

# Whale and Dolphin Conservation Report and Financial Statements 2020-2021



*A world where every whale and dolphin is safe and free*

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

# Whale and Dolphin Conservation (Limited by guarantee)

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## About WDC

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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 Chair

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Looking back over the past 12 months is an impressive reminder of just how much WDC has been able to pack in. Despite everything else that has been going on in the world, there is not a single area of our work where we have not made positive progress this year, and this is testament to the professionalism of our teams and the backing of our wonderful supporters.

The range and reach of our activities is hugely impressive and, for me, there are three stand-out themes: science, campaigns and partnerships. These go to the very DNA of what we do and how we work: increasing our understanding of whales and dolphins, being a fearless champion for their cause, and growing the global movement of people taking action to protect them.

### Science

Everything WDC does is underpinned by the best available science, and by a determination to increase our knowledge of whales and dolphins. I am therefore delighted to see just how far we have gone this year in championing, researching and funding cutting-edge science. This has ranged from the role whales and dolphins play in mitigating climate breakdown and our ongoing mapping of the ocean for important marine mammal areas, to the importance of citizen science and the ways a greater appreciation of cetacean culture can improve conservation outcomes. Through our networks, and involvement with international bodies such as the Convention on Migratory Species, and the International Whaling Commission, we are bringing together some of the world's leading scientists and policy-makers, and this bodes well for our ambitions to secure greater international protections for whales and dolphins.

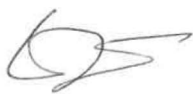
### Campaigns

The pandemic may have forced us to change how we work, but it has not held us back from campaigning against the injustices whales and dolphins face. This included our 'Goodbye Bycatch' campaign urging UK fisheries ministers to strengthen legislative protections for whales and dolphins, our successful legal action against NOAA to better protect North Atlantic right whales from ship strikes, and our campaign to persuade tourism giant TUI to drop its support for whale and dolphin captivity. WDC led the worldwide condemnation against the Norwegian authorities' experiments on live minke whales and has piled pressure on the German and EU authorities to eliminate the threat gill nets pose to Baltic harbour porpoise populations. This year we also stepped up our work championing the role whales play as our climate allies, and we took the message for the first time, to the COP26 climate summit in Glasgow. WDC sees its role as being a voice for whales and dolphins, and we are hugely grateful for our thousands of amazing and generous supporters and followers who help to amplify this voice. We could not do what we do without them.

### Partnerships

Partnership working is fundamental to the way WDC operates and this year has been a fantastic illustration of this approach. Our corporate partnerships continue to go from strength to strength and we were delighted to welcome new partners such as Deloitte on board, alongside long-standing friends like Brita, Animal Friends and Yogscast. Our new Climate Giant Partnership offers an exciting model for businesses to get involved in protecting whales and dolphins as part of their environmental commitments and I look forward to seeing how this grows in the coming years. Partnerships are also helping us tackle some of the most intractable challenges facing whales and dolphins, such as hunting in Norway, the Faroe Islands, Japan and off the coast of west Africa, or the alarming growth in captivity in China. This year WDC has stepped up its work in building alliances with local people and organisations inside these countries, and we believe this approach stands the best chance of bringing about lasting change.

So as we look back, I want again to thank our many supporters and to pay tribute to WDC staff and volunteers, in the UK and around the world. This has been a difficult two years for everyone, and the passion, commitment and professionalism shown by our team has been tremendous in ensuring that we can continue to pursue our vision of a world where every whale and dolphin is safe and free



Dr. Lisa Drewe  
Chair Whale and Dolphin Conservation

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## Legal and administrative information

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### 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  
Alex Hunt (appointed 19 April 2021)

### Senior Management team

Chris Butler-Stroud – Chief Executive  
Jane Bryan – Director of Finance  
Sian Davies-Hamilton – Director of Human Resources  
Ed Fox – Director of Marketing and Communications  
Helen Mitchell – Director of Fundraising  
Vanessa Tossenberger – Director of Policy  
Chris Vick – Director of Strategic Development

### Registered office and principal office

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

### Auditor

BDO LLP  
Bridgewater House  
Counterslip  
Bristol  
BS1 6BX

### Investment Managers

Barclays Wealth, Gerrard Investment Management  
4<sup>th</sup> 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

## Report of the Trustees

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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 2020, 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 Charities Act 2011, 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. As at 30 September 2020 there were five trustees on the board. A sixth trustee was elected on 19 April 2021.

### 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 gift aids any taxable profits to the charity. WDC Germany GmbH, a charitable company under German regulations, was founded to expand awareness of WDC's work within Germany and German speaking EU countries. 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)

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### Structure, governance and 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 2020 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)

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### Structure, governance and 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

WDC delivers its objectives through campaigns, outreach, research, and education. Our work is funded through voluntary donations and grants and supported by individuals and partners in the not-for-profit, public and private sectors.

WDC's long-term goals are:

- to inspire a global movement of people acting for whales and dolphins;
- for whale and dolphin populations to have recovered;
- for restored habitats where whales and dolphins can flourish;
- that every whale and dolphin is safe and free.

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

### Our twin pillars

Our Aim: to establish legal protections that recognise the rights of whales and dolphins, as sentient beings, and as important allies in our fight against climate breakdown.

WDC is a leading advocate for providing legal rights and protections for whales and dolphins, and for greater recognition of the importance of culture among cetacean individuals and societies. We are also spearheading interest in the role they play in providing ecosystem, and climate, services.

These twin pillars - what we call Whale Culture and the Green Whale - underpin all of our work and our belief in the intrinsic and extrinsic *value* of whales and dolphins. They are fundamental in our fight to end the suffering and dangers faced by whales and dolphins, and in tackling the climate and ecological crises that threaten us all.

### Highlights for 2021:

Growing global understanding: Chaired and steered the programme of work of the 70+ strong group of experts under the CMS (UN Convention on Migratory Species) Expert Group on Animal Culture and expanded this work through a collaboration between CMS and CBD on the UN Global Biodiversity Framework work on connectivity. Also, partnered with the Arcus Foundation on a project to bring animal culture into the spotlight during the IUCN World Conservation Congress.

Advancing the science: Published a review of the interface between animal culture and conservation in Royal Society Proceedings B, providing a framework for scientists and managers to gather evidence on social learning and animal culture and evaluate the consequences for conservation practice and decision-making.

### Plans for 2022:

- Create a roadmap and team of external legal, policy and scientific experts for a campaign to get cetacean intangible cultural heritage recognised by UNESCO.
- Develop a proposal for a technical workshop on culture and population modelling with the Max Planck Institute and the Cultural Evolution Society.
- Develop a project to 'map' cetacean culture.
- Make a formal proposal for an IUCN Task Force on Animal Culture

## Report of the Trustees (continued)

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### Achievements and performance (continued)

- Lead 2022 CMS workshop on animal culture to prioritise cultural units.
- Map a pathway to the legal recognition of rights.
- Develop a new communications proposition and narrative for whale culture to secure greater public understanding and support.
- Demonstrate cetacean culture through art to generate media and public attention.

## A. GREEN WHALE

### Highlights for 2021:

With funding from a number of partners and supporters, including the Flotilla Foundation, the Global Returns Project and Peter Hall, we were able to make significant progress on this key work stream:

**International scientific workshop:** Co-organised the first international expert workshop on ecosystem functions of cetaceans, hosted by IWC and CMS, followed by two WDC-led science symposia to continue the dialogue with researchers in the field.

**Growing the science:** Funded two major new pieces of research to look at the role of the 'whale pump' and 'whale conveyor belt' in nutrient distribution and climate protection.

**Growing support:** Launched an exciting suite of new communications tools ahead of the COP26 climate summit. These included: a new messaging proposition, toolkit and film (starring WDC patron Jerome Flynn) developed with the support of agency RAW London; a new poem on whale poo by poet Matt Harvey in partnership with the Hot Poets collective and launched at the UNFCCC's Resilience Pavilion at COP26; a new animation illustrating the ecosystem role of one of the humpback whales from WDC's adoption programme; and a newly-commissioned soundscape by artist Dom Jones, in partnership with the Marine Conservation Society, aimed at encouraging politicians to #ListenToTheOcean.

**Growing partnerships:** Selected by leading global professional services firm Deloitte as one of its [WorldClimate](#) UK charity partners. Established a new Climate Giant Partners programme, with Brita, Animal Friends and Livework, as a model for businesses to support WDC's Green Whale climate programme.

**Climate finance:** Worked with Deloitte and the Marine Conservation Society to publish an analysis on the state of global climate finance. The paper, *A Drop in the Ocean*, published to coincide with the COP26 climate summit in Glasgow, highlighted the fact that only 1% of global climate finance is being spent on the ocean, despite its crucial role as a nature-based solution to the climate crisis.

**Climate alliances:** Teamed up with partners such as the German Climate Alliance, The Climate & Ecological Emergency Bill Team, Ocean Flotilla, Marine Conservation Society, Wildlife and Countryside Link and the Wildfowl & Wetlands Trust to champion blue carbon and healthy seas at the G7 and COP26 summits.

### Plans for 2022:

- Advance the science around the Green Whale concept through: ongoing support for WDC-funded research; fundraising for three more significant research projects; and increasing our collaboration with leading scientists in the field.
  - Increase global awareness of the role whales play as our climate allies through key international events such as COP27, COP15 and the UN Oceans Conference.
  - Establish new blue finance partnerships to unlock the potential for generating new funding for our work to protect whales and dolphins.
  - Develop a political engagement programme - targeting the UK and German governments - to increase awareness and support for whale and ocean-based climate solutions.
  - Develop one or more 'proof of concept' projects with nation state partners to advance the concept and calculation of 'whale carbon' and evaluate whales' ecosystem services.
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## Report of the Trustees (continued)

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### Achievements and performance (continued)

- Carry out a Deloitte-backed 'Gravity Challenge' exploring the potential for using satellite technology to measure the correlation between whales, phytoplankton production and ocean productivity.

### Our four programmes

#### 1. STOP WHALING

##### **Aim: reduce the numbers of whales and dolphins killed and the numbers of countries whaling**

The 1986 moratorium on whaling remains one of the greatest international conservation agreements ever 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.

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

##### **Highlights for 2021:**

**Norway:** With support from Animal Friends we strengthened our collaboration with NOAH, Norway's largest NGO for animals, and the Animal Welfare International (AWI), in supporting the development of a domestic, Norwegian anti-whaling strategy. Secured international press coverage highlighting the extent of Norwegian whalers' activities and the scandal of whale meat being sold as dog food.

**Atlantic Humpback Dolphin:** Thanks to support from the UK Government's 'The Darwin Initiative' and The Yogscast's 'Jingle Jam' fundraiser, we were able to fund a new vehicle for our Senegalese project partners, enabling them to carry out the vital survey and strandings work needed to protect the critically endangered Atlantic Humpback Dolphin ('Sousa').

##### **Plans for 2022:**

- Campaign to end dolphin hunts in the Faroe Islands. We will recruit a Faroese campaigner to ensure the Government of the Faroe Islands delivers on its promised review of the hunts and; grow external pressure from international supermarkets, retailers and the scientific community.
- Work with NOAH and other partners to grow anti-whaling sentiment and strategies within Norway.
- Develop an overarching global anti-whaling campaign which can be adapted and translated for different cultural and national contexts (such as Norway and Japan).
- Undertake regular beach strandings surveys to better understand the occurrence of the Atlantic humpback dolphin off Senegal's coast and the threats they face.
- Publish a scientific paper on the threat to migratory whales and dolphins from 'aquatic bushmeat' in the tropics and subtropics.
- Publish an updated version of the seminal CMS Global Programme of Work for Cetaceans.
- Seek to ban the import, transit, sale, export or consumption of whale and dolphin meat in the UK.

## Report of the Trustees (continued)

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### Achievements and performance (continued)

## 2. END CAPTIVITY

**Aim: reduce the numbers of whales and dolphins 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. In respect of the 3,500 or so whales and dolphins already in captivity, aquariums will need to evolve quickly as public opinion is changing and WDC is well placed to use our expertise to create a better future for these whales and dolphins.

### Highlights for 2021:

**Tour operators campaign:** Secured over 20,000 signatures for our petition calling on tourism industry leader TUI to phase out whale and dolphin captivity. We will meet with and hand over the petition to TUI in 2022 and plan the next phase of our campaign based on their response.

**Whale sanctuary:** Established, in liaison with our partner SEA LIFE Trust, an agreement with an Asian NGO: an important step towards identifying potential new candidate beluga whales for re-homing in the SEA LIFE Trust Beluga Whale Sanctuary.

**China:** Thanks to a donation from Orca we continued our support and funding for the China Cetacean Alliance which, despite the restrictions caused by the pandemic, was able to help stop public feeding and photo opportunities of captive dolphins at Xinhualian Children's Dream Paradise Ocean World and work with Guangxi Academy of Sciences to develop new whale watching guidance.

### Plans for 2022

- Execute the next phase of our tour operators campaign, and coalition work, pressuring tourism leaders such as TUI and Carnival to phase out support for facilities holding whales and dolphins in captivity.
- Lobby ABTA to keep its pledge and publish welfare guidelines for Dolphins In Captive Environments, making all activities in commercial captive facilities an unacceptable practice.
- Work with Dolphinarium Free Europe to develop phase out plans for dolphin captivity in Germany's last two remaining facilities and lobby the new German government to support an end to dolphinarium in the country. Call on the European Parliament to include our phase out plan in the Animal Welfare Legislation review.
- Lobby for a ban on the captivity of cetaceans in the UK.
- Raise awareness of the alarming growth, and poor welfare standards, of whale and dolphin captivity in China by helping the China Cetacean Alliance develop its international outreach and improve its English-language website and social media platform.
- Work through 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.

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## 3. CREATE HEALTHY SEAS

**Aim: protect the places where whales and dolphins live**

To protect whales and dolphins, we must also protect their habitats. This programme therefore encompasses a broad range of work, from addressing the impact of plastic consumption through our

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## Report of the Trustees (continued)

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### Achievements and performance (continued)

#NotWhaleFood work, to the reduction of vessel strikes in areas where whales, dolphins and vessels overlap.

A key focus of our work is on marine protected areas (MPAs) and Important Marine Mammal Areas (IMMAs). Since 2017, we have collaborated in the identification of 173 IMMAs across the Mediterranean and in the Southern Hemisphere, amounting to a total of 15.7 million square kilometres. The programme has been extended to the end of 2023 with funding to cover two more ocean regions. The IMMA project has now examined 35% of the global ocean, and plans to tackle the rest of the ocean in the years to come.

Already, there is a clear precedent of success and 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.

### Highlights for 2021:

**Plastics report:** Published a new report, *Message in a Bottle*, revealing the frightening impact of plastic pollution on whales and dolphins, and worked with partner Brita to highlight how people can play a part in tackling the issue.

**Norwegian minke whale experiment:** Mobilised global support against Norway's experiments on live minke whales, securing the backing of over 50 scientists and experts worldwide, international press coverage and 90,000 signatures on a petition against the project.

**Tackling disturbance:** Secured national, local, consumer and trade coverage, as well as endorsement from the UK Environment Minister, Rebecca Pow, for our message encouraging people not to disturb whales and dolphins when they return to the seaside after lockdown.

**Ship strikes:** In the US, after our initial petition was ignored, WDC and partners successfully sued NOAA, the body mandated to protect whales, to restrict vessel speeds to protect critically endangered North Atlantic right whales. As a consequence, NOAA now intends to issue a new rule in 2022. In the UK, we selected Helyx to explore new technical solutions to reducing ship strikes on marine mammals, as part of a collaboration with the UK Hydrographic Office and Deloitte.

**Southern Resident orcas:** Made good progress in 2021 in elevating the Southern Resident orcas and the role of ecosystem health in their recovery with state and federal legislatures. Secured more funding for salmon restoration, successfully advocated for an Orca Recovery Coordinator position at the Washington Department of Fish and Wildlife, and progressed on Orca Task Force recommendations in the Washington legislature. Successfully opposed development of a gas pipeline in Southern Oregon, which would have impacted five major salmon rivers in the central portion of the SROs' range, opposed construction of a dam in Washington's Chehalis River, local nature-based actions are being developed as an alternative, and helped ensure SROs' are included in the West Coast Salmon Fishery Management Plan to ensure foraging opportunities for orcas are prioritised in years of exceptionally low salmon abundance.

**IMMAs:** Produced 11 new IMMAs for the habitat of endangered subspecies of Black Sea harbour porpoises and bottlenose dolphins as well as vulnerable Black Sea common dolphins. These habitats are now in the spotlight as high biodiversity areas to fulfil the targets of 30 percent protection of the ocean by 2030. Provided IMMA information requested by more than 100 governments, agencies, NGOs and individuals, supporting conservation planning for the benefit of the whales and other marine mammals in these areas. Based on our work since 2017, 35% of the surface of the ocean has been assessed for marine mammal habitat and 173 total IMMAs have been put on the map.

**Shorewatch scientific output:** Produced a scientific publication demonstrating over 7 years and 9,000 hours of watching the sea from land (52,000 individual Shorewatches) our amazing Shorewatch volunteers recorded more than 11,000 sightings of 18 species of whales and dolphins, contributing valuable data to aid their protection.

**Shorewatch expansion into the Northern Isles:** Thanks to funding from the National Lottery Heritage Fund we expanded our Shorewatch citizen science programme to the Northern Isles, to include at least 8

## Report of the Trustees (continued)

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### Achievements and performance (continued)

new land-based whale and dolphin watching sites on Shetland, Orkney and Fair Isles where data levels were previously very poor.

**Isle of Lewis MPA research:** With the ongoing support of NatureScot, and from the R S Macdonald Charitable Trust, we completed our twelfth year of research here, and the first in the newly designated Risso's dolphin marine protected area, including beginning a 'health assessment' of the local population and documenting novel head-standing behaviour of dolphins potentially listening out for pod mates.

### Plans for 2022:

- Engage with the Scottish government to ensure that whales, dolphins and porpoises are central to its promised management measures for MPAs and key coastal biodiversity locations.
- Work with UKHO to support Helyx in developing new technical solutions to reducing ship strikes on whales and dolphins.
- Secure the new vessel speed regulations that NOAA has committed to putting in place in 2022.
- Ensure that proposed offshore wind developments in US adhere to strong mitigation measures to reduce impacts to whales and dolphins
- Secure additional funding for salmon recovery in the Pacific Northwest through state and federal budgets; ensure Southern Resident orcas are included in Washington State salmon recovery plan to prioritise recovery of essential salmon stocks
- Support legislation to assess Snake River dam removal in US Congress (Water Resource Development Act) and funding to support transition to free-flowing river
- Work with a coalition of groups to engage with elected officials and grassroots groups to push for dam removal on the Snake River to support conservation of endangered Southern Resident orcas. Elected officials in the Pacific Northwest have announced a process to have a plan in place by July 2022, and we continue to push for a clear plan for action.
- Complete IMMA identifications with a workshop covering the Southeast Tropical & Temperate Pacific Ocean, from Mexico to Chile.
- Complete and field test our monitoring protocol for IMMAs, in collaboration with the Ocean Governance project and others, in advance of a global ocean roll-out.
- Plan an IMMA Identification Workshop for the Southwest Atlantic Ocean, covering the East coast of South America and offshore islands, to be held in 2023.
- Implement IMMAs in marine protected areas and other marine planning initiatives, including a multi-species initiative with our many partners working in the western Indian Ocean.
- Expand the Shorewatch citizen science programme in the UK so that WDC can further utilise the power of collaborative volunteer research to collect huge data sets and inform UK policy.

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## 4. END BYCATCH

### **Aim: reduce the number of whales and dolphins killed or injured through the incidental entanglement in fishing lines and nets**

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

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

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

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## Report of the Trustees (continued)

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### Achievements and performance (continued)

#### Highlights for 2021:

**Understanding whale entanglements:** Completed a two year European Maritime and Fisheries Fund project, with creel fisheries, government agency and NGO partners, to understand whale and other protected species entanglements in Scottish waters. We found more entanglements and in a wider range of species that were previously known about, with welfare and conservation implications.

**UK Goodbye Bycatch campaign:** Completed the first phase of our UK Goodbye Bycatch campaign, comprising new, hard-hitting visuals and statistics and a scientific report and associated parliamentary briefing which resulted in over 12,000 people writing to fisheries ministers in the UK and devolved governments. We have been critical of the UK government for its lack of progress to improve bycatch measures on the water in Defra's 'marine super year'.

**Bycatch supermarkets partnership:** With support from the John Ellerman Foundation WDC has worked with Sustainable Fisheries Partnership and Birdlife to conduct bycatch audits of supermarkets in the US and the UK, including ASDA. Also in partnership with SFP, we carried out a customer attitude survey revealing that 85% of shoppers were concerned about dolphins and other species dying in fishing gear.

**Protecting Baltic harbour porpoises:** Secured 100,000 public signatures and support from 115 international scientists for our campaign for a ban on static nets in European waters, to protect endangered Baltic harbour porpoises and other species. Engaged with the EU Commission to put pressure on Member states to better regulate the use of static nets and with German political stakeholders to aim at a stringent regulation of gill nets within MPAs in Germany and neighbouring countries.

**EU fisheries laws:** Actively participated in expert groups, panels, symposia and conferences, and participated in various consultation processes, both national and EU-wide to highlight the need for better fisheries regulations in Europe (especially static and bottom trawling nets) and to ask for the development and implementation of alternative gears.

**Action on EU Member bycatch:** Helped to ensure France and Spain produce bycatch policies, as a result of European Commission action based on a WDC-led complaint.

#### Plans for 2022:

- Begin trials of fishing gear to reduce whale entanglements in Scottish waters.
- Carry out the next phase of our campaign to ensure the UK and devolved governments put in place robust policies in the Joint Fisheries Statement to reduce whale, dolphin and porpoise bycatch and entanglement in UK waters.
- Audit at least 5 more supermarkets for bycatch in their supply chains in 2022 and 2023.
- Investigate alternative fishing gears to gillnets, known to be responsible for the highest levels of bycatch of marine mammals, and other sensitive marine species. Lobby the new German coalition government for urgent action on gillnets.
- Increase participation in our fishing gear trials working with our partners, including members of the fishing industry, to develop gear that significantly reduces the risk of entangling whales.
- Enhance the new rule to further protect critically endangered North Atlantic right whales from entanglements in emerging hot spot areas.
- Advocate for US federal funding to support gear modifications that allow fishing to occur safely in whale habitats.
- Work with fishers in Hong Kong to understand and reduce vulnerable finless porpoise bycatch, with support from the Joanna Toole Foundation and World Wide Fund for nature.

## Assessment of the impact of COVID-19 and other risk factors

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 withdrew 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

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## Report of the Trustees (continued)

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### Assessment of the impact of COVID-19 (continued)

follow government guidelines regarding essential work and safe distancing, and we had to temporarily close the Scottish Dolphin Centre, including our thriving café and shop, but were able to reopen with decreased hours when government laws and regulations allowed.

It continues to be difficult to be able to accurately assess the impact COVID-19 will have on our ongoing income and therefore on our reserves. Further uncertainty is occurring due to the invasion of Ukraine, escalating energy prices and other cost of living increases. The good news is that we have healthy unrestricted reserves of £2,413,286. We continue to regularly monitor our income and expenditure against budgets. Most previously furloughed staff returned to work by October 1, 2020 with the exception of some staff who worked for the Trading company, when COVID required the business to close to the public, and some staff who continued on flexible furlough. Our final furlough claim was in May 2021.

The impact on individual giving is difficult to predict. It is also hard to separate the effects on this area of giving from COVID, from the effects of energy price and general cost of living increases, and the effects of the invasion of Ukraine. Despite much bad news, we actually saw an increase in giving from individuals during last year. Corporate partners and Trusts and grants income also rose in 2021 over 2020. Already, in the period to January 2022, income from Corporate partners has already met the target for the year.

There may be a decrease in funding to charities not perceived as being directly involved in the domestic and international humanitarian challenges highlighted by the pandemic and continuing with the invasion of Ukraine. 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 2022 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.

As part of risk analysis, we performed a stress test which assumed that there was no income from 1 November 2021. Allowing for the time needed to implement cost reductions the charity would have a cash balance of approximately £519,407 at the end of the period to 30 June 2023. This would see the charity through and past the 12 months period from sign off. This situation is extremely unlikely given results already achieved in the financial year which started on 1 October 2021.

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, 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.

## Report of the Trustees (continued)

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### Fundraising practices

The past year continued to be dominated by Covid 19, with the impact felt locally, nationally and globally. For WDC this meant continuing to ensure that all our supporters were fully informed and engaged with our work and felt valued. I am incredibly pleased to report that that we increased income by a fantastic 18% on the previous year.

As supporters, both individuals and organisations, continued to deal with the challenges that Covid 19 brought it was important for us to also support them. We did this through posting positive news stories and content for them to enjoy and share, using amazing and inspiring images and video on all our platforms, providing whale and dolphin related educational activities for the family and being very considered in our fundraising asks.

#### Individual Giving

Our database of individual supporters grew during the year, despite the difficult environment, and we increased our retention rate to a remarkable 87%. One of WDC's strengths is our passionate and committed supporters, including our incredible "Adopters", we simply could not deliver our programmes without their financial backing and their enthusiastic support for our campaigns. They enable us to give a voice to whales and dolphins.

#### Partnerships

A key strategy for WDC is to increase income from companies and partnerships and we have continued to build our Partnerships team, which is going from strength to strength. We are working with a wide range of hugely supportive partners across many sectors, including long term partners such as Brita and Animal Friends. During the year we were delighted to welcome Deloitte onboard, and our new Climate Giant initiative provides an excellent opportunity for businesses to get involved in protecting whales and dolphins, as part of their commitment to protecting the environment. We have in-depth expertise in working collaboratively with the video games industry and continue to engage with fantastic partners such as Humble Bundle and Mercury Learning.

We were once again incredibly grateful to be a beneficiary of the Yogscast Jingle Jam annual fundraising event, which raised an exceptional £265,000 for WDC.

#### Community and Events

Covid 19 continued to have a devastating effect on fundraising from community and events activity and WDC was impacted through the cancellation of mass participation events and the limited opportunities for individual fundraisers. However, despite this, we continued to be supported by a range of highly creative and committed supporters who walked, ran, and swam often incredible distances. We are hugely grateful for their efforts on our behalf.

#### Philanthropy

WDC receives generous support from a number of individual donors and charitable trusts and foundations, usually towards specific programmes. This support is invaluable as it allows us to carry out work that we would not have been able to otherwise undertake. Thanks to philanthropic support throughout this year, we have been able to move ahead with our Green Whale programme and will continue to engage with philanthropic funders as we expand this critical area of work.

#### Legacies

Lastly, we would like to acknowledge our immense gratitude and thanks to everyone who so generously remembered WDC in their will, we continue to be incredibly touched that people chose to support our work in this way.

#### Regulation

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 one complaint was received from an individual about fundraising activity, which was investigated thoroughly, and no further action was needed.

## Report of the Trustees (continued)

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### Fundraising practices (continued)

We fully comply with GDPR regulations, and all new activities are checked against these. In practice WDC has asked supporters for opt-in consent to all our channels since 2015 and has never shared data with other organisations.

WDC has a 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.

To ensure that our fundraising activity is fully compliant, we are regulated by The Gambling Commission for our bi-annual raffle, our TV ads are cleared through Clearcast, and the Advertising Standards Agency regulates our press advertising. We comply with all relevant regulations for our telephone fundraising activity and the Give as you Earn agencies we use comply with their regulatory authority.

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.

In line with the requirements under the Social responsibility code provision 4.3.1 of the Licence Conditions and Codes of Practice of the Gambling Act 2005, we report that of the £29,177 received in ticket sales in 2020, 12.62% went on expenses, 13.71% went on prizes and a fantastic 73.67% came back to WDC to fund our vital work

With all our activity, supporters are 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 only exists thanks to the support of amazing individuals and organisations, we never take this support for granted, and are committed to acting with the utmost professionalism and respect in all aspects of our work.

## Report of the Trustees (continued)

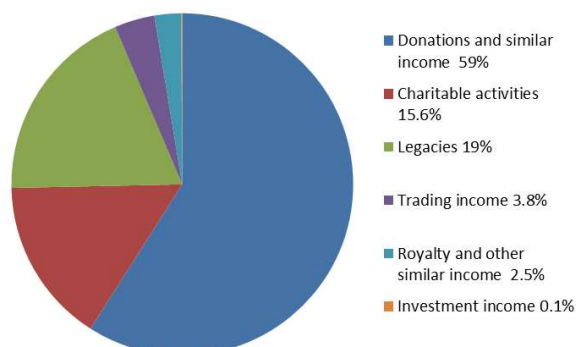
### Financial review

For the year ended 30 September 2021, we are reporting an increase in income of £749,185 to £5,012,285 (2020: increase of £348,551). The main increase was from legacies which rose by 121%. The legacy increase was not only in the UK charity as the German charity contributed 16% of total legacy income (2020: 0%). Our Trading income increased by 47% but is still only 60% of pre-COVID levels due to reduced opening of our shop and café in Scotland. Income from donations increased by 3.7%, although membership and adoption income was slightly decreased by 0.5%. Included in donations are government grants (including those made to subsidiaries) related to COVID totalling £44,034. Despite the uncertain times, most charities in the group saw increases in donations from individuals when compared to 2020, although the US charity was down slightly in this area. Regular giving continues to be our main source of income, but income from partnerships has stabilised at around 19% of total donations excluding legacies. Trust income has also increased as expected as we continue our Theory of Change approach and are able to more fully demonstrate our impact to philanthropists and grant makers.

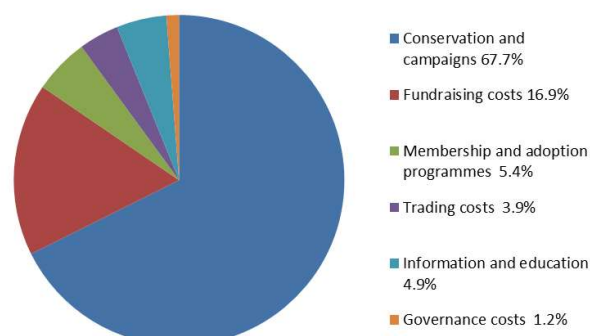
Charitable expenditure in the year amounted to £3,464,186 (2020: £3,269,412). After reducing our expenditure last year due to the uncertainty of COVID, we were able to increase expenditure by 6%. This was partly related to the increase in Trust and grant restricted funding, which allowed us to support our policy work. We continue to match expenditure to regular donation income expected during the year.

The cost of raising funds has increased by 10.8% from £820,724 to £910,037. Last year we took a cautious approach to expenditure and although we increased fundraising expenditure in 2021 we are still not quite at pre-COVID levels. We expect to update our CRM in the medium term which will constitute a substantial investment but we expect this will lead to more efficient and effective supporter engagement.

Where our income came from:



Where the money is spent:



### Performance of Subsidiaries

The US subsidiary is showing net loss of £24,523 in the year. Expenditure postponed from last year was incurred in the year with the result that expenditure was just over £100,000 more than in 2020. The small net loss was budgeted. The US subsidiary has joined the Marine Mammal Stranding network in Massachusetts. Additional expenditure was incurred in setting up the team but we expect additional funding avenues to open due to this high profile and important work.

The German subsidiary had net income of £180,777. Income increased by £153,349, largely due to the receipt of two legacies. Expenditure also increased on project work, and the balance of the legacies will be used in the future on other policy projects.

The Trading company had a very difficult 2019 but during 2020, as lockdowns were lifted, we were able to open our shop and café in Scotland, although on a limited basis and always complying with COVID laws and rules. The Trading company includes the running of the raffle and also receives income from marketing using our logo, so we were pleased that net income in 2021 was £98,008 (2019: £7,267). This included an insurance payment for losses in Trading due to COVID. We are pleased that the historic deficit in the Trading company has been eliminated during the year. 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.

## Report of the Trustees (continued)

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### Financial review (continued)

#### Reserves Policy

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

As a result of the most recent review, the trustees have determined that the reserve level which will meet the above objectives is £1,000,000 in unrestricted funds.

At the year end, as a group, WDC had total reserves of £2,845,302 as follows:

	Cash	Non cash	Total £
Unrestricted – Operational (free reserves)	£1,000,000	-	1,000,000
Unrestricted – Designated	<u>418,803</u>	<u>994,483</u>	<u>1,413,286</u>
Total Unrestricted	1,418,803	994,483	2,413,286
Restricted reserves	<u>432,016</u>	-	<u>432,016</u>
Total reserves	<u>£1,850,819</u>	<u>994,483</u>	<u>2,845,302</u>

The receipt of two unusually large legacies in the past six years, higher than usual partnerships income in 2018 and higher than usual legacies last year has resulted in unrestricted reserves (free reserves) being in excess of the targeted minimum reserve amount of £1,000,000 across all four companies in the group. The balance of £1,413,286 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 £2,413,286 represent just over seven months of unrestricted fund expenditure for the group.

## Report of the Trustees (continued)

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### 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: 20 June 2022

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

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### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 30 September 2021 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of Whale and Dolphin Conservation ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 30 September 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet and Parent Charitable Company balance sheet, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remain independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, 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.

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

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### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

### **Responsibilities of Trustees**

As explained more fully in the Statement of trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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 Group's and the Parent 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 Group or the Parent 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**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

### ***Extent to which the audit was capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the sector within which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and other laws and regulations applicable to the group such as employment law, taxation legislation, data protection and health and safety legislation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: donations and legacy revenue recognition, events income and furlough claim income.

Our tests included:

- We have reviewed the financial statement disclosures and assessed compliance with applicable laws and regulations;
- We have made enquiries of the Trustees, and management;
- We read the minutes of meetings of those charged with governance and reviewed correspondence with HMRC;
- We reviewed whether any serious incident reports have been submitted to the Charity Commission and OSCR;
- We have reviewed a sample of gift aid claims and ensured these have been made in accordance with the regulations;
- We have reviewed claims for furlough income to ensure that there was entitlement to the income and that amounts were claimed in accordance with HMRC guidance;
- We have tested the appropriateness of journal entries and other adjustments;
- We have assessed whether judgements in accounting estimates are indicative of potential bias;
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the legacy accrual and allocation of support costs;
- We have considered the completeness of related party transactions; and
- We have evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business that may indicate risks of material misstatement due to fraud.

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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Whale and Dolphin Conservation  
(Limited by guarantee)

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

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### 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 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and 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 the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Heather Wheelhouse (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Bristol, UK  
Date 22 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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

**Consolidated statement of financial activities  
Year ended 30 September 2021  
(including an income and expenditure account)**

	Unrestricted Note	Restricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
<b>Donations and legacies:</b>					
Donations and similar income	5	2,202,962	754,347	<b>2,957,309</b>	2,852,806
Legacies	6	948,242	-	<b>948,242</b>	428,764
<b>Charitable activities:</b>					
Membership and adoption programmes		784,519	-	<b>784,519</b>	789,009
<b>Other trading activities:</b>					
Merchandise, cafe, raffle and magazine income	7	190,993	-	<b>190,993</b>	130,026
Royalty and other similar income		126,440	-	<b>126,440</b>	46,980
<b>Interest</b>	<b>8</b>	4,782	-	<b>4,782</b>	15,515
<b>Total income</b>		<u>4,257,938</u>	<u>754,347</u>	<u><b>5,012,285</b></u>	<u>4,263,100</u>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Fundraising costs		738,971	-	<b>738,971</b>	695,630
Merchandise, cafe, raffle and magazine costs		171,066	-	<b>171,066</b>	125,094
<b>Costs of raising funds</b>		<u>910,037</u>	<u>-</u>	<u><b>910,037</b></u>	<u>820,724</u>
<b>Charitable activities</b>					
Conservation and campaigns		2,361,138	597,893	<b>2,959,031</b>	2,756,174
Information and education		214,660	-	<b>214,660</b>	206,460
Membership and adoption programmes		236,892	-	<b>236,892</b>	257,279
Governance costs		53,603	-	<b>53,603</b>	49,499
<b>Total charitable activities expenditure</b>		<u>2,866,293</u>	<u>597,893</u>	<u><b>3,464,186</b></u>	<u>3,269,412</u>
<b>Total expenditure</b>	<b>10</b>	<u>3,776,330</u>	<u>597,893</u>	<u><b>4,374,223</b></u>	<u>4,090,136</u>
Net gains/(losses) on investments		6,903	-	<b>6,903</b>	<b>(17,017)</b>
<b>Net income</b>		488,511	156,454	<b>644,965</b>	<b>155,947</b>
<b>Other recognised gains and losses:</b>					
Losses on foreign exchange		(14,973)	-	(14,973)	-
<b>Net movement in funds</b>		<u>473,538</u>	<u>156,454</u>	<u><b>629,992</b></u>	<u>155,947</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,939,748	275,562	<b>2,215,310</b>	2,059,363
<b>Total funds carried forward</b>	<b>25&amp;26</b>	<u><u>2,413,286</u></u>	<u><u>432,016</u></u>	<u><u><b>2,845,302</b></u></u>	<u><u>2,215,310</u></u>

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

The net income for the year of the parent was £472,017 (2020: net loss £57,270)

The notes on pages 27 to 43 form part of these financial statements.

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

**Consolidated statement of financial activities  
Year ended 30 September 2020  
(including an income and expenditure account)**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2020 £
<b>Income from:</b>				
<b>Donations and legacies:</b>				
Donations and similar income	5	2,508,041	344,765	<b>2,852,806</b>
Legacies	6	428,764	-	<b>428,764</b>
<b>Charitable activities:</b>				
Membership and adoption programmes		789,009	-	<b>789,009</b>
<b>Other trading activities:</b>				
Merchandise, cafe, raffle and magazine income	7	130,026	-	<b>130,026</b>
Royalty and other similar income		46,980	-	<b>46,980</b>
<b>Interest</b>	<b>8</b>	<b>15,515</b>	<b>-</b>	<b>15,515</b>
<b>Total income</b>		<b>3,918,335</b>	<b>344,765</b>	<b>4,263,100</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Fundraising costs		695,630	-	<b>695,630</b>
Merchandise, cafe, raffle and magazine costs		125,094	-	<b>125,094</b>
<b>Costs of raising funds</b>		<b>820,724</b>	<b>-</b>	<b>820,724</b>
<b>Charitable activities</b>				
Conservation and campaigns		2,433,836	322,338	<b>2,756,174</b>
Information and education		206,460	-	<b>206,460</b>
Membership and adoption programmes		257,279	-	<b>257,279</b>
Governance costs		49,499	-	<b>49,499</b>
<b>Total charitable activities expenditure</b>		<b>2,947,074</b>	<b>322,338</b>	<b>3,269,412</b>
<b>Total expenditure</b>	<b>10</b>	<b>3,767,798</b>	<b>322,338</b>	<b>4,090,136</b>
Net losses on investments		(17,017)	-	<b>(17,017)</b>
<b>Net movement in funds</b>		<b>133,520</b>	<b>22,427</b>	<b>155,947</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		1,806,228	253,135	<b>2,059,363</b>
<b>Total funds carried forward</b>	<b>25&amp;26</b>	<b>1,939,748</b>	<b>275,562</b>	<b>2,215,310</b>

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 27 to 43 form part of these financial statements.

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

**Balance sheet  
30 September 2021**

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Fixed assets</b>					
Tangible fixed assets	15	82,840	86,332	32,647	54,689
Investments	16	-	-	-	-
		<u>82,840</u>	<u>86,332</u>	<u>32,647</u>	<u>54,689</u>
<b>Current assets</b>					
Stock	17	46,923	51,214	-	-
Debtors	18	746,682	566,656	771,866	616,205
Investments	19	566,187	562,835	342,304	329,789
Cash at bank & in hand		1,853,377	1,326,111	1,191,747	792,787
		<u>3,213,169</u>	<u>2,506,816</u>	<u>2,305,917</u>	<u>1,738,781</u>
<b>Liabilities:</b>					
<b>Creditors: amounts falling due within one year</b>					
	21	<u>(339,571)</u>	<u>(256,237)</u>	<u>(273,164)</u>	<u>(200,087)</u>
<b>Net current assets</b>					
		<u>2,873,598</u>	<u>2,250,579</u>	<u>2,032,753</u>	<u>1,538,694</u>
<b>Creditors: amounts falling due after one year</b>					
	22	<u>(111,136)</u>	<u>(121,601)</u>	-	-
<b>Total net assets</b>					
		<u><u>2,845,302</u></u>	<u><u>2,215,310</u></u>	<u><u>2,065,400</u></u>	<u><u>1,593,383</u></u>
<b>Unrestricted funds</b>					
	25&26				
Operational funds – free reserves		1,000,000	1,000,000	900,000	900,000
Designated funds		1,413,286	939,748	917,556	633,381
		<u>2,413,286</u>	<u>1,939,748</u>	<u>1,817,556</u>	<u>1,533,381</u>
<b>Restricted funds</b>					
	25&26	<u>432,016</u>	<u>275,562</u>	<u>247,844</u>	<u>60,002</u>
<b>Total funds</b>					
		<u><u>2,845,302</u></u>	<u><u>2,215,310</u></u>	<u><u>2,065,400</u></u>	<u><u>1,593,383</u></u>

These financial statements were approved and authorised for issue by the trustees on 20 June 2022 and signed on their behalf.



**Lisa Drewe  
Chairman**

The notes on pages 27 to 43 form part of these financial statements.

Registered number: 02737421

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

**Consolidated statement of cash flows  
Year ended 30 September 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
<b>Net cash used in operating activities (note 27)</b>	<b>574,979</b>	(72,718)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(25,826)	(7,981)
Purchase of investments		(396,609)
Sale of investments	3,552	
<b>Cash used in investing activities</b>	<b>(22,274)</b>	(404,590)
<b>Cash flows from financing activities</b>		
New bank loan	-	121,601
Repayments of borrowing	(10,465)	-
<b>Cash provided by financing activities</b>	<b>(10,465)</b>	121,601
<b>Change in cash and cash equivalents in the year</b>	<b>542,240</b>	(355,707)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,326,111</b>	1,681,818
<b>Movement on revaluation of foreign cash</b>	<b>(14,973)</b>	
<b>Total cash and cash equivalents at the end of the year</b>	<b>1,853,377</b>	1,326,111

The notes on pages 27 to 43 form part of these financial statements.

**Notes to the financial statements**  
**Year ended 30 September 2021**

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**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 2021 there were six members.

**2. Accounting policies**

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

**a) Basis of accounting**

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (The Charities SORP 2<sup>nd</sup> Edition effective 1 January 2019) and 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 and the Charities Act 2011.

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 2021.

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 2021 for the charity was a surplus of £472,017

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 March 2020 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. A number of potential loss of income scenarios have been prepared and reviewed, all of which result in a positive cash balance at 30 June 2023.

On review of the financial plans to the end of 30 June 2023 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 2021 (continued)**

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**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.

During the course of the audit, and as part of our regular risk assessment, we performed a stress test which assumes that there is no income from 1 Nov 2021, as an extreme worst-case scenario. Allowing for the time needed to implement cost reductions the charity would have a cash balance of approximately £519,407 at the end of the period to 30 June 2023. This would see the charity through and past the 12 months period from sign off. This situation is extremely unlikely and other business changes which could be made due to Covid-19 have been drawn up and all result in a positive cash flow.

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 scenarios 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.

**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 23).

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.

Payments received from government for furloughed employees or for Covid-19 related employee support are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

**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 2021 (continued)**

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- 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.
- 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 charitable company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.
- 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 2021 (continued)**

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- 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.
- Designated funds**  
Designated funds are those unrestricted funds that have been designated for a specific purpose. These funds are 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.
- 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) **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 2021 (continued)**

**3. Statement of financial activities – Charity**

Unrestricted	Restricted	Total funds funds £	Total funds funds £	2021 £	2020 £
<b>Income from:</b>					
<b>Donations and legacies:</b>					
Donations and similar income		1,279,940	514,719	<b>1,794,659</b>	1,627,804
Legacies		764,496	-	<b>764,496</b>	362,281
<b>Charitable activities:</b>					
Membership and adoption programmes		784,519	-	<b>784,519</b>	789,009
<b>Other activities:</b>					
Intercompany income		54,921	-	<b>54,921</b>	54,148
Royalty and similar income		2,508	-	<b>2,508</b>	6,674
<b>Interest</b>		<b>4,905</b>	-	<b>4,905</b>	12,920
<b>Total income</b>		<b>2,891,289</b>	<b>514,719</b>	<b>3,406,008</b>	<b>2,852,836</b>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Fundraising costs		683,737	-	683,737	657,998
<b>Costs of raising funds</b>		<b>683,737</b>	-	<b>683,737</b>	657,998
<b>Charitable activities</b>					
Conservation and campaigns		1,436,130	326,877	<b>1,763,007</b>	1,743,727
Information and education		214,660	-	<b>214,660</b>	206,460
Membership and adoption programmes		236,892	-	<b>236,892</b>	257,279
Governance costs		27,625	-	<b>27,625</b>	27,625
<b>Total charitable activities expenditure</b>		<b>1,915,307</b>	<b>326,877</b>	<b>2,242,184</b>	<b>2,235,091</b>
<b>Total expenditure</b>		<b>2,599,044</b>	<b>326,877</b>	<b>2,925,921</b>	<b>2,893,089</b>
Net gains/(losses) on investments		6,903	-	<b>6,903</b>	<b>(17,017)</b>
<b>Net income</b>		<b>299,148</b>	<b>187,842</b>	<b>486,990</b>	<b>(57,270)</b>
<b>Other recognised gains and losses:</b>					
Losses on foreign exchange		(14,973)	-	(14,973)	-
<b>Net movement in funds</b>		<b>284,175</b>	<b>187,842</b>	<b>472,017</b>	<b>(57,270)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,533,381	60,002	<b>1,593,383</b>	1,650,653
<b>Balances carried forward</b>		<b>1,817,556</b>	<b>247,844</b>	<b>2,065,400</b>	<b>1,593,383</b>

Restricted fund information for the comparative period was: donations and similar income £158,732; conservation and campaigns expenditure £181,091; net expenditure and net movement in funds £22,359.

**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

<b>4. Statement of cash flows - Charity</b>	<i>Note</i>	<b>2021</b>	<b>2020</b>
		£	£
<b>Cash flows from operating activities</b>			
<b>Net cash provided by/(used in) operating activities</b>	<b>27</b>	<b>419,545</b>	<b>(267,516)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(6,895)
Purchase of investments		<b>(5,612)</b>	<b>(326,450)</b>
<b>Cash used in investing activities</b>		<b>(5,612)</b>	<b>(333,345)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>413,933</b>	<b>(600,861)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>792,787</b>	1,393,648
Movement on revaluation of foreign cash		<b>(14,973)</b>	-
<b>Total cash and cash equivalents at the end of the year</b>		<b>1,191,747</b>	<b>792,787</b>
<b>5. Donations and similar income</b>		<b>2021</b>	<b>2020</b>
		£	£
Individuals		<b>1,698,378</b>	1,552,645
Corporate Partnerships		<b>552,425</b>	494,275
Trusts		<b>455,722</b>	411,954
Adoption programme donations		<b>206,750</b>	217,683
COVID-related government grants		<b>44,034</b>	176,249
		<b>2,957,309</b>	<b>2,852,806</b>
<b>6. Legacies</b>			
39 legacies were receivable in the year totalling £948,242 (2020: £428,764 in respect of 24 legacies).			
<b>7. Merchandise, cafe, raffle and magazine income</b>		<b>2021</b>	<b>2020</b>
		£	£
Merchandising income		<b>89,026</b>	47,185
Raffle income		<b>28,476</b>	30,799
Cafe income		<b>73,491</b>	52,042
		<b>190,993</b>	<b>130,026</b>
<b>8. Investment income</b>		<b>2021</b>	<b>2020</b>
		£	£
Interest receivable		<b>4,782</b>	<b>15,515</b>
<b>9. Taxation</b>			

The charitable company is a registered charity, and as such is entitled to tax exemptions on income and gains properly applied for its charitable purposes.

Whale and Dolphin Conservation  
(Limited by guarantee)

**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

**10. Expenditure**

	Staff costs (note 12) £	Other direct costs £	Total 2021 £	Total 2020 £
<b>Costs of raising funds</b>				
Fundraising costs	493,229	245,742	<b>738,971</b>	695,630
Merchandise, raffle and magazine costs				
Cost of merchandise, café sales	-	75,969	<b>75,969</b>	34,164
Raffle costs	-	19,636	<b>19,636</b>	19,699
Administration costs	46,109	29,352	<b>75,461</b>	71,231
	<u>539,338</u>	<u>370,699</u>	<u><b>910,037</b></u>	<u>820,724</u>
<b>Charitable activities</b>				
Conservation, campaigns and donations	1,914,548	1,044,483	<b>2,959,031</b>	2,756,174
Information and education	-	214,660	<b>214,660</b>	206,460
Membership and adoption programmes	-	236,892	<b>236,892</b>	257,279
Governance costs	-	53,603	<b>53,603</b>	49,499
	<u>1,914,548</u>	<u>1,549,638</u>	<u><b>3,464,186</b></u>	<u>3,269,412</u>
	<u>2,453,886</u>	<u>1,920,337</u>	<u><b>4,374,223</b></u>	<u>4,090,136</u>

Other direct costs include:

	2021 £	2020 £
Auditor's remuneration - group	<b>26,628</b>	27,625
Auditor's remuneration – subsidiary companies	<b>25,103</b>	21,874
Group auditors – payments for other services	<b>1,872</b>	4,525
Operating lease rentals – land and buildings	<b>111,232</b>	116,086
– plant and machinery	<b>8,931</b>	21,341
Depreciation	<b>29,318</b>	27,649

**11. Trustee remuneration**

No remuneration was paid to the trustees and no expense reimbursements were made to trustees in either year.

**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

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**12. Staff costs**

	<b>2021</b>	2020
	£	£
Wages and salaries	<b>2,139,018</b>	1,984,558
Social security costs	<b>232,280</b>	209,250
Other pension costs (note 14)	<b>82,588</b>	74,701
	<b><u>2,453,886</u></b>	<u>2,268,509</u>

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

	<b>2020</b>	2019
	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 £347,995 (2020: £346,351 for seven staff) on which there was employer's NI of £27,789 (2020 - £27,695). 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:

	<b>2021</b>	2020
	No.	No.
Charitable activities	<b>44</b>	40
Cost of raising funds	<b>17</b>	18
Management and administration of the charity	<b>8</b>	11
	<b><u>69</u></b>	<u>69</u>
Average number of employees	<b><u>96</u></b>	<u>99</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 £82,588 (2020: £74,701). Pension commitments as at the year-end were £6,378 (2020: £6,032)

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**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

**15. Tangible fixed assets**

<b>Group</b>	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	<b>Total £</b>
<b>Cost</b>				
At beginning of year	40,000	256,827	308,594	605,421
Additions	-	25,826	-	25,826
Disposals	-	-	-	-
<b>At 30 September 2021</b>	<b>40,000</b>	<b>282,653</b>	<b>308,594</b>	<b>631,247</b>
<b>Depreciation</b>				
At beginning of year	40,000	173,982	305,107	519,089
Charge for the year	-	25,831	3,487	29,318
Eliminated on disposal	-	-	-	-
<b>At 30 September 2021</b>	<b>40,000</b>	<b>199,813</b>	<b>308,594</b>	<b>548,407</b>
<b>Net book value</b>				
<b>At 30 September 2021</b>	<b>-</b>	<b>82,840</b>	<b>-</b>	<b>82,840</b>
At 30 September 2020	-	82,845	3,487	86,332

<b>Charity</b>	Tenants improvements £	Fixtures, fittings & equipment £	Computer equipment £	<b>Total £</b>
<b>Cost</b>				
At beginning of year	40,000	185,258	279,937	505,195
Additions	-	-	-	-
<b>At 30 September 2020</b>	<b>40,000</b>	<b>185,258</b>	<b>279,937</b>	<b>505,195</b>
<b>Depreciation</b>				
At beginning of year	40,000	130,569	279,937	450,506
Charge for the year	-	22,042	-	22,042
<b>At 30 September 2020</b>	<b>40,000</b>	<b>152,611</b>	<b>279,937</b>	<b>472,548</b>
<b>Net book value</b>				
<b>At 30 September 2020</b>	<b>-</b>	<b>32,647</b>	<b>-</b>	<b>32,647</b>
At 30 September 2019	-	54,689	-	54,689

**16. Fixed asset investments**

<b>Name of subsidiary</b>	<b>WDC (Trading) Limited</b>	<b>WDC Germany GmbH</b>	<b>WDC (North America) Inc</b>
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 2021 (continued)**

**16. Fixed asset investments (continued)**

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

**Profit and loss accounts**

	<b>WDC (Trading) £</b>	<b>WDC GmbH £</b>	<b>WDC (NA)Inc £</b>
Merchandising income & cafe	162,517	-	8,150
Event income	-	-	-
Legacies	-	155,909	27,837
Raffle income	28,476	-	-
Donations	-	579,234	612,246
Royalty and other similar income	111,074	-	4,708
Investment income	<u>-</u>	<u>-</u>	<u>877</u>
<b>Total income</b>	<b><u>302,067</u></b>	<b><u>735,143</u></b>	<b><u>653,818</u></b>
Merchandising and cafe	(130,890)	-	-
Event costs	-	-	-
Raffle expenditure	(19,636)	-	-
Administration expenses	(46,461)	-	-
Fundraising costs	-	-	(85,234)
Charitable expenses	-	(545,663)	(582,904)
Governance costs	<u>(7,072)</u>	<u>( 8,703)</u>	<u>(10,203)</u>
<b>Total expenses</b>	<b><u>(204,059)</u></b>	<b><u>(554,366)</u></b>	<b><u>(678,341)</u></b>
<b>Surplus/(loss)</b>	<b><u>98,008</u></b>	<b><u>180,777</u></b>	<b><u>(24,523)</u></b>

**Balance sheets**

	<b>WDC (Trading) £</b>	<b>WDC GmbH £</b>	<b>WDC (NA)Inc £</b>
Fixed assets	<u>1,072</u>	<u>-</u>	<u>49,121</u>
Current assets	132,503	356,462	508,790
Creditors: amounts falling due within one year	<u>(104,132)</u>	<u>935,290</u>	<u>(17,489)</u>
Net current assets	<u>28,371</u>	<u>321,172</u>	<u>491,301</u>
Total assets less net current liabilities	29,443	321,172	540,422
Creditors: amounts falling due after more than one year	<u>-</u>	<u>-</u>	<u>(111,136)</u>
Net assets	<u>29,443</u>	<u>321,172</u>	<u>429,286</u>

**17. Stock**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Goods for resale	<u>46,923</u>	<u>51,214</u>	<u>-</u>	<u>-</u>

Stock recognised in cost of sales during the year as an expense was £68,475 (2020 - £46,824).

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**Year ended 30 September 2021 (continued)**

**18. Debtors**

	<b>Group 2021 £</b>	Group 2020 £	<b>Charity 2021 £</b>	Charity 2020 £
VAT	-	1,338	-	1,338
Amounts owed by subsidiary undertakings	-	-	<b>90,503</b>	141,443
Less provisions against amounts owed	-	-	-	(67,363)
Prepayments and other accrued income	<b>746,682</b>	565,318	<b>681,363</b>	540,787
<b>Total</b>	<b><u>746,682</u></b>	<u>566,656</u>	<b><u>771,866</u></b>	<u>616,205</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 (2020: £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**

	<b>Group 2021 £</b>	Group 2020 £	<b>Charity 2021 £</b>	Charity 2020 £
Listed investments	<b>10,243</b>	3,340	<b>10,243</b>	3,340
Other investments	<b><u>555,944</u></b>	<u>559,495</u>	<b><u>332,061</u></b>	<u>326,449</u>
	<b><u>566,187</u></b>	<u>562,835</u>	<b><u>342,304</u></b>	<u>329,789</u>

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

The other investments are either cash deposits of greater than one year or are 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 (2020: 1) with an estimated value of £46,250 (2020: £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**

	<b>Group 2021 £</b>	Group 2020 £	<b>Charity 2021 £</b>	Charity 2020 £
Trade creditors	<b>174,548</b>	79,499	<b>112,543</b>	53,719
Social security	<b>32,803</b>	30,996	<b>32,803</b>	30,996
VAT	<b>4,132</b>	2,135	<b>211</b>	-
Deferred income	<b>33,634</b>	32,491	<b>33,634</b>	32,491
Provisions	<b>17,029</b>	17,029	<b>17,029</b>	17,029
Accruals	<b><u>77,425</u></b>	<u>94,087</u>	<b><u>76,944</u></b>	<u>65,852</u>
<b>Total</b>	<b><u>339,571</u></b>	<u>256,237</u>	<b><u>273,164</u></b>	<u>200,087</u>

**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

**22. Creditors: amounts falling due after one year**

	<b>Group 2021 £</b>	Group 2020 £	<b>Charity 2020 £</b>	Charity 2019 £
Small Business Association Economic Injury Disaster Loan	<b><u>111,136</u></b>	<u>121,601</u>	-	-

Under the CARES Act, the US subsidiary received from the Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) Advance in the amount of £5,970 and Economic Injury Disaster Loan (EIDL) in the amount of £111,940 on 13 June 2020. The advance of £5,970 was forgiven in the year. WDC (US) had an obligation to SBA bearing interest at 2.75%. The loan is payable in monthly instalments of £478, including interest, and is collateralised by all tangible and intangible personal property.

	<b>Group 2021 £</b>	Group 2020 £	<b>Charity 2021 £</b>	Charity 2020 £
Due in one year	<b>804</b>	800	-	-
Due between 2 and 5 years	<b>10,251</b>	11,218	-	-
Due in more than 5 years	<b><u>100,884</u></b>	<u>110,383</u>	-	-
	<b><u>111,939</u></b>	<u>122,481</u>	<u>-</u>	<u>-</u>

**23. Deferred income**

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.

	<b>Group 2021 £</b>	Group 2020 £	<b>Charity 2021 £</b>	Charity 2020 £
Balance as at 1 October	<b>32,491</b>	35,017	<b>32,491</b>	35,017
Released to income earned from charitable activities	<b>(32,491)</b>	(35,017)	<b>(32,491)</b>	(35,017)
Deferred in year	<b><u>33,634</u></b>	<u>32,491</u>	<b><u>33,634</u></b>	<u>32,491</u>
Balance at 30 September	<b><u>33,634</u></b>	<u>32,491</u>	<b><u>33,634</u></b>	<u>32,491</u>

**24. Commitments under operating leases**

The group has minimum lease payments under non-cancellable operating leases as set out below:

<b>Group</b>	<b>2021 Other £</b>	<b>2021 Land &amp; Buildings £</b>	2020 Other £	2020 Land & Buildings £
Not later than one year	<b>30,970</b>	<b>107,351</b>	35,727	105,538
Later than one year and not later than five years	<b>22,119</b>	<b>344,438</b>	23,217	59,979
Later than five years	-	<b>26,000</b>	-	-
Total	<b><u>53,089</u></b>	<b><u>477,789</u></b>	<u>58,944</u>	<u>165,517</u>

**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

**24. Commitments under operating leases (continued)**

Charity	2021 Other £	2021 Land & Buildings £	2020 Other £	2020 Land & Buildings £
No later than one year	7,894	92,413	7,270	89,900
Later than one year and not later than five years	8,203	323,387	14,175	51,800
Later than five years	-	26,000	-	-
Total	<u>16,097</u>	<u>441,800</u>	<u>21,445</u>	<u>141,700</u>

**25. Statement of funds**

Group	Balance at 1 October 2020 £	Income £	Expenditure £	Gains/ (losses) and transfers £	Balance at 30 September 2021 £
<b>Operational funds – free reserves</b>	1,000,000	4,257,938	(3,776,330)	(481,608)	<b>1,000,000</b>
<b>Designated funds</b>	939,748	-	-	473,538	<b>1,413,286</b>
<b>Restricted funds</b>	<u>275,562</u>	<u>754,347</u>	<u>(597,893)</u>	<u>-</u>	<b><u>432,016</u></b>
<b>Total funds</b>	<u>2,215,310</u>	<u>5,012,285</u>	<u>(4,374,223)</u>	<u>(8,070)</u>	<b><u>2,845,302</u></b>

Charity	Balance at 1 October 2020 £	Income £	Expenditure £	Gains/(losses) and transfers £	Balance at 30 September 2021 £
<b>Operational funds – free reserves</b>	900,000	2,891,289	(2,599,044)	(292,245)	<b>900,000</b>
<b>Designated funds</b>	633,381	-	-	284,175	<b>917,556</b>
<b>Restricted funds</b>	<u>60,002</u>	<u>514,719</u>	<u>(326,877)</u>	<u>-</u>	<b><u>247,844</u></b>
<b>Total funds</b>	<u>1,593,383</u>	<u>3,406,008</u>	<u>(2,925,921)</u>	<u>(8,070)</u>	<b><u>2,065,400</u></b>

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.

**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

**25. Statement of funds (continued)**

**2020 comparative**

<b>Group</b>	Balance at 1 October 2019	Income	Expenditure	Gains/ (losses) and transfers	<b>Balance at 30 September 2020</b>
	£	£	£	£	£
<b>Operational fund – free reserves</b>	1,000,000	3,918,335	(3,767,798)	(150,537)	<b>1,000,000</b>
<b>Designated funds</b>	806,228	-	-	133,520	<b>939,748</b>
<b>Restricted funds</b>	<u>253,135</u>	<u>344,765</u>	<u>(322,338)</u>	-	<b><u>275,562</u></b>
<b>Total funds</b>	<u>2,059,363</u>	<u>4,263,100</u>	<u>(4,090,136)</u>	<u>(17,017)</u>	<b><u>2,215,310</u></b>

<b>Charity</b>	Balance at 1 October 2019	Income	Expenditure	Gains/ (losses) and transfers	<b>Balance at 30 September 2020</b>
	£	£	£	£	£
<b>Operational fund – free reserves</b>	900,000	2,694,104	(2,711,998)	17,894	<b>900,000</b>
<b>Designated funds</b>	668,292	-	-	(34,911)	<b>633,381</b>
<b>Restricted funds</b>	<u>82,361</u>	<u>158,732</u>	<u>(181,091)</u>	-	<b><u>60,002</u></b>
<b>Total funds</b>	<u>1,650,653</u>	<u>2,852,836</u>	<u>(2,893,089)</u>	<u>(17,017)</u>	<b><u>1,593,383</u></b>

**Restricted Fund Balances**

<b>Group</b>	Balance at 30 September 2020	Income	Expenditure	<b>Balance at 30 September 2021</b>
	£	£	£	£
Critical Habitat Fund	108,258	52	(30,406)	<b>77,904</b>
Biomass Boiler Fund	23,827	-	(12,488)	<b>11,339</b>
Important Marine Mammal Project	15,688	49,554	(48,765)	<b>16,477</b>
Orca Research Projects	12,655	16,061	(23,373)	<b>5,343</b>
North Atlantic Right Whale Projects	15,799	7,366	(23,165)	<b>-</b>
Project funds (UK and US)	20,487	264,647	(195,241)	<b>89,893</b>
US Education project	78,581	111,940	(133,890)	<b>56,631</b>
Salt Quay Fund	267	-	(267)	<b>-</b>
Sousa project	-	192,227	(93,736)	<b>98,491</b>
Green Whale project	-	112,500	(36,562)	<b>75,938</b>
	<u>275,562</u>	<u>754,347</u>	<u>(597,893)</u>	<b><u>432,016</u></b>
<b>Charity</b>				
Sousa project	-	192,227	(93,736)	<b>98,491</b>
Green Whale project	-	112,500	(36,562)	<b>75,938</b>
Biomass Boiler Fund	23,827	-	(12,488)	<b>11,339</b>
Project funds	20,487	160,438	(135,326)	<b>45,599</b>
Important Marine Mammal Project	<u>15,688</u>	<u>49,554</u>	<u>(48,765)</u>	<b><u>16,477</u></b>
	<u>60,002</u>	<u>514,719</u>	<u>(326,877)</u>	<b><u>247,844</u></b>

Whale and Dolphin Conservation  
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**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

**25. Statement of funds (continued)**

**Restricted Fund Balances – 2020 comparative**

	Balance at 30 September 2019	Income	Expenditure	Balance at 30 September 2020
Group	£	£	£	£
Critical Habitat Fund	93,500	22,842	(8,084)	<b>108,258</b>
Biomass Boiler Fund	38,376	-	(14,549)	<b>23,827</b>
Important Marine Mammal Project	6,510	50,728	(41,550)	<b>15,688</b>
Orca Research Projects	6,062	16,719	(10,126)	<b>12,655</b>
North Atlantic Right Whale Projects	42,883	19,814	(46,898)	<b>15,799</b>
Project funds (UK and US)	61,865	118,383	(159,761)	<b>20,487</b>
US Education project	-	116,279	(37,698)	<b>78,581</b>
CRM system Fund US	1,626	-	(1,626)	-
Reward Fund	2,033	-	(2,033)	-
Salt Quay Fund	280	-	(13)	<b>267</b>
	<u>253,135</u>	<u>344,765</u>	<u>(322,338)</u>	<u><b>275,562</b></u>
<b>Charity</b>				
Biomass Boiler Fund	38,376	-	(14,549)	<b>23,827</b>
Project funds	37,475	108,004	(124,992)	<b>20,487</b>
Important Marine Mammal Project	6,510	50,728	(41,550)	<b>15,688</b>
	<u>82,361</u>	<u>158,732</u>	<u>(181,091)</u>	<u><b>60,002</b></u>

**26. Analysis of net assets between funds**

Group	Restricted funds £	Unrestricted funds £	Total £
<b>Fund balances at 30 September 2021 are represented by:</b>			
Tangible fixed assets	-	82,840	82,840
Current assets	432,016	2,781,153	3,213,169
Current liabilities	-	(339,571)	(339,571)
Long term liabilities	-	(111,136)	(111,136)
<b>Total net assets</b>	<b><u>432,016</u></b>	<b><u>2,413,286</u></b>	<b><u>2,845,302</u></b>
<b>Charity</b>			
<b>Fund balances at 30 September 2021 are represented by:</b>			
Tangible fixed assets	-	32,647	32,647
Current assets	247,844	2,058,073	2,305,917
Current liabilities	-	(273,164)	(273,164)
<b>Total net assets</b>	<b><u>247,844</u></b>	<b><u>1,817,556</u></b>	<b><u>2,065,400</u></b>

**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

**26. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds (prior year)**

<b>Group</b>	<b>Restricted funds</b>	<b>Unrestricted funds</b>	<b>Total</b>
	£	£	£
<b>Fund balances at 30 September 2020 are represented by:</b>			
Tangible fixed assets	-	86,332	86,332
Current assets	275,562	2,231,254	2,506,816
Current liabilities	-	(256,237)	(256,237)
Long term liabilities	-	(121,601)	(121,601)
<b>Total net assets</b>	<b>275,562</b>	<b>1,939,748</b>	<b>2,215,310</b>

<b>Charity</b>	<b>Restricted funds</b>	<b>Unrestricted funds</b>	<b>Total</b>
	£	£	£
<b>Fund balances at 30 September 2020 are represented by:</b>			
Tangible fixed assets	-	54,689	54,689
Current assets	60,002	1,678,779	1,738,781
Current liabilities	-	(200,087)	(200,087)
<b>Total net assets</b>	<b>60,002</b>	<b>1,533,381</b>	<b>1,593,383</b>

**27. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

<b>Consolidated</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>Net income for the year</b>	<b>644,965</b>	155,947
<b>Adjustments for:</b>		
Depreciation	29,318	27,649
Investment (gain)/loss	(6,903)	17,017
Decrease/(increase) in stocks	4,291	(13,749)
(Increase) in debtors	(180,026)	(177,532)
Increase/(decrease) in creditors	83,334	(82,050)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>574,979</b>	<b>(72,718)</b>

**Reconciliation of net income to net cash flow from operating activities**

<b>Charity</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>Net income/(expenditure) for the year</b>	<b>486,990</b>	(57,270)
<b>Adjustments for:</b>		
Depreciation charges	22,042	18,460
Investment (gain)/loss	(6,903)	17,017
(Increase) in debtors	(155,661)	(173,729)
(Decrease)/increase in creditors	73,077	(71,994)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>419,545</b>	<b>67,516</b>

**Notes to the financial statements**  
**Year ended 30 September 2021 (continued)**

**28. Analysis of cash and cash equivalents**

**Consolidated**

	2021 £	2020 £
Cash at bank	<u>1,853,377</u>	1,326,111
<b>Total cash and cash equivalents at year end</b>	<u><b>1,853,377</b></u>	<u>1,326,111</u>

**Charity**

	2020 £	2019 £
Cash at bank	<u>1,191,747</u>	792,787
<b>Total cash and cash equivalents at year end</b>	<u><b>1,191,747</b></u>	<u>792,787</u>

**29. Analysis of changes in net debt**

**Consolidated**

	At 1 October 2020 £	Cash flows £	At 30 September 2021 £
Cash	1,326,111	527,266	<b>1,853,377</b>
Loans	<u>(121,601)</u>	<u>10,465</u>	<u><b>(111,136)</b></u>
<b>Total</b>	<u><b>1,204,510</b></u>	<u><b>537,731</b></u>	<u><b>1,742,241</b></u>

**Charity**

	At 1 October 2020 £	Cash flows £	At 30 September 2021 £
Cash	<u>792,787</u>	<u>398,960</u>	<b>1,191,747</b>
<b>Total</b>	<u><b>792,787</b></u>	<u><b>398,960</b></u>	<u><b>1,191,747</b></u>

**30. 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 £54,921 (2020: £54,148) for management charges provided by the charity. Interest of £1,000 (2020: £1,200) was charged on the loan from the charity to the trading company. During the year the charity was repaid £50,940 (2020: advance of £21,901). A balance of £90,503 (2020: £141,443) was owed to the charity by WDC (Trading) Ltd at the year end.

A grant of £25,058 was made to the charity by WDC (NA) during the year to support their projects (2020: £7,327). A grant of £35,320 (2020: nil) was paid by the charity to WDC (NA) to support projects. No funds are owed to the charity by WDC (NA) at the year end (2020: £nil).

A grant of £3,773 (2020: nil) was made by WDC Germany to the charity during the year. No funds are owed to the charity by WDC Germany at the year end (2020: £nil).

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 £1,964 (2020: £2,322) to support their campaigns and conservation projects.