



Conservation   Climate Change   Sustainability

---

# WWF-UK's Annual Report and Financial Statements

30 June 2011

## **Report of the Board of Trustees and Directors For the year ended 30 June 2011**

### **OUR MISSION**

WWF's mission is to stop the degradation of the planet's natural environment, and to build a future in which humans live in harmony with nature by:

- conserving the world's biological diversity;
- ensuring that the use of renewable natural resources is sustainable;
- reducing pollution and wasteful consumption.

### **SUMMARY**

This report covers the following areas:

- key examples of our work around the world and in the UK
- a review of activities to achieve objectives
- our focus for next year
- financial review
- management
- governance

## INTRODUCTION

WWF-UK's worldwide conservation work focuses on long-term, large-scale programmes designed not only to counter biodiversity loss and provide solutions to the many challenges facing the natural world, but also to safeguard the livelihoods of some of the planet's poorest and most vulnerable people.

We develop practical conservation solutions on the ground and pursue policy initiatives at regional, UK, EU and global levels to promote good governance of the world's natural resources. This work is largely done through the three strands of our five-year strategy, agreed in 2008: safeguarding the natural world, tackling climate change and changing the way we live. Working with governments, businesses, communities, schools and others, this strategic plan is helping us to deliver a One Planet Future in which people and nature thrive.



Much of our international programme work is done through Global Initiatives (GIs), many of which operate in areas where the most critically endangered wildlife and the least protected habitats are found. However, the origins of many of the world's environmental problems lie in developed countries, including the UK, and in our everyday attitudes and behaviour – for example, our consumption of natural resources.

While we direct the bulk of our conservation expenditure towards our global programmes, we also seek to influence international environmental issues through responsible actions in the UK. In that respect, we are active in England, Northern Ireland, Scotland and Wales, where we focus on how to reduce the UK's ecological footprint – the environmental impact we make on the wider world.

## **OUR NEW PRESIDENT – HRH THE PRINCE OF WALES**

During the year HRH The Prince of Wales accepted our invitation to become President of WWF-UK. He succeeds HRH Princess Alexandra, the Hon Lady Ogilvy, who has retired from the position after 29 years.

The Prince of Wales has long been an advocate of environmental issues and has worked with WWF and other organisations over the years to help protect and preserve some of the planet's most fragile ecosystems and habitats. In welcoming him to his new position, we look forward to developing our shared commitments in the years ahead.

We also thank and pay tribute to Princess Alexandra, who so strongly supported our work over the decades. We remember with particular gratitude her kindness and compassion in 2006 when 24 people, including two WWF-UK staff, lost their lives in a helicopter crash in Nepal. She attended a memorial service in Godalming, and met bereaved families and colleagues afterwards. She now retires from the Presidency with our many good wishes.

## **OUR 50TH ANNIVERSARY**

This year is the 50th anniversary of our foundation. It has been marked throughout the year by a number of high-profile events, including the publication by Royal Mail of a set of commemorative stamps; the launch of a special 50p coin by the Royal Mint; and the release of *Astonish Me*, a short film by the acclaimed screenwriter and WWF ambassador Steven Poliakoff, which was shown in Odeon cinemas nationwide. In addition, Sir David Attenborough gave a full-length video interview which was widely shown around the world; WWF ambassador Jonathon Porritt delivered an anniversary lecture at the Hay Literary Festival; and designer Fiona Stephenson helped us create a chalk stream show garden at the RHS Hampton Court Flower Show, which was featured on BBC television and other media.

Our 50th anniversary campaign, The Panda Made Me Do It, enabled the public to become involved in a range of WWF activities. As part of this campaign, WWF and a dominant panda logo featured on billboards and bus shelters across Britain.

## **SIR ARTHUR NORMAN – TRUSTEE EMERITUS**

We were deeply saddened to learn of the death of Sir Arthur Norman, who was twice our chairman – from 1977 to 1984, and from 1987 to 1990. As well as being a committed conservationist, Sir Arthur had a distinguished war record and was a successful businessman. We are grateful for his unstinting support over many years, and proud of his long-standing association with WWF-UK.

## KEY EXAMPLES OF OUR WORK

### *Safeguarding the natural world*

Significant steps were taken during the year to almost double the protected habitat in south west Primorskii Krai – habitat of the last remaining wild Amur leopards and an important population of Amur tigers in Russia. This has taken many years to achieve, and follows much hard advocacy work by the WWF Amur office. Leopard numbers in sample areas are showing an increase of 30%, and the enlarged protected habitat is now home to 80-90% of all Amur leopards in the wild. In the far east of Russia, one of our video camera ‘traps’ captured rare footage of Amur leopards – one with a growing cub in tow. With fewer than 40 of these critically-endangered big cats left in the wild, such evidence is really encouraging.

In the Varzea region of the Amazon, WWF and the Amazon Institute for Environmental Research (IPAM) achieved a significant result when 15 local communities gained legal recognition of their land management systems. This will benefit 35,000 people in an area of 2,300 sq km and will dramatically improve fish stocks, fishing rights of communities and bring clear financial gains. As a result, this project is now completed and will be wound up, although we recognise the need for continued vigilance if these gains are to be permanently maintained. Meanwhile, surveys in three communities have shown a 50% rise in the prized pirarucu fish numbers over the last three years, thanks to better monitoring and community harvesting. In addition, our work to protect turtle nesting beaches in Aritapera has resulted in higher turtle densities.

The WWF-HSBC Climate Partnership in China supported the Chinese government in reconnecting 50 lakes back to the Yangtze during the year. This greatly improves the water quality of the lakes, allows fish stocks to be replenished, and increases the flood storage capacity of the river. A survey across protected areas (3,200 cu km) of the Yangtze shows that numbers of water birds, and other species of birds, mammals, reptiles and fish have improved – not least the endangered finless porpoise. The area is part of a protected area network covering 185,000 cu km.

An official Norwegian/Russian commission has revealed that illegal fishing in the Barents Sea has been eliminated. This notable success is in large part due to WWF's representations to the Russian government, and our promotion of Marine Stewardship Council certification in the region. Now, 30% of Russia's cod and haddock quota is being fished sustainably, and this is expected to rise to 50% by the end of the year.

In Nepal we're helping to safeguard the greater one-horned rhino by supporting improved protection from poaching and effective management of its habitat. And our conservation efforts are paying off, according to a new count which we helped fund and undertake. The population has grown significantly from 435 to 534 since the last count in 2008. The rhino is currently listed as ‘vulnerable’ in the IUCN red list of threatened species.

Our joint initiative with India's Uttar Pradesh forest department – to release 195 gharials (the critically-endangered crocodile species) into a protected habitat along the River Ganges – started back in 2009. In 2011, 150 of these released gharials were found again – this is a significant success, which offers hope for the future of the species. In 2007, the total breeding population of gharials in the world was estimated to be lower than 200.

#### *Tackling climate change*

The oil and gas industry and the UK government have agreed to provide compensation to the renewables industry if leases (or agreements to lease) awarded to them are withdrawn. This follows intense engagement by WWF, and a statement by the Secretary of State for Energy and Climate Change, in which he said that no offshore wind farm lease would be terminated or amended without appropriate compensation.

In addition, we have been advising the government and senior civil servants on the shape of new aviation policy. Corporate members of our One in Five Challenge – in which organisations pledge to cut their air travel by 20% – have reduced their flights by 33,000, and as a result have saved 6,000 tonnes of CO<sub>2</sub> and some £6m in costs. The government has now pledged a 20% cut in its own domestic flights by 2015.

#### *Changing the way we live*

Continuing pressure from WWF has contributed to a commitment by the major UK retailers and 25 manufacturers of palm oil to introduce certified sustainable products by 2015. Already, the first sustainable oil has arrived in Europe, and we are working to ensure that the Roundtable on Sustainable Palm Oil (the organisation promoting global benchmarks in the industry) operates credibly in terms of monitoring, policing, enforcing and maintaining its standards.

Meanwhile, our work on responsible soy products continues. Waitrose has committed to selling 100% sustainable products by 2015. In addition, Morrisons, J Sainsbury and Biomar (fish feed) have joined Asda and M&S in a certification scheme, with the Co-op to follow.

Our advocacy work in the Pacific region has been followed by a fishing bycatch policy which has been developed and launched across the island countries that own 75% of Pacific tuna stocks. The Papua New Guinea national fisheries authority has also agreed to start a circle hook trial with a longline fishing company. We regard these developments as important steps forward in our work to promote sustainable fishing in the Pacific.

Our work with M&S has produced compelling results in an Indian cotton project. In 2010, we worked with more than 4,000 cotton farmers to reduce water use by 51%, pesticide (active ingredient) use by 81% and fertiliser use by 53%, compared with those who did not use best practice methods. This year we are working with 6,000 farmers to help them produce Better Cotton – cotton grown in a way that reduces stress on the local environment and improves the livelihoods and welfare of farming communities. M&S will fund the project until 2015, and it is hoped that increasing demand from retailers for Better Cotton will help drive change in the market, and bring about best practice across large areas of irrigated cotton production in India and beyond.

### *Communicating and influencing*

During the first year of the coalition government we continued ministerial meetings, particularly with the Department of Energy and Climate Change and the Department for Environment, Food and Rural Affairs and their advisers. We also maintained contact with their shadows and 27 new backbench MPs. The Government's anticipated Energy Bill includes provisions which are the result of many years of WWF campaigning on low-carbon homes in particular. Two new all-party parliamentary groups have been established with the support of WWF – one on business and the environment and the other on international development and the environment.

*Green Ambassadors*, our One Planet Schools flagship programme, aims to build a group of motivated, well-informed and skilled student teams to drive action on sustainability in their schools, so as to reduce their environmental footprint. Good progress has been made, not least in the form of sponsorship by BT.

"What wood you choose?" is the title of our EU-funded forests campaign, launched with WWF partners in Germany, Indonesia and Central Africa. It aims to raise awareness of the links between the timber trade and consumption in the EU, and social and environmental impacts in developing countries, with a particular focus on Indonesia and the Congo Basin. It also encourages consumers, industry and (in the UK) local authorities to choose credibly certified timber products above others.

WWF-UK hosted the launch of the 2010 Living Planet Report at the prestigious Wildscreen Festival in Bristol.

### *Funding our work*

Our major fundraising focus was on the Year of the Tiger. A series of fundraising and campaigning activities including a tiger petition (which generated more than 120,000 signatures), street campaigning, donor appeals and supporter communications concentrated on the build-up to the St Petersburg tiger summit in December 2010. At the summit itself, WWF's Global Tiger Recovery Programme was endorsed by leaders from countries with wild tiger populations. The World Bank has provided US\$100m of loans to three tiger range countries for conservation work, and the Global Environment Facility agreed to provide US\$12m in new funding to regional tiger projects that show benefits for biodiversity and reductions in carbon emissions. This is a good start, but US\$350m is still needed from the international community to support this work.

Our application to the Department for International Development for a new Programme Partnership Arrangement (PPA) has been successful, with £3m provisionally allocated for the first year of this three-year arrangement. We need to demonstrate outcomes of our current PPA work to secure funding in subsequent years.

Marks & Spencer's Forever Fish is a new Plan A campaign which will invest £1.5m over three years in WWF marine projects across the UK, and in the Pacific and Indian Oceans. In-store, M&S is promoting sustainably-sourced fish and introducing lesser known species. Plan A, launched in 2007, sets out 180 commitments by M&S, to be achieved by 2015, to combat climate change, reduce waste, use sustainable raw materials, trade ethically, and help its customers to lead healthier lifestyles.

Our rainforest work with Sky continues – not only through the Rainforest Rescue Schools Challenge and Global Action Plan, but also through our supporter recruitment efforts. So far, Sky has helped raise in excess of £500,000 in one-off donations and has recruited some 17,000 new direct debit supporters worth more than £1m a year. This means that Sky is largely on track to reach the £2m fundraising target from its customers over the three years of our partnership.

## **REVIEW OF ACTIVITIES TO MEET OUR OBJECTIVES**

In last year's Trustees' Report, ten objectives were identified for 2010/11. We report back on them here:

### **Safeguarding the natural world**

#### *1. Tigers*

Work across the WWF Network to support the Tiger Summit in St Petersburg to raise international and national political support for tiger conservation.

- Achieved. Extensive Network-wide activity resulted in major progress at the tiger summit. The WWF-initiated goal of doubling wild tiger numbers by 2022 was included in the summit's declaration. WWF has been appointed technical adviser to put monitoring processes in place.

Carry out a specific fundraising campaign for tiger conservation work.

- Achieved. There will be a Network-wide campaign over 18 months, with an agreed theme of 'zero poaching'.

Develop a new programme of work in the Western Ghats of south India.

- Achieved. A new programme has been agreed and will be launched in 2012.

#### *2. Forests*

Support the Acre state government in Brazil in establishing a fund to compensate smallholders for leaving forests intact.

- Under way. Following government elections, progress has been slower than we would wish, but is now gathering pace. The first tranche of payments has been made. Financial support has also been provided to rubber tappers in the project area (including the provision of 37 rubber processing units) to enable them to convert raw latex into sheets of semi-processed rubber that command a higher market price.



Galvanise Network support for a strong EU illegal logging campaign (FLEGT – Forest Law Enforcement, Governance and Trade), through communications focused on consumers and businesses.

- Continuing. Our *What Wood You Choose?* campaign is making excellent progress in raising awareness among consumers, key industry sectors and policy-makers in the UK.

Combine the annual Global Forest & Trade Network (GFTN) meeting with a UK FTN 20-year celebration, and a FLEGT trade fair.

- This combined event was held in September 2011, at which HRH The Prince of Wales made a keynote speech.

### 3. Freshwater

Work with WWF-China and others to provide the Beijing government with robust guidance on its long-term water policy, and draft the Network's first joined-up Yangtze strategy.

- Achieved. Our guidance formed a central component of the new Chinese national water allocation policy. Our target of reconnecting 50 floodplain lakes to the Yangtze has been reached. A survey carried out across protected areas of the Central and Lower Yangtze has demonstrated that the number of water-bird species has increased, compared with 2004, and that the status of 14 other species of birds, mammals, reptiles and fish have also improved. We have drafted a *River-Lake reconnection guidance for fisheries*, which will be adopted throughout China.

Deliver a compelling business case for SABMiller's subsidiaries to invest in river basin management initiatives and share findings with other companies to help them develop their business case.

- Good progress, but slower than anticipated. Business risk assessments have been done and action plans are being developed by SABMiller subsidiaries in South Africa, Tanzania and Ukraine. The aims of these management initiatives are to reduce risks to water such as scarcity and pollution that affect the environment as well as users, including businesses and local communities.

Use our Judicial Review of the Water Framework Directive, our new 'Itchen Initiative' and our Save Water Swindon project to drive improvements to national water policy in England.

- Good progress. WWF's legal action was followed by an additional £110m government investment to improve water quality in the UK. Defra also agreed to substantially improve its implementation of the Water Framework Directive. The Itchen Initiative Advisory Panel agreed ways of addressing water abstraction which we hope will be included in the government's forthcoming White Paper. And Ofwat, working with WWF, will develop price control regulations to encourage water companies to reduce unsustainable abstraction.

## **Tackling climate change**

*4. Lead coordination of capacity building for climate change adaptation across the Network, and ensure that UK programmes are Climate Smart.*

Have the three-year Network Adaptation Strategy and Annual Network Workplan approved by the Conservation Committee (in October 2010).

- Achieved. A plan for 2011/16 has been approved by the Conservation Committee and discussions are continuing about resourcing and implementation.

Climate change adaptation is mainstreamed into all new projects and proposals.

- Good step-by-step progress has been made in Tanzania and the Eastern Himalayas, and global WWF Network standards have been finalised. These will help current and future programmes identify and address climate change impacts.

*5. Raise the level of ambition of the UK's efforts to make a reality of a low-carbon economy*

This to include an effective green investment bank, a tight emissions performance standard, and an extensive Pay As You Save (PAYS) scheme, positioning the UK as a genuine leader in growing EU ambition on emissions cuts.

- Major progress has been made on a green investment bank able to raise money by issuing bonds. However, the Emissions Performance Standard being planned by the UK government falls well short of ambitions announced by the coalition parties when in opposition, and considerably more work is required here. We have gained concessions on PAYS, but our work continues as a top priority.

## **Changing the way we live**

*6. Support the WWF Network to establish a clear framework for a sustainable consumption work stream that gives clear focus and boundaries to our work in this area.*

Good progress. WWF-UK has led on the green economy component of the Network Footprint Strategy. This strategy aims to promote a coherent approach across the network to our work towards ensuring that mankind's global footprint stays within the Earth's biocapacity. It focuses on three inter-related areas: a green economy, resource use, and cities and consumption. Despite our progress, there remains much to be done in our work to tackle over-consumption, particularly in many of the world's developed countries, if we are to safeguard biodiversity.

## **Communicating and influencing**

*7. Celebrate WWF's 50th Anniversary with a step change in WWF's visibility and influence, inspiring decision-makers and the public to take action on our behalf.*

- Excellent progress continues. We achieved outstanding media coverage of the anniversary and we launched a high-profile 'The panda made me do it' campaign. We exhibited at the RHS Hampton Court Flower Show; Royal Mail published a set of commemorative stamps; the Royal Mint issued a special 50p piece which featured the Panda logo on the reverse; Sir David Attenborough gave us a full-length video interview which was shown around the world; and WWF ambassador Stephen Poliakoff scripted *Astonish Me*, a short film which was shown in Odeon cinemas throughout the country. Other events and activities continue.

*8. Run a successful Earth Hour*

Secure more funds and sign-ups than in 2010, with more people across the UK associating the event with WWF.

- This year's Earth Hour drew the attention of the Prime Minister and all UK party leaders. According to an NfP Synergy poll, more people than in previous years – indeed, 35% of the UK population – had heard of the event, and many went on to support our work afterwards. Our first Earth Hour financial sponsor [MORE THAN (RSA)] facilitated an event in which 60 WWF cyclists produced the power to illuminate the exterior of the Royal Albert Hall with images of endangered species.

## **Funding our work**

*9. Get the whole organisation behind the need to raise funds*

- Ensuring that all relevant staff had clear objectives relating to fundraising support, we launched a new staff fundraising initiative to support a project chosen by them. The project selected was in support of the critically endangered western gray whale – we now intend to tackle an offshore oil and gas development proposed in their breeding area off the east coast of Russia.

## **Getting ourselves in shape**

*10. Refresh our five-year strategic plan*

Assess progress to date, resolve certain critical implementation issues, and inform our annual planning process.

- The refreshed strategic plan was approved by the Trustees in December 2010. As part of the plan, we have developed a three-year budget and we are continuing to improve processes of account management and project delivery.

## **OUR FOCUS FOR NEXT YEAR**

Our objectives for 2011/12 include:

### **Safeguarding the natural world**

#### 1. Common Fisheries Policy reform

- We will press for reformed Common Fisheries Policy regulation by June 2012, to reflect the key priorities for sustainable fisheries which we have advocated – specifically relating to bycatch reduction, decentralised regional governance and mandatory long-term management plans that are ecosystem-based.

#### 2. Brazilian Forest Programme

- We will help establish a national forest initiative in Brazil that is in line with WWF's guiding principles for reduced emissions from deforestation and degradation, and which supports sustainable development.

### **Tackling climate change**

#### 3. Low-carbon UK

- The UK government introduces the 2012 Energy bill with ambitious support for renewables and energy demand reduction, and with any support for unsustainable technologies being fully transparent and reduced to a minimum.

### **Changing the way we live**

#### 4. Green economy

- WWF policy interventions at national and international levels will contribute to the UK government presenting proposals at the Rio+20 conference which support our green economy asks; action on the conference's conclusions will inform our future advocacy work directed at the government.

#### 5. Livewell

- By the end of 2012 WWF-UK will have advocated for the UK government to integrate sustainability criteria into healthy eating advice and identified the principles of a sustainable diet – one that is good for the health of people and the planet, consistent with our Livewell principles.

### **Communicating and influencing**

#### 6. Increase our reach

- Through Earth Hour, Rio+20 and the 2012 Olympic Games we increase understanding of our mission and support for our cause.

#### 7. Build our supporters' influence

- Engage with opinion-leading supporters in new ways online, building connections with people who work in their own way for a future in which people and nature thrive, supported by WWF.

## **Funding our work**

### 8. Corporate partnerships

- Develop three new major corporate partnerships to 'letter of intent' stage, which will help us achieve our mission.

### 9. Increase our support to the Network

- Invest £800,000 in WWF Network fundraising initiatives to help build a strong fundraising capacity among WWF National Organisations.
- Continue our leadership role in WWF Network fundraising and host a conference of fundraising leaders.

## **Getting ourselves in shape**

### 10. Develop a new five-year strategy

- The existing strategy runs through to June 2013 and by December 2012 we will have developed the strategy for the next five years. This will clearly articulate the UK and global priorities that WWF will be addressing, and will set out the ways in which we will assess our progress towards achieving our aims.

### 11. Prepare for the move to the Living Planet Centre

- Building work on the Living Planet Centre – our new headquarters in Woking – is scheduled to commence in early 2012 with a move planned in 2013. During the year to June 2012 we will develop plans to ensure that we are ready to move and to adopt new working practices. These will ensure that we benefit from the opportunity to improve our efficiency and effectiveness.

## **FINANCIAL REVIEW**

Total income for the year for the Group (comprising WWF-UK and WWF-UK (World Wide Fund For Nature) Trading Ltd), excluding gifts in kind, was £55.7m. This was a little under £1.0m (2%) less than that achieved in the previous year, attributable to a reduction of £3.3m in the income from government and EC grants due to the timing of instalments of EC grants and a reduction in income from DFID. The latter was partly a reflection of the fact that the instalments under the old contract with DFID reduced towards the end of the contract and partly due to the fact that the value of the new contract with DFID, which commenced in April 2011, is reduced by approximately £1m per annum.

Excluding the reduced income from government and the EC, income increased by £2.3m (4.1%). There was a further increase of £3.7m (15%) in membership and donations from individuals following the previous year's 17% increase. Against this there was reduction of £1m (10%) in income from corporate sponsorships and donations mainly as a result of the profile of instalments during the latter part of the contract with HSBC which expires in December 2011. We hope that a further contract will be agreed with HSBC for the following period.

Fundraising expenditure, excluding gifts in kind, increased by 13% from £12.4m to £14.0m as a result of the continued increased investment in growing the number of regular supporters. This saw the number of direct debit givers increase from approximately 303,000 to nearly 337,000 by the end of the year. This increase should benefit the charitable activities of WWF-UK for a number of years. As referred to in Note 5 to the Accounts, the methodology applied in the allocation of costs has been changed from previous years to better reflect the activities of the organisation.

There was an increased spend of 11% in charitable activities (excluding gifts in kind) from £37.6m to nearly £42m; this follows an increase of 7% in the previous year. Further details are provided in Note 5 to the Accounts.

As defined in the SORP, we are showing actual free reserves at 30 June 2011 of £18.6m (see Note 19 to the financial statements). The fact that free reserves at the end of the year stood at £2.6m above the target range is partly attributable to unrealised gains on investments – i.e. the difference between the market value of investments and historic cost.

### **Reserves policy**

The WWF-UK reserves policy, approved by the Finance and Business Committee in September 2008, is based on an assessment of risks to future income flows, and additionally identifies any funding requirements for specific initiatives. The resulting figure is then tested against current rates of expenditure to ensure it is adequate. The policy requires a minimum level of reserves so that WWF-UK can protect its programmatic expenditure in the short term from any sudden drop in income. Although WWF-UK intends to support many of its programmes for a number of years, our reserves provide a low level of financial cover for our activities and we rely on the continuing generosity of our various donors to ensure that we can meet our programmatic and operational obligations.

Applying the assumptions set out in the policy, we have calculated that we would require free reserves of between £12m and £16m (approximately 18 to 25 weeks of unrestricted funds expenditure). It is considered appropriate to maintain free reserves above the top of the reserve range at this time to reflect Trustees' caution in relation to the wider current economic environment. It is our intention that the free reserves will move to within the range over the next three years.

## **GOVERNANCE**

### **Structure, governance and management**

WWF-UK is a charity registered with the Charity Commission for England and Wales (Registration No.1081247) and the Office of the Scottish Charity Regulator (Registration No. SC039593). It is also a company limited by guarantee registered in England and Wales (Registration No.4016725). It was founded in 1961 and was formerly known as the World Wildlife Fund.

WWF-UK is part of the WWF global environment network which is coordinated by WWF International, based in Gland, Switzerland. Within the network we influence and support policy and programme priorities, working with our WWF colleagues worldwide to achieve our mission. Most of our programmatic activity takes place overseas through local WWF operations and other partners to whom we provide grant funding. In the UK, we run other programmes either on our own or in partnership with funders and other complementary organisations and activists. In addition, we undertake some campaigning activity to further our mission. Details of transactions with related parties are included in Note 25 to the Accounts.

The Board of WWF-UK comprises up to 14 unremunerated Trustees, as listed on page 44, who are also the directors of the company limited by guarantee. The Board is responsible for setting policy, agreeing strategy and approving major commitments based on advice from senior management, as well as the appointment of the Chief Executive. Day to day operational matters are delegated by the Board to the Chief Executive who leads a Management Team comprising principal officers.

The Memorandum and Articles of Association of WWF-UK provide that Trustees shall be appointed for periods of up to three years at a time. Trustees may subsequently be appointed for further terms of office (subject to the approval of the Board), provided that each Trustee shall take a minimum break of twelve months when he or she has held office for six years.

The Board has five principal committees – a Finance and Business Committee, an Audit Committee, The Living Planet Centre Committee, a Programmes Committee and a Nominations and Remuneration Committee. The Finance and Business Committee is responsible for reviewing WWF-UK's financial performance, and matters relating to management and organisation issues. There are two sub-committees of the Finance and Business Committee. These are the Investment Committee and the Pensions Committee. The Audit Committee is responsible for investigating and reporting on internal control systems and risk management. The Living Planet Centre Committee's purpose is to manage and oversee, until its completion, the project to build a new green exemplar headquarters building for WWF-UK. The Programmes Committee advises the Board of Trustees on strategic issues affecting conservation programmes and related activities. The Nominations and Remuneration Committee is responsible for recommending new trustees to the Board and for confirming changes to payroll policies and the remuneration of the Chief Executive. Membership of all these committees is detailed on page 45 of this report.

The Nominations and Remuneration Committee considers potential new candidates, by examining a 'skills matrix' showing the current skills and experience of the Board, and proposes candidates who would best complement the current profile. The Committee makes recommendations to the Board of Trustees for decision.

Following approval of the appointment by the Board, the new Trustee is invited to a Trustee induction at the WWF-UK offices, where he/she will learn about the organisation; learn about the role and responsibilities of a trustee (including receiving an induction pack of relevant information, e.g. the Charity Commission guidance on *The Essential Trustee*; the WWF-UK governing documents; the annual report and accounts etc); and also meet the Chief Executive and members of the Management Team.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable laws and regulations. United Kingdom company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group as at the end of the financial year, and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a '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 which disclose with reasonable accuracy at any time the financial position of the charitable company and the group. This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006, the Charities Act 1993, the Charities Accounts (Scotland) Regulations 2006 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for the systems of internal control, for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Auditors**

Each person who is a director at the date of approval of this report confirms that:

(1) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(2) The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **Basis of accounts**

The Report and Statements for the year ended 30 June 2011 appear in the format required by the Accounting and Reporting by Charities Statement of Recommended Practice (revised 2005). They also comply with the Companies Act 2006.



### **Post-balance sheet events**

There are no significant post-balance sheet events to report.

### **Environmental policy**

As a direct consequence of our working activities, it is inevitable that WWF-UK has both positive and negative impacts on the environment. However, as an environmental charity, it is incumbent upon us to reduce any negative impacts to a minimum. We are also committed to encouraging our staff, suppliers and supporters to reduce their own negative impacts.

In that respect, we are ISO 14001 certified. ISO 14001 is an internationally recognised and independently audited environmental standard that is awarded only after rigorous appraisal. Our certification recognises a commitment to environmental excellence and involves a process of continual monitoring and targeted improvement.

### **Public benefit**

WWF-UK is a leading independent environmental charity which addresses global threats to people and nature such as climate change, and the unsustainable consumption of the world's natural resources. We do this by promoting education in nature conservation, the natural environment and the sustainable use of natural resources and ecological processes; by the conservation for the public benefit of fauna and flora, water, soil and other natural resources; and the promotion and support of scientific and educational studies, research and projects and publication of scientific and educational works.

In reviewing our charitable objectives and as part of planning our future programme of work, we the Trustees of WWF-UK, have taken account of the Charity Commission's guidance on public benefit. We have considered how our planned programme of work will consistently contribute to the charity's aims and objectives. Our main areas of charitable activity are detailed throughout this report.

### **Equal opportunities policies**

WWF-UK is committed to a policy of equality of opportunity in all areas of employment. To encourage diversity in the workplace, formal policies in equal opportunities, disability and harassment have been developed and communicated to staff. General training on these policy areas is provided to staff and training is also provided in areas such as recruitment and personal development reviews.

### **Consultation with and provision of information to employees**

The Trustees and Management Team encourage widespread consultation and exchange of information at all levels of the organisation. To comply with the requirements of the Information and Consultation (I&C) Regulations 2004 there is a formal agreement between employer and employees that has created a staff forum.

## **Performance management**

WWF-UK has in place an appraisal system which is linked to an organisational emphasis on performance management. This system incorporates a set of success factors which describe behavioural standards and the skills and knowledge we all need to effectively deliver WWF-UK's strategy. Ratings are included to provide a clear indication of performance level, and 360-degree feedback is in use to provide a more rounded view of performance for all staff. The Performance and Development Review (PDR) process, which touches on day to day performance management, as well as managing poor performance, was placed online in 2010.

## **Grant-making policy**

WWF-UK makes donations or grants, in line with its charitable and strategic objectives, to partners in the WWF Network and other conservation organisations.

Many grants are made to long-running programmes, the outcomes of which are reviewed at regular periods.

## **Investment policy**

WWF-UK's investment policy is to maintain the real value of our investments and to maximise income by way of a diversified portfolio consistent with the Trustees' legal powers. This is underpinned by our socially responsible investment policy, which promotes the principles of sustainable development and improvements to the environment.

The policy was last reviewed in 2002/03 and a review of the policy has commenced. It had been planned that a revised policy would be implemented in 2011, but this has been postponed pending completion of a review of the WWF-UK policy on engagement with Business and Industry, the output of which will be taken into account in the Investment Policy.

The performance of investments is measured against appropriate benchmarks. Despite the ethical mandate and the consequent restrictions on stock selection, the long-term performance has been ahead of the composite benchmark over the last three years and five years. The Trustees are also satisfied with the level of dividend income achieved.

## **The management of risk**

The Trustees are responsible for ensuring that WWF-UK has a sound system of internal control to safeguard its assets and funds, and that its policies are implemented and its aims and objectives met. For reasons of cost and practicality, the system of internal control is intended to manage rather than eliminate risks, and to give reasonable rather than absolute assurances.

The Trustees exercise their responsibilities through their board meetings and the meetings of their sub-committees described on page 45. The system of internal control includes:

- A five-year strategic plan, approved by Trustees in June 2008. This covers the aims and objectives of the organisation and is used as a basis for annual planning and quarterly progress reviews, with Trustee updates delivered every six months.
- Annual performance targets and operating plans, with actual performance being monitored at regular intervals.
- A continuing risk management programme. The risk register is reviewed regularly during the year and updates to the register and key risks are reported to the Audit Committee. Three of the principal risks identified are:
  - Risk to income as result of the current economic environment;
  - Risk to capacity to deliver projects due to working in difficult environments;
  - Risk to reputation arising from the actions of WWF-UK or a related party.
- An internal audit programme with findings and progress reviews being reported to the Management Team and the Audit Committee.
- A scheme of delegation from the Trustees to the Chief Executive and thereon to managers in the organisation. The revised scheme delegating authority from the Trustees to the Chief Executive, approved in June 2005 and restated in January 2008, is reviewed annually.
- A governance review, which was performed by the Head of Legal in 2008/09.
- Procedures in place to monitor and evaluate the effectiveness of expenditure on conservation programmes and the achievement of outputs and outcomes.
- An environmental management system to ensure that we monitor and manage our own impact on the environment. We are committed to this and we demonstrate our transparency by annually publishing our performance against the targets we have set ourselves.
- The employment of a brand manager, and a sign-off process, to ensure that external products with which we are associated reflect our values and protect our reputation.
- Due diligence checks on our corporate partners.

On 1 October 2010, Horwath Clark Whitehill changed its name to Crowe Clark Whitehill. Crowe Clark Whitehill has indicated its willingness to be reappointed as statutory auditor.

This report was approved by the Board of Trustees on 15 December 2011 and is signed on their behalf by:

Ed Smith  
Chair of the Board of Trustees

## **Independent Auditor's Report to the Trustees and Members of WWF-UK**

We have audited the financial statements of WWF-UK for the year ended 30 June 2011 set out on pages 22 to 44.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Board of Trustees and Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Board of Trustees and Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Pesh Framjee

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

London

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# Consolidated statement of financial activities

(incorporating income and expenditure account) for the year to 30 June 2011

		Unrestricted funds	Restricted funds	Endowment funds	Total 2011	Total 2010 <small>(Restated)</small>
	Notes	£'000	£'000	£'000	£'000	£'000
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income						
Membership and donations from individuals		19,709	8,944	-	<b>28,653</b>	24,912
Corporate sponsorships and donations		1,070	7,584	-	<b>8,654</b>	9,670
Gifts in kind	22	1,221	789	-	<b>2,010</b>	-
Charitable trusts		244	565	-	<b>809</b>	785
Legacies		9,576	39	-	<b>9,615</b>	10,247
Activities for generating funds						
Lottery promotions		408	87	-	<b>495</b>	411
Trading activities	17	539	-	-	<b>539</b>	813
Investment income	2	488	23	-	<b>511</b>	444
<b>Incoming resources from charitable activities</b>						
Aid agencies and government grants	3	-	4,813	-	<b>4,813</b>	8,073
Income from non-governmental organisations		90	1,567	-	<b>1,657</b>	1,359
<b>Total incoming resources</b>		<b>33,345</b>	<b>24,411</b>	<b>-</b>	<b>57,756</b>	56,714
<b>Resources expended</b>						
<b>Cost of generating funds</b>						
Costs of generating voluntary income						
Membership and donations from individuals		8,912	2,525	-	<b>11,437</b>	9,528
Corporate sponsorship and donations		660	81	-	<b>741</b>	439
Gifts in kind	22	37	789	-	<b>826</b>	-
Charitable trusts		108	-	-	<b>108</b>	237
Legacies		644	-	-	<b>644</b>	588
Lottery promotions		229	-	-	<b>229</b>	243
Fundraising trading: cost of goods sold and other costs		722	-	-	<b>722</b>	1,240
Investment management fees		56	-	24	<b>80</b>	-
Costs of raising aid agency and government grants for charitable activities		96	(19)	-	<b>77</b>	82
<b>Total cost of generating funds carried forward</b>	5	<b>11,464</b>	<b>3,376</b>	<b>24</b>	<b>14,864</b>	12,357

Consolidated statement of financial activities for the period to 30 June 2011 continued

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2011	Total 2010 (Restated)
	Notes	£'000	£'000	£'000	£'000	£'000
<b>Total cost of generating funds brought forward</b>	5	<b>11,464</b>	<b>3,376</b>	<b>24</b>	<b>14,864</b>	12,357
<b>Charitable activities</b>						
Grants and project costs	4,5	13,936	20,576	-	<b>34,512</b>	31,207
Programmatic campaigns	5	308	-	-	<b>308</b>	255
Communicating and influencing	5	2,796	275	-	<b>3,071</b>	2,538
Public awareness	5	3,306	676	-	<b>3,982</b>	3,641
Gifts in kind	22	1,123	-	-	<b>1,123</b>	-
<b>Total cost of charitable activities</b>		<b>21,469</b>	<b>21,527</b>	<b>-</b>	<b>42,996</b>	37,641
<b>Governance costs</b>	5,7	<b>559</b>	<b>-</b>	<b>-</b>	<b>559</b>	514
<b>Total resources expended</b>		<b>33,492</b>	<b>24,903</b>	<b>24</b>	<b>58,419</b>	50,512
<b>Net (expenditure)/income before transfers</b>		<b>(147)</b>	<b>(492)</b>	<b>(24)</b>	<b>(663)</b>	6,202
Gross transfers between funds		384	(384)	-	-	-
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>237</b>	<b>(876)</b>	<b>(24)</b>	<b>(663)</b>	6,202
Net gain/(loss) on investment assets		1,192	-	501	<b>1,693</b>	1,667
<b>Net movement in funds</b>		<b>1,429</b>	<b>(876)</b>	<b>477</b>	<b>1,030</b>	7,869
<b>Total funds brought forward</b>	18	23,045	9,981	3,130	<b>36,156</b>	28,287
<b>Total funds carried forward</b>	18	<b>24,474</b>	<b>9,105</b>	<b>3,607</b>	<b>37,186</b>	36,156

There are no recognised gains or losses in the current or preceding financial year other than as shown in the statement of financial activities.

All activities derive from continuing operations.

# Balance sheet

at 30 June 2011

		<b>Group</b>	<i>Group</i>	<b>Charity</b>	<i>Charity</i>
		<b>2011</b>	2010	<b>2011</b>	2010
	Notes	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Fixed assets</b>					
Tangible fixed assets	11	<b>1,708</b>	566	<b>1,708</b>	566
Investments	12	<b>12,317</b>	10,617	<b>12,317</b>	10,617
<b>Total fixed assets</b>		<b>14,025</b>	11,183	<b>14,025</b>	11,183
<b>Current assets</b>					
Stocks	13	<b>602</b>	756	<b>423</b>	424
Debtors	14	<b>6,502</b>	5,524	<b>7,128</b>	6,301
Short-term deposits		<b>13,098</b>	15,088	<b>13,098</b>	15,088
Cash at bank and in hand		<b>7,738</b>	7,890	<b>6,473</b>	6,869
<b>Total current assets</b>		<b>27,940</b>	29,258	<b>27,122</b>	28,682
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	15	<b>(4,379)</b>	(3,885)	<b>(3,567)</b>	(3,315)
Provisions for Liabilities and Charges	16	<b>(400)</b>	(400)	<b>(400)</b>	(400)
<b>Total current liabilities</b>		<b>(4,779)</b>	(4,285)	<b>(3,967)</b>	(3,715)
<b>Net current assets</b>		<b>23,161</b>	24,973	<b>23,155</b>	24,967
<b>Net assets</b>		<b>37,186</b>	36,156	<b>37,180</b>	36,150
<b>Accumulated funds</b>					
<b>Unrestricted funds:</b>					
General free reserves	18	<b>18,607</b>	15,679	<b>18,601</b>	15,673
Designated reserves	18	<b>5,867</b>	7,366	<b>5,867</b>	7,366
Total unrestricted funds		<b>24,474</b>	23,045	<b>24,468</b>	23,039
<b>Restricted funds:</b>					
Endowment funds	18	<b>3,607</b>	3,130	<b>3,607</b>	3,130
Restricted funds	18	<b>9,105</b>	9,981	<b>9,105</b>	9,981
<b>Total funds</b>		<b>37,186</b>	36,156	<b>37,180</b>	36,150

The financial statements were approved by the Trustees on 15 December 2011 and signed on their behalf by:

Ed Smith  
Chair of the Board of Trustees



# Consolidated cash flow statement

For the period ended 30 June 2011

		2011	2010
	Notes	£'000	£'000
<b>Net cash (outflow)/inflow from operating activities</b>	1.1	<b>(1,176)</b>	4,974
Returns on investments and servicing of finance	1.2	511	444
Capital expenditure and financial investment	1.3	<b>(1,433)</b>	150
Net cash (outflow)/inflow before use of liquid resources		<b>(2,098)</b>	5,568
Management of liquid resources and financing	1.4	<b>1,946</b>	(2,764)
<b>(Decrease)/increase in cash at bank and in hand</b>		<b>(152)</b>	2,804
<b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease)/Increase in cash at bank and in hand in the year		<b>(152)</b>	2,804
(Decrease)/increase in cash on short-term deposit		<b>(1,990)</b>	2,670
Change in net cash arising from cash flows		<b>(2,142)</b>	5,474
Net funds brought forward 30 June 2010		<b>22,978</b>	17,504
<b>Net funds carried forward 30 June 2011</b>	1.5	<b>20,836</b>	22,978
<b>1.1 Reconciliation of incoming/(outgoing) resources to net cash (outflow)/inflow from operating activities</b>			
Net incoming resources before other recognised gains and losses		<b>(663)</b>	6,202
Investment income received	2	<b>(511)</b>	(444)
Depreciation on fixed assets	11	<b>328</b>	369
Decrease/ (Increase) in stocks		<b>154</b>	(335)
Increase in debtors		<b>(978)</b>	(801)
Increase/(decrease) in creditors		<b>494</b>	(67)
Increase in provisions		-	50
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(1,176)</b>	4,974
<b>1.2 Returns on investments and servicing of finance</b>			
Investment income received		<b>259</b>	283
Interest and rents received		<b>252</b>	161
		<b>511</b>	444

Consolidated cash flow statement for the year continued

	<b>2011</b>	2010
	<b>£'000</b>	£'000
<b>1.3 Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<b>(1,470)</b>	(156)
Acquisition of fixed asset investments	<b>(1,777)</b>	(1,710)
Write-off of fixed assets	-	207
Disposal of fixed asset investments	<b>1,814</b>	1,809
	<b>(1,433)</b>	150
<b>1.4 Management of liquid resources and financing</b>		
Increase in cash held for investment	<b>(44)</b>	(94)
Decrease/(increase) in cash on short-term deposit	<b>1,990</b>	(2,670)
	<b>1,946</b>	(2,764)
	At 01	Cash
	July	flow
	2010	June
	£'000	£'000
	2011	£'000
<b>1.5 Analysis of net funds</b>		
Cash at bank and in hand	7,890	(152)
Cash on short-term deposit	15,088	(1,990)
	<b>22,978</b>	<b>20,836</b>
<b>Total</b>	<b>22,978</b>	<b>(2,142)</b>
	<b>20,836</b>	

# Notes to the Accounts

## 1 ACCOUNTING POLICIES

### Basis of accounting

The accounts have been prepared under the historical cost convention, with the exception of listed investments which are included on a market value basis. The accounts have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice (revised 2005), the Charities Accounts (Scotland) Regulations 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and applicable United Kingdom accounting standards. The particular accounting policies adopted by the Trustees are described below and have been applied consistently throughout the current and preceding years.

### Going concern

WWF has adequate financial resources and the Trustees consider it is well placed to manage the business risks. As explained in the Trustees Report, the planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Trustees have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. The accounts have therefore been prepared on the basis that the charity is a going concern.

### Basis of consolidation

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone, as permitted by Section 230 of the Companies Act 2006 and paragraph 397 of the 2005 SORP, but total income and expenditure is given in Note 18.

### Fund accounting

- **Unrestricted funds**

These funds can be used for any of the charity's purposes.

- **Restricted funds**

These funds have been raised by WWF-UK for particular restricted purposes and include funds with specific restrictions imposed by the donors. WWF-UK acts as a custodian of these funds and consequently they are not available for general use.

- **Endowment funds**

These funds are held permanently by the Trustees on behalf of WWF-UK. These funds provide income that can be used for any of the charity's purposes.

- **Designated funds**

Designated funds comprise unrestricted funds that have been set aside for particular purposes by the Trustees. The aim and use for each designated fund is set out in the notes to the financial statements.

#### Incoming resources

Incoming resources are accounted for when the charity has entitlement, there is certainty of receipt, and the amount can be reliably measured.

Membership income and other donations from individuals and income from lotteries are credited on a cash received basis.

Legacies: residuary legacy income is taken as the earlier of cash being received or estate accounts being received and agreed. Pecuniary legacy is recognised as income on notification.

Other income, including grant income, is accounted for on an accruals basis when the charity becomes entitled to the resource.

Income from investments is included gross.

Gifts in kind are included at current market value where their value is ascertainable and material. The estimated valuation of gifts in kind is based upon their contribution to the charity.

#### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

Costs of generating funds are primarily those incurred in seeking voluntary contributions and other income.

In line with WWF-UK's strategic objectives, grants are made to partners in the WWF Network and to other conservation organisations. These grants are performance-related, with mid-term reviews. Although future years funding is indicated, the commitment is for annual funding only, and grant expenditure is adjusted to reflect the amount due at year end. The full commitment of the grant is noted in Note 23.

Governance costs relate to the organisational administration in compliance with constitutional and statutory requirements.

#### Foreign currencies

Transactions in foreign currencies are recorded either at the rate of exchange at the date of the transaction, or at the rate at which corresponding foreign currency income was recorded in our books. Foreign currency balances have been translated at the rates of exchange ruling at the balance sheet date.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their expected useful lives as follows:

Motor vehicles	25.0% (4 years) on a straight line basis
Office furniture	12.5% (8 years) on a straight line basis
Equipment	25.0% (4 years) on a straight line basis
Leasehold improvements	10%-33.3% over the remaining life of the lease maximum
Contacts database system	14.3% (7 years) on a straight line basis

All tangible fixed assets are capitalised, subject to a cost threshold of £3,000.

#### Investments

Investments listed on a recognised stock exchange are stated at market value.

The policy is to keep valuations up to date, so that when investments are sold there is no realised gain or loss arising. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are together treated as changes in the value of the investment portfolio throughout the year.

#### Stocks

Stocks are valued at the lower of cost and net realisable value.

#### Operating leases

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the periods of the leases.

#### Pensions

WWF-UK administers a group pension plan as well as a stakeholder pension plan for its employees. Both of these are defined contribution schemes. Payments made by the charity on behalf of individual employees are charged to the Consolidated Statement of Financial Activities as incurred.

## 2 INVESTMENT INCOME

	2011	2010
	£'000	£'000
Dividends and fixed interest	259	283
Bank interest	248	157
Rent received	4	4
	<b>511</b>	<b>444</b>

## 3 AID AGENCIES AND GOVERNMENT GRANTS

	2011	2010
	£'000	£'000
Major grants from aid agencies and governments include funds from:		
<b>Department for International Development (DFID)</b>		
Partnership Programme Agreement	2,617	4,983
Partnership Programme Agreement 4	773	-
DFID Non-PPA funding	103	216
<b>European Community</b>		
UK Ravine WoodLIFE	5	(31)
Papua New Guinea, community development & resource conservation in the Transfly	2	64
Water Thirsty Crops, Pakistan	-	89
Great Ruaha River Programme, Tanzania	43	-
Reducing Poverty in Rufiji/Mafia/Kilwa	203	214
Water Thirsty Crops, India	178	6
Research & Action for Sustainable Consumption Production	-	12
SWITCH Asia - Sustainable & responsible trade promoted to wood processing SMEs	604	797
Partnerships involving Stakeholders in the Celtic Sea Eco-System (PISCES)	-	338
One Planet Economy Network - Europe	-	859
Sepik Livelihoods - Sepik river catchment, Papua New Guinea	199	198
<b>GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit)</b>		
GTZ Strategic Alliance - Mitigation of Water footprints in Agri-Supply Chains	-	124
<b>Scottish Executive</b>		
Local Footprints	-	39
Campaigns Scotland	-	6
Retrofit Scotland - Housing project	-	5
Scotland Natural Change	-	22
Earth Hour Scotland	10	-
Scotland Communications	5	-
<b>Foreign &amp; Commonwealth Office</b>		
Antarctic & Southern Ocean Initiative	-	57
<b>European Climate Foundation</b>		
Emissions Performance Standards	-	30
<b>Environment Department (City of Malmo)</b>		
One Planet Mobility, European Cities	25	-
<b>Other agencies</b>	46	45
<b>Total Aid Agencies and Government Grants</b>	<b>4,813</b>	<b>8,073</b>

## 4 GRANT AND PROJECT COSTS

Individual conservation projects and grants are grouped as programmes that reflect our key conservation priorities. Grants are made to institutions in the UK and internationally, to WWF International and to independent programme offices managed either by WWF International, WWF-US, or other partners. This information is normally the basis of reporting to donors, including government agencies. All our grants are performance-related, with mid-term reviews.

	2011	2010
<b>Organisation</b>	<b>£'000</b>	<b>£'000</b>
Programme		
<b>Independent Organisation</b>		
Namibia Programme	583	699
<b>WWF International</b>		
WWF Network Support	3,548	3,614
<b>WWF Network</b>		
The Climate Partnership - China Programme	1,422	1,727
The Climate Partnership - Brazil Programme	1,075	1,215
The Climate Partnership - India Programme	460	431
The Climate Partnership - Global Freshwater Programme	-	194
Climate Change - Global Deal and DFID PPA Objectives	738	844
Climate Change – Global Deal Core Costs	407	-
Colombia Programme	-	681
Species Conservation Programme	1,005	1,023
Eastern Himalayas Programme	950	942
Forests of New Guinea Programme	380	429
East Africa Freshwater Programme	389	373
East Africa Coastal Programme	937	921
Heart of Borneo Programme	319	395
Amazon Network Initiatives	1,328	620
Arctic Programme	377	221
Coral Triangle Programme	-	226
SWITCH Asia Programme - Responsible Wood Processing	302	297
Tiger Network Initiative	436	-
Forest Based Carbon	361	-
China Global Shift Initiative - Supporting Sustainable Economic Development	328	-
One Planet Network - European Programme	-	390
Wildlife Trade	514	494
<b>Other projects aggregated</b>	<b>5,923</b>	<b>4,495</b>
<b>Total grant funding on programmes and projects</b>	<b>21,782</b>	<b>20,231</b>
Other project activity undertaken directly (Note 5)	<b>10,450</b>	<b>8,849</b>
<b>Total Grants and Projects Expenditure (Note 5)</b>	<b>32,232</b>	<b>29,080</b>
Support Costs (Notes 5,6)	<b>2,280</b>	<b>2,127</b>
<b>Total amount expended on grants and projects</b>	<b>34,512</b>	<b>31,207</b>

## 5 RESOURCES EXPENDED

	Activities undertaken directly	Grant funding of activities	Support costs	2011	2010
	£'000	£'000	£'000	£'000	£'000
Safeguarding the Natural World	2,606	12,603	1,076	<b>16,285</b>	16,025
Tackling Climate Change	1,648	2,095	265	<b>4,008</b>	2,921
Changing the Way we Live	2,324	1,456	267	<b>4,047</b>	3,389
Influencing key audiences	2,453	1,356	269	<b>4,078</b>	3,342
Building capacity in the network	1,419	4,272	403	<b>6,094</b>	5,530
<b>Total grants and project costs</b>	<b>10,450</b>	<b>21,782</b>	<b>2,280</b>	<b>34,512</b>	31,207
Programmatic campaigns	288	-	20	<b>308</b>	255
Communicating and influencing	2,868	-	203	<b>3,071</b>	2,538
Public awareness	3,719	-	263	<b>3,982</b>	3,641
Cost of generating funds	13,937	-	927	<b>14,864</b>	12,357
Governance	559	-	-	<b>559</b>	514
Gifts in kind attributable to charitable activities	1,123	-	-	<b>1,123</b>	-
<b>Total resources expended</b>	<b>32,944</b>	<b>21,782</b>	<b>3,693</b>	<b>58,419</b>	50,512

The above activity categories have been changed from previous years to better reflect the main strategic activities of the organisation. The figures for the previous year have also been recalculated accordingly.

## 6 SUPPORT COSTS

	Management & Finance	Human Resources	Information Technology	Premises & Facilities	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Grants & projects	382	311	733	854	<b>2,280</b>	2,127
Programmatic campaigns	3	3	6	8	<b>20</b>	17
Communicating and influencing	34	28	65	76	<b>203</b>	173
Public awareness	44	36	84	99	<b>263</b>	248
Cost of generating funds	155	126	298	348	<b>927</b>	842
<b>Total support costs</b>	<b>618</b>	<b>504</b>	<b>1,186</b>	<b>1,385</b>	<b>3,693</b>	<b>3,407</b>

Basis for the support cost allocation

Support costs are allocated on a total cost basis.



## 7 GOVERNANCE COSTS

Governance costs include internal and external audit costs, Trustees' expenses and a proportion of the costs of the offices of the Chief Executive and Director of Resources.

## 8 STAFF COSTS

	2011	2010
	£'000	£'000
Wages and salaries	11,079	10,226
Social Security costs	1,162	1,059
Pension costs	991	893
	<b>13,232</b>	<b>12,178</b>

The above costs exclude 9 staff who were hosted by WWF-UK on behalf of WWF International and WWF-US. Total cost £694,000.

In addition, the cost of temporary staff in the year was £117,883 (2009/10: £194,080).

The number of employees whose emoluments exceeded £60,000 in the year (including 3 hosted staff) was:

	2011	2010
	Number	Number
£60,001 to £70,000	4	4
£70,001 to £80,000	2	2
£80,001 to £90,000	3	2
£90,001 to £100,000	1	1
£100,001 to £110,000	-	-
£110,001 to £120,000	2	1
Total	<b>12</b>	<b>10</b>

Pension contributions for the 12 highest paid employees (10 in 2009/2010) amounted to £100,588 (2009/10: £78,297).

The average number of employees is calculated on a full-time equivalent basis:

	2011	2010
	Number	Number
Charitable activities	191	181
Generating funds	66	62
Support and governance	48	45
	<b>305</b>	<b>288</b>

## 9 TRUSTEES' REMUNERATION AND EXPENSES

No Trustee has received any remuneration from WWF-UK during the year (2009/10: nil). Expenses totalling £2,867 (2009/10: £3,257) were reimbursed to five Trustees (2009/10: four Trustees) solely for travel costs incurred in attending meetings as below. Ed Smith's expenses were reimbursed solely in his capacity as a member of the Board of WWF International, and not of WWF-UK.

	2011	2010
	£	£
Dr David Bryer	107	103
Professor David Macdonald	358	210
Ed Smith	2,162	2,865
Professor Kathy Willis	108	79
Rita Clifton	132	-
	<u>2,867</u>	<u>3,257</u>

No other Trustee had any expenses reimbursed during the year or in the prior year.

During the year the charity paid £1,300 (2009/10: £1,365) in respect of Trustees' indemnity insurance on behalf of the Trustees.

## 10 NET INCOMING RESOURCES FROM OPERATIONS

	2011	2010
	£'000	£'000
Net incoming resources from operations for the year are stated after charging:		
Auditors' remuneration:		
Fees payable to the charity's auditors for the audit of the charity's annual accounts	31	28
Fees payable to the charity's auditors for the audit of projects	12	10
Fees payable to the charity's auditors for the audit of the charity's subsidiaries pursuant to legislation	22	20
Total audit fees	<u>65</u>	<u>58</u>
Depreciation of tangible fixed assets	<u>328</u>	369
<b>Operating lease rentals:</b>		
Plant and machinery	105	102
Other	544	606
Total operating lease rental	<u>649</u>	<u>708</u>
Unrealised gain on foreign exchange translation	<u>(96)</u>	<u>(216)</u>

## 11 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

GROUP AND CHARITY	Leasehold	Leasehold	Office furniture	Contacts	Total
	property	improvements	and equipment	database system	
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 30 June 2010	40	838	814	1,206	2,898
Additions in the year	1,367	35	68	-	1,470
<b>At 30 June 2011</b>	<b>1,407</b>	<b>873</b>	<b>882</b>	<b>1,206</b>	<b>4,368</b>
<b>Depreciation</b>					
At 30 June 2010	-	589	660	1,083	2,332
Charge for the year	-	129	76	123	328
<b>At 30 June 2011</b>	<b>-</b>	<b>718</b>	<b>736</b>	<b>1206</b>	<b>2,660</b>
<b>Net book value</b>					
<b>At 30 June 2011</b>	<b>1,407</b>	<b>155</b>	<b>146</b>	<b>-</b>	<b>1,708</b>
At 30 June 2010	40	249	154	123	566

## 12 INVESTMENTS

	2011	2010
	£000	£000
<b>Investment - Movement</b>		
Market value at 1 July 2010	10,128	8,560
Additions at cost	1,777	1,710
Disposals at market value	(1,814)	(1,809)
Net gain on revaluation	1,693	1,667
<b>Market value at 30 June 2011</b>	<b>11,784</b>	<b>10,128</b>
Cash balances	533	489
<b>Total market value at 30 June 2011</b>	<b>12,317</b>	<b>10,617</b>
<b>Historic Cost at 30 June 2011</b>	<b>8,853</b>	<b>8,560</b>
<b>Portfolio Distribution</b>		
UK fixed interest	924	1,089
UK equities	4,812	4,298
Overseas equities	5,345	4,517
Overseas fixed interest	703	224
Cash funds	533	489
<b>Total Investment Portfolio</b>	<b>12,317</b>	<b>10,617</b>
<b>Restriction Analysis</b>		
Endowment funds	3,607	3,130
Unrestricted funds	8,710	7,487
<b>Total</b>	<b>12,317</b>	<b>10,617</b>

## Holdings over 5%

The following funds represented over 5% of the investment portfolio as at 30 June 2011.

- Findlay Park Plc US Smaller Companies (Usd) 6%
- First State Investment (UK) Asia Sustainability 'B' (Acc) 5%
- Newton Mfm Cont European Gbp (Inc) 10%

Newton Investment Management Ltd, acting as agent on behalf of WWF-UK, has appointed The Bank of New York Mellon Asset Management Company as custodian and safe keeper of the Group's investments.

## Current asset investment

Current asset investment was represented by short-term deposits.

## 13 STOCKS

Stocks consist of finished goods for resale held by both the charity and the subsidiary company, WWF-UK (World Wide Fund For Nature) Trading Limited.

## 14 DEBTORS

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Amounts due within one year:				
Trade debtors	892	614	719	408
Amounts due from WWF-UK (World Wide Fund For Nature) Trading Limited	-	-	874	1,015
Other debtors	1,261	1,493	1,260	1,492
Prepayments and accrued income	4,349	3,417	4,275	3,386
<b>Total Debtors</b>	<b>6,502</b>	<b>5,524</b>	<b>7,128</b>	<b>6,301</b>

## 15 CREDITORS

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Amounts falling due within one year:				
Trade creditors	2,245	1,460	2,203	1,433
PAYE & National Insurance	351	335	351	335
Other creditors	110	163	103	162
Accruals	742	1,059	666	1,021
Deferred income	931	868	244	364
<b>Total Creditors</b>	<b>4,379</b>	<b>3,885</b>	<b>3,567</b>	<b>3,315</b>

15(a) DEFERRED INCOME

	1 July 2010	Receipt	Charges	30 June 2011
	£'000	£'000	£'000	£'000
Corporate sponsorship	581	760	(581)	760
Refurbishment reimbursement	23	-	(5)	18
Projects	146	93	(146)	93
Staff hostings	86	42	(86)	42
Others	32	18	(32)	18
<b>Deferred Income</b>	<b>868</b>	<b>913</b>	<b>(850)</b>	<b>931</b>

16 PROVISIONS

Provisions relate to property matters. No amounts were used during the period.

17 SUBSIDIARY COMPANY

The ordinary shares in the subsidiary company, WWF-UK (World Wide Fund For Nature) Trading Limited (previously known as WWF-UK Trading Limited), are owned by WWF-UK.

The main activities of the company are the sale of environmentally friendly products and other goods, receiving licensing and sponsorship income and miscellaneous trading activities.

The aggregate assets of the subsidiary company were £1,692,674 (2009/10: £1,590,422) and the aggregate liabilities were £1,686,386 (2009/10: £1,584,134), resulting in shareholders' funds of £6,288 (2009/10: £6,288).

The taxable profits earned by the company are donated to WWF-UK and in the current year amounted to £300,191 (2009/10: £124,957).

A summary of the subsidiary company's trading results is shown below:

<b>Profit and loss account</b>	<b>2011</b>	2010
	<b>£'000</b>	£'000
<b>Catalogue and retail sales</b>	<b>539</b>	813
Corporate sponsorship and licensing	<b>1,538</b>	1,621
<b>Turnover</b>	<b>2,077</b>	2,434
Cost of sales	<b>(633)</b>	(969)
<b>Gross Profit</b>	<b>1,444</b>	1,465
Distribution costs	<b>(202)</b>	(335)
Administrative expenses	<b>(947)</b>	(1,006)
<b>Operating Profit</b>	<b>295</b>	124
Interest Receivable	<b>5</b>	1
	<b>300</b>	125
Gift Aid donation to WWF-UK	<b>(300)</b>	(125)
Retained profit before tax	-	-
Corporation tax paid	-	-
<b>Retained profit for the year</b>	-	-
Profit & loss account brought forward	<b>6</b>	6
<b>Retained profit carried forward</b>	<b>6</b>	6

## 18 GROUP STATEMENT OF FUNDS

	At 01 July 2010	Incoming Resources	Outgoing Resources	Transfers between Funds	Net gains/ (losses)	At 30 June 2011
	£'000	£'000	£'000	£'000	£'000	£'000
Kleinwort Endowment Fund	1,787	-	(14)	-	286	2,059
Willingdon Memorial Fund	1,343	-	(10)	-	215	1,548
<b>Total Endowment Funds</b>	<b>3,130</b>	<b>-</b>	<b>(24)</b>	<b>-</b>	<b>501</b>	<b>3,607</b>
<b>Project Restricted Funds</b>						
HSBC Climate Partnership	2,748	3,977	(4,515)	-	-	2,210
HSBC - Climate P/ship sponsorship	-	324	(324)	-	-	-
Royal Sun Alliance	347	562	(472)	(123)	-	314
Barclays - preserving E. Africa resources & livelihoods	500	261	(362)	(3)	-	396
Marks & Spencer Ethical & Eco Programmes	61	489	(528)	20	-	42
Other Project Restricted, GAA and DFID	1,382	2,733	(3,033)	(350)	-	732
<b>Broadly Restricted Funds</b>						
Sky Amazon Project	980	2,373	(1,421)	72	-	2,004
Arctic	13	374	(387)	-	-	-
Climate change	8	422	(430)	-	-	-
Primates	421	657	(794)	-	-	284
Rhinos	49	354	(394)	-	-	9
Pandas	-	396	(385)	-	-	11
Amur leopards	-	342	(342)	-	-	-
Tigers	111	2,714	(2,416)	-	-	409
Endangered/Vanishing Species	40	1,065	(1,038)	-	-	67
Other Broadly Restricted Funds	502	1,867	(1,642)	-	-	727
DFID – PPA 3	1,494	2,618	(3,900)	-	-	212
DFID – PPA 4	-	773	-	-	-	773
EC – Asia Switch	426	604	(404)	-	-	626
EC – OPEN FP7	268	0	(311)	-	-	(43)
European Commission – Other	627	630	(925)	-	-	332
Hosting staff costs	4	876	(880)	-	-	-
<b>Total Restricted Funds</b>	<b>9,981</b>	<b>24,411</b>	<b>(24,903)</b>	<b>(384)</b>	<b>-</b>	<b>9,105</b>
<b>Unrestricted Funds</b>						
General free reserve	15,679	31,875	(30,323)	184	1,192	18,607
Fixed asset reserve	566	1,470	(328)	-	-	1,708
Specific reserve	1,800	-	(1,296)	200	-	704
New Headquarters reserve	5,000	-	(1,545)	-	-	3,455
<b>Total Unrestricted Funds</b>	<b>23,045</b>	<b>33,345</b>	<b>(33,492)</b>	<b>384</b>	<b>1,192</b>	<b>24,474</b>
<b>Total Funds</b>	<b>36,156</b>	<b>57,756</b>	<b>(58,419)</b>	<b>-</b>	<b>1,693</b>	<b>37,186</b>

#### Permanent endowments

The Kleinwort Endowment Fund was established in 1970. Under the terms of the trust, the fund is invested in approved equities. Income is available for the general purposes of WWF-UK. The fund is represented by fixed asset investments.

The Willingdon Memorial Fund was received by way of a legacy in 1991 and 1994. Income is available for the general purposes of WWF-UK. The fund is represented by fixed asset investments.

#### Restricted funds

Restricted funds are grants and donations given for specific purposes: these may be project-specific or more broadly restricted to a theme or country.

1. Other Project, GAA and DFID restricted donations are where the donor has specified the project to be funded and neither income nor expenditure exceeds £300,000.
2. Other Broadly Restricted donations are where the donor has specified the restriction, but not the project to be funded, and neither income nor expenditure exceeds £300,000.
3. European Commission Other Restricted donations are where the donor has specified the project to be funded and neither income nor expenditure exceeds £300,000.

#### Charity Statement of Financial Activities (SOFA)

The total income of the charity in 2011 was £55.7m (2009/10: £54.3m) and total expenditure was £56.6m (2009/10: £48.2m).



## 19 ANALYSIS OF GROUP ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2011	Total 2010
	£'000	£'000	£'000	£'000	£'000
Tangible assets	1,708	-	-	1,708	566
Investments	8,710	-	3,607	12,317	10,617
Fixed assets	10,418	-	3,607	14,025	11,183
Current assets	18,087	9,853	-	27,940	29,258
Current liabilities	(4,031)	(748)	-	(4,779)	(4,285)
<b>Net Assets</b>	<b>24,474</b>	<b>9,105</b>	<b>3,607</b>	<b>37,186</b>	<b>36,156</b>

	Notes	£'000	£'000
<b>As part of the above funds, free reserves are calculated as being:</b>			
Total unrestricted funds	18	24,474	23,045
Less:			
Tangible fixed assets	11	(1,708)	(566)
Designated reserves		(704)	(1,800)
Set aside for possible funding gap for build of planned new Headquarters premises		(3,455)	(5,000)
<b>Total free reserves</b>		<b>18,607</b>	<b>15,679</b>

The amount of £3.455m of reserves set aside, should it be required, for WWF-UK's proposed new Headquarters premises (Living Planet Centre) is reduced from the amount provided at 30 June 2010 to allow for the fact that, as at 30 June 2011, £1,407,000 had been spent on the design and planning aspects of the building and £138,000 had been raised via the Capital Appeal. We aim to raise further sums for the Living Planet Centre via the capital appeal in order that the reserves set aside, or a portion thereof, will be available again for conservation purposes.

A planning application for the development of the property at a site in Woking was approved in February and the building is planned for completion in 2013.

The fixed asset reserve represents the approximate value of tangible fixed assets as these are not available for the day to day operations of the charity.

The designated reserve comprises an amount of £504,000 remaining to be spent of the £1,800,000, previously designated by the Trustees in 2010, together with a further £200,000 that the Trustees have recently designated for work relating to the development of a new five-year strategy.

## 20 OPERATING LEASE COMMITMENTS

At the end of the year, WWF-UK was committed to making the following payments during the next year in respect of operating leases:

	<b>2011</b>	<b>2011</b>	2010	2010
	<b>Land and buildings</b>	<b>Plant and machinery</b>	Land and buildings	Plant and machinery
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Leases which expire:				
within one year	<b>12</b>	<b>62</b>	24	5
within two to five years	<b>519</b>	<b>4</b>	490	86

## 21 LEGACY NOTIFICATIONS

By the end of the financial year, WWF-UK had been advised of a number of legacies which indicated the charity as a beneficiary. These have not been included in the Statement of Financial Activities as the charity's final entitlement has not yet been established by the executors. The initial indicated values for individual legacies estimated to be in excess of £200,000 amount to a total of £1,525,007 (2010: £1,102,248).

## 22 GIFTS IN KIND

WWF-UK received gifts in kind in the year totalling more than £2m relating to services received. The main areas of receipt are:

**Campaigning costs:** approximately £990,000 of poster advertising was donated in key sites across London, promoting awareness of the annual WWF Earth Hour campaign.

**Consultancy:** general consultancy of £133,000, £93,000 of which was received for work assisting us with reviewing our programme design and impact work and £40,000 of which was for assistance in our refresh of our strategic plan (see page 10).

**Cost of generating funds:** £789,000 of key advertising space on television was donated, which enabled the promotion of one of our adoption species. This was part of a much larger campaign aimed at raising restricted funds for our work in the Amazon. A further £37,000 related to the provision of internet banner advertising which promoted all of our adoption species.

Fixed assets amounting to £61,000 were donated to WWF and capitalised.

## 23 OUTSTANDING GRANT AWARDS

WWF-UK aims to continue to provide funding to a number of programmes and projects subject to the delivery of contractual obligations and the availability of sufficient funds. At the end of the year, the amount of grants outstanding amounted to £7,882,409 and did not extend beyond June 2015.

## 24 CONTINGENT LIABILITIES

In accordance with normal business practice, WWF-UK has provided indemnities to the executors of certain estates. These indemnities provide legal recourse to the recovery of any over-payments up to the total value of receipts by WWF. The value of indemnities provided over the last three financial years, for receipts in excess of £25,000, amounted to £221,920 (2010: £55,105).

## 25 RELATED PARTY TRANSACTIONS

The Chair of WWF-UK, Ed Smith, is also a Trustee of WWF International and Chair of the WWF International Audit Committee.

A Trustee is a director of BUPA International, which provides services to WWF-UK.

The Chief Executive, David Nussbaum, and the Deputy Director of Programmes, Oliver Smith, serve as Trustees of the Alliance of Religions and Conservation.

The aggregate amount of WWF-UK's transactions with these organisations was as follows:

	2011	2010
	£'000	£'000
<b>Alliance of Religions and Conservation (ARC)</b>		
Funds provided	50	60
<b>BUPA International</b>		
Funds provided	72	75

WWF-UK has taken the exemption given by Financial Reporting Standard 8, Related Party Disclosures, from disclosing transactions with subsidiaries.

## 26 TAXATION

WWF-UK is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they fall within the exemptions available to charities under the Taxes Act and are applied to its charitable objectives. WWF-UK (World Wide Fund For Nature) Trading Limited is subject to Corporation Tax but it remits by Gift Aid any taxable profit to WWF-UK.

## 27 GUARANTEE

WWF-UK is a company limited by guarantee and each Trustee has agreed to contribute up to £10 towards the assets of the company in the event of its being wound up.

## WWF-UK CORPORATE DIRECTORY

The information shown below is that pertaining between 1 July 2010 and 15 December 2011 the date of signing the accounts.

### Board of Trustees and Directors

Ed Smith (Chair)  
Mark Chambers  
Dr David Bryer  
Rita Clifton  
Colin Day  
Professor Ian Diamond  
Alberto Piedra (Treasurer)  
David Phillips (appointed 1 Sept 2011)  
David Gregson  
Professor David Macdonald  
John Manktelow (retired 22 June 2011)  
Dr Valentin von Massow  
David Taylor-Smith MBE (retired 22 June 2011)  
Professor Kathy Willis

Company Secretary

Susan Gent

The following, who are not Trustees, hold honorary positions:

HRH The Prince of Wales (President)  
Sir Martin Laing CBE (Trustee Emeritus)  
The Hon Mrs Sara Morrison (Trustee Emeritus)

## Membership of Committees

### Finance and Business Committee

Ed Smith (Chair)  
Nicholas Brett (Resigned October 2011)  
Mark Chambers  
Colin Day  
John Manktelow (retired June 2011)  
Alberto Piedra  
David Taylor-Smith MBE (retired June 2011)  
David Gregson  
Dr Valentin von Massow (until June 2011)  
David Phillips (appointed September 2011)

### Audit Committee

Mark Chambers (Chair)  
Colin Day  
Jeff Phillips  
Patrick Oram

### Investment Sub-Committee

Colin Day (Chair)  
Alberto Piedra (appointed October 2010)

### Living Planet Centre Committee

Mark Chambers (Chair)  
Rita Clifton  
Colin Day  
John Manktelow (retired June 2011)

### Programme Committee

Professor Ian Diamond (Chair)  
Mike Acreman  
Mike Barry (retired December 2010)  
Dr David Bryer  
Ian Christie (retired December 2010)  
Dr Charlotte Grezo  
John Hudson  
Professor David Macdonald  
Georgina Mace  
Dr Valentin von Massow (from June 2011)  
Prof Jim Skea (appointed September 2010)  
Professor Kathy Willis

### Pensions Sub-Committee

Colin Day (Chair)  
Brian Jackson  
Mark Hathaway  
John Manktelow (retired June 2011)  
Alberto Piedra (appointed October 2010)  
Nikki Robinson (staff representative)

### Nominations & Remuneration Committee

Ed Smith (Chair)  
Colin Day  
Alberto Piedra (appointed December 2010)

### **Corporate Management Team/Principal Officers**

Chief Executive	David Nussbaum
Director of Resources	Dermot Heffernan (until October 2011) Robert Hardy (from October 2011)
Director of Communications	Winnie De'Ath
Director of Campaigns	David Norman
Director of Fundraising	Tobin Aldrich
Director of Programmes	Dr Glyn Davies
Deputy Director of Programmes	Oliver Smith

### **Principal Professional Advisers**

Bankers	The Co-operative Bank, London City Office 80 Cornhill London EC3V 3NJ
Auditors	Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
Solicitors	Barlow Robbins The Oriel Sydenham Road Guildford Surrey GU1 3SR
Investment Managers	Newton Investment Management Ltd, 160 Queen Victoria Street London EC4V 4LA