Income	Expenditure	Transfer	Balance at 30 September 2019
Operational fund	1,000,000	2,449,700	2,449,700	(100,000)	900,000
Designated funds	1,088,128		519,836	100,000	668,292
Restricted funds	72,200	126,337	116,176	-	82,361
Total funds	<u>2,160,328</u>	<u>2,576,037</u>	<u>3,085,712</u>	<u>-</u>	<u>1,650,653</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 2019 (continued)

24. Statement of funds (continued)

2018 comparative

	Balance at 1 October 2017 £	Income £	Expenditure £	Balance at 30 September 2018 £
Group				
Operational fund	650,000	3,802,359	3,452,359	1,000,000
Designated fund	519,860	1,116,527	333,485	1,302,902
Restricted fund	162,390	209,286	176,443	195,233
Total funds	<u>1,332,250</u>	<u>5,128,172</u>	<u>3,962,287</u>	<u>2,498,135</u>

	Balance at 1 October 2017 £	Income £	Expenditure £	Balance at 30 September 2018 £
Charity				
Operational fund	650,000	2,753,443	2,403,443	1,000,000
Designated fund	461,688	959,925	333,485	1,088,128
Restricted fund	63,351	129,236	120,387	72,200
Total funds	<u>1,175,039</u>	<u>3,842,604</u>	<u>2,857,315</u>	<u>2,160,328</u>

Restricted Fund Balances

	Balance at 30 September 2019 £	Balance at 30 September 2018 £
Group		
Critical Habitat Fund	93,500	106,485
Biomass Boiler Fund	38,376	46,544
Important Marine Mammal Project	6,510	1,923
Orca Research Projects	6,062	11,284
North Atlantic Right Whale Projects	42,883	-
Project funds	61,865	23,733
CRM system Fund US	1,626	3,077
Reward Fund	2,033	1,923
Salt Quay Fund	280	<u>264</u>
	<u>253,135</u>	<u>195,233</u>
Charity		
Biomass Boiler Fund	38,376	46,544
Project funds	37,475	23,733
Important Marine Mammal Project	6,510	1,923
	<u>82,361</u>	<u>72,200</u>

Notes to the financial statements
Year ended 30 September 2019 (continued)

25. Analysis of net assets between funds

Group	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2019 are represented by:			
Tangible fixed assets	-	106,000	106,000
Current assets	253,135	2,038,515	2,291,650
Current liabilities	-	(338,287)	(338,287)
Total net assets	253,135	1,806,228	2,059,363

Charity	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2019 are represented by:			
Tangible fixed assets	-	66,253	66,253
Current assets	82,361	1,774,119	1,856,480
Current liabilities	-	(272,080)	(272,080)
Total net assets	82,361	1,568,292	1,650,653

Analysis of net assets between funds (prior year)

Group	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2018 are represented by:			
Tangible fixed assets	-	73,064	73,064
Current assets	195,233	2,606,739	2,801,972
Current liabilities	-	(376,901)	(376,901)
Total net assets	195,233	2,302,902	2,498,135

Charity	Restricted funds £	General funds £	Total £
Fund balances at 30 September 2018 are represented by:			
Tangible fixed assets	-	58,644	58,644
Current assets	72,200	2,338,075	2,410,275
Current liabilities	-	(308,591)	(308,591)
Total net assets	72,200	2,088,128	2,160,328

Notes to the financial statements
Year ended 30 September 2019 (continued)

26. Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Consolidated	2019	2018
	£	£
Net (expenditure)/income for the reporting period	(438,772)	1,165,885
Adjustments for:		
Depreciation	15,100	16,469
Loss on disposal of assets	1,129	-
Decrease in stocks	4,805	1,884
(Increase) in investments	(4,080)	(179,163)
Decrease/(increase) in debtors	428,061	(543,652)
(Decrease)/increase in creditors	(38,614)	103,926
	<u>(32,371)</u>	<u>565,349</u>

Reconciliation of net income to net cash flow from operating activities

Charity

	2019	2018
	£	£
Net (expenditure)/income for the reporting period	(509,675)	985,289
Adjustments for:		
Depreciation charges	12,012	9,542
Decrease/(increase) in investments	5,010	(25,366)
Decrease/(increase) in debtors	444,519	(546,550)
(Decrease)/increase in creditors	(36,510)	123,053
	<u>(84,644)</u>	<u>545,968</u>

27. Related party transactions

The related party transactions entered into by the charity are detailed below. All transactions that arose were in the normal course of business.

The charity invoiced WDC (Trading) Ltd £90,577 (2018: £82,673) for management charges provided by the charity. An interest charge of £1,250 (2018: £1,305) was made by the charity to the Trading company during the year. During the year WDC (Trading) Ltd repaid £59,978 (2018: £45,453) of the amount owed to the charity. A balance of £119,542 (2018: £179,520) was owed to the charity by WDC (Trading) Ltd at the year end.

A grant of £36,531 was paid to WDC (NA) during the year to support their projects (2018: £3,080). A balance of £11,181 (2018: £12,840) was owed to the charity by WDC (NA) at the year end.

A grant of £10,204 was paid to WDC Germany during the year to support their projects (2018: nil). WDC Germany owed the charity £20,932 (2018: £20,932) at year end.

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 £7,755 (2018: £8,953) to support their campaigns and conservation projects.

Notes to the financial statements
Year ended 30 September 2019 (continued)

28. Post balance sheet events

The Trustees have considered the effect of the COVID-19 pandemic which arose subsequent to the balance sheet date. They consider that there are no adjustments that need to be made to the results for the year ended 30 September 2019 or the Balance Sheet drawn up at that date. The Trustees considerations regarding going concern and the potential future effects on the charity have been documented within the Trustees Report and the Basis of Preparation accounting policy above (see note 2c). At this stage an accurate estimate of the financial effect cannot be made, however WDC has modelled and stress tested different scenarios and is confident in its ability to adapt to the challenges of the pandemic and its effect on operations.