

1314381

GREENPEACE LIMITED

Year ended 31st December 1997



# GREENPEACE LIMITED

Annual report and financial statements for the year ended 31st December 1997

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## Directors

Robin Grove-White  
Ian Flooks  
Martyn Day  
Ian Hargreaves

## Secretary and registered office

Sarah Burton, Canonbury Villas, Islington, London N1 2PN

## Company number

1314381

## Auditors

BDO Stoy Hayward, 8 Baker Street, London W1M 1DA

Report of the directors for the year ended 31st December 1997

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The directors present their report together with the audited financial statements for the year ended 31st December 1997.

**Results and dividends**

The income and expenditure account is set out on page 3 and shows the surplus for the year.

The company does not pay dividends.

During the year, the contribution from fundraising activities rose, and administration and central costs fell, allowing an increase in campaign expenditure, as well as generating a surplus to improve reserves.

Greenpeace continues to reduce costs in fundraising by eliminating less effective fundraising initiatives and improving the performance of other fundraising work. Although total gross income is lower, income from supporters making regular monthly and annual contributions continues to increase, and the overall contribution from fundraising activities continues to rise.

Details of Greenpeace activities throughout the year are published to supporters through the *Campaign Report* and *Annual Review* newsletters.

**Reserve Policy**

The directors plan to achieve surpluses over the next few years to increase cash balances to allow Greenpeace to react quickly to threats and opportunities which may arise.

**Principal activity**

The principal activity of the company during the year was campaigning to prevent environmental abuse.

The company is funded through subscriptions, donations and other fundraising initiatives, and the profits of trading activities. In addition, it receives grants from and makes grants to other Greenpeace organisations.

The company does not solicit donations from governments or companies.

There have been no events since the balance sheet date which materially affect the position of the company.

**Greenpeace supporters**

The directors express their thanks to the hundreds of thousands of supporters who contributed financially to Greenpeace campaigns during the year; the thousands of supporters who participated in the work of Greenpeace Local Groups; and all those supporters and members of the public who participated in Greenpeace campaigns during the year.

Report of the directors for the year ended 31st December 1997 (continued)

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### Directors

The directors of the company during the year were:

Elaine Lawrence	Resigned 31st December 1997
Robin Grove-White	
Ian Flooks	
Anne Dingwall	Resigned 14th January 1997
Martyn Day	
Ian Hargreaves	Appointed 5th December 1997

None of the directors held any beneficial interest in the shares of the company.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent; and
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

By order of the board



Sarah Burton

Secretary

1 April 1998

## Income and expenditure account for the year ended 31st December 1997

	Note	1997	1996
		£	£
Trading account:			
Turnover	2	660,724	489,359
Cost of sales		<u>457,458</u>	<u>394,960</u>
Gross profit		203,266	94,399
Trading expenses		<u>142,821</u>	<u>107,545</u>
Net profit / ( loss ) on trading activities		60,445	(13,146)
Interest receivable		13,568	16,185
Subscriptions, donations and income from fundraising events		5,780,185	6,324,565
Fundraising costs		<u>1,218,165</u>	<u>2,128,175</u>
Total fundraising income less direct expenses	4	4,562,020	4,196,390
General marketing expenses		<u>339,777</u>	<u>349,366</u>
		<u>4,222,243</u>	<u>3,847,024</u>
		4,296,256	3,850,063
Campaign costs		3,102,882	2,891,266
Information costs		384,344	373,522
Administrative and central costs		<u>478,222</u>	<u>526,212</u>
		<u>3,965,448</u>	<u>3,791,000</u>
		330,808	59,063
Interest payable	5	<u>863</u>	<u>117</u>
Surplus on ordinary activities before taxation	6	329,945	58,946
Tax on trading activities and interest receivable	7	-	(20,987)
Surplus for the year	15	<u>329,945</u>	<u>79,933</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the income and expenditure account.

The notes on pages 6 to 12 form part of these financial statements

## Balance sheet at 31st December 1997

	Note	1997	1996
		£	£
<b>Fixed assets</b>			
Tangible assets	8	247,359	272,280
Investment	9	4	2
<b>Current assets</b>			
Stocks	10	-	7,111
Debtors	11	525,204	260,008
Cash at bank and in hand		350,135	336,413
		875,339	603,532
<b>Creditors: amounts falling due within one year</b>	12	(1,201,805)	(606,862)
<b>Net current liabilities</b>		(326,466)	(3,330)
<b>Creditors: amounts falling due after more than one year</b>	13	-	(678,000)
		(79,103)	(409,048)
<b>Capital and reserves</b>			
Share capital	14	8	8
Income and expenditure account	15	(79,111)	(409,056)
<b>Shareholders' funds</b>	19	(79,103)	(409,048)

These financial statements were approved by the Board on 1 April 1998



Ian Flooks

Director

1 April 1998

The notes on pages 6 to 12 form part of these financial statements.

## Cash flow statement for the year ended 31 December 1997

	Note	1997	1996
		£	£
<b>Net cash inflow from operating activities</b>	17	126,687	269,185
<b>Returns on investments and servicing of finance</b>			
Interest received		14,666	12,915
Interest paid		(863)	(117)
Net cash inflow from returns on investments and servicing of finance		13,803	12,798
<b>Taxation</b>			
Corporation tax received		14,487	-
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(142,332)	(189,847)
Proceeds from sale of fixed assets		1,079	1,043
Investment in subsidiary company		(2)	-
Net cash outflow from investing activities		(141,255)	(188,804)
<b>Increase in cash</b>	18	13,722	93,179

The notes on pages 6 to 12 form part of these financial statements.

Notes forming part of the financial statements for the year ended 31st December 1997

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## 1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### Turnover

Turnover represents sales of merchandise to outside customers at invoiced amounts less value added tax, subscriptions to a business journal published by the company and income from commercial events in which the company participated.

### Fundraising income

Subscriptions, donations and income from fundraising events represent amounts received in the year.

### Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates:

Action equipment	-	25% on straight line basis
Office equipment	-	20% on straight line basis
Computer equipment	-	25% on straight line basis
Motor vehicles	-	25% on straight line basis

### Leasehold improvements

Expenditure in improving leasehold premises is written off as incurred.

### Operating leases

Where assets are financed by leasing agreements that do not give rights approximating to ownership ('operating leases'), the annual rentals are charged to the income and expenditure account on a straight-line basis over the lease term.

### Pension costs

Contributions to the company's defined contribution pension scheme are charged to the income and expenditure account in the year in which they become payable.



Notes forming part of the financial statements for the year ended 31st December 1997

## 2. Turnover and results on ordinary activities

Income is derived solely from the company's principal activity of campaigning to prevent environmental abuse. All income arose wholly from markets within the UK.

## 3. Employees

	1997	1996
	£	£
Staff costs (including directors) consist of:		
Wages and salaries	2,023,291	1,923,575
Social security costs	196,351	182,397
Other pension costs	70,087	68,580
Redundancy costs	8,727	45,783
	<u>2,298,456</u>	<u>2,220,335</u>

The average weekly number of employees (excluding directors) during the year was as follows:

	Number	Number
Fundraising	11	11
Campaigns and information	68	61
Administration	15	17
	<u>94</u>	<u>89</u>

## 4. Total fundraising income less direct expenses

	1997			1996
	Gross income £	Direct expenses £	Net income/ (expenditure) £	Net income/ (expenditure) £
Subscriptions and donations	5,293,711	850,920	4,442,791	4,224,861
Prospecting - new supporters	285,598	341,735	(56,137)	(212,507)
Local groups and events	200,876	25,510	175,366	184,036
	<u>5,780,185</u>	<u>1,218,165</u>	<u>4,562,020</u>	<u>4,196,390</u>

## 5. Interest payable

	1997	1996
	£	£
Interest on bank overdrafts and short term loans	<u>863</u>	<u>117</u>

Notes forming part of the financial statements for the year ended 31st December 1997

	1997	1996
	£	£
<b>6. Surplus on ordinary activities before taxation</b>		
This is arrived at after charging:		
Depreciation	166,697	170,076
Auditors' remuneration	21,500	25,000
Directors' emoluments	53,110	44,892
Hire of plant and machinery (operating leases)	20,639	33,654
Pension costs	70,087	68,580
Emoluments ( excluding pension contributions ) of:		
Chairperson	8,000	36,756
	1997	1996
	Number	Number
The number of other directors whose emoluments ( excluding pension contributions ) fall in the following ranges was:		
£0 - £5,000	4	4
£35,000 - £40,000	1	-
	5	4
	1997	1996
	£	£
<b>7. Tax on trading activities and interest receivable</b>		
Corporation tax for the year	-	(20,500)
Adjustment to taxation for prior years	-	(487)
	-	(20,987)

The other activities of the company fall outside the scope of taxation.

Notes forming part of the financial statements for the year ended 31st December 1997

**8. Tangible fixed assets**

	Action equipment £	Office equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At beginning of year	150,516	319,150	724,135	57,607	1,251,408
Additions	11,146	10,416	108,970	11,800	142,332
Disposals	-	(870)	(27,995)	-	(28,865)
At end of year	161,662	328,696	805,110	69,407	1,364,875
Depreciation					
At beginning of year	127,780	255,472	563,517	32,359	979,128
Disposals	-	(314)	(27,995)	-	(28,309)
Provided in the year	21,036	20,768	107,987	16,906	166,697
At end of year	148,816	275,926	643,509	49,265	1,117,516
Net book value					
At 31st December 1997	12,846	52,770	161,601	20,142	247,359
At 31st December 1996	22,736	63,678	160,618	25,248	272,280

**9. Investment**

The information required by the Companies Act 1985 in relation to the subsidiary undertakings is given below.

Company	Principal activity	Called up share capital	Proportion held
Greenpeace Events Limited	Dormant	£2	100%
solar electric ltd	Dormant	£2	100%

Each of the subsidiary undertakings has £2 share capital and £2 assets.

**10. Stocks**

	1997	1996
	£	£
Merchandise for resale	-	7,111

Notes forming part of the financial statements for the year ended 31st December 1997

	1997	1996
	£	£
<b>11. Debtors</b>		
Trade debtors	222,755	19,810
Amounts owed by other Greenpeace organisations	149,939	38,197
Other debtors	46,896	35,063
Corporation tax recoverable	20,500	34,987
Prepayments and accrued income	85,114	131,951
	<u>525,204</u>	<u>260,008</u>

All amounts are receivable within one year.

**12. Creditors: Amounts falling due within one year**

Amounts owed to other Greenpeace organisations	34,872	79,949
Amount owed to ultimate parent company	18,088	18,088
Other creditors	1,025,549	411,718
Creditors for taxation and social security	62,209	54,629
Accruals and deferred income	61,087	42,478
	<u>1,201,805</u>	<u>606,862</u>

Included in other creditors is the amount of £678,000 which was previously disclosed as falling due after more than one year ( see note 13 ).

**13. Creditors: Amounts falling due after more than one year**

Other creditors	<u>-</u>	<u>678,000</u>
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**14. Share capital**

Authorised:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and called up		
Ordinary shares of £1 each	<u>8</u>	<u>8</u>

**15. Income and expenditure account**

Net ( liabilities ) brought forward	(409,056)	(488,989)
Surplus for the financial year	<u>329,945</u>	<u>79,933</u>
Net ( liabilities ) carried forward	<u>(79,111)</u>	<u>(409,056)</u>

Notes forming part of the financial statements for the year ended 31st December 1997

# 16. Commitments under operating leases

As at 31st December 1997, the company had annual commitments under non-cancellable leases as set out below:

	1997 Land and buildings £	1997 Other £	1996 Land and buildings £	1996 Other £
Operating leases which expire:				
Within 1 year	-	3,294	-	-
In 2 - 5 years	-	16,745	-	20,039
Over 5 years	135,600	-	135,600	-
	<u>135,600</u>	<u>20,039</u>	<u>135,600</u>	<u>20,039</u>

# 17. Reconciliation of operating surplus to net cash inflow from operating activities

	1997 £	1996 £
Surplus for the year	329,945	79,933
Tax on trading activities and interest receivable	-	(20,987)
Interest receivable	(13,568)	(16,185)
Interest payable	863	117
Operating surplus	<u>317,240</u>	<u>42,878</u>
Depreciation charges	166,697	170,076
( Surplus ) on disposal of fixed assets	(523)	(562)
Decrease in stocks	7,111	17,886
( Increase ) / decrease in debtors	(280,781)	100,877
( Decrease ) in creditors	(83,057)	(61,970)
Net cash inflow from operating activities	<u>126,687</u>	<u>269,185</u>

# 18. Analysis of changes in cash during the year

At start of year	336,413	243,234
Net cash inflow	<u>13,722</u>	<u>93,179</u>
At end of year	<u>350,135</u>	<u>336,413</u>

# 19. Reconciliation of movement in shareholders' funds

Shareholders' funds at start of year	(409,048)	(488,981)
Retained surplus in the year	<u>329,945</u>	<u>79,933</u>
Shareholders' funds at end of year	<u>(79,103)</u>	<u>(409,048)</u>

Notes forming part of the financial statements for the year ended 31st December 1997

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**20. Contingent liabilities**

In the opinion of the directors there were no actions being taken against the company during 1997 which will result in material costs to the company.

**21. Ultimate parent company**

The company's ultimate parent company is Greenpeace UK Limited, a company limited by guarantee.

Report of the auditors

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To the members of Greenpeace Limited

We have audited the financial statements on pages 3 to 12 which have been prepared under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 the company's affairs at 31st December 1997 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

1.4.98

BDO Stoy Hayward,  
Chartered Accountants  
and Registered Auditor

London