



Report and financial statements

WWF-UK 30 June 2002

WWF-UK
Registered charity number 1081247
A company limited by guarantee
Registered in England number 4016725



WWF-UK

Some key facts

- Expenditure 2001/02
£30.6 million
- Income £31.5 million
- WWF operates in
90 countries
- In 2001/02 WWF-UK
contributed the major
part of its income to
global projects
- WWF-UK seeks to protect
endangered species
including Pandas, Rhinos,
Tigers and Whales
- WWF-UK has 320,000
supporters
- WWF-UK is part of a
global network with WWF
national organisations in
27 countries and
programme offices in
a further 27 countries.
- WWF-UK has its own
internal environmental
systems and practices
what it preaches
- WWF-UK has a socially
responsible investment
policy.
- You can give to WWF-UK
by post to Panda House,
Weyside Park, Godalming,
Surrey GU7 1XR, telephone
01483 426444 or on the
internet: www.wwf.org.uk

WWF-UK

The information shown below is that pertaining at 1 November 2002

President

HRH Princess Alexandra
the Hon Lady Ogilvy GCVO

Trustees Emeriti

Sir Martin Laing CBE
Sir Arthur Norman KBE DFC

Vice-Presidents

Rt Hon The Lord Buxton MC DL
Guy Mountfort OBE
E Max Nicholson CB CVO LLD

Board of Trustees and Directors

Chairman

The Hon Sara Morrison

Fabiola Arredondo

Marc Citron

Colin Day

Richard Freeman

Dr Rita Gardner

Michael Grade CBE

Anders Johansson

Ray Perman

Professor Adrian Phillips CBE

Jonathon Porritt CBE

Adair Turner

Christopher Ward

Professor Lynda Warren

Vice Admiral Sir James Weatherall

KCVO KBE

Honorary Treasurer

Colin Day

Finance and Business Committee

Chairman

The Hon Sara Morrison

Marc Citron

Colin Day

Chris Ingram

Anders Johansson

Richard Freeman

Christopher Ward

Charles Wilson

David Taylor-Smith

Audit Committee

Chairman

Charles Wilson

Marc Citron

Colin Day

Anders Johansson

Programmes Committee

Chairman

Prof Adrian Phillips CBE

Fabiola Arredondo

Dr Steve Bass

Pamela Castle

Dr Rita Gardner

Elizabeth Grundy

Ray Ison

Paul Monaghan

Karen Raymond

Anthony Sampson

Principal Officers

Chief Executive

Robert Napier

Deputy Chief Executive and
Director of Finance and Services
Leslie Jones OBE

Director of Programmes

Francis Sullivan

Director of Policy

Andrew Lee

Director of Scotland

Simon Pepper OBE

Director of Communications

Perdita Hunt

Director of Fundraising

Nicola Bishop

Director of Human Resources

Duncan Parkes

Head of Northern Ireland

Jim Kitchen

Head of Wales

Morgan Parry

Professional Advisers

Auditors

Deloitte & Touche

Reading

Bankers

The Cooperative Bank
London City Office, 80 Cornhill,
London EC3V 3NJ

Solicitors

Barlows

55 Quarry Street, Guildford,
Surrey GU1 3UE

Investment Managers

Newton

71 Queen Victoria Street,
London EC4V 4DR

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Report of the Board of Trustees and Directors

for the year ended 30 June 2002

Financial headlines

WWF-UK's headline financial results for the year ended 30 June 2002 are as follows:

- there is an operating surplus of £0.854 million
- we received record total income of £31.463 million
- we spent a record £30.609 million on our programme and other objectives
- unrealised investment losses converted the operating surplus into a deficit of £0.473 million
- the trading subsidiary company made a surplus of £0.432 million and this has been consolidated into the overall results.

Further and more detailed commentary on these headline figures is given in this report.

Basis of accounts

The report and statements for the year ended 30 June 2002 appear for the second time in the format required by the revised (October 2000)

Charity Commission Statement of Recommended Practice for Accounting and Reporting by Charities (SORP).

The report and statements also comply with the Companies Act 1985 as WWF-UK was incorporated by Guarantee on 16 June 2000.

Objectives and activities

WWF-UK was founded as the World Wildlife Fund (British National Appeal) by a declaration of trust dated 23 November 1961 and is registered as a charity with the Charity Commission under the Charities Acts 1960 to 1993. The name was changed to WWF-UK (World Wide Fund For Nature) in 1992 and then to WWF-UK in September 1995.

WWF-UK is part of the WWF global environment network and is a separate legal entity. Our mission is: To stop the degradation of the planet's natural environment, and to build a future in which humans live in harmony with nature by:

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

WWF-UK takes action to conserve endangered species, protect endangered spaces and campaign against global threats to the planet by seeking

sustainable solutions for the benefit of people and nature. Our work includes influencing governments, industry, educators and civil society. Species, habitats, global threats and sustainable solutions form the basis of all our programmatic and campaigning work.

Organisational structure

WWF is a global environment network and its work is coordinated and represented by WWF International. The network involves 27 autonomous WWF National Organisations and 27 Programme Offices, and we work in more than 90 countries. WWF-UK operates in the UK and in more than 25 countries in Africa, Asia, Europe, the Middle East, Latin America, the Asia-Pacific region and the Caribbean.

The Board of WWF-UK comprises not more than 15 Trustees and is responsible for setting policy and agreeing strategy based on advice from senior management. Day to day operational decisions are taken by senior management. The Board has two principal committees to help it with this work: a Finance and Business Committee and a Programme Committee. The Finance and Business Committee meets at least quarterly to review the finances, financial controls and risks, matters related to management and organisational issues.

There are three sub-committees of the Finance and Business Committee: one deals with investment of the charity's reserves and endowments and investment performance; one deals with staff pension matters; the third is an Audit Committee. The Audit Committee is supported by an internal audit function and has

widespread authority to ensure sound financial management throughout WWF-UK. The Programme Committee advises the Board on strategic issues affecting the programme. An important part of the Programme Committee's work during the year concentrated on developing measures to gauge the impact of WWF-UK's programme and to measure its performance. We believe this work is vital not only for WWF but also for all charities.

Trustees and their statutory responsibilities

The list of current Trustees is given at the beginning of this report. New Trustees are appointed by the Board on the recommendation of a Nominations Committee. In making its recommendations to the Board, this Committee takes into account the mix of skills, gender balance and geographical representation.

Pamela Castle and Charles Wilson retired as Trustees in 2001/02 and I place on record my thanks to them for their outstanding contribution to our work. Jeremy Edwards retired as our Honorary Treasurer in 2001/02 and I pay particular tribute to his dedication to WWF-UK. It is gratifying to report that he received the WWF Member of Honour award for his work with us. I also take this opportunity to welcome new arrivals – Christopher Ward (for the second time) and Professor Lynda Warren. We are looking forward to working with them.

United Kingdom Charity law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of income and expenditure during the year, and of their state of affairs at the end of the year. In preparing the financial statements, the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards and statements of recommended practice without any material departures;
- prepared the financial statements as a going concern; and
- reviewed the major risks to which WWF-UK is exposed, and established systems to mitigate those risks.

WWF-UK's challenge

WWF's 2002 Living Planet Index indicates that in the last 30 years the world's natural ecosystems have declined by some 37 per cent – an appalling deterioration. This bleak statistic reflects the huge challenge that we face in not only trying to reverse the decline in the global environment but also to improve it.

A major development during the year was WWF-UK's *Who Cares?* campaign in selected UK newspapers and magazines. This highlighted the dangerous way in which the Earth's fragile environment is being managed. A number of straplines were used – "Who cares if our bodies contain many different toxic chemicals?" "Who cares if climate change causes more flooding?" "Who cares if our fish stocks are becoming depleted and our oceans are dying?" Although this campaign had to be run on a limited budget, it hit home and achieved its dual aim of raising public awareness and calling people to action, because we believe everybody has a part to play in changing our environmental destiny.

The core of our work is, of course, our international programme and during 2001/02 this was substantially developed so that we now tackle

environmental challenges by managing our projects as part of a holistic programme. Conservation outputs are consequently achieved on a more sustainable basis. We now become involved in fewer projects, each of which has a greater impact and the ability to lever long-term change by influencing the actions of people, governments and businesses.

The "influencing" challenge remains as formidable as ever: the global governance structure which affects the environment has taken some steps forward and some steps back. This has in many ways disappointed us, but it has also strengthened our resolve to get environmental issues and consequential action high on the agenda of governments and businesses. We will not rest until the environmental governance structure is convinced of the urgent need to take unilateral action. We indeed have "promises to keep and miles to go before we sleep".

WWF-UK organises its work using seven programmatic themes which reflect the need to tackle environmental issues head-on as far as wildlife and habitats are concerned. At the same time they pick up the long-term challenges of global threats such as climate change and the release of toxic chemicals, and they lever global change by seeking sustainable solutions. WWF-UK's seven programmatic themes are species (the core of our business), forests, freshwater, marine, toxics, climate change and levers for long-term change. The Programme is fully integrated around these themes and 2001/02 saw us moving forward positively on all fronts – albeit in the face of huge challenges in a quickly changing and insecure world. These are some of our achievements during the year.

Species

In January 2002 we launched the Wildlife Trade Campaign, which among other objectives aims to increase legal penalties to deter the repugnant illegal wildlife trade. By the end of June we had passed our target to persuade 326 MPs to sign Early Day Motion number 862, which expressed support for the campaign's aims. In addition to parliamentarians, celebrities such as Philippa Forrester, Gaby Roslin, Nick Ross and Anthea Turner also endorsed our campaign.

In the field, thanks to support from the Rufford Foundation and others, we provided funds enabling 10 greater one-horned rhinos to be translocated from Royal Chitwan to Bardia National Park in Nepal. A total of 88 rhinos have now been moved, well on the way to our target of 100. In China the government is to establish 13 new panda reserves and create the first panda corridors in the Qinling mountains. During the year we also continued to protect tigers, whales, elephants, great apes, leopards, river dolphins, jaguars, golden lion tamarins and other species.

Forests

WWF-UK's support for the global Forests for Life Programme contributed to the establishment this year of 1.35 million hectares of newly protected forest areas in Brazil, Colombia, Malaysia and Mexico – an area two thirds the size of Wales. The demand created by the WWF 95+ Group, which audits and certifies the sustainably managed forests used by wood manufacturers, has meant that globally the total area certified by the Forest Stewardship Council (FSC) has risen from 25 million to 30 million hectares during the year. These figures demonstrate the real and positive impact we are having on the world's forests.

Freshwater

This was a milestone year for WWF-UK and the WWF network's freshwater programme. We entered a partnership with the global bank HSBC which resulted in a total of £12.7 million being pledged for freshwater programmes in Brazil, China, Mexico, the US and the UK. This represents a step change in our ability to improve the world's freshwater systems and the fate of species that depend on them for their existence.

WWF-UK has also taken the lead in developing the Great Ruaha River Programme in Tanzania, based on the commitment of the Tanzanian government to ensure that the frequently dried-up river flows throughout the year by 2010. This will be a significant conservation achievement which will have a major impact on the wildlife, people and general ecology of the area.

In Europe, WWF-UK supported the programme office in Poland so that options could be put to the Polish government to prevent damming of the Vistula River. As a result of our pressure, Poland's Minister for the Environment is reconsidering the proposal for the dam.

Marine

WWF-UK has been instrumental in influencing the Declaration of the North Sea Ministerial Conference on the future of that sea. Ministers have now committed themselves to implementing an ecosystem approach to managing the North Sea. The Oceans Recovery Campaign (one of WWF-UK's key campaigns) concluded with a high-level summit in Edinburgh, and the publication of a declaration which calls for comprehensive legislation to protect our oceans. This was signed by more than 100 organisations. In a video link to the summit, Margaret Beckett, Secretary of State for the Environment, announced that the Darwin Mounds, a critical marine ecosystem off the north-west coast of Scotland, would be designated a Special Area of Conservation.

Toxics

For many years WWF-UK has played a leading role in lobbying the EU to revise its chemical management policy. In 2001 the EU published *A Strategy for Future Chemical Policy* – a White Paper containing many positive and progressive elements of a policy paper co-drafted by WWF-UK. We also succeeded in securing an EU commitment to precautionary action on three brominated flame retardants, Penta, Deca and Octa, all of which have bioaccumulative, persistent and hormone-disrupting properties. As a result, Penta is due to be banned in the EU in 2003 and in the near future member states will decide how to implement risk reduction measures on Deca and Octa. This is a further example of WWF-UK having a real impact on the underlying causes of environmental degradation and species loss.

Climate change

WWF-UK played a key role in achieving the ratification of the Kyoto Protocol by the UK, the EU and Japan, and our contribution to this important area was acknowledged by Foreign Office officials. We also made good progress in building the capacity of the WWF network to work on climate change. For the first time we secured funding to allow WWF-Thailand and WWF-South Pacific to develop climate change programmes. In the UK, we have lobbied hard for several years for the British government to introduce the “renewables obligation”. This requires energy companies to meet 10 per cent of their electricity supplies from renewable sources by 2010.

Levers for long-term change

Within the UK Social Change programme, WWF-UK collaborated with the UK government and the devolved administrations of Northern Ireland, Scotland and Wales in running the *Our World* schools challenge. The aim of this project was to engage young people in sustainability issues in the run-up to the World Summit on Sustainable Development. *Our World* comprised a series of activities including a schools challenge, internet events and a teacher challenge, and critical to its success was the WWF education website – www.wwflearning.co.uk.

As part of our Business Sustainability programme, WWF presented a special shareholder resolution to BP's annual conference on behalf of a coalition of British, European, Canadian and American investors. It called on BP to disclose how it analysed and minimised the risk to its business when drilling and operating in environmentally or culturally sensitive areas. Although it was defeated as expected, 11 per cent of shareholders voted for the resolution.

In partnership with Cable and Wireless, WWF's Business Education Unit produced *To Whose Profit?*, a corporate guide which sets out in simple language the arguments for sustainability being a business imperative. This has been well received by business environmental managers – indeed, more than 10,000 copies have been downloaded from our website.

The WWF-UK Economics, Trade and Investment programme team wrote WWF's global position on investment for the Doha WTO Ministerial, and Monterrey Financing for Development conferences, where we achieved some of our key goals such as the commitment to reduce fishing subsidies. We also played an

important part in providing economic input into the programmes we support overseas such as in Indonesia, Laos, Mexico and the South Pacific.

In many cases, the solutions to environmental problems lie with local people and finding ways to help them improve their quality of life. The International Development Policy programme took the lead in developing an innovative partnership between WWF globally and CARE International, the humanitarian organisation. Work also began during the year on preparations for the World Summit on Sustainable Development which took place in Johannesburg in August and September 2002. This major environment and development summit looked at progress made since the Earth Summit in Rio 10 years ago and WWF-UK took full advantage of this opportunity vigorously to promote its philosophy and policies which are aimed at creating a world in which people and nature are in harmony.

Devolution

In the UK we have reorganised our devolved operations into one division, bringing together the existing offices in Northern Ireland, Scotland and Wales with four new "super-region" offices in England. Dealing directly with the media and decision-makers in each of the constituent countries, this network successfully promoted WWF's marine and wildlife trade campaigns throughout the UK. During the year we also secured the commitment from the Prime Minister and First Ministers of the devolved administrations to attend the World Summit in Johannesburg, we developed an initiative on the ecological "footprint" in Wales, promoted policies on green procurement in Northern Ireland, and obtained a range of ministerial commitments on sustainable development in Scotland.

The future

WWF-UK outputs and impacts described in this section of the Annual Report are not exhaustive, but they illustrate the many ways in which we are seeking to tackle the environmental challenge which faces the planet. Our work takes us from the banks of the Ruaha in Tanzania to conference and treaty talks in London, Brussels, Washington and elsewhere. We will continue to fight on many fronts to conserve species and improve the environment, while fully taking into account the needs of people. We will develop our advocacy role to make it more effective so that long-term sustainable solutions can be reached. We will turn the range of our individual projects into coherent programmes so that they have real impact in countries and ecoregions. We will continue to build the capacity of conservation partners throughout the world so that local self-supporting organisations are established or strengthened in order to tackle the challenges of sustainable development. This will ultimately enhance WWF's impact on the natural environment; a further challenge will be to measure effectively the impact we are having. We intend to rise to all these challenges with the help and backing of our supporters and partners.

Review of transactions

The accounts cover all the activities controlled by WWF-UK, including the trading subsidiary.

WWF-UK's 2001/02 final results show an operating surplus of £0.854 million. However, this turns into a deficit of £0.473 million when unrealised investment losses are taken into account. These losses were caused by substantial downturns in global financial markets, but it should be noted that our losses are less than the benchmark against which we compare our performance. WWF-UK is a charity which does not hold large reserves and our reliance on income from our investment portfolio is minimal. The greater threat is the damage which the turmoil in financial markets might do to the real economy, consumer confidence and the willingness of individuals to continue to give. The environment is also under greater threat in times of financial uncertainty and it is vital that we have a robust flow of funds through difficult periods. The year's operating surplus compares with a small surplus of £0.081 million in 2000/01.

The year's surplus of £0.854 million compares with a budgeted position of a £0.750 million deficit. A good proportion of this improvement is a technical accounting adjustment resulting in a greater charge to capital for computer software than originally envisaged, and the effect of a better

than anticipated income performance. Much of the improvement, however, is due to a series of cost containment measures taken in the wake of the uncertainty caused by the 11 September terrorist attacks in the US. These measures were constructed to cause no damage to our programmatic outputs.

During the year WWF-UK vigorously pursued its conservation programme and some of our achievements have been outlined in this report. In 2001/02 we spent £30.609 million in total – more than ever before – representing an increase of £2.185 million over 2000/01. This allowed us to develop our programme work and to have a real impact on the natural environment.

Income for the year was £31.463 million – the first time WWF-UK has raised more than £30 million in a single year – and this compares with £28.505 million in the last financial year. This was an excellent result, especially in a year of so much global turmoil.

None of these financial achievements would be possible without the support of our members and donors. Membership and donor income totalled £15.180 million in 2001/02 compared with £13.489 million last year. We were particularly pleased with this 13 per cent increase, which underlines our continuing popular support and the seriousness with which many enlightened people take the challenges of conserving the natural environment. During the year our supporters increased in number from 287,000 to 320,000. Legacy income at £8.120 million also compared very favourably with the £6.652 million raised in 2000/01. Indeed, a surge of legacy income late in the year did much to improve our overall financial position at the year end.

Another major income success in the year was the agreement with HSBC previously reported. This new partnership with the world's largest financial services organisation involved HSBC

and two other non-government organisations – Botanical Gardens Conservation International and Earthwatch – combining with WWF to form the Investing in Nature initiative. The total income from the partnership is estimated at £18.4 million over a five-year period which commenced in 2001/02. WWF's share over the next five years is approximately £12.7 million. The first payment to WWF, totalling £0.782 million, was received in 2001/02 and is the reason why corporate donations rose from £0.799 million to £1.516 million. The partnership will clearly affect the level of income from this source in years to come.

Income from corporate sponsorship is raised by the same team that set up the partnership with HSBC. Because the team's energies were concentrated on the HSBC deal, income from corporate sponsorship fell from £0.653 million last year to £0.331 million in 2001/02.

Income from Charitable Trusts reduced from £0.935 million in 2000/01 to £0.697 million in 2001/02. This reflected the difficulties caused by volatile financial markets, low interest and dividend returns and the effect these had on the monies trusts had available for distribution. The prevailing economic climate also had an effect on WWF-UK's investment income.

Lottery promotions fell slightly in the year from £0.432 million to £0.429 million, but this is an area of fundraising which is becoming increasingly difficult and competitive. Even so, we have increased this income by 25 per cent over the last two years.

Funds from aid agencies and government grants increased from £2.794 million in 2000/01 to £3.031 million. The core of this income stems from our partnership agreement with the Department for International Development and we greatly value this contribution. Income from non-government organisations fell in

2001/02 but the reason for this was reduced income from the WWF family to fund the International Target Driven Activities which were based in the UK and have now come to an end.

The cost of generating funds rose during the year by £1.286 million from £7.355 million to £8.641 million. This increase reflects the increasingly competitive fundraising arena and the need for WWF-UK to invest in future fundraising capacity. A major investment was made during the year to recruit new members through face to face marketing. The returns on this investment are good but will mostly benefit future years' income streams. We also entered into a contract to create a new contacts database system which, when it is implemented in spring 2003, will greatly improve the communication and service we offer our members and donors. The new system will facilitate the whole organisation's support for the concept of Supporter Value Management, which will put us even more in touch with the individual wishes and views of our greatly valued supporters. As all these initiatives come on-stream, we will seek to reduce our fundraising costs as a percentage of our income.

Turning to expenditure other than fundraising, we spent £21.968 million in 2001/02 – up from £21.069 million the previous year. This level of expenditure greatly helped us to protect and improve the natural environment and increase public awareness of the threats to it. In the Grants Payable element of expendi-

ture, we have again taken advantage of the revised SORP to produce a cost breakdown of the way our work is organised, so that we can maximise our impact on the environment. Details of our successes in these areas are set out in this report.

Costs of activities in furtherance of the Charity's objectives include our policy, education and public awareness work. These are very important elements of our strategy because it is vital that we continue to influence public, government and business opinion of the need to take action to conserve the global environment based on sound scientific solutions. In total our Grants expenditure increased by £0.312 million and our work in furtherance of our objectives by £0.574 million.

WWF-UK's support costs directly facilitate our work and include the cost of buildings, computers, IT strategy and human resources. We were pleased that these costs stayed at the same level during the year being £2.558 million in 2000/01 and £2.560 million in 2001/02. Management and administration expenses – those concerned with maintaining the charity as a legal entity – increased from £0.180 million to £0.191 million. WWF-UK remains determined to maximise its expenditure on its programme and other conservation work and reduce its overheads. We had another successful year in 2001/02 with support, management and administration costs in total reducing as a percentage of total income from 10 per cent to 9 per cent.

Financial position and reserves

As previously reported, a surplus before investment losses was produced in 2001/02. The balance on unrestricted funds at 30 June 2002 was £9.772 million compared with £9.645 million at 30 June 2001. When the £9.772 million balance is adjusted in accordance with the Trustees' definition of free reserves (those reserves which can be turned into cash, excluding commitments already made) the balance of free reserves at 30 June 2002 was £6.491 million compared with £7.219 million last year. The reduction mainly results from an increased investment in assets and the "book losses" incurred on our investment portfolio.

The Trustees' reserves policy is primarily based on risks to income flows over several years resulting, for example, from the effects of a serious recession, damage to reputation or a combination of these. The resulting number is then tested against a simple calculation in terms of months of expenditure to ensure the target is robust. WWF-UK is not and does not intend to be a "reserves rich" charity and in any event, the challenges of improving the environment are too great and immediate for this. Using the formula described, the Trustees have therefore set a target for free reserves of £7 million. This would allow sufficient unrestricted or free funds to enable an orderly withdrawal from activities and expense in the event of significant reduction in income. Our 30 June 2002 position at £6.491 million means that we are below the Trustees' target, so contributions to reserves will need to be made in future years.

Restricted funds amounting to £2.465 million at 30 June 2002 are held on trust for specific purposes and are not available to fund general WWF-UK projects and work. Endowment funds amounting to £2.227 million were also held at the year end. The reduction in endowment funds again reflected the impact of a bad year for investments.

Investment policies and performance

WWF-UK's basic investment objective is to maintain the real value of our investments and to maximise income by way of a diversified portfolio consistent with our legal powers. Our investment objective is also underpinned by our internally generated *Socially Responsible Investment Policy*, the criteria of which are set from time to time by the Trustees. The basic philosophy of the policy is to invest in a way that promotes the principle of sustainable development. The policy also involves engagement with the companies in which we invest.

Although our portfolio showed a loss in 2001/02, this was not surprising against the background of volatility and generally falling global financial markets. However, our investment managers, Newton Investment Management Limited, did outperform the benchmark we set them during the period. The loss in our portfolio is, of course, only a book loss at this stage and we hope that financial markets will improve in the future.

The management of risk

WWF-UK has maintained a risk register since 1997/98 and we have taken risk into account in managing the charity since then. During the year we developed our approach to risk management by purchasing risk software and quantifying the impact and probability of risks in a much more sophisticated way than before. The Trustees fully discussed the top 10 risks that might confront the charity and how they should be managed and minimised. These risks include damage to reputation, supporter care, competition, economic recession, and programme design. Having examined these matters, the Trustees are satisfied that the charity's current internal financial and other controls adequately minimise the risks identified.

Volunteer involvement

WWF-UK's work, including fundraising, depends a great deal on its volunteer group network. Our volunteers throughout the UK are a constant source of support and assistance. Advice is also obtained on issues connected with our work in the UK and overseas from advisory committees, membership of which comprises Trustees and experts with relevant experience across a wide spectrum. Volunteers with professional experience also sit on the Finance and Business Committee and its sub committees. Our volunteers consistently make an outstanding contribution to our work.

Employee involvement

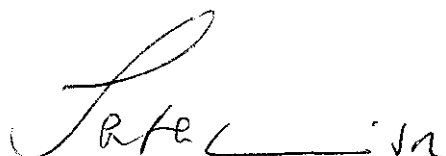
Our programmes in the UK and overseas rely on the commitment and hard work of our greatly valued staff. The decision-making process within WWF-UK incorporates consultation and planning through the line management structure, assisted by cross-functional projects and single-issue working. We attach great importance to good staff relations.

In gratitude

My term of office as Chairman of WWF-UK ends in November 2002 and I take this opportunity to pay special tribute to the staff. Their professionalism, dedication and hard work is inspiring indeed, and gives me cause to say with confidence that 40 years on, the organisation founded by Sir Peter Scott and his far-sighted colleagues will continue to strive to find even better ways to meet the complex threats facing our fragile planet.

In November I hand over the chairmanship of WWF-UK to Christopher Ward, a Trustee of some years standing. As my term of office draws to a close, my admiration for WWF's work, underpinned by its disciplined culture of deploying science-based facts to influence human behaviour, is immense. But the complexity of the issues we face does require continuing focus on what we can best do to achieve maximum impact on the natural world.

All the Trustees with whom I have had the pleasure of working during these past six years deserve enormous thanks for their tireless support and enthusiasm. I know that their understanding and patience were sorely tried on occasions, which makes my gratitude for their forbearance and encouragement all the greater. Heartfelt good wishes to my successor and all colleagues. Personal and sincere thanks to all at WWF for the privilege of their comradeship. I have hugely enjoyed being a small part of such great and essential work.



The Hon Sara Morrison
Chairman, WWF-UK
31 October 2002

Independent Auditors' report

to the Trustees of WWF-UK

We have audited the financial statements of WWF-UK for the year ended 30 June 2002 which comprise the statement of financial activities, the balance sheets, the group cash flow statement and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Board of Trustees and Directors for the above period and consider the implications for our report if we become aware of any apparent misstatements.

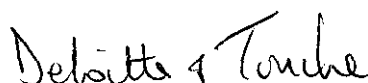
Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity and the group as at 30 June 2002 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
31 October 2002

Consolidated statement of financial activities

(incorporating an income and expenditure account) for the period to 30 June 2002

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2001/02 £'000	Total 2000/01 £'000
Incoming resources						
Membership and donations from individuals		9,885	5,295	—	15,180	13,489
Corporate donations		703	813	—	1,516	799
Charitable trusts		201	496	—	697	935
Legacies		7,723	397	—	8,120	6,652
Activities in furtherance of the charity's objectives						
Aid agencies and government grants	9	—	3,031	—	3,031	2,794
Income from non-governmental organisations		96	204	—	300	693
Activities for generating funds						
Lottery promotions		429	—	—	429	432
Community and trading activities		1,065	349	—	1,414	1,442
Corporate sponsorships		161	170	—	331	653
Investment income	7	445	—	—	445	616
Total incoming resources		20,708	10,755	—	31,463	28,505
Resources expended						
Costs of generating funds						
Fundraising costs		6,103	843	—	6,946	5,695
Lottery promotions		124	—	—	124	101
Community and trading activities		1,096	117	—	1,213	1,217
Corporate sponsorships		317	—	—	317	303
Investment management fees		41	—	—	41	39
	11	7,681	960	—	8,641	7,355

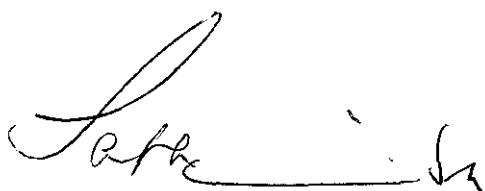
	Notes	funds £'000	funds £'000	funds £'000	2001/02 £'000	2000/01 £'000
Charitable expenditure						
Grants payable in furtherance of the charity's objectives						
Species		84	1,882	—	1,966	1,861
Freshwater		136	1,173	—	1,309	669
Forests		450	2,456	—	2,906	2,470
Climate Change		9	320	—	329	112
Toxics		177	145	—	322	152
Marine		642	792	—	1,434	1,470
Levers for long term change		1,971	2,594	—	4,565	5,785
	10	3,469	9,362	—	12,831	12,519
Cost of activities in furtherance of the charity's objectives	12					
Conservation programme and policy formulation		1,953	230	—	2,183	2,236
Education programme and policy formulation		1,109	336	—	1,445	1,444
Management of public awareness		2,690	68	—	2,758	2,132
		5,752	634	—	6,386	5,812
Support costs		2,560	—	—	2,560	2,558
Management and administration		191	—	—	191	180
Total charitable expenditure		11,972	9,996	—	21,968	21,069
Total resources expended		19,653	10,956	—	30,609	28,424
Net incoming resources/(resources expended) before transfers		1,055	(201)	—	854	81
Gross transfers between funds		(60)	60	—	—	—
Net incoming resources/(resources expended)		995	(141)	—	854	81
Net (losses)/gains on investment assets		(868)	—	(459)	(1,327)	(553)
Net movement in funds		127	(141)	(459)	(473)	(472)
Total funds brought forward		9,645	2,606	2,686	14,937	15,409
Total funds carried forward		9,772	2,465	2,227	14,464	14,937

Balance sheets

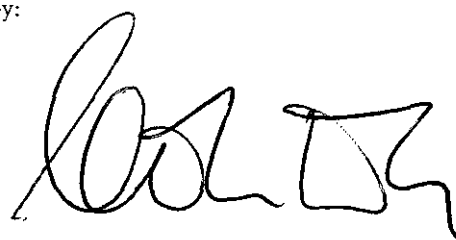
at 30 June 2002

	Notes	Group 2002 £'000	2001 £'000	Charity 2002 £'000	2001 £'000
Fixed assets					
Tangible fixed assets	2	1,491	1,042	1,491	1,042
Investments	3	6,675	8,012	6,675	8,012
		8,166	9,054	8,166	9,054
Current assets					
Stocks	4	13	21	-	-
Debtors	5	4,263	3,038	4,009	2,722
Amounts due from WWF-UK Trading Limited		-	-	99	235
Loans to conservation organisations repayable within one year		13	27	13	27
Cash on short-term deposits		5,347	5,205	5,347	5,205
Cash at bank and in hand		-	87	35	69
		9,636	8,378	9,503	8,258
Current liabilities					
Creditors: amounts falling due within one year	6	3,338	2,495	3,211	2,381
		6,298	5,883	6,292	5,877
Net current assets					
		14,464	14,937	14,458	14,931
Total assets less current liabilities					
Accumulated funds					
Endowment funds	13	2,227	2,686	2,227	2,686
Restricted funds	14	2,465	2,606	2,465	2,606
Unrestricted funds		9,772	9,645	9,766	9,639
		14,464	14,937	14,458	14,931
Total funds					

The financial statements were approved by the Trustees
on 31 October 2002 and are signed on their behalf by:



The Hon Sara Morrison
Chairman



Colin Day
Honorary Treasurer

Group cash flow statement

for the period ended 30 June 2002

		2001/02	2000/01
	Note	£'000	£'000
Net cash inflow/(outflow) from operating activities	1	202	(195)
Returns on investments and servicing of finance	2	445	616
Capital expenditure	3	(1,873)	(941)
<i>Net cash outflow before use of liquid resources</i>		<i>(1,226)</i>	<i>(520)</i>
Management of liquid resources and financing	4	1,139	589
(Decrease)/increase in cash	5	(87)	69

Notes to the Group cash flow statement

1. Reconciliation of net incoming resources to

net cash inflow/(outflow) from operating activities

Net incoming resources	854	81
Investment income	(239)	(233)
Interest receivable	(206)	(383)
Depreciation on fixed assets	167	136
Profit on sale of tangible fixed assets	-	(4)
Decrease/(increase) in stocks	8	(5)
Increase in debtors	(1,225)	(381)
Increase in creditors	843	594
Net cash inflow/(outflow) from operating activities	202	(195)

2. Returns on investments and servicing of finance

Investment income received	239	233
Interest received	206	383
Net returns on investments and servicing of finance	445	616

3. Capital expenditure

Purchase of tangible fixed assets	(616)	(841)
Sale of tangible fixed assets	-	4
Purchase of fixed asset investments	(3,037)	(3,747)
Sale of fixed asset investments	1,780	3,643
Net cash outflow from capital expenditure	(1,873)	(941)

4. Management of liquid resources and financing

Loans made to other conservation organisations	-	(14)
Receipts from repayment of loans	14	2
Decrease/(increase) in cash held for investment	1,267	(1,007)
(Increase)/decrease in cash on short-term deposit	(142)	1,608
Net cash inflow from management of liquid resources and financing	1,139	589

	At 1 July	Cash flow	Exchange	At 30 June
	2001		movement	2002
	£'000	£'000	£'000	£'000

Notes to the Group cash flow statement *continued***5. Analysis of net cash**

Cash at bank and in hand	87	(87)	—	—
Cash on short-term deposit	5,205	142	—	5,347
Total	5,292	55	—	5,347

Reconciliation of net cash flow to movement in net cash

	2001/02	2000/01
	£'000	£'000
(Decrease)/increase in cash at bank and in hand in the period	(87)	69
Increase/(decrease) in cash on short-term deposit	142	(1,608)
Change in net cash arising from cashflows	55	(1,539)
Net cash brought forward	5,292	6,831
Net cash carried forward	5,347	5,292

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 Charity Commission Statement of Recommended Practice (SORP) and applicable United Kingdom accounting standards. The particular accounting policies adopted by the trustees are described below.

Basis of consolidation

Group accounts have been prepared in respect of WWF-UK and its wholly-owned subsidiary WWF-UK Trading Limited. A statement of financial activities for the charity has not been prepared as it is not materially different from the group statement of financial activities.

Fund accounting

- *Unrestricted funds*
These funds can be used for any of the charity's purposes.
- *Restricted funds*
These funds are credited with income which is conditional on its use for a specific purpose. In this respect WWF-UK acts as a custodian of these funds and consequently they are not available for general use.
- *Endowment funds*
These funds provide income which can be used for any of the charity's purposes.

Incoming resources

Membership income, donations from companies and individuals, income from charitable trusts and income from lotteries is credited on a cash received basis. Income from government grants, aid agencies and non-governmental organisations is credited on an accruals basis.

Legacy income is credited on an accruals basis where probate has been granted and notified prior to the 30 June and is reasonably expected to be received.

Income raised from regional operations includes the gross income raised by WWF-UK volunteers' groups; this incorporates £42,698 of cash balances held by groups at the year end.

Income from investments, Gift Aid and deeds of covenant is included gross.

Gifts in kind where material are included in donations at the value of the gift received.

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.

Fundraising costs are primarily those incurred in seeking voluntary contributions but also include an element of raising the charities public profile in the context of the issues it deals with.

Direct support costs comprise all services supplied directly in support of the programme and the charity's objects.

Management and administration costs relate to the management of the charities' assets and organisational administration and compliance with constitutional and statutory requirements.

Foreign currencies

Foreign currency balances have been translated at the rates of exchange ruling at the balance sheet date.

Tangible fixed assets and depreciation

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

Motor vehicles	25.0 per cent
Office furniture	12.5 per cent
Equipment	25.0 per cent
Leasehold improvements	10.0 per cent
Contacts database system	14.3 per cent

Freehold property is not depreciated (see note 2)

Investments

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

Stocks

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

Operating leases

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

Pensions

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

2 Tangible fixed assets for use by the charity

GROUP AND CHARITY	Freehold property £'000	Motor vehicles £'000	Office furniture & equipment £'000	Leasehold improvements £'000	Contacts database system £'000	Total £'000
Cost or valuation						
At 1 July 2001	24	1,222	664	–	2,017	
Additions	–	–	15	32	569	616
At 30 June 2002	107	24	1,237	696	569	2,633
Depreciation						
At 1 July 2001	–	24	923	28	–	975
Charge for the year	–	–	97	70	–	167
At 30 June 2002	–	24	1,020	98	–	1,142
Net book value						
At 30 June 2002	107	–	217	598	569	1,491
At 30 June 2001	107	–	299	636	–	1,042

The freehold property, Bohunt Manor, was bequeathed to WWF-UK in 1975, subject to a life tenancy, and is available for the general purposes of the charity. The grounds are open to the public throughout the year for the benefit of the charity.

3 Fixed asset investments

GROUP AND CHARITY	2002	2001
	£'000	£'000
Market value at 1 July	6,599	7,048
Additions at cost	3,037	3,747
Disposals at opening book value (proceeds: £1,780,723; gains/(losses): (£176,658))	(1,957)	(3,733)
Unrealised investment (losses)	(1,150)	(463)
Market value at 30 June	6,529	6,599
Cash balances	146	1,413
Total at 30 June 2002	6,675	8,012
Cost at 30 June 2002	7,825	8,475
Portfolio distribution		
Fixed interest	776	612
UK equities	3,819	3,883
Overseas equities	1,934	2,104
Cash balances	146	1,413
	6,675	8,012
Restriction analysis		
Endowment funds	2,227	2,686
Unrestricted funds	4,448	5,326
	6,675	8,012

Newton Investment Management Limited, acting as agents on behalf of WWF-UK, have appointed The Bank of New York Limited, as custodians and safekeepers of the funds investments.

4 Stocks

Stocks consist of finished goods for resale held by the subsidiary company, WWF-UK Trading Limited.

5 Debtors

	Group 2002	2001	Charity 2002	2001
	£'000	£'000	£'000	£'000
Amounts due within one year:				
Trade debtors	457	390	277	105
Other debtors	1,077	794	1,075	791
Prepayments and accrued income	2,729	1,854	2,657	1,826
	4,263	3,038	4,009	2,722

6 Creditors

	Group 2002 £'000	2001 £'000	Charity 2002 £'000	2001 £'000
Amounts falling due within one year:				
Bank overdraft	22	—	—	—
Trade creditors	1,848	2,034	1,773	1,978
Other creditors, including taxation and social security	359	123	351	89
Accruals and deferred income	1,109	338	1,087	314
	3,338	2,495	3,211	2,381

7 Interest and dividends

On investments	239	233
On deposits	206	383
	445	616

8 Subsidiary company

The ordinary shares in the subsidiary company, WWF-UK Trading Limited, are owned by WWF-UK.

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

The taxable profits earned by the company are donated to WWF-UK and in the current year amounted to £431,795 (2000/01: £804,737).

A summary of the trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	2001/02 £'000	2000/01 £'000
Profit and Loss Account:		
Turnover	1,643	2,057
Cost of sales	(715)	(831)
Gross profit	928	1,226
Distribution costs	(162)	(111)
Administrative expenses	(335)	(310)
	(497)	(421)
Operating profit	431	805
Interest receivable	1	—
	432	805
Donation to WWF-UK	(432)	(805)
Retained profit for the year	—	—
Profit and loss account brought forward	6	6
Retained profit carried forward	6	6

9 Aid agencies and government grants

	2001/02	2000/01
	£'000	£'000
Major grants from aid agencies and governments include funds from:		
Department for International Development		
Partnership Programme Agreement	2,350	2,289
Foreign and Commonwealth office		
Research and publication of Sustainable Forestry, China	26	–
The Department of the Environment, Transport and the Regions (DETR)		
Darwin Initiative Scheme		
Anguilla Capacity Building	–	62
DETR Environmental Action Fund		
Strategic support, implementation of CITES in the UK	30	29
Civic Trust, Education for Sustainability	–	25
Trade in musk deer	26	16
Offshore Activities Policy Development	5	–
Our World	127	–
National Lottery Charities Board		
People and Plants programme	–	22
Mexico, Oaxaca project	113	86
Namibia, Caprivi community-based conservation	133	14
European Union		
People and Plants programme	58	–
Scotland, Wild Rivers project	–	70
Mexico, Oaxaca project	–	99
Vanuatu, Wansmolbag	82	45
Lake Nakuru project (repayment)	(55)	–
Green Electricity	38	–
Other projects	–	10
Welsh Assembly		
Our World	7	–
All Wales Footprint	15	–
Wales and the world Summit	50	–
Other agencies	26	27
	3,031	2,794

10 Grants paid

"Grants paid" covers project work undertaken in the UK and internationally. It includes all expenditure directly incurred on each project, and includes payments to institutions, individuals and independent programme offices managed by either WWF-International or WWF-US. This information is normally the basis of reporting to donors, including government agencies. The total amount paid out to conservation, education and public awareness projects in the year amounted to £12,831,413 (2000/01: £12,518,308). The 50 largest projects totalling £5,565,826 are listed below. Payments totalling £5,138,864 were made to a further 347 projects and grants totalling £2,126,723 were also made to WWF International in respect of expenditure on institutional development, communications and public awareness.

Project Title	Lead issue	2001/02
	£'000	
Fundacion Vida Vilvestre Argentina (FVSA)		
Wildlife Refuges System, Argentina	Forests	60
IRDNC, Namibia		
Community-based Natural Resource Management Project, Kunene	Levers	283
Kunene, Comic Relief Funds	Species	73
CBNRM Development in Caprivi	Freshwater	122
CBNRM Development in Caprivi – Community fund	Freshwater	122
		600
Nigerian Conservation Foundation		
Developing Gashaka Gumti National Park – Phase II (from FY98)	Forests	149
Rossing Foundation, Namibia		
Community-based Natural Resource Management	Levers	55
TRAFFIC East Asia, Hong Kong		
Establishment of TRAFFIC East Asia, Hong Kong	Species	60
Wildscreen Trust; Television Trust for the Environment, UK		
Wildscreen Trust	Levers	41
WWF Bhutan		
Management of Royal Manas National Park	Forests	42
WWF-Brazil		
Projecto Varzea – Phase II, Brazil	Freshwater	294
Community-based Ecotourism in Brazil: Development and Certification	Levers	57
WWF/HSBC Brazil Freshwater Programme – Water for Life	Freshwater	137
		488
WWF-China Programme Office		
Implementation of Community-based conservation approaches to Panda conservation	Species	45
Restoring the Web of Life in Central Yangtze	Freshwater	73
Training for Reserve staff in Minshan region reserve	Species	56
		174
WWF-Colombia Programme Office		
Conservation and Development of the AWA Region in Colombia	Forests	55
Colombia EEP – Phase II	Levers	106
Private Reserves Network, Colombia	Levers	192
Strengthening Civil Society, Colombia	Levers	192
Bahia Malaga	Species	41
		586
	c/fwd	2,255

10 Grants paid *continued*

Project Title	Lead issue	2001/02
	£'000	
	b/fwd	2,255
WWF East African Regional Programme Office		
Community-based Wetlands Conservation Programme	Freshwater	163
Lake Nakuru, Conservation and Development Project – EU Funds	Freshwater	86
International Gorilla Conservation Programme	Species	44
		293
WWF European Programme Office		
European Fisheries Campaign	Marine	44
WWF-Russia		
Siberian Tigers	Species	80
WWF-India		
Tiger Conservation Programme	Species	60
WWF-Indochina		
LINC	Forests	84
WWF-Indonesia		
Nusa Tenggara, integration of conservation and development (ICD)	Forests	168
Conservation of Indonesian Rhino	Species	54
		222
WWF-Mexico		
People-centred Conservation and Development in Oaxaca – Phase II DfID	Forests	206
People-centred Conservation and Development in Oaxaca – Phase II EU	Forests	144
People-centred Conservation and Development in Oaxaca – Phase II CF	Forests	87
		437
WWF-Nepal		
People and Plants – Phase III, WWF Nepal	Levers	73
WWF-Pakistan		
Support for WWF Pakistan's Environmental Education Programme	Levers	69
Sustainable Resource Use in Bar Valley and adjoining areas	Forests	199
People and Plants – Phase III, WWF Pakistan	Levers	74
		342
WWF-Philippines		
Turtle Islands	Marine	112
WWF South Pacific Programme Office		
Devt Theatre for Natural Resource Awareness and Capacity Building	Levers	118
Local Resource Initiatives	Forests	161
		279
WWF-Tanzania		
Conservation Management – Selous Game Reserve	Species	93
Conservation and Management of Udzungwa National Park Tanzania – Phase III	Forests	314
Conservation of Lowland Coastal Forests	Forests	42
Mafia Island Marine Park Project	Marine	241
Tanzania Environmental Education Project	Levers	186
Support for Community-Based Conservation, Menai Bay, Zanzibar	Marine	46
		922
WWF-Thailand		
Umbrella Activities at HKK/TY Wildlife Sanctuaries	Species	98
Building Community Capacity for cons of coastal resources	Marine	114
Phu Luang Rural Revitalisation & Conservation	Forests	65
		277
WWF-Zambia		
Education Project – Phase III	Levers	86
Grand Total		5,566

11 Cost of generating funds

	Staff costs	Internal direct costs	External direct costs	Total 2001/02	Total 2000/01
	£'000	£'000	£'000	£'000	£'000
Fundraising costs	1,232	225	5,489	6,946	5,695
Lottery promotions	–	–	124	124	101
Community and trading activities	142	31	1,040	1,213	1,217
Corporate sponsorships	185	42	90	317	303
Investment management fees	–	–	41	41	39
	1,559	298	6,784	8,641	7,355

Internal costs are those associated with the running of the cost centre and its staff excluding salary costs. External costs represents costs generated by the cost centre's activities in achieving its objective.

12 Charitable expenditure excluding grants

	Staff costs	Internal direct costs	External direct costs	Total 2001/02	Total 2000/01
	£'000	£'000	£'000	£'000	£'000
Conservation programme and policy formation	1,560	285	338	2,183	2,236
Education programme and policy formation	705	216	524	1,445	1,444
Management and public awareness	1,072	266	1,421	2,759	2,132
Support costs	1,281	1,160	118	2,559	2,558
Management and administration costs	93	79	19	191	180
	4,711	2,006	2,420	9,137	8,550

Internal costs are those associated with the running of the cost centre and its staff excluding salary costs. External costs represents costs generated by the cost centre's activities in achieving its objective.

13 Endowment funds

GROUP AND CHARITY	Balance 1 July 2001	Incoming reserves	Movement in funds Losses	Balance 30 June 2002
	£'000	£'000	£'000	£'000
Permanent endowments				
Kleinwort Endowment Fund	1,532	–	(262)	1,270
Willingdon Memorial Fund	1,154	–	(197)	957
	2,686	–	(459)	2,227

Permanent Endowments

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

14 Restricted funds

Restricted funds comprise of the following unspent balances on donations given for specific purposes:

	Balance at 1 July 2001	Incoming resources	expenditure (less transfers)	Programme fundraising costs	Balance at 30 June 2002
	£'000	£'000	£'000	£'000	£'000
Project restricted (1)	1,148	1,850	(2,506)	–	492
UK countryside	869	175	(649)	–	395
Rhinos	8	532	(152)	(17)	371
Tigers	111	534	(357)	(42)	246
African elephants	–	210	–	–	210
Vanishing species	33	1,077	(740)	(182)	188
Tanzania	–	132	(7)	–	125
Primates	30	295	(165)	(43)	117
Climate change	224	144	(280)	–	88
GAA	355	866	(1,150)	–	71
Forests	25	142	(103)	–	64
Asian elephants	20	218	(79)	(106)	53
Wildlife trade	–	357	(223)	(102)	32
Mountain gorillas	143	11	(136)	–	18
Big cats	3	37	(30)	–	10
Marine	–	384	(274)	(103)	7
DfID	31	2,350	(2,379)	–	2
Pandas	4	377	(203)	(178)	–
DfID matching (2)	(498)	907	(369)	(40)	–
Other	100	157	(134)	(147)	(24)
Total	2,606	10,755	(9,936)	(960)	2,465

- (1) Project restricted donations are where the donor has specified the project to be funded.
- (2) DfID match funds were overspent in the year ended 30 June 2001 in anticipation of funds being received from the 2002 campaign.

15 Staff costs

	2001/02	2000/01
	£'000	£'000
Wages and salaries	7,014	6,437
Social security costs	673	632
Pension costs	416	349
	8,103	7,418

The number of employees whose emoluments exceeded £50,000 in the year were:

	2001/02	2000/01
	Number	Number
£50,001 to £60,000	6	5
£60,001 to £70,000	2	2
£70,001 to £80,000	2	1
£80,001 to £90,000	1	1

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

	2001/02	2000/01
	Number	Number
Charitable activities	156	154
Cost of generating funds	59	63
Support, management and administration	46	45
	261	262

16 Trustees' Remuneration and Expenses

No Trustee has received any remuneration from WWF-UK during the year. Expenses totalling £4,700 (2000/01: £1,992) were reimbursed to seven Trustees for travel costs incurred in attending meetings.

WWF-UK acquired insurance at a cost of £2,047 (2000/01: NIL) to indemnify the Trustees against the consequences of neglect or default on their part.

17 Operating lease commitments

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

	2002	2002	2001	2001
	land and buildings	other	land and buildings	other
	£'000	£'000	£'000	£'000
Leases which expire:				
within one year	4	3	1	25
within two to five years	68	81	56	3
after five years	535	—	546	—
	607	84	603	28

18 Analysis of group assets and liabilities between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total 2002
	£'000	£'000	£'000	£'000
Fixed assets:				
Tangible assets	1,491	—	—	1,491
Investments	4,448	—	2,227	6,675
Net current assets	3,833	2,465	—	6,298
	9,772	2,465	2,227	14,464

19 Net incoming/(outgoing) resources from operations before transfers

	2001/02	2000/01
	£'000	£'000
Net incoming/(outgoing) resources from operations for the year are stated after charging:		
Auditors' remuneration		
for audit services	30	27
for taxation and other services	1	1
Depreciation on tangible fixed assets	167	136
Profit/(loss) on disposal of tangible fixed assets	—	4
Incorporation costs	—	9
Operating lease rentals		
hire of equipment	44	65
other	631	601

20 Taxation

WWF-UK is a registered charity and does not trade for tax purposes. It is not liable to corporation tax.

21 Guarantee

WWF-UK is a company limited by guarantee and each Trustee has agreed to contribute £1 to the assets of the company in the event of it being wound up.

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

- conserving the world's biological diversity
- ensuring that the use of renewable resources is sustainable
- promoting the reduction of pollution and wasteful consumption

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Taking action for a living planet