



WWF

ANNUAL
REPORT

UK

2015

A close-up photograph of a leopard cub's face and upper body. The cub has a golden-brown coat with dark rosettes and stripes. It has large, dark eyes and long, white whiskers. The background is a blurred forest scene with trees and fallen leaves.

WWF-UK ANNUAL REPORT AND FINANCIAL STATEMENTS 2014-15

+4%

THIS YEAR OUR OVERALL
INCOME FROM INDIVIDUALS
HAS GROWN BY 4%,
CONTINUING A STEADY
UPWARD TREND

>100,000

MORE THAN 100,000 PEOPLE
HAVE ADDED THEIR NAMES TO OUR
CAMPAIGN TO HELP SAVE FORESTS
BY ENSURING ALL WOOD-BASED
PRODUCTS SOLD IN THE UK ARE
FROM LEGAL AND SUSTAINABLE
SOURCES BY 2020

+17%

GIANT PANDA NUMBERS HAVE
INCREASED BY NEARLY 17%
SINCE 2003, THANKS IN PART
TO IMPROVED MANAGEMENT OF
THEIR HABITAT, WHICH WE'VE
SUPPORTED

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WWF-UK IN BRIEF

AT WWF, WE BELIEVE THAT A LIVING PLANET – FROM THE GLOBAL CLIMATE TO LOCAL ENVIRONMENTS – IS VITAL NOT ONLY FOR WILDLIFE, BUT ALSO AS THE SOURCE OF OUR FOOD, CLEAN WATER, HEALTH AND LIVELIHOODS. AND AS A SOURCE OF INSPIRATION, NOW AND FOR FUTURE GENERATIONS. SO WE'RE TACKLING CRITICAL ENVIRONMENTAL CHALLENGES AND STRIVING TO BUILD A WORLD WITH A FUTURE WHERE PEOPLE AND NATURE THRIVE. TO DO THIS, WE'RE EDUCATING, INSPIRING, INFLUENCING AND ENGAGING THE PUBLIC, POLICY-MAKERS, BUSINESS LEADERS AND INFLUENCERS. IN PARTICULAR, WE'RE STRENGTHENING OUR VOICE AT THE HEART OF DECISION-MAKING IN THE RAPIDLY-GROWING ECONOMIES OF THE GLOBAL SOUTH AND EAST. THESE ARE BECOMING EVER MORE SIGNIFICANT AS THEY GAIN GREATER ECONOMIC AND POLITICAL INFLUENCE AND USE A LARGER PROPORTION OF THE WORLD'S NATURAL RESOURCES. AND THEY'RE LOCATED IN REGIONS WHERE MUCH OF THE WORLD'S MOST IMPORTANT BIODIVERSITY IS CONCENTRATED. WE'RE ENGAGING THE BUSINESS COMMUNITY – ESPECIALLY IN SECTORS WE BELIEVE CAN MAKE THE GREATEST DIFFERENCE – TO ENCOURAGE GLOBAL COMPANIES TO BECOME STEWARDS OF THE NATURAL WORLD THEIR ACTIVITIES DEPEND ON. AND WE'RE WORKING TO ENSURE THAT GOVERNMENTS IN THE UK AND EU ARE ENVIRONMENTAL CHAMPIONS – PARTICULARLY WHEN IT COMES TO POLICIES ON CLIMATE AND ENERGY, MARINE ISSUES AND INTERNATIONAL DEVELOPMENT.

40 YEARS

WWF'S LATEST *LIVING PLANET REPORT* SHOWS THAT GLOBAL WILDLIFE POPULATIONS HAVE FALLEN BY MORE THAN HALF IN JUST 40 YEARS.

DEMAND

AND IT SHOWS THAT HUMANITY'S DEMAND FOR NATURAL RESOURCES HAS MORE THAN DOUBLED SINCE 1961.

FUTURE

TAKEN TOGETHER, BIODIVERSITY LOSS AND UNSUSTAINABLE USE OF NATURAL RESOURCES THREATEN NATURAL SYSTEMS AND HUMAN WELL-BEING – AND INDEED OUR VERY FUTURE.

ONE PLANET

WE'RE DETERMINED TO REVERSE THESE TWO TRENDS, SO THAT WE NO LONGER LIVE AS THOUGH WE HAVE MORE THAN ONE PLANET AT OUR DISPOSAL.



A MESSAGE FROM OUR CHAIR

My first full year as chair of WWF-UK has been a wonderful experience. It has been educational, inspiring and at times a little daunting getting to grips with the scale of the environmental and conservation challenges WWF-UK is taking on.



Sir Andrew Cahn KCMG
chair of the board of trustees

It has been a year of discovering the many facets of this excellent charity – from the staff who give their all to achieve positive change, to my fellow trustees who give their time and expertise, to the supporters whose humbling generosity provides the lifeblood of WWF. It is through the trust developed between those who work at WWF and those who provide the financial backing that we are able to achieve the kinds of successes that are outlined in this report.

It is such goodwill that has enabled us to make good progress this year against our strategy. It has allowed us to achieve breakthroughs such as increases in the populations of endangered species including giant pandas and Amur leopards; to boost effective forest protection in the Amazon; to convince more than 40 key businesses to pledge to buy only legal and sustainable timber by 2020; and to influence the UK's Water Act so it reduces damaging abstraction by water companies.

We rely on public trust. I am therefore all the more concerned by recent media coverage about charity fundraising practices. I feel confident in the fundraising practices of WWF, and I believe our fundraising promise offers a firm bedrock when it comes to WWF's own conduct in this area. It makes clear our standards on many points, including telephone contact. It also states that we will never share our supporters' details with other organisations.

As a member of the WWF International board, I have learnt about the critical role played by WWF's global network. It was in coming together as an international concern that we achieved great things for Australia's iconic Great Barrier Reef, which faced serious threats from industrial destruction. You can read more about this on page 30.

All these things and more are essential in WWF's mission to find ways for us to live in equilibrium with nature – to live within the finite means of our wonderful planet.

Every element of our work has its place in our five-year strategy, which provides a focus to ensure we make as great an impact as possible in the places where it matters most. We are now reaching the halfway point of this strategy, so we have begun a 'mid-term' review to reflect on and learn from our experiences and to check we are doing what it will take to achieve the many goals of our strategy by 2018.

I believe this report and the financial information show an organisation that is in excellent shape to continue implementing its strategy and effecting change. This year we raised more than £63 million including gifts in kind. We are indebted to each and every one of the people who contributed to this total.

We will work to justify their generosity and trust in us by working towards ever better conservation outcomes. In particular we look forward with excitement to achieving vital progress at the climate talks in Paris, lobbying for changes to the EU's Timber Regulation, and supporting implementation of the UN's new Sustainable Development Goals.

You will find in this report many reasons for optimism in the face of the considerable threats facing our amazing planet and the incredible wonders it is home to. I encourage you to lend us your support as we continue our quest.

A MESSAGE FROM OUR CHIEF EXECUTIVE

‘A future where people and nature thrive’ is no small vision. For almost 55 years, we at WWF have been using our experience, influence, connections and expertise to try to arrest the negative impacts of humankind on the natural world on which we depend.



David Nussbaum
chief executive, WWF-UK

This requires determination and perseverance, and recent publications such as WWF’s *Living Blue Planet Report* demonstrate the scale of the challenge, but it is hugely rewarding when the outcomes are positive.

This was a year that offered up more than its share of defining moments. For instance, the UN set its sustainable development goals for 2015-30; the world sharpened its focus on the imminent UN climate talks in Paris; and the general election in the UK provided an opportune time to challenge our political parties on their environmental policies.

During the year we took every opportunity to engage people – whether our supporters, the general public or those from the world of politics or business – in the urgent task of helping us to improve the outlook for the planet. It is thanks in no small part to their backing that we have achieved good progress.

We rely on continued funding if we are to keep one step ahead of poachers, and if we are to find ways to conserve vital freshwater, marine and forest habitats that face so many pressures today.

When it comes to safeguarding forests, it has been truly heartening to witness the scale of support we have garnered from more than 100,000 members of the public and an impressive number of UK businesses, for our campaign to keep products made with illegally harvested timber out of the EU (you can find out more on page 31).

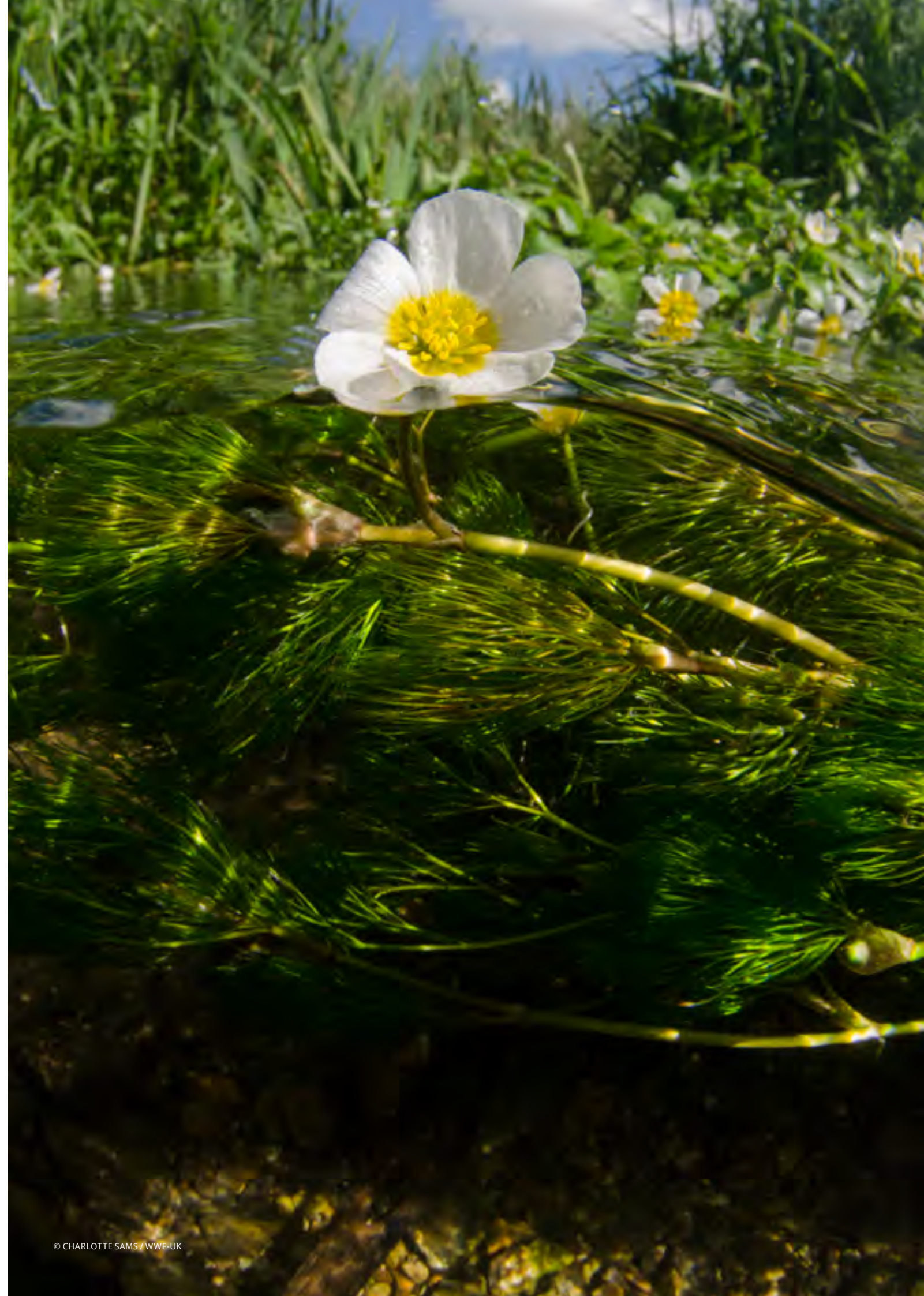
Seeing some 9,000 people respond to the call from WWF and other organisations to meet with more than 300 MPs and share their concerns about climate change at the biggest ever parliamentary lobby on the climate also gave me real cause for hope.

We have continued to engage our many important audiences in a huge variety of ways – not least through the many educational offerings we are able to provide at our Living Planet Centre, as well as a new invitation for people to ‘Wear it Wild’ to show their love for the planet. Our website attracted an impressive four million views this year – allowing people to interact with us, watch our videos and find out so much more about our work. I encourage you to do the same, at wwf.org.uk.

You will find a huge amount more in this report, reflecting the enormous range of our work – from moves to improve the ecological status of the UK’s unique chalk streams, to our involvement as the only NGO in the Mercer climate change project, the upshot of which should give financial investors confidence that they can advocate for strong climate policy action without sacrificing financial returns in their portfolios.

Despite the constant battles of trying to move the world in the right direction, we remain dedicated to the task. I hope we can rely on your ongoing support as we strive to rise to each and every one of those many challenges.

Thank you.



OUR FIVE-YEAR STRATEGY

THIS REPORTING YEAR WAS THE SECOND IN WHICH WE HAVE BEEN IMPLEMENTING OUR CURRENT FIVE-YEAR STRATEGY. THE STRATEGY FOCUSES OUR EFFORTS SO WE CAN RISE TO THE SCALE OF THE CHALLENGES WE SEEK TO ADDRESS AND ACHIEVE TRULY TRANSFORMATIONAL CHANGE. IT COMMITS US TO RESPONDING TO THREE IMPORTANT TRENDS:

1

INCREASING PRESSURE ON THE NATURAL WORLD

In September 2014, we published the 10th edition of our biennial *Living Planet Report*. It shows that humanity's demand on the world's finite resources has more than doubled since 1961. Unsurprisingly, nature is suffering: the same report shows that threats including habitat loss and degradation, hunting and climate change have contributed to a decline of 52% in the world's biodiversity since 1970. In other words, the number of mammals, birds, reptiles, amphibians and fish that we share our planet with has fallen by half. Global greenhouse gas emissions also continue to increase as the world remains locked into a fossil-fuel economy.

We are determined to devote sufficient resources to interventions that have the greatest potential to reverse those threats.

2

THE GLOBAL SHIFT SOUTH AND EAST

The rapidly-growing economies of the global South and East are ever more significant to the challenges facing the natural world. We are strengthening our voice and influence at the heart of decision-making in these regions, where some of the world's most important biodiversity is concentrated.

In particular, we are focusing on *Brazil and the Amazon, China, east Africa, and India and the Himalayas*. We are investing in the WWF offices there to help make them stronger so that together we can influence the key decisions, whether local or international, that will safeguard the natural world in the places where it matters most. As a result we believe we can help lead the way, connect people, see the bigger picture and deliver solutions.

Our strategy also makes it a priority to engage the business community – especially in sectors we believe can make the greatest difference. By doing so, global companies will become stewards of the natural resources – such as forests, rivers and oceans – on which their activities depend.

And we are working to ensure that governments in the UK and EU are environmental champions – particularly when it comes to policies on climate and energy, marine issues and international development.

3

DIGITAL COMMUNICATIONS

The growth of digital communications is revolutionising the way in which organisations and people relate to each other. Online communications are transforming our audiences' expectations. So we have a 'digital first' approach to our communications with people.

This approach is ensuring that we learn from our supporters as well as engaging, informing and inspiring them and increasing their influence alongside ours.

BIGGER IMPACTS

We are looking for bigger impacts and have set ourselves challenging targets to meet by 2018. We call these our 'big wins'. They are:

Wildlife restored

Populations of 10 of the world's most iconic and threatened species are safeguarded.

Forests and oceans sustained

There is a significant increase in the area of forests and oceans effectively managed and protected in our priority places.

Rivers flowing

Four or more of the world's great rivers have secured or improved flows, and measures are in place to ensure UK rivers are returned to good ecological health.

Sustainable timber & seafood traded

The timber and seafood sectors in the UK are radically changed.

Carbon emissions reduced

Energy policy has shifted in Europe, China, India and Brazil such that carbon emissions are reduced sufficiently to avoid catastrophic climate change.

Living sustainably

The drivers of environmental degradation are addressed and a 'one planet' economy where people and nature thrive is promoted.

FY15 ACHIEVEMENTS AND PERFORMANCE, AND FY16 PLANS

Achievements and performance against our objectives for the year ended 30 June 2015, and our plans for the future, including financial year 2016.

1 OBJECTIVE 1: WILDLIFE RESTORED

Populations of 10 of the world's most iconic and threatened species are safeguarded. In FY15 our priorities included that:

- *The results of the Amur leopard survey in Russia indicate that the Amur leopard population is increasing.*
- *The increased population of giant pandas demonstrates the value of an expanded nature reserve network and improved management of three million hectares of giant panda habitat.*
- *Stability in the numbers of Ganges river dolphins shows that strategies to improve their habitat in the Ganges are beginning to have an effect.*
- *No snow leopards are poached in the Kanchenjunga Conservation Area of Nepal.*

Amur leopards

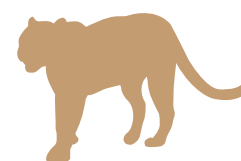
In an amazing tale of recovery, Amur leopard populations have doubled in just seven years. Results were published in February of a census of Amur leopards in Russia's Land of the Leopard National Park. They suggest there are now at least 57 individuals (including 6 cubs) up from around 35 in 2007. In addition, it is estimated that there may be around 20 Amur leopards in China.

The Russian census covered around 3,800 sq km of leopard habitat, and captured nearly 10,000 camera trap images. The photos were reviewed by scientists who compared the leopards' distinctive patterns of spots to identify nearly 60 individuals. WWF supported the census, which was carried out by the national park and the Russian Academy of Sciences.

Such a strong rebound in Amur leopard numbers shows that even the most critically-endangered big cats can start to recover if we protect their habitat and work together on conservation efforts.

The success was achieved thanks in part to our help in improving the way the park is managed – and tackling illegal activities there, such as logging. This has led to reduced poaching of leopards and their prey.

During the financial year, we gained approval for an Amur leopard reintroduction programme to proceed in Russia's Lazovsky Nature Reserve that will allow us to help develop an additional population of leopards.



Estimates suggest Amur leopard numbers have doubled since 2007. We've helped reduce poaching of leopards and their prey



Giant panda numbers have increased by nearly 17% since 2003, thanks in part to improved management of their habitat, which we've supported

Giant pandas

The results of China's long-awaited fourth national giant panda survey were published in February. They show that there are now at least 1,864 pandas in the wild – a rise of nearly 17% since the previous survey in 2003. This is an encouraging sign that the combined efforts of the Chinese government, local communities, nature reserve staff and WWF are effective.

The survey is conducted by the Chinese government every 10 years. It measures the wild panda population, its distribution and the status of its habitat. The report found that the giant panda's geographic range has increased by 11.8% since 2003 – to 25,770 sq km. The increase of both population size and habitat area is a significant conservation achievement.

The survey found that two-thirds of wild giant pandas live within nature reserves. There are now 67 panda nature reserves in China, an increase of 27 since the previous report. They account for just over half the panda's total habitat area. The survey results demonstrate that nature reserves are being effective in boosting wild giant panda numbers.

The report highlighted threats, too. Habitat fragmentation (where wildlife populations are separated by physical barriers) is increasingly noticeable: there are 33 isolated sub-populations, 22 of which have fewer than 30 individuals each, placing those at a high risk of extinction.

WWF provided financial and technical support for the survey. We have supported the Chinese authorities in establishing panda nature reserves that legally protect a larger percentage of panda habitat and a conservation network that integrates those reserves with forests, farms and wildlife corridors of bamboo. These increase pandas' chances of meeting new breeding mates and enable them to find more food.

To help ensure giant panda numbers continue to rise, in FY15 we supported practical training to improve law enforcement to tackle a resurgence of poaching activities. We expanded our camera trap monitoring, provided practical training on habitat monitoring, and engaged 2,000 residents in areas close to panda habitat in conservation education. In addition, our community cookstove improvement project has contributed directly to habitat protection, as people do not need as much firewood.

Ganges river dolphins



We're developing ways to reduce the volume of industrial pollutants that end up in the Ganges, to improve habitat for its river dolphins

We achieved great progress when the government of India agreed to undertake a census of the Ganges river dolphins in Uttar Pradesh state, north India. This has been delayed since the end of 2014, but is now planned later in 2015. WWF-India has arranged to provide support to the census preparation.

Meanwhile WWF staff have continued with comprehensive biodiversity surveys of species (including river dolphins), and their preferred habitats in the upper stretches of the Ganga river basin. These take place each winter and summer. We await this year's summer survey results.

We have continued our strategic efforts to improve dolphin habitat. We are developing ways to boost water stewardship among the leather and brassware industries that will reduce the volume of industrial pollutants that end up in the river. We are working

towards the first demonstration of ways to achieve minimum flows in the Ramganga tributary that satisfy key groups of people with different and competing interests who use the river while also benefiting dolphins, which require deeper water. And we are working with farmers to promote the use of organic manures and biopesticides that result in substantially lower levels of chemical run-off in the river.

In terms of biodiversity and habitat conservation, we have focused on surveys and data collection; raising awareness about dolphins nationally and at state level; and developing an action plan with government and putting it into operation. We are currently exploring community conservation models to protect dolphins that will enhance and extend their safe habitats.

Snow leopards

In Nepal, following the devastating earthquake of 25 April, WWF's initial focus has been on supporting relief efforts and helping the communities where we work – including regions inhabited by snow leopards and other species. But there have also been some much-needed rays of hope for the country in the shape of conservation successes.

No snow leopards were poached during this reporting period in Nepal's Kanchenjunga Conservation Area (KCA). We have helped to achieve this by supporting the training of enforcement agencies and communities to improve their role in tackling poaching and illegal wildlife trade. We have also supported efforts to strengthen patrolling in the area.

We are pleased to report that no snow leopards have been killed in retaliation for attacks on livestock during the last year in this area. The livestock insurance scheme that we helped to set up provides a subsistence amount of money if domestic livestock are killed by a snow leopard. The successful outcome supports our findings that if people are compensated promptly they are less likely to retaliate.

The snow leopard population in KCA has been estimated to be stable, based on regular camera trapping results and genetic analysis of scats.

There has also been a notable success for rhino conservation in Nepal: the country has achieved 365 days of zero poaching of rhinos for a third time in five years. The successes underscore the commitment of the government, conservation partners and local communities to work together for a better future for Nepal's iconic wildlife.

ZERO
WE HELPED TO ENSURE
NO SNOW LEOPARDS
WERE POACHED IN
NEPAL'S KANCHENJUNGA
CONSERVATION AREA

FY16

We have 13 priorities to help us achieve objective 1 by 2018. In FY16, as we progress towards meeting them, those priorities include:

- A census of Amur tigers is carried out in north-east China, providing a more accurate baseline for their recovery.
- A reintroduction programme begins for the Amur leopard in Russia's far east – the start-up phase of establishing a much-needed second population there.
- An Amur leopard conservation strategy is produced by the Chinese authorities, along with an Amur leopard habitat status report.



OBJECTIVE 2: FORESTS AND OCEANS SUSTAINED

There is a significant increase in the area of forests and oceans effectively managed and protected in our priority places. In FY15 our priorities included that:

- *An additional 850,000 hectares of forests in the Brazilian states of Acre and Amazonas and in the Colombian Piedmont are effectively protected.*
- *Marine Stewardship Council (MSC) certification is maintained for two fisheries – in the Maldives and the south-western Pacific.*
- *Our review of the UK Arctic Policy is reflected in the House of Lords Arctic Inquiry and this policy is shared with China, influencing the development of its Arctic policy.*

Gaining effective forest protection

In the Brazilian state of Acre, we have now achieved more than 350,000 hectares of effective forest protection. Over 3,000 families are now part of a state scheme which provides financial and technical incentives to small-scale farmers to use forest friendly farming practices, while over 600 families are benefiting from sustainable management of natural rubber, acai berries and pirarucu fish. During the year, we supported recommendations that resulted in the government agreeing an increase in the subsidy paid to rubber tappers. We also supported capacity building at an acai cooperative which benefited from a new processing plant. This has helped to reduce costs and increase quality.

In Colombia, more than 300,000 hectares of forest landscapes are now benefiting from truly effective protection schemes. This year, WWF has supported the development of five municipal low-carbon development plans which are now being implemented across nearly 230,000 hectares. In addition, we have helped to develop climate-smart management plans for a 76,000-hectare protected area.

During the year, we also succeeded in encouraging an additional 19 farms to sign climate-smart conservation agreements in Colombia's Putumayo region. The governor of Acre introduced a new government task force to tackle deforestation in Acre. Governors from 13 Brazilian jurisdictions, including Acre, have also pledged to reduce deforestation by 80% by 2020.

In addition, we celebrated the protection of a 253,000-hectare area of diverse jungle, savannahs, rivers and wetlands in Colombia. The area, known as Inirida Fluvial Star, has been designated under the Ramsar Convention, which recognises wetlands of international importance. WWF has been advocating for this declaration for more than a decade and our work was recognised by the President of Colombia.

Our work in the Brazilian state of Amazonas is only just starting, and has moved more slowly than we anticipated – owing to changes within WWF-Brazil; time needed to develop a theory of change; and delays caused by recent elections which meant it took longer to engage the state government, which is a key partner. We now have a strong strategy that has been agreed with all stakeholders, and we have begun implementing it. So we are confident of reporting results in the next year.

Maintaining fisheries certification

This year we have raised awareness among relevant fishing fleets, NGOs and government fisheries departments about Marine Stewardship Council (MSC)



We've supported two tuna fisheries being granted and maintaining MSC certification, as well as others coming under assessment

certification and we have encouraged key fisheries we targeted in the South West Indian Ocean and the Pacific to undertake the MSC certification process.

MSC certification of seafood and the MSC label provides assurance to consumers that the seafood they buy has been sourced from a sustainable stock that is being well managed. Although many fisheries (particularly those containing white fish such as cod and haddock) are MSC certified in the north, fisheries in developing countries are typically not yet certified and are not being managed in a sustainable way.

Through our support, MSC certification has been granted and maintained over the last year for the tuna pole and line fishery in the Maldives and the skipjack tuna fishery within the south-western and central Pacific Ocean. In addition, with WWF support, other tuna fisheries, such as the purse seine fishery in the South West Indian Ocean that targets skipjack, yellowfin and big eye tuna, and the Maldives hand-line yellowfin tuna are under assessment for MSC certification. Several other fisheries including for octopus, lobster and shrimp are developing Fisheries Improvement Projects, which is a key first step towards increased sustainability and future certification.

Arctic policy

WWF advice was cited on 13 occasions in this year's report of the House of Lords Select Committee on the Arctic – *Responding to a Changing Arctic*. Our advice covers the subjects of climate change, marine protection, UK Arctic policy and our role in Arctic Council working groups, discussions at the International Maritime Organisation on a Polar Code for shipping, and influencing UK finance/insurance companies in Arctic development.

The report, released in February, states that "WWF also recommended that the FCO share its experience of developing Arctic Policy with other non-Arctic states with interest in the region".

The FCO (Foreign and Commonwealth Office) Polar Regions Unit has confirmed that the UK Arctic Policy was shared with Chinese officials who are responsible for engagement with the Arctic Council. China is currently developing its strategy on the Arctic.

Also this year WWF-UK met officials from EC's Directorate-General for Maritime Affairs and Fisheries and the European External Action Service (EEAS) to discuss EU Arctic Policy and to provide WWF input to an EC communication on Arctic Policy (expected in December 2015). WWF submitted written advice to EEAS on priority areas for consideration in the EU's Arctic communication, building on the UK's experience of Arctic policy development.

FY16

We have nine priorities to help us achieve objective 2 by 2018. In FY16, as we progress towards meeting them, those priorities include:

- The area of UK seas designated as marine protected areas is doubled (to 18%, from the 2009 figure of 9%). And the level of discarding of at least one key commercial species of fish is reduced to zero (from 25%).
- Progress is boosted towards zero net deforestation and degradation by 2020 – for example by achieving a new mechanism that extends or replaces the moratorium on land clearance for soy in Brazil, and by gaining widespread support at the Paris climate summit that protected areas in the Amazon offer a solution to climate change.



OBJECTIVE 3: RIVERS FLOWING

Four or more of the world's great rivers have secured or improved flows, and measures are in place to ensure UK rivers are returned to good ecological health. In FY15 our priorities included that:

- A draft of east Africa's first transboundary water allocation plan, for the Mara river, is under consultation in Kenya and Tanzania.
- Plans for hydropower development in a key Amazon tributary such as the Tapajos fully incorporate environmental and social criteria.
- The final determination of the UK water company price review includes investment in rivers so that they meet good ecological status. This will include investment to reduce abstraction on our exemplar chalk streams.

Mara water allocation plan

We have achieved limited progress: Kenya is in the process of developing a water allocation plan, which covers the Mara river's tributaries as it flows in to Tanzania. We had hoped to have this out for consultation, but this has not happened yet because the transboundary management agreement between Tanzania and Kenya has not been completed and there have been funding cuts to the Lake Victoria Basin Commission. However, across both Kenya and Tanzania, management plans are in place for most of the 'sub catchments' of the Mara river basin that will protect the river for people and wildlife. Structures are also in place that will support the implementation of these plans: community groups have been established to manage 90% of the river. This is key to ensuring the water allocation plan does not merely remain a paper document.

90%

COMMUNITY GROUPS HAVE BEEN ESTABLISHED TO MANAGE 90% OF THE MARA RIVER – KEY TO ENSURING THE WATER ALLOCATION PLAN WILL BE EFFECTIVE

It is hugely important that the water allocation plan is successfully implemented. There is increasing demand for water throughout the Mara basin, owing to a growing human population and expanding agriculture there. To prevent the river running dry, there is a need to regulate how much water is taken from it. Water allocation plans help businesses, county governments and other water users to protect against water risk and ensure there is enough water for people and wildlife – particularly during the dry season when the wildebeest come. Without sufficient water in the river, there would be a catastrophic collapse in the migration which it is doubtful the wildebeest could recover from.

Wildebeest are vital to the region: they maintain the grassland ecology; and the spectacle of their migration plays a vital role in drawing tourists to Kenya and Tanzania. Tourism generates about 10% of each country's GDP.

Water allocation plans are a relatively new concept in Africa, and this transboundary one will be a first. So it is excellent news that the governments of Kenya and Tanzania are about to pass an agreement on how they manage transboundary resources. This will give the water allocation plan the necessary legal framework to proceed.

Hydropower in Amazon tributaries

We have influenced hydropower planning in a number of key Amazon tributaries. We and our supporters backed the 'SOS Juruena' campaign which we believe was a key factor in the Brazil government's decision during this reporting year to remove two proposed hydropower dams in the Tapajos basin from its 10-year energy plan. The result means Juruena National Park (in the Tapajos), which has the greatest diversity



WWF campaigning was key in a decision to remove two potentially socially and environmentally damaging hydropower dams from Brazil's energy plan

of freshwater species on the planet, will remain free of dams until at least 2023. WWF studies showed the dams would be socially and environmentally damaging: they would have flooded about 40,000 hectares of the park – threatening the survival of 42 endangered or endemic species. More dams are still planned, so we need to continue working to ensure that future plans take in to account social and environmental considerations.

We have also begun engaging stakeholders in Peru on hydropower plans in the Marañon river (another tributary of the Amazon) where up to 20 dams are planned. WWF and others have developed a Hydropower Suitability Index (HSI) – a planning system that enables the environmental and social impacts of hydropower plans to be examined under different scenarios. In April 2015, we garnered significant interest in the HSI at a workshop to stakeholders including construction companies. Next, we will make clear recommendations on the most sustainable options for hydropower development in the Marañon.

Investment in UK rivers

We have worked for several years with the water regulator Ofwat on improving the environmental criteria it uses to assess water companies' five-year business plans. These plans outline all the environmental improvement work each company will undertake, as well as their commitments to reduce leakage, and the service they will provide to customers.

60

WATER COMPANY PLANS AGREED COMMITMENTS TO REDUCE WATER ABSTRACTION FROM 60 RIVERS, INCLUDING OUR PRIORITY CHALKSTREAMS. ALL WATER COMPANIES ARE STEPPING UP THEIR WORK TO IMPROVE THE ECOLOGICAL STATUS OF RIVER CATCHMENTS

This year we led a coalition of conservation organisations known as Blueprint for Water in drafting an evaluation of each water company's latest business plans against a set of environmental and social criteria. We published a scorecard while the company plans were in draft form, to highlight exemplar companies and to encourage laggards to improve. We also published *The State of England's Chalkstreams* to highlight the plight of these unique habitats and the solutions available to address them. During the passage of the Water Act 2014 we worked to ensure it included new tools that reduce damaging abstraction by water companies.

The final water company plans were agreed in December. They included welcome commitments to reduce the abstraction of water from 60 rivers, including our priority chalkstreams – the Mimram, Beane and Kennet. All water companies are stepping up their work to improve the ecological status of river catchments. Several are leading the way in investing in pioneering work that prioritises finding (and using) natural ways to cut pollution, such as improving farming practices to reduce runoff of pesticides and fertiliser into rivers. Such methods have proven more cost-effective than using traditional hard engineering solutions. Some 60% of homes are also expected to have meters fitted by 2020, which will helpfully reduce demand in the heavily-populated and 'dry' south and east of the country.

FY16

We have eight priorities to help us achieve objective 3 by 2018. In FY16, as we progress towards meeting them, those priorities include:

- A vision is developed for the Marañon river basin through a series of workshops and meetings with government and a wider set of stakeholders in Peru, using WWF's HSI tool.
- At least four British companies join us in a 'collective action' to support improved tannery practices (and reduce pollution) along the Ganges.

4

OBJECTIVE 4: SUSTAINABLE TIMBER AND SEAFOOD TRADED

The timber and seafood sectors in the UK are radically changed. In FY15 our priorities included that:

- *Businesses recognise the need for responsible timber sourcing, as part of our new forest campaign about reforming regulations that govern the legality of the timber trade and pushing UK markets to trade in 100% sustainable timber by 2020.*
- *Five more central government agencies (government departments, non-departmental public bodies or non-executive agencies) report progress on their green timber procurement through the annual Greening Government report.*
- *Publicly available guidance for businesses is provided to reduce the risk of illegal, unreported and unregulated (IUU) seafood entering their supply chains.*

Responsible timber sourcing

Our new Forest Campaign, which we launched during the reporting year, aims to make responsible forest trade the norm. Working alongside business, we are striving to transform timber markets in the UK and Europe in order that businesses will benefit from a secure long-term supply – and forests (and the people and wildlife that rely on them) will be better able to thrive.

The campaign seeks to cut out the trade in illegal and unsustainable timber. It provides businesses with the opportunity to show their commitment to responsible trade in forest goods. Businesses across Europe are supporting our call for reform of the EU Timber Regulation (through its review in 2015) so that it keeps all illegal timber out of Europe. Current loopholes in the regulation mean that it covers less than half the value of timber products coming into Europe, and it is being inconsistently applied in EU member states.

We already have the support of more than 40 influential businesses (the full list is available at wwf.org.uk/forestcampaignbusinesses) as well as the Professional Publishers Association and the Timber Trade Federation, which represent more than 500 businesses between them. All companies that have signed up have made a public pledge to buy only legal and sustainable timber by 2020.

The backing and influence of these businesses provides a key strength to the campaign: decision-makers in the UK and EU governments are much more likely to listen to us if they can see we have such business support.

Those businesses have also helped to shape our campaign asks; made high-level commitments at a round table meeting with HRH The Prince of Wales; launched our campaign asks to politicians at a reception in parliament; and met representatives of the finance industry to find ways to collaborate on the 2020 goal.

40+
MORE THAN 40
INFLUENTIAL BUSINESSES
SUPPORTING OUR FOREST
CAMPAIGN HAVE PLEDGED
TO BUY ONLY LEGAL AND
SUSTAINABLE TIMBER



5+

THE MOST RECENT
GREENING
GOVERNMENT
REPORT SHOWS
FIVE GOVERNMENT
DEPARTMENTS
ARE REPORTING
PROGRESS
ON THEIR
GREEN TIMBER
PROCUREMENT

Central government timber procurement

In February we released a report on the government's implementation of the UK's Timber Procurement Policy. This was the culmination of two years of work and comprised our own survey as well as looking at official reporting in the annual *Greening Government Commitments* report into how 21 central government departments have been performing against their own requirements.

We achieved our target for the year, as the most recent *Greening Government Commitments* report showed five departments are now reporting progress when compared with the previous year. But our own survey showed there is substantial room for improvement in compliance and monitoring among departments. Only six departments could demonstrate they were implementing the policy, with varying degrees of success.

This work has been important in establishing a performance baseline. It will encourage improvements across central government agencies in this area. In response to our report, the then Parliamentary under-secretary of state at Defra sent letters to all central government departments highlighting our concerns and calling for a greater level of compliance. Building on this, we are preparing proposals for a modified Central Point of Expertise on Timber that would have a stronger monitoring role for central government procurement. We are drafting letters to key individuals in the wider public sector, such as the NHS. We have discussed the subject with the University of Oxford. We also aim to explore legislative options for expanding the policy to the wider public sector.

Responsible sourcing of seafood

Our principal focus this year was on securing commitments from companies to lead the sector in responsibly sourcing seafood from sustainable sources. Globally, WWF operates the 'Seafood Charter' which aims to create a healthy marine ecosystem through partnership projects that improve fisheries and farms so that they meet the high environmental standards of the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC).

This year we renewed our 'Seafood Charter' partnership with M&S and started a new partnership with MW Brands (the parent company of John West). These partners have committed to work with us to source 100% of their seafood sustainably and increase transparency in the sector on key issues such as legality and traceability. Our partnership with MW Brands aims to improve the sustainability rating of one third of the tuna sold in the UK.

In addition to our project to improve the Orkney crab fishery (with M&S), we have secured funding and started two projects that will aim to achieve MSC and ASC in one of our priority places, the South West Indian Ocean, for both farmed and wild-caught shrimp.

WWF works across the globe on seafood issues from the farm/fishery to the companies selling seafood and the authorities that govern them. Our aim is for healthy oceans that support livelihoods and provide seafood for over a billion people around the world. WWF helped to establish the MSC and ASC certification standards to give us a tool with which we can benchmark a fishery/farm operation in any country. Using this process we can identify where improvements can be made that will reduce environmental impacts and ensure a fishery's long-term viability.

FY16

We have five priorities to help us achieve objective 4 by 2018. In FY16, as we progress towards meeting them, those priorities include:

- One forest improvement project is under way in coastal east Africa aimed at achieving sustainable forest management and engaging with local communities and small and medium enterprises.
- At least two projects commence that aim to improve fisheries/farms towards achieving the environmental standards of the Marine Stewardship Council or Aquaculture Stewardship Council.
- We seek UK government commitment to respond to the EU Timber Regulation review and take action. We increase to more than 50 the number of major companies from multiple forest trade sectors that pledge to buy sustainably and support our call to the UK government to enable a shift to a 100% sustainable timber market by 2020.



OBJECTIVE 5: CARBON EMISSIONS REDUCED

Energy policy has shifted in Europe, China, India and Brazil such that carbon emissions are reduced sufficiently to avoid catastrophic climate change. In FY15 our priorities included that:

- A 2030 climate and energy package for the EU is agreed, including an ambitious target to cut emissions by 40% or more, and at least one binding target on energy from renewables or energy efficiency.
- An influential climate campaign 'For the love of...' shifts public and political opinion in the run-up to a global climate deal in Paris.
- Progressive commitments on climate and energy are included in the election manifestos of the main political parties.

EU's 2030 climate and energy projections

This year, EU heads of state and government agreed the headline targets and architecture for the EU framework on climate and energy for 2030. The targets they agreed include a cut in greenhouse gas emissions by at least 40% by 2030 compared to 1990 levels, an EU-wide binding target for renewable energy of at least 27%, and an indicative energy-efficiency target of at least 27%. However, the UK government has made clear that it is against specific renewables and energy-efficiency targets for the UK in the 2030s. On the other hand, the UK government has continued to push for higher overall ambition at EU level on carbon reduction, asking for the EU-wide emissions target to be 50%. Therefore the wording of the EU's published 'intended nationally determined contribution' at the Paris climate summit is for the overall ambition to be a reduction of 'at least 40%'.

>40%
THE EU'S AMBITION
AT THE PARIS
CLIMATE SUMMIT
WILL BE TO CUT
EMISSIONS BY
'40% OR MORE'

Shifting public and political opinion

In 2015, WWF played a key role as part of the Climate Coalition in engaging millions of people around climate change. Our Valentine's day campaign reached 36 million people, thanks in part to the film *A Simple Love Poem* (wwf.org.uk/lovepoem), which featured well-known voices such as Stephen Fry, Meera Syal and Jarvis Cocker delivering a beautiful rendition of Shakespeare's sonnet 18. The campaign culminated in a 'leadership pledge' from David Cameron, Ed Miliband and Nick Clegg

9,000

WE HELPED TO ORGANISE THE BIGGEST CLIMATE LOBBY OF PARLIAMENT: AROUND 9,000 PEOPLE MET MORE THAN 340 MPS TO AIR CONCERNS ABOUT CLIMATE CHANGE

that included a commitment to ‘seek a fair, strong, legally-binding, global climate deal which limits temperature rises to below 2°C’. This was a significant cross-party agreement ahead of the UK general election.

In June (after the general election), we were part of The Climate Coalition’s ‘Speak Up for the love of...’ lobby of Parliament, at which around 9,000 people met more than 340 MPs in Westminster to air their concerns about climate change. It was the biggest climate lobby event of parliament on a single day. The Chancellor mentioned it (and the international climate deal) in PMQs that day. At a business event in the evening, several business leaders invited by WWF spoke to the secretary of state for energy and climate change, Amber Rudd, about the importance of taking action on climate change for their businesses. A week before the lobby, we coordinated a full-page advert in the *Financial Times*, signed by 80 big UK businesses, calling on the government to pass a fifth carbon budget, and to push for a 2°C international deal.

Election manifesto commitments

WWF did significant campaigning work in the 18 months leading up to the UK general election to persuade parties to include strong pledges of action on our key priority areas – including climate change and energy – in their manifestos. As well as meeting with many of those involved in writing the manifestos, we produced a publication that made our ‘asks’ very clear. We shared this with MPs and candidates, promoted our asks at events and encouraged our supporters to raise them with their local candidates.

3

BEFORE THE GENERAL ELECTION ALL THREE MAIN PARTY LEADERS SIGNED AN NGO PLEDGE TO PROTECT THE UK CLIMATE CHANGE ACT AND SUPPORT THE GLOBAL DEAL ON CLIMATE CHANGE

All three of the main party leaders signed up to the NGO Leaders’ Pledge, which committed the next government to protecting the UK Climate Change Act, supporting the global deal on climate change, and ending the use of unabated coal-fire power generation. But there was a disappointing lack of discussion of environmental or climate change policies during the campaign.

All the main party manifestos contained good commitments on climate and energy. The manifesto of the winning Conservative Party had encouraging content including a promise to ‘push for a strong global climate deal in Paris, and continue to support the Climate Change Act at home’. It went on to say that the party would cut emissions ‘as cost-effectively as possible’. However, it committed to ending further support for onshore wind, the cheapest form of renewable generation. The ongoing challenge for WWF will be to ensure that ministers show sufficient domestic ambition to deliver the UK’s climate change targets. The other manifestos had a lot to say on climate and energy too, including a strong statement from Labour on the need for international leadership, backed by a big push on domestic energy efficiency; a pledge from the Liberal Democrats to introduce a Zero Carbon Britain Act; and high priority for investment in renewable energy technologies from the Scottish National Party.

FY16

We have five priorities to help us achieve objective 5 by 2018. In FY16, as we progress towards meeting them, those priorities include:

- The international community agrees – at the Paris conference in December – to measures consistent with limiting global average temperature rise to within 2°C, with the UK playing a leading role.
- The UK government sets the 5th carbon budget (limiting UK emissions over the period 2028-32) in line with the advice of the Committee on Climate Change.
- The UK government takes steps to ensure unabated coal (the most polluting fossil fuel) is no longer used to generate electricity in the UK from the early to mid 2020s.

6

OBJECTIVE 6: LIVING SUSTAINABLY

The drivers of environmental degradation are addressed and a ‘one planet’ economy where people and nature thrive is promoted. In FY15 our priorities included that:

- Our involvement in the new Mercer climate change project, along with other partners, leads global investors to take action on asset allocation decisions with regards to climate change.
- Our influence and recommendations result in decisions being made in the next Forum on China-Africa Cooperation (FOCAC) that give greater priority to the sustainable use of environmental goods and services.
- We will influence the UK government to put the development of natural capital accounting approaches on a more permanent footing in the UK following the expiry of the Natural Capital Committee in May 2015.

The Mercer climate change project

This year our involvement as the only NGO in the Mercer climate change project provided an exciting opportunity for us. Working on the project alongside leading global investors and pension funds, we were able to influence the project’s level of ambition, and the climate scenarios the main report focused on.



The Mercer project’s ambitious climate mitigation scenario will soon be available for decision making on investments of trillions of dollars

In June 2015 Mercer, the global consultancy, launched a landmark report of the project’s findings – *Investing in a time of climate change*. It models four climate scenarios, and shows the growing risks, but also the growing opportunities, there are for long-term investors in a transition to a low-carbon economy.

Among other important findings, it shows that even its most ambitious ‘transformation’ scenario (transforming to a clean energy world where global temperature rise is kept below 2°C) is not more costly to investors at portfolio level. This should give confidence to investors that they can advocate for strong climate policy action without sacrificing financial returns.

As a direct result of the project, the ambitious climate mitigation scenario will soon be available for decision making on all investments for Mercer’s clients – at a scale that involves trillions of dollars.

We received very positive feedback from Mercer on our unique role, and on how we have been able to influence the project’s ultimate direction.

China-Africa cooperation

As part of our preparation for the triennial FOCAC conference (in December 2015), WWF-UK supported WWF-China and relevant WWF offices in Africa to produce a briefing document – *China-Africa: Building a Sustainable Future*. This covers WWF’s recommendations about extraction of natural resources, sustainable finance, clean energy and the participation of stakeholders in the FOCAC process. Programme offices in Africa and China are using the document to engage their governments and partner civil society organisations (CSOs). As a result, a draft workplan for FOCAC now contains text about wildlife, climate change and a green innovation programme between China and Africa. In addition, 80 representatives of governments and CSOs took part in a regional workshop organised by WWF to raise awareness of FOCAC.

80

80 FOCAC PARTICIPANTS AGREED CHINA-AFRICA COLLABORATION WAS IMPORTANT IN SUPPORT OF GREEN DEVELOPMENT



25-YR PLAN

THE GOVERNMENT HAS COMMITTED TO DEVELOPING A 25-YEAR PLAN TO RESTORE BIODIVERSITY, WORKING WITH THE NATURAL CAPITAL COMMITTEE

Participants agreed about the importance of China-Africa collaboration in support of green development. Five Chinese forest companies operating in Mozambique have also expressed an interest in pilot projects to improve the way in which they manage forests

Natural capital accounting

Our aim that the UK government should put approaches to natural capital accounting on a more permanent footing has been met. The government has committed to developing a 25-year plan to restore biodiversity, working with the Natural Capital Committee (NCC) which advises government on natural capital issues. The government has committed to extend the life of the NCC for at least the length of this parliament. These were key asks in our *Greener Budget* report, which we launched at an event in Westminster in February 2015. Danny Alexander – then chief secretary to the Treasury – welcomed the report, saying it was evidently a product of “careful economic thinking” as well as well-motivated environmental thinking and that the government would be looking at the proposals carefully. This was echoed in a written response from the chancellor George Osborne after we sent him the report.

We will now work to influence the development of the 25-year biodiversity plan, to try to ensure natural capital considerations are taken into account in government policy decision-making more systematically, and that new financing mechanisms are put in place to invest in natural capital restoration and improvement.

FY16

- We have eight priorities to help us achieve objective 6 by 2018. In FY16, as we progress towards meeting them, those priorities include:
- Influencing the UK government’s 25-year plan for biodiversity and natural capital, for example by promoting wider recognition of the importance of natural capital to our economy through the application of a ‘stress testing’ approach to assessing the risks from natural capital depletion.
 - Supporting implementation of the Sustainable Development Goals (SDGs) by developing an initial road map with key WWF offices to clarify and define the 15-year agenda for SDG implementation.
 - Assessing the business case for innovative financing mechanisms to support investment in natural capital, and documenting and sharing the learnings from the process with the WWF network.

THE FOLLOWING FOUR 'ENABLERS' ARE HELPING US TO ACHIEVE THE SIX OBJECTIVES OUTLINED PREVIOUSLY...

STRENGTHENING OUR PRIORITY PARTNER WWF OFFICES

We are helping our four priority partner offices (Brazil, India, China and Kenya) develop into strong local institutions, delivering their critical contributions on behalf of the WWF Network with the strategies and resources in place to make an even bigger impact.

In FY15 we focused our support on the development and initial delivery of long-term change plans in our four priority partner offices as well as on building the relationships needed between the four offices and WWF-UK to enable us to work together to deliver greater impact.

Strategy development

WWF-UK was among eight offices that helped this year to set the Chinese office's strategy for game-changing conservation and organisational development. The 'big wins' agreed include: defending ecological 'red lines'; decoupling growth from footprint; engaging millions of Chinese citizens; and mobilising thousands of companies to achieve a 'green' transformation. To drive this work, WWF-China has been recruiting and developing its senior leadership and management teams. A highly-experienced chief operating officer is now on board. A change management team (which WWF-UK will help fund and coach) is being recruited.

We were among key stakeholders (including representatives from government, civil society, academic and research institutions, environmental lawyers and other experts) who provided inputs and insight to help shape WWF-India's role in strengthening marine and environmental law. In Kenya, we began a process to develop a stronger strategic framing, and support for fundraising, that will boost the various programmes that WWF-Kenya and partners are implementing across the country. WWF-Kenya and WWF-Brazil have both strengthened their design and impact teams.

Aligning programmes with new organisational strategies

A priority for WWF-Brazil is ensuring that programme proposals are aligned with the Brazil 2020 strategy. This year, four new project proposals were discussed and aligned to the strategy through a forum. Baseline data and milestones for achieving this priority were also established. The process helped managers to assess project execution and potential funding gaps that require additional investment in order to achieve the strategy goals.

WE WERE AMONG EIGHT OFFICES THAT HELPED TO SET WWF-CHINA'S 'BIG WINS' FOR GAME-CHANGING CONSERVATION AND ORGANISATIONAL DEVELOPMENT

Our partnership approach with all four offices is essential, and WWF-UK continues to provide financial and technical support to each partner country to assist with the development of the plans and implementation strategies. We have all come together to map out how to ensure all partners develop into even stronger, more influential and credible organisations.

FY16

In FY16 we will support further strengthening and realisation of the change plans in our four priority partner offices. This will help to achieve the strategies by applying good practice in each country and developing a thriving 'community of practice' to enable us to work together. Our priorities include:

- resourcing the long-term change plans of the four partner WWF offices.
- creating opportunities for knowledge exchange and learning between the partners.
- building the best partnerships and relationships to enable us to deliver our conservation work.

GROWING OUR BASE OF FINANCIAL AND NON-FINANCIAL SUPPORTERS

This will increase our long-term income, and our influence with business, government and media. With a particular focus on digital means of engagement. The priorities for FY15 were to:

- Generate £34.5m gross income through regular giving (adoptions and membership).
- Launch WWF Collectives – a new digital fundraising platform.
- Recruit 120,000 new direct debits and grow our database by 25,000 donors (from adopters, members and committed givers).

£34.4M

WE INCREASED INCOME FROM REGULAR GIVERS TO £34.4 MILLION

Our animal adoptions and membership products continue to be very important sources of income for the organisation. We have increased income from regular givers to £34.4m and overall income from individuals has grown by 4% continuing a steady upward trend. We have also rolled out new initiatives to engage and retain supporters who adopt an animal with us.

The support we garner from our corporate partners continues to be of enormous benefit to us – both the generous funding that the likes of Coca-Cola, HSBC, M&S, Sky and Whiskas provide for our programmes and the additional influence that the backing of our partners may offer us as we strive to achieve transformational changes. During the year we also announced a partnership with Unilever to inspire consumers and help protect a million trees.

+4%

OVERALL INCOME FROM INDIVIDUALS HAS GROWN BY 4%, CONTINUING A STEADY UPWARD TREND

Our achievements were made possible by huge levels of non-financial support during the year, too. Our engaging digital output has helped us to attract more than a million followers on social media – up from last year's figure of around 600,000. Many of them boost the impact of our campaigns. For instance, more than 100,000 people have added their name to our forest campaign petition (see page 31). We have seen half a million click-throughs from our social media content – taking people to our website, blog, Youtube content, and relevant news articles. Our website attracted a record four million visits from nearly three million people.

Many supporters help to create a buzz around our events. For example, 10.4 million people took part in Earth Hour 2015 (up from 9.6 million in 2014) and thanks to digital advertising and two promotional films nearly 7,000 people signed up to take part in Wear it Wild – a new mass-participation initiative we launched during the year. Our mass lobby of parliament as part of the Climate Coalition was also a great success. Around 9,000 people joined us on the day to meet more than 300 MPs and air their concerns about climate change.

Our media impact was strong – our staff featured in 70% more broadcast interviews in key media than our target figure. Events such as Wear it Wild and the mass lobby of parliament were particularly effective at boosting our media coverage, as was the interest around initiatives involving WWF’s new global ambassador, tennis star Andy Murray.

FY16

- Our priorities in FY16 include:
- Increasing our income from individuals by 6%.
 - Continuing to build our supporter base by increasing numbers by 7%.
 - Reaching more than 1.5 million followers on UK social media platforms, with high engagement (more than 500,000 click-throughs to our content) and increasing the number of actions taken for WWF (to more than 100,000).



CAMPAIGNING TOGETHER WITH THE GLOBAL WWF NETWORK

- *Design and launch a new global campaign that will build on our campaign to protect Virunga National Park from oil exploration.*
- *Launch a campaign to stop the trade in illegal timber in the EU, and unsustainable timber in the UK.*

World heritage in danger

This year we built on the success of WWF’s recent efforts to protect Virunga National Park, a UNESCO World Heritage site, from the threat of oil exploitation. WWF-UK supported the WWF global network campaign for greater protection of another iconic World Heritage site – Australia’s Great Barrier Reef.

Campaigning by WWF supporters played a key role in securing increased protection for the Great Barrier Reef against industrial destruction: more than half a million supporters from 177 countries signed a petition that WWF delivered to UNESCO’s World Heritage Committee. The committee voted to maintain pressure on Australia to deliver on its promise to restore the health of the Great Barrier Reef. It welcomed Australia’s “commitment to establish a permanent ban on dumping of dredged material [...] within the property” and to restrict new megaport expansions in and near the reef. Committee members noted the important role of groups like WWF who helped mobilise the public. And Queensland’s environment minister said: “We would not have achieved the colossal changes we have, the reef would not have the chance it now has, if it weren’t for the focus of some key environment groups, and of the course the World Heritage Committee.”

>500,000
WWF SUPPORTERS
WERE AMONG
MORE THAN HALF A
MILLION PEOPLE WHO
CAMPAIGNED FOR,
AND WON, INCREASED
PROTECTION FOR THE
GREAT BARRIER REEF
AGAINST INDUSTRIAL
DESTRUCTION

As part of the campaign we supported a poll conducted by YouGov across six countries that showed 81% of customers would take action against a company that was involved in industrial activities (such as mining) that had a detrimental impact on natural World Heritage sites. The UK section of the results found that banks and financial institutions which lend to such businesses were considered almost as liable as those they fund. This research is helping us to develop a strategy for engaging financial institutions. We aim to secure greater commitment from such institutions to act to protect natural World Heritage sites.

The WWF network campaign to achieve greater protection for these most treasured places is due to go live in early 2016.

Forest campaign

This year we launched our Forest Campaign – to help save forests by ensuring that every wood-based product sold in the UK comes from legal and sustainable sources by 2020.

There are two parts to the campaign: first we need to close loopholes in the EU Timber Regulation (EUTR) to make sure it keeps all illegal timber out of Europe; then we need to go much further and ensure that all wood-based products are made from sustainably-sourced timber. The EUTR is being reviewed in 2015; we are calling for it to be strengthened so it is consistently applied across all EU member states and so that it also applies to wood-based products that are currently ‘out of scope’ of the regulation. As it stands, the regulation covers less than half the value of timber products coming into Europe.

The key lever to our success in this campaign is business – decision-makers in the UK and EU governments are much more likely to listen to us if they can see we have the backing of business. We already have the support of more than 40 businesses and two business associations, which have made a public pledge to buy only legal and sustainable timber by 2020. Those businesses have helped to shape our campaign asks; they have made high-level commitments at a round table meeting with HRH The Prince of Wales; they helped to launch our political campaign asks at a reception in parliament and they met representatives of the finance industry to find ways to collaborate on the 2020 goal. We have now extended our reach to business throughout Europe.

We have had fantastic public support for the campaign, too – over 100,000 people signed our petition and thousands have written to their MPs and put pressure on businesses, urging them to take action. With such strong support from business and the public, we know we have a very strong chance to achieve our campaign goals.

>100,000
MORE THAN 100,000
PEOPLE HAVE ADDED
THEIR NAMES TO OUR
FOREST CAMPAIGN

FY16

- The priority for FY16 is:
- To launch the next phase of our global campaign to save some of the world’s most precious places from industrial activities, building on our work in Virunga National Park and the Great Barrier Reef. Analysis is produced that makes clear what proportion of natural World Heritage sites are under threat from extractive concessions. We work with and motivate interested investors to help secure more ‘no go’ commitments from extractives companies.

4

MAKING THE MOST OF OUR LIVING PLANET CENTRE

Our focus was on inspiring the public, schools, decision-makers, our supporters, partners and staff.

- *Engage more people: we will attract 25,000 visitors to the WWF Experience and host 100 events with an income target of £20,000.*
- *Inspire more people: we will give 100 tours of the building and publish a digital case study.*
- *Educate more people: we will run 75 workshops for children through our schools and youth programme and family workshops.*

Engaging and inspiring our audiences

The Living Planet Centre continues to offer great scope for us to engage our audiences. Our visitor numbers have remained on target: in this our second year we welcomed 25,500 people. More than 6,000 young people took part in 206 school, youth and family drop-in workshops. We also welcomed more than 8,000 people to 209 events.

We continued to give fortnightly public tours of the building. More businesses, community groups and other charities used our facilities: we hosted 84 meetings and workshops and hired out our auditorium and boardroom to a range of organisations.

We doubled our income target for the year, with a total of more than £40,000.

We are in the final stages of preparing our digital case study, which tells the story of how and why the Living Planet Centre showcases sustainability in its design and construction and in the way we work. We aim to publish it online later in the autumn.

An award-winning building

We won several more awards this year for the materials and technologies used in the building (including lighting, timber and concrete) as well as the way we use the building, which was recognised by a British Council for Offices Regional award. The Royal Institute for British Architects (RIBA) awarded the building a National Award in recognition of architectural excellence – one of just 39 buildings to be recognised in 2015.

We won the Civic Trust Award – given to projects that make an outstanding contribution to the quality and appearance of the environment. We also won the Sir Peter Parker award for Sustainable Buildings and were ‘highly commended’ in the Health & Wellbeing category of the Sustainable City Awards.

>25,000
WE WELCOMED MORE
THAN 25,000 VISITORS
TO THE LIVING PLANET
CENTRE THIS YEAR



FINANCIAL REVIEW

Operating statement

	Year ended 30 June 2015	Year ended 30 June 2014
	£m	£m
Incoming resources excluding Living Planet Centre donations	61.2	61.3
Exceptional income – Living Planet Centre donations	0.1	0.7
Gifts in kind (excluding those relating to the Living Planet Centre)	1.9	0.9
Incoming resources	63.2	62.9
Costs of generating income and governance costs		
Cost of generating funds	14.6	15.5
Governance costs	0.7	0.7
Strategic review costs and related costs	-	0.3
Living Planet Centre bridge costs	-	0.1
	15.3	16.6
Net income available for charitable purposes	47.9	46.3
Resources expended on charitable activities		
Corporate stewardship	4.5	4.4
UK and EU advocacy	4.7	4.4
Science and policy	2.2	2.3
International programme support	15.7	14.4
Transition programmes	0.6	2.0
Organisational development of priority partner offices	2.1	0.9
Building capacity in the network	4.8	6.3
Campaigns, education and public awareness	9.3	10.0
Gifts in kind attributable to charitable activities	1.9	0.9
	45.8	45.6
Net income before gain on investment assets	2.1	0.7
Net gain on investment assets	0.9	0.7
Net increase in reserves	3.0	1.4
Net income before gain on investment assets	2.1	0.7
Less: Living Planet Centre donations	(0.1)	(0.7)
Add: Living Planet Centre bridge costs	-	0.1
Net operating income	2.0	0.1

Income

Total income for the year for the Group (comprising WWF-UK and WWF-UK (World Wide Fund For Nature) Trading Ltd) was £63.2m compared with £62.9m in the previous year. Income excluding one-off income for the Living Planet Centre of £0.1m and gifts in kind of £1.9m was £61.2m, £0.1m less than in the previous year.

There were increases of £1.4m (4%) in membership and donations from individuals, £0.8m (21%) in income from aid agencies and government grants and £0.4m from charitable trusts offset by a reduction of £2.6m (22%) in income from legacies.

The increase in membership and donations from individuals is largely due to an increase in the vital income from regular givers which constitutes more than half of the organisation’s total income.

The increase in income from aid agencies and government grants is partly related to the timing of funding for the ongoing EC Forest Law Enforcement, Governance and Trade projects and partly to EC funding for the new WaterLIFE project which is centred around working with communities, business and governments to help ensure healthy rivers in Europe. The increase in charitable trust income is mainly attributable to an increase in sums received from People’s Postcode Lottery UK.

The decrease in legacies is due to the fact that 2013-2014 included an interim distribution of £5m from the largest legacy ever received by WWF-UK. It had been anticipated that a further distribution from the same estate would be received in 2014-15 but this has been delayed. We have however, in the meantime, developed plans for programmatic work in anticipation of receiving this legacy in the future.

Although there was a slight decrease (3%) in corporate sponsorships and donations, we continued to benefit from generous funding from a number of corporate partners including Coca-Cola, HSBC, M&S, Sky and Whiskas and commenced a new partnership with MW Brands.

Expenditure

The cost of generating funds was reduced from £15.5m to £14.6m. This was due to the fact that in 2013-14 it was decided to invest more in the recruitment of regular givers than in the past.

Charitable activity expenditure increased by 1% from £45.6m to £45.8m although this includes an increase in gifts in kind of £1m and a reduction in campaigns, education and public awareness of £0.7m, the latter being partly because of a particularly high level of investment in public awareness in 2013-14.

Grants expenditure in the year is summarised at Note 4. The contribution to WWF Network Support decreased by £0.8m due to the fact the contribution in 2013-14 was calculated based upon an exceptional level of income generated in 2011-12. Other grants at £18.0m were £1.4m (9%) higher than in the previous year mainly due to a continuation of increased support to the Tiger Network Initiative (an increase of £0.8m) and increased support to the strengthening of our priority partner WWF offices (an increase of £1.0m). Direct project expenditure remained at similar levels

Support costs (as per Note 6 to the Accounts) reduced by £1.6m in the year due to the fact that support costs in the previous year included one-off costs relating to the move to the Living Planet Centre totalling £1.1m and foreign currency holdings losses of £0.4m.

The net increase in total reserves for the year of £3.0m included £1.0m of investment gains.

As defined in the SORP, we are showing general reserves at 30 June 2015 of £16.3m (see Note 18 to the accounts). The increase of £2.3m in comparison with the general reserves at 30 June 2014 can be summarised as follows:

	£m
General reserves at 1 July 2014	14.0
Net increase in unrestricted funds (page 45)	1.9
Decrease in designated reserve for fixed assets (Note 18)	0.1
Decrease in designated reserve for cost of change (Note 18)	0.1
Decrease in designated reserve for the Living Planet Centre (Note 18)	0.5
Increase in revaluation reserve	(0.3)
General reserves at 30 June 2015	16.3

Reserves policy

The WWF-UK reserves policy requires that general reserves are reviewed on at least an annual basis to ensure that they are at an appropriate level and sufficient to protect programmatic expenditure in the short term from any sudden drop in income.

Applying the assumptions set out in the policy, we have calculated that, in the absence of special considerations, we would require general reserves of between £12m and £16m (approximately 17 to 23 weeks of unrestricted funds expenditure). General reserves at the end of the year stood £0.3m above this range.

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 and duties. This is underpinned by our socially responsible investment policy, which promotes the principles of sustainable development and improvements to the environment. All equity investments are screened to ensure that the portfolio complies with the investment policy.

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.

Remuneration policy

Our approach to remuneration is designed to ensure we can attract and retain the talented and motivated people we need to achieve our mission and deliver our strategic goals. It is applied consistently across the organisation.

We aim to pay competitively in the not-for-profit sector within the context of affordability. We therefore subscribe to an external salary survey to enable us to benchmark our salaries against other top charities.

In addition to linking pay to performance, and providing salary progression for those who deliver exceptional performance, we also review internal relativity through our pay moderation process.

Basis of accounts

The Report and Financial Statements for the year ended 30 June 2015 appear in the format required by the Accounting and Reporting by Charities Statement of Recommended Practice ‘SORP’ (revised 2005). They also comply with the Companies Act 2006.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees are responsible for ensuring that WWF-UK has a sound system of internal control to safeguard its assets and funds, and for ensuring that its assets and funds are used only in furtherance of WWF-UK’s objectives. The system of internal control is intended to manage appropriately rather than eliminate risks and to give reasonable rather than absolute assurance.

The trustees exercise their responsibilities through their board meetings and the meetings of the sub-committees described on page 67. The system of internal control includes:

- A five-year strategic plan for 2013-18, approved by trustees in 2012, which came into effect on 1 July 2013 and has been implemented across the organisation. This covers the overall aims and objectives of the organisation and is used as a basis for annual planning and quarterly progress reviews by the Executive Group, with trustee updates delivered every six months.
- Annual performance targets and operating plans, with actual performance being monitored every quarter against key performance indicators.
- A continuing risk management programme. The strategic risk register is reviewed quarterly by the Executive Group, and reported to the Audit Committee. At each quarterly review meeting, in addition to reviewing risks and their potential likelihood and impact, priority actions are identified. The operational risk register is updated quarterly by each department, and reported annually to the Executive Group and Audit Committee.
- The principal risks that are monitored on a quarterly basis by Executive Group and Audit Committee are:
 - Failure to demonstrate progress against our Big Wins (see page 11).
 - Our reliance on the capacity of the WWF Network, including our four priority partner offices, to deliver transformational impacts (see page 28).
 - Inability to deliver a sustainable financial position.
 - Significant impact of changes to the regulatory and legislative environment including fundraising.
 - Critical and sudden impact on reputation and brand leading to sharp reduction in fundraising and audience engagement.
- An internal audit programme with findings and progress reviews being reported to the Executive Group 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 is reviewed annually and formally approved at the AGM each year.
- 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 transparency by publishing annually our performance against the targets we have set ourselves.
- A sign-off process, to ensure that external projects with which we are associated reflect our values and protect our reputation.
- Due diligence checks on our corporate partners.

GOVERNANCE

Structure

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. 04016725). It was founded in 1961 and was formerly known as the World Wildlife Fund. Its objects and powers are set out in its Memorandum and Articles of Association.

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 objectives. A portion of our programmatic activity takes place overseas through local WWF offices and other partners to whom we provide funding. In the UK, we run programmes alone or in partnership with funders and other complementary organisations. In addition, we undertake some campaigning activity to further our objectives. Details of transactions with related parties are included in Note 24 to the accounts.

Trustees

The board of WWF-UK comprises up to 15 unpaid trustees, as listed on page 66, 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, and the appointment of the chief executive. Day-to-day operations are delegated by the board to the chief executive who leads the Executive Group.

The Memorandum and Articles of Association of WWF-UK provide that trustees may be appointed for periods of up to three years at a time and may be appointed for subsequent terms of office of a similar duration provided that each trustee shall take a minimum break of 12 months when s/he has held office for six years and may not serve more than three periods of three years altogether.

The board has four principal committees: the Programme Committee; the Finance and Business Committee; the Audit Committee; and the Nominations and Remuneration Committee. Membership of all these committees is detailed on page 66 of this report.

The Programme Committee advises the board of trustees on strategic issues affecting conservation programmes and related activities.

The Finance and Business Committee is responsible for reviewing WWF-UK's financial performance, and matters relating to management and organisation issues. The committee has a sub committee, the Investment Committee, to assist its work.

The Audit Committee is responsible for oversight of and reporting on internal control systems and risk management.

The Nominations and Remuneration Committee is responsible for recommending new trustees to the board and setting the remuneration of the chief executive. The

Nominations and Remuneration Committee considers potential new trustees, 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 approval.

Each new trustee attends an induction at WWF-UK headquarters, where he/she learns about the organisation and the role and responsibilities of a trustee and meets the chief executive and members of the Executive Group. The trustee also receives an induction pack including Charity Commission guidance on *The Essential Trustee*; WWF-UK's governing documents; and the most recent annual report and financial statements.

Statement of trustees' responsibilities

The trustees (who are also directors of WWF-UK for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group 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 charitable company's auditor is unaware; and
- the trustees have taken all reasonable 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 also responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Environmental policy

In carrying out our mission to safeguard the natural world and create a future where people live in harmony with nature, we undertake activities that also have a negative impact on the environment. As an environmental charity, it's vital to us that we reduce these impacts to a minimum. In order to achieve this we have an Environmental Management System in place, and 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 continuous monitoring and targeted improvement.

You can find our annual environmental report and environmental policy on our website.

Public benefit

We promote education in nature conservation, the natural environment and the sustainable use of natural resources and ecological processes. We strive to conserve for the public benefit, fauna and flora, water, soil and other natural resources. We promote and support scientific and educational studies, research and projects and publication of scientific and educational works.

The completion of our new headquarters, the Living Planet Centre, enables WWF-UK to educate, inspire, influence and engage much more effectively in a building from which we can reach out to the public, including policymakers, children and business leaders.

In reviewing our charitable objectives and as part of planning our future programme of work, the trustees of WWF-UK have taken account of the Charity Commission's guidance on public benefit and have considered how our planned programme of work will consistently contribute to the charity's aims and objectives.

Our employees

At WWF-UK, we know that the delivery of our mission relies on having talented and motivated people and we are proud to have held our Investors in People accreditation for 10 years. Our performance review process underpins our approach to performance and development, ensuring all our people are set and measured against clear operational objectives, linked to our organisational strategy, and career aspirations and development needs are identified.

The trustees and Executive Group encourage widespread consultation and exchange of information at all levels of the organisation. We have an active Employee Forum which ensures our compliance with the requirements of the Information and Consultation (I&C) Regulations 2004. Over the course of this year, our Executive Group and our Employee Forum have worked together on a range of actions to improve employee engagement, ensuring that WWF-UK remains a great place to work.

At WWF-UK we value diversity and are committed to equality of opportunity. We understand the value of an inclusive approach and recognise the impact that different perspectives bring to the work we do in the UK, and across the world as part of our global network.

The trustees' report and strategic report were approved by the board of trustees on 22 October 2015 and were signed on their behalf by:



Sir Andrew Cahn KCMG
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 2015 set out on pages 44 to 65.

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 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

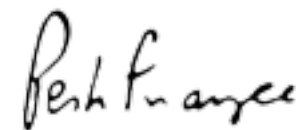
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate accounting records, 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 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

28 October 2015

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 ended 30 June 2015		Unrestricted funds	Restricted funds	Endowment funds	Total 2015	Total 2014
	Notes	£'000	£'000	£'000	£'000	£'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Membership and donations from individuals		24,497	12,650	-	37,147	35,692
Corporate sponsorships and donations		525	5,967	-	6,492	6,717
Gifts in kind	21	1,915	-	-	1,915	925
Charitable trusts		153	1,844	-	1,997	1,544
Legacies		8,661	409	-	9,070	11,684
Activities for generating funds						
Lottery promotions		400	-	-	400	292
Trading activities		-	1	-	1	2
Investment income	2	447	-	-	447	400
Incoming resources from charitable activities						
Aid agencies and government grants	3	-	4,685	-	4,685	3,855
Income from non-governmental organisations		(62)	1,041	-	979	1,089
Incoming resources (excluding Living Planet Centre)		36,536	26,597	-	63,133	62,200
Living Planet Centre incoming resources						
Membership and donations from individuals		-	40	-	40	377
Corporate sponsorships and donations		-	-	-	-	78
Charitable trusts		-	30	-	30	189
Income from Woking Council for bridge	5	-	-	-	-	108
Total Living Planet Centre incoming resources		-	70	-	70	752
Total incoming resources		36,536	26,667	-	63,203	62,952
Resources expended						
Cost of generating funds						
Costs of generating voluntary income						
Membership and donations from individuals		8,205	4,191	-	12,396	13,574
Corporate sponsorship and donations		561	288	-	849	802
Charitable trusts		241	-	-	241	190
Legacies		613	-	-	613	611
Lottery promotions		282	-	-	282	140
Investment management fees		92	-	34	126	116
Costs of raising aid agency and government grants for charitable activities		111	-	-	111	119
Total cost of generating funds carried forward	5	10,105	4,479	34	14,618	15,552

		Unrestricted funds	Restricted funds	Endowment funds	Total 2015	Total 2014
	Notes	£'000	£'000	£'000	£'000	£'000
Total cost of generating funds brought forward	5	10,105	4,479	34	14,618	15,552
Charitable activities						
Grants and project costs	4,5	14,976	19,574	-	34,550	34,646
Campaigns, education and public awareness	5	7,649	1,705	-	9,354	10,011
Gifts in kind	21	1,915	-	-	1,915	925
Total cost of charitable activities		24,540	21,279	-	45,819	45,582
Governance costs						
Governance costs	5	675	-	-	675	669
Strategic review & related costs	5	39	-	-	39	274
Total		714	-	-	714	943
Living Planet Centre bridge costs	5	-	-	-	-	148
Total resources expended		35,359	25,758	34	61,151	62,225
Net income/(expenditure) before other recognised gains and losses		1,177	909	(34)	2,052	727
Net gain on investment assets		706	-	266	972	640
Net movement in funds		1,883	909	232	3,024	1,367
Total funds brought forward	17	27,371	16,536	3,976	47,883	46,516
Total funds carried forward	17	29,254	17,445	4,208	50,907	47,883

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 2015

		Group 2015	Group 2014	Charity 2015	Charity 2014
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	10	18,320	19,223	18,320	19,223
Investments	11	15,753	14,466	15,753	14,466
Total fixed assets		34,073	33,689	34,073	33,689
Current assets					
Stocks	12	583	536	583	536
Debtors	13	5,187	3,866	6,009	4,247
Short-term deposits		5,053	7,029	5,053	7,029
Cash at bank and in hand		10,409	9,394	9,331	8,890
Total current assets		21,232	20,825	20,976	20,702
Current liabilities					
Creditors: Amounts falling due within one year	14	(4,398)	(6,611)	(4,148)	(6,494)
Provisions for liabilities and charges	15	-	(20)	-	(20)
Total current liabilities		(4,398)	(6,631)	(4,148)	(6,514)
Net current assets		16,834	14,194	16,828	14,188
Net assets		50,907	47,883	50,901	47,877
Accumulated funds					
Unrestricted funds:					
General reserves	17	16,349	14,028	16,343	14,022
Revaluation reserve	17	1,265	986	1,265	986
Designated reserves	17	11,640	12,357	11,640	12,357
Total unrestricted funds		29,254	27,371	29,248	27,365
Restricted funds:					
Endowment funds	17	4,208	3,976	4,208	3,976
Restricted funds	17	17,445	16,536	17,445	16,536
Total funds		50,907	47,883	50,901	47,877

The financial statements were approved by the trustees on 22 October 2015 and signed on their behalf by:

Sir Andrew Cahn KCMG
Chair of the board of trustees

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 £'000	2014 £'000
Net cash (outflow)/inflow from operating activities	1.1	(615)	901
Returns on investments and servicing of finance	1.2	447	400
Capital expenditure and financial investment	1.3	(1,153)	(4,023)
Net cash outflow before use of liquid resources		(1,321)	(2,722)
Management of liquid resources and financing	1.4	2,336	1,970
Increase/(decrease) in cash at bank and in hand		1,015	(752)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash at bank and in hand in the year		1,015	(752)
Decrease in cash on short-term deposit		(1,976)	(1,986)
Change in net cash arising from cash flows		(961)	(2,738)
Net funds brought forward 30 June 2014		16,423	19,161
Net funds carried forward 30 June 2015	1.5	15,462	16,423
1.1 Reconciliation of incoming resources to net cash (outflow)/inflow from operating activities			
Net incoming resources before other recognised gains and losses		2,052	727
Investment income received	2	(447)	(400)
Depreciation on fixed assets	10	1,005	743
Loss on disposal of fixed assets		-	17
(Increase) in stocks		(47)	(231)
(Increase)/decrease in debtors		(1,321)	305
(Decrease)/increase in creditors		(1,837)	120
Decrease in provisions		(20)	(380)
Net cash (outflow)/inflow from operating activities		(615)	901
1.2 Returns on investments and servicing of finance			
Investment income received		377	329
Interest and rents received		70	71
		447	400

Consolidated cash flow statement for the year continued

	2015	2014	
	£'000	£'000	
1.3 Capital expenditure and financial investment			
Purchase of tangible fixed assets	(478)	(3,702)	
Acquisition of fixed asset investments	(4,389)	(3,905)	
Disposal of fixed asset investments	3,714	3,584	
	(1,153)	(4,023)	
1.4 Management of liquid resources and financing			
Decrease/(increase) in cash held for investment	360	(16)	
Decrease in cash on short-term deposit	1,976	1,986	
	2,336	1,970	
	At 01 July 2014	Cash flow	At 30 June 2015
	£'000	£'000	£'000
1.5 Analysis of net funds			
Cash at bank and in hand	9,394	1,015	10,409
Cash on short-term deposit	7,029	(1,976)	5,053
Total	16,423	(961)	15,462

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 the Companies Act 2006, 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-UK 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, takes 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 the charity has 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.

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, and 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 recognised 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 recognised when received.

Legacies: residuary legacy income is recognised when received or, if earlier, when estate accounts are agreed. Pecuniary legacy income is recognised when notified.

Other income, including grant income, is recognised 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 of any grants unspent at the year end. The full commitment of the grant is stated in Note 22.

Governance costs relate to compliance with constitutional and statutory requirements and include an allocation of the organisation’s administration costs.

Foreign currencies

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

Forward exchange contracts

WWF-UK has entered into forward exchange contracts during the year to hedge forward currency exposure on certain future expenditure. Forward currency exchanges made under these contracts are recorded at the specified rate at the time of the transaction.

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:

Freehold buildings	1.7% (60 years) – 6.7% (15 years) over the expected remaining life of the asset 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	10.0% (10 years) – 33.3% (3 years) over the remaining life of the lease on a straight line basis
Contacts database system	14.3% (7 years) on a straight line basis

Depreciation is not charged on assets in the course of construction until they are complete and in use.

All tangible fixed assets costing £3,000 or more are capitalised.

Investments

Investments are stated at market value.

The Statement of Financial Activities includes the net gains or losses arising from revaluations and disposals of investment assets during the year.

Stock

Stock is 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 personal pension plan through Aviva which is also a defined contribution scheme. Payments made by the charity on behalf of individual employees are charged to the Consolidated Statement of Financial Activities as incurred.

2. Investment income

	2015	2014
	£'000	£'000
Dividends and fixed interest	377	329
Bank interest	65	68
Rent received	5	3
	447	400

3. Aid agencies and government grants

	2015	2014
	£'000	£'000
Major grants from aid agencies and governments include funds from:		
Department for International Development (DFID)		
Partnership Programme Agreement 4	3,090	3,090
DFID Non-PPA funding	466	325
European Community		
Reducing Poverty in Rufiji/Mafia/Kilwa	-	2
Partnerships involving Stakeholders in the Celtic Sea Eco-System (PISCES)	-	*(89)
Livewell plate for low impact food in Europe	-	343
Forest Law Enforcement, Governance and Trade - Legal & sustainable global timber trade	549	-
India Thirsty Crops	1	*(37)
WaterLIFE - healthy rivers for people and nature	357	-
DEFRA - Department for Environment, Food and Rural Affairs		
Demand Reduction	16	-
CEFAS - Centre for Environment, Fisheries and Aquaculture Science		
GAP2 - Integration of evidence-based knowledge - fisheries and the marine environment	-	32
National Lottery (note 28)		
Sustainable land & natural resource use in Namibia	186	154
Scottish Executive		
Earth Hour Scotland	18	13
Foreign & Commonwealth Office		
Antarctic & Southern Ocean Initiative	-	20
Other agencies	2	2
Total Aid Agencies and Government Grants	4,685	3,855

*adjustments to prior year estimates

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.

	2015	2014
Organisation/Programme	£'000	£'000
WWF International		
WWF Network support	3,140	3,930
WWF Network		
Tiger Network Initiative	2,386	1,580
The Amazon Programme	2,209	2,283
Species Conservation Programme	1,784	1,236
Organisational Development	1,668	691
East Africa Coastal Programme	1,200	1,311
Eastern Himalayas Programme	977	953
The Water Partnership - China Programme	788	1,100
China Africa - Sustainable Development	707	559
East Africa Freshwater Programme	649	676
South Asia Water Security	585	473
Fisheries Policy & Markets	416	265
Mekong	374	271
Arctic Programme	361	312
The Water Partnership - Brazil Programme	339	378
Forest Law Enforcement, Governance and Trade (FLEGT)	265	315
Coral Triangle Programme	261	348
European Policy Programme	238	281
Climate Change	217	388
The Namibia Programme	162	123
Green Heart of Africa Programme	-	282
Other projects aggregated	2,447	2,786
Total grant funding on programmes and projects	21,173	20,541
Other project activity undertaken directly (Note 5)	10,491	10,348
Total grants and projects expenditure (Note 5)	31,664	30,889
Support costs (Notes 5,6)	2,886	3,757
Total amount expended on grants and projects	34,550	34,646

5. Resources expended

	Activities undertaken directly	Grant funding of activities	Support costs	2015	2014
	£'000	£'000	£'000	£'000	£'000
Corporate stewardship	3,320	798	375	4,493	4,345
UK and EU advocacy	3,242	1,035	390	4,667	4,362
Science and policy	1,063	985	187	2,235	2,340
International programme support	1,525	12,881	1,313	15,719	14,392
Transition programmes	355	184	49	588	2,016
Organisational development of priority partner offices	169	1,724	173	2,066	861
Building capacity in the network	817	3,566	399	4,782	6,330
Total grants and project costs	10,491	21,173	2,886	34,550	34,646
Campaigns, education and public awareness	8,573	-	781	9,354	10,011
Cost of generating funds	13,397	-	1,221	14,618	15,552
Governance	675	-	-	675	669
Strategic review and related costs	39	-	-	39	274
Gifts in Kind attributable to charitable activities	1,915	-	-	1,915	925
Living Planet Centre bridge costs*	-	-	-	-	148
Total resources expended	35,090	21,173	4,888	61,151	62,225

*As a condition of building the Living Planet Centre at the site in Woking, WWF-UK built a new bridge across the Basingstoke canal to improve access. Woking Borough Council made a contribution which covered the major portion of the cost.

Basis for the support cost allocation

Support costs are allocated on a pro-rata basis according to the total cost of activities undertaken directly and grant funding of activities.

6. Support costs

	Management & finance	HR	I.T.	Premises & facilities	2015	2014
	£'000	£'000	£'000	£'000	£'000	£'000
Grants & projects	717	427	726	1,016	2,886	3,757
Campaigns, education and public awareness	194	116	196	275	781	1,085
Cost of generating funds	303	181	307	430	1,221	1,686
Total support costs	1,214	724	1,229	1,721	4,888	6,528

7. Staff costs

	2015	2014
	£'000	£'000
Wages and salaries	12,054	11,707
Social Security costs	1,278	1,233
Pension costs	1,107	1,049
	14,439	13,989

The above costs exclude 8 staff (2014: 8 staff) who were hosted by WWF-UK on behalf of WWF International and WWF-US. Total cost £557,000 (2014: £529,000).

Included within staff costs above is £nil (2014: £155,000) relating to redundancy costs arising from the strategy review and subsequent reorganisation.

In addition, the cost of temporary staff in the year was £329,003 (2014: £473,953).

The number of employees whose emoluments exceeded £60,000 in the year was:

	2015	2014
	Number	Number
£60,001 to £70,000	8	6
£70,001 to £80,000	9	9
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-
£100,001 to £110,000	1	2
£110,001 to £120,000	1	-
£140,001 to £150,000	-	1
£150,001 to £160,000	1	-
Total	21	19

Pension contributions for the 21 highest paid employees (19 in 2014) amounted to £141,181 (2014: £128,647). The chief executive officer is the highest paid employee in the organisation.

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

	2015	2014
	Number	Number
Charitable activities	180	181
Generating funds	61	58
Support and governance	52	56
	293	295

8. Trustees' remuneration and expenses

No trustee received any remuneration from WWF-UK during the year (2014: nil). Expenses totalling £2,871 (2014: £1,390) were reimbursed to three trustees (2014: five trustees) solely for travel costs incurred in attending meetings.

During the year the charity paid £4,982 (2014: £4,700) in respect of trustees' indemnity insurance on behalf of the trustees. No other costs were borne on behalf of any trustee.

9. Net incoming resources from operations

	2015	2014
	£'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	34	34
Fees payable to the charity's auditors for the audit of the charity's subsidiaries	24	23
	58	57
Fees payable to the charity's auditors for the audit of projects	16	4
Total audit fees	74	61

Depreciation of tangible fixed assets	1,005	743
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Operating lease rentals:		
Plant and machinery	11	15
Other	36	247
Total operating lease rental	47	262

Unrealised (gain)/loss on foreign exchange translation	(51)	386
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10. Tangible fixed assets

	Living Planet Centre	Leasehold improvements	Office furniture and equipment	Contacts database system	Total
	£'000	£'000	£'000	£'000	£'000
GROUP AND CHARITY					
Cost or valuation					
At 30 June 2014	19,274	291	758	1,206	21,529
Additions in the year	75	4	23	-	102
Transfers	-	30	(30)	-	-
Disposals in the year	-	(262)	-	-	(262)
At 30 June 2015	19,349	63	751	1,206	21,369
Depreciation					
At 30 June 2014	575	265	260	1,206	2,306
Charge for the year	830	12	163	-	1,005
Disposals in the year	-	(262)	-	-	(262)
At 30 June 2015	1,405	15	423	1,206	3,049
Net book value					
At 30 June 2015	17,944	48	328	-	18,320
At 30 June 2014	18,699	26	498	-	19,223

11. Investments

	2015	2014
GROUP AND CHARITY	£'000	£'000
Investment – movement		
Market value at 1 July 2014	13,530	12,569
Additions at cost	4,389	3,905
Disposals at market value	(3,714)	(3,584)
Net gain on revaluation	972	640
Market value at 30 June 2015	15,177	13,530
Cash balances	576	936
Total market value at 30 June 2015	15,753	14,466
Historic cost at 30 June 2015	13,976	13,073
Portfolio distribution		
UK fixed interest	4,266	3,894
UK equities	3,470	3,239
Overseas equities	5,999	5,461
Overseas fixed interest	1,442	936
Cash funds	576	936
Total investment portfolio	15,753	14,466
Restriction analysis		
Endowment funds	4,208	3,976
Unrestricted funds	11,545	10,490
Total	15,753	14,466

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.

12. Stock

Stock consists of finished goods for resale held by the charity.

13. Debtors

	Group	Group	Charity	Charity
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Amounts due within one year:				
Trade debtors	820	537	396	269
Amounts due from WWF-UK (World Wide Fund For Nature) Trading Limited	-	-	1,300	957
Other debtors	637	806	637	806
Prepayments and accrued income	3,730	2,523	3,676	2,215
Total debtors	5,187	3,866	6,009	4,247

14. Creditors

	Group	Group	Charity	Charity
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade creditors	650	619	618	596
PAYE & National Insurance	379	359	379	359
Other creditors	226	110	223	108
Accruals	2,243	3,975	2,182	3,916
Deferred income	900	1,548	746	1,515
Total creditors	4,398	6,611	4,148	6,494

14(a) Group deferred income

	1 July 2014	Receipt	Charges	30 June 2015
	£'000	£'000	£'000	£'000
Corporate sponsorship	1,546	539	(1,207)	878
Refurbishment reimbursement	2	-	(2)	-
Staff hostings	-	318	(301)	17
Others	-	18	(13)	5
Deferred income	1,548	875	(1,523)	900

15. Provisions

Provisions relate to property matters.

	2015	2014
	£'000	£'000
Opening balance	20	400
Credited during the year	-	(364)
Utilised during the year	(20)	(16)
Closing balance	-	20

16. 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 during the year were receiving royalties licensing income from the use of the WWF logo and sponsorship income and miscellaneous trading activities.

The aggregate assets of the subsidiary company were £1,555,820 (2014: £1,080,089) and the aggregate liabilities were £1,549,532 (2014: £1,073,801), resulting in shareholders' funds of £6,288 (2014: £6,288).

The taxable profits earned by the company are donated to WWF-UK and in the current year amounted to £997,276 (2014: £1,710,239).

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

Profit and loss account	2015	2014
	£'000	£'000
Catalogue and retail sales	-	2
Corporate sponsorship and licensing	1,665	2,287
Turnover	1,665	2,289
Cost of sales	(176)	(77)
Gross profit	1,489	2,212
Administrative expenses	(493)	(503)
Operating profit	996	1,709
Interest receivable	1	1
	997	1,710
Gift Aid donation to WWF-UK	(997)	(1,710)
Retained profit for the year	-	-
Profit & loss account brought forward	6	6
Retained profit carried forward	6	6

17. Group statement of funds

	At 1 July 2014	Incoming resources	Outgoing resources	Transfers between funds	Net gains/ (losses)	At 30 June 2015
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment funds						
Kleinwort Endowment Fund	2,265	-	(20)	-	152	2,397
Willingdon Memorial Fund	1,711	-	(14)	-	114	1,811
Total endowment funds	3,976	-	(34)	-	266	4,208

Restricted funds						
Project restricted funds						
HSBC Water Programme	1,299	2,595	(2,470)	-	-	1,424
Marks & Spencer Ethical & Eco Programmes	228	161	(345)	-	-	44
M&S Forever Fish Campaign	400	648	(433)	-	-	615
Coca-Cola Freshwater Programme	198	183	(346)	-	-	35
DFID Non PPA China Africa*	5	466	(500)	-	-	(29)
Big Lottery Fund Grant	44	186	(181)	-	-	49
John West	-	302	(207)	-	-	95
Conservancy work in Kenya	100	693	(41)	-	-	752
People's Postcode Lottery	166	637	(540)	-	-	263
European Commission - FLEGT	(100)	549	(349)	-	-	100
European Commission - Celtic Seas*	312	-	(350)	-	-	(38)
European Commission - WaterLife	-	357	(217)	-	-	140
European Commission - Other*	216	(12)	(253)	-	-	(49)
Other project restricted, GAA and DFID	1,401	1,507	(1,996)	-	-	912

	At 1 July 2014	Incoming resources	Outgoing resources	Transfers between funds	Net gains/ (losses)	At 30 June 2015
	£'000	£'000	£'000	£'000	£'000	£'000
Broadly restricted funds						
Sky Amazon Project	1,864	1,785	(1,613)	-	-	2,036
Arctic**	(29)	502	(756)	-	-	(283)
Climate change**	(97)	584	(698)	-	-	(211)
Primates	189	550	(350)	-	-	389
Rhinos	151	450	(504)	-	-	97
Pandas**	(90)	451	(412)	-	-	(51)
Elephants**	(185)	606	(691)	-	-	(270)
Amur leopards	420	829	(456)	-	-	793
Snow leopards**	(852)	1,767	(1,585)	-	-	(670)
Tigers	1,371	3,101	(3,347)	-	-	1,125
Penguins**	20	420	(602)	-	-	(162)
Dolphins**	93	229	(347)	-	-	(25)
Mountain gorillas**	(290)	402	(304)	-	-	(192)
Endangered species	281	927	(796)	-	-	412
Other broadly restricted funds	554	1,966	(1,422)	-	-	1,098
DFID – PPA 4	1,945	3,090	(2,669)	-	-	2,366
Hosting costs (Including staff costs)	8	666	(674)	-	-	-
Total project and broadly restricted funds	9,622	26,597	(25,454)	-	-	10,765

Living Planet Centre						
Living Planet Centre Rufford	4,858	-	(216)	-	-	4,642
Living Planet Centre other	2,056	70	(88)	-	-	2,038
Total Living Planet Centre funds	6,914	70	(304)	-	-	6,680
Total restricted funds	16,536	26,667	(25,758)	-	-	17,445

Unrestricted funds						
Designated reserves:						
Fixed asset reserve	524	-	(175)	27	-	376
Cost of Change	65	-	-	(65)	-	-
Living Planet Centre	11,768	-	(516)	12	-	11,264
Designated reserves	12,357	-	(691)	(26)	-	11,640
Revaluation reserve	986	-	-	-	279	1,265
General reserve	14,028	36,536	(34,668)	26	427	16,349
Total unrestricted funds	27,371	36,536	(35,359)	-	706	29,254
Total funds	47,883	63,203	(61,151)	-	972	50,907

*There is a negative balance on the restricted funds for DFID Non PPA China Africa (£29,000), European Commission – Celtic Seas (£38,000) and European Commission – Other (£49,000) due to outstanding claims to be submitted.

**There are negative balances on the restricted funds for Arctic (£283,000), Climate change (£211,000), Pandas (£51,000), Elephants (£270,000), Snow leopards (£670,000), Penguins (£162,000), Dolphins (£25,000) and mountain gorillas (£192,000). This is due to investment being made in the recruitment of regular giving supporters in respect of whom we are confident that future net income will exceed the amount of the deficit balance.

Permanent endowments

The Kleinwort Endowment Fund was established in 1970. 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. They 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.
- 4. Living Planet Centre restricted donations have been used for the construction of the new headquarters.

Designated reserves

- The designated reserve in respect of the Living Planet Centre represents the unrestricted element of the net book value of the property.
- The fixed asset reserve represents resources invested in fixed assets other than the Living Planet Centre and which, as a result, are not available for other purposes. The transfer of £27,000 relates to new fixed assets purchased in the year.
- The Cost of Change reserve represents funds designated for future costs emanating from the strategic review. The transfer of £65,000 relates to cost of change expenditure in the year.

Revaluation reserve

The revaluation reserve represents the difference between the historical cost of unrestricted fixed asset investments and their market value at the balance sheet date.

Charity Statement of Financial Activities (SOFA)

The total income of the charity in 2015 was £62.6m (2014: £62.4m) and total expenditure was £60.5m (2014: £61.6m).

18. Analysis of group assets and liabilities between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total 2015	Total 2014
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets – Living Planet Centre	11,264	6,680	-	17,944	18,699
Tangible fixed assets – Other	376	-	-	376	524
Investments	11,545	-	4,208	15,753	14,466
Fixed assets	23,185	6,680	4,208	34,073	33,689
Current assets	10,467	10,765	-	21,232	20,825
Current liabilities	(4,398)	-	-	(4,398)	(6,631)
Net assets	29,254	17,445	4,208	50,907	47,883

	Notes	£'000	£'000
As part of the above funds, general reserves are calculated as being:			
Total unrestricted funds	17	29,254	27,371
Less:			
Tangible fixed assets	10	(376)	(524)
Designated for cost of change expenditure		-	(65)
Revaluation reserve	17	(1,265)	(986)
Designated for current funding gap for build of Living Planet Centre		(11,264)	(11,768)
Total general reserves		16,349	14,028

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

19. 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:

	2015 Land and buildings	2015 Plant and machinery	2014 Land and buildings	2014 Plant and machinery
	£'000	£'000	£'000	£'000
Leases which expire:				
within one year	12	-	38	-
within two to five years	-	12	-	12
after five years	44	-	-	-

20. 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 these legacies are estimated to be £9,058,028 (2014: £8,812,947) and includes an amount of £4.8m (2014: £4.0m) for the anticipated further distribution from the estate referred to in the Financial Review mentioned on page 35.

21. Gifts in kind

WWF-UK received gifts in kind during the year relating to the goods and services detailed below:

	£'000
Campaigning costs:	
Poster advertising space donated and used to promote awareness of the annual WWF Earth Hour and other campaigns	1,618
Donation of internet search terms to generate public awareness and for testing fundraising media	297
Total gifts in kind received	1,915

22. Outstanding grant awards

WWF-UK aims to continue to provide funding to a number of programmes and projects subject to the delivery of obligations contained in the grant awards. At the end of the year, the amount of grants outstanding that did not meet the definition of an accounting accrual amounted to £22,040,160 and did not extend beyond June 2019 (2014: £17,495,732 not extending beyond June 2018).

23. 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 maximum possible liability arising from indemnities outstanding at the balance sheet date was £928,659 (2014: £1,192,881).

WWF-UK has been recently notified by HMRC that it is contesting the VAT treatment adopted by WWF-UK for certain streams of income. If successful, this would have the effect of reducing the amount of VAT recoverable potentially resulting in a liability to HMRC. The treatment adopted has been in place for many years, during which time there have been a number of VAT inspections, and professional advice received by WWF-UK supports the current treatment. Due to the inherent uncertainties surrounding any liability including the income streams and period to which any ruling (if successful) would be applied, it is not considered practicable to provide an estimate of the amounts involved.

24. Related party transactions

The chief executive and the executive director of global programmes both served as trustees of the Alliance of Religions and Conservation. The aggregate amount of grants from WWF-UK to this organisation was £60,000 (2014: £60,000).

Andrew Cahn, who was chair of WWF-UK during the year, was also a trustee of WWF International. Total income from WWF International during the year was £685,909 (2014: £793,000) and expenditure was £4,266,641 (2014: £5,237,620).

WWF-UK has taken advantage of the exemption given by Financial Reporting Standard 8, Related Party Disclosures, permitting it not to disclose details of transactions with its subsidiaries.

25. 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.

26. Commitments

At the year end, WWF-UK had no capital commitments.

WWF-UK has entered into five forward exchange contracts during the year to hedge against exposure on anticipated future foreign currency requirements. These contracts to purchase Swiss francs (CHF) using sterling (GBP) are each for between eight and 12 months in duration, at CHF/GBP rates between 1.2995 and 1.5118. At the balance sheet date a combined purchase value of CHF4.8 million remained on these contracts.

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.

28. Big lottery fund grant

During the year WWF-UK received £186,342 (2014: £153,728) from the Big Lottery Fund as the main contribution towards a three-year project ending in 2015. The project aims to improve access rights and sustainably manage natural resources and rangelands in Namibia. During the year £180,967 (2014: £148,008) of expenditure was allocated to the project.

WWF-UK CORPORATE DIRECTORY

The information shown below is that pertaining between 1 July 2014 and 22 October 2015, the date of signing the accounts.

Honorary President

HRH The Prince of Wales

Trustees

Sir Andrew Cahn KCMG (chair)

Mark Chambers (retired October 2015)

David Phillips

Natalie Gross

Andrew Reicher

Richard Sambrook

Jane Cotton

Ila Kasem

Professor Michael Dixon

Professor Georgina Mace

Christopher Mark Richardson (Appointed March 2015)

Professor Malcolm Press (Appointed December 2014)

Committees

F, N

A, F

A, F, Inv, N

N

F, Inv

F

A, F

P

P

A,F

P

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

Sir Martin Laing CBE (Trustee Emeritus)

The Hon Mrs Sara Morrison (Trustee Emeritus)

Ed Smith CBE (Trustee Emeritus)

Independent members and external advisors

Pesh Framjee

Mike Acreman

John Hudson

Elizabeth Passey

Andy Wales

Alex Rogers

John Ditchfield

David Downie (Staff representative)

Simon Rivett-Carnac

Committees

A

P

P

P

P

Inv

Inv

Inv

Committees

(A) Audit Committee

(F) Finance and Business Committee

(N) Nominations & Remuneration Committee

(P) Programme Committee

(Inv) Investment Sub-Committee

Chair

Mark Chambers
(retired October 2015)

Mark Richardson
(appointed October 2015)

Sir Andrew Cahn KCMG

Sir Andrew Cahn KCMG

Professor Georgina Mace

David Phillips

Corporate management team/principal officers

Chief executive

David Nussbaum

Executive director of operations

Robert Hardy

Executive director of communications and fundraising

Alison Lucas

Executive director of global programmes

Dr Glyn Davies

Company secretary

Susan Gent (resigned August 2014)

Robert Hardy (interim company secretary from September 2014 to January 2015)

Simon Major (appointed January 2015)

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

Investment managers

Newton Investment Management Ltd
160 Queen Victoria Street
London EC4V 4LA



Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

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Planet Centre, Rufford House, Brewery Road, Woking, Surrey, GU21 4LL, t:+44 (0)1483 426333, wwf.org.uk