

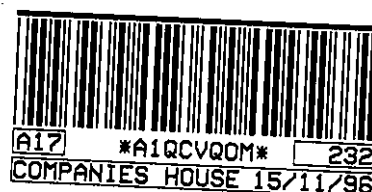
**HENRY DOUBLEDAY RESEARCH ASSOCIATION**

**(Company Limited by Guarantee No. 2188402)**

**(Registered Charity No. 298104)**

**Reports and Financial Statements for the**

**Year ended 31 December 1995**



## **HENRY DOUBLEDAY RESEARCH ASSOCIATION**

### **Patron**

H.R.H. The Prince of Wales, KG, KT, GCB

### **Council of Management in 1995**

The Rt Hon The Earl Kitchener TD, DL, MA (President)

Dr Bill Blyth (Chairman)

Dr Bill Bourne (Vice Chairman)

Gerald Pearson

Pauline Russack

Dr John Garrett

Alan McCulloch

Dr Peggy Ellis (resigned 28.4.95)

Jeff Bull

Dr Bob Haskins

Jon Lucas

Anthony Harbour

Ruth Silver

Sue Stickland

Dr Mark Fisher (elected November 1995)

### **Executives**

Alan Gear, Chief Executive and Secretary

Jackie Gear, BSc, Executive Director

### **Treasurer**

Graham Dodd, BA (Econ) FCA

### **Current Senior Staff**

Steve Drew, FCCA, Finance and Administration Manager

Bob Sherman, BA, Curator

Margi Lennartsson, PhD, Head of International Research

Pauline Pears, MSc, Head of Information and Education

Michael Walker, BA, Consultancy Manager

Jo Burton, BA, Communications Manager

### **Auditors**

Lonsdale & Marsh

Registered Auditor, Chartered Accountants,

5/7, James Street,

Liverpool, L2 7XB.

### **Bankers**

Bank of Scotland plc

2 Greyfriars Road

Coventry

CV1 3RA

Triodos Bank

Brunei House

11 The Promenade

Clifton

Bristol BS8 3NN

### **Registered Office**

Ryton Organic Gardens,

Ryton-on-Dunsmore,

Coventry, CV8 3LG.

Telephone: 01203 303517 Fax: 01203 639229

# **HENRY DOUBLEDAY RESEARCH ASSOCIATION**

## **Directors' Report**

The Directors present their report together with the financial statements of the Association for the year ended 31 December 1995.

### **Principal Activities**

The principal activities of the Association continue to be those of researching and offering of advice on sustainable, i.e. organic growing methods, both in the U.K. and overseas, and the running of the demonstration and research grounds at Ryton Gardens.

### **Results and Review of the Business**

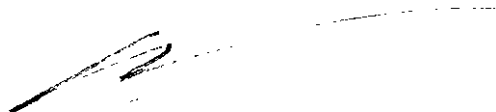
The Association had an operating deficit of £138,402 after transferring £139,905 to the buildings fund and transferring £49,880 from the Restricted Fund.

The accompanying Chief Executive's report gives a detailed review of the Association's activities during the year, including the financial position.

### **Auditors**

The auditors, Messrs Lonsdale & Marsh, will retire at the forthcoming annual general meeting and, having indicated their willingness to continue in office, offer themselves for reappointment.

**By Order of the Council**



**Secretary**

**Registered Office:**  
Ryton Gardens,  
Ryton-on-Dunsmore  
Coventry, CV8 3LG  
20 July 1996

## **HENRY DOUBLEDAY RESEARCH ASSOCIATION**

### **Statement of 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 Association and of the surplus or deficit of the Association for that period.

In preparing those financial statements, the Directors are required:

- a) to select suitable accounting policies and then apply them consistently;
- b) to make judgments and estimates that are reasonable and prudent;
- c) to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association 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 Association 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 Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Auditors to the Members  
of Henry Doubleday Research Association**

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and under the accounting policies set out on page 4.

As described on page 2, the Associations Directors are responsible for the preparation of 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 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 judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association'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 Association's affairs as at 31 December 1995 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

In our opinion the company is entitled, for the year ended 31 December 1995, to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

**Liverpool**

**20 July 1996**



**Lonsdale & Marsh  
Chartered Accountants  
Registered Auditor**

## HENRY DOUBLEDAY RESEARCH ASSOCIATION

### Statement of Accounting Policies for the Year ended 31 December 1995

a) **Basis of Accounting**

The financial statements have been prepared in accordance with the Companies Act 1985 and with applicable Accounting Standards and the Statement of Recommended Practice No. 2 "Accounting by Charities".

b) **Tangible Assets**

Depreciation is charged on all tangible fixed assets, other than freehold land, to write off the cost over their expected useful lives by equal annual instalments at the following rates:

	Per annum
Freehold Buildings	2% - 10%
Leashold Properties	2%
Ground Improvements	20%
Ground and Research Equipment	10% - 25%
Shop, Cafe and Establishment Equipment	10% - 25%
Computers	20%

c) **Deferred Income**

Income received from life membership subscriptions and deposit covenanted donations is credited to separate accounts, shown on the Balance Sheet as Deferred Income and split according to whether the receipt will be credited to the Income and Expenditure Account within one year.

d) **Restricted Fund**

All Income and Expenditure in connection with the Restricted Fund is dealt with via the Income and Expenditure Account.

e) **Pension Costs**

The Association contributes to a defined benefit pension scheme. The regular pension cost is charged to the Income and Expenditure Account and is based on the expected pension costs over the service lives of the employees. The current pension surplus is spread in the Income and Expenditure Account over the remaining service lives of current employees, now estimated at 10 years (see note 17).

# HENRY DOUBLEDAY RESEARCH ASSOCIATION

## Balance Sheet as at 31 December 1995

	Note	1995	1994
<b>Fixed Assets</b>			
Tangible Assets	1	975,994	842,627
Investments	2	<u>1</u>	<u>1</u>
		975,995	842,628
<b>Current Assets</b>			
Debtors	3	157,516	116,797
Cash at Bank and in Hand		<u>5,573</u>	<u>190,765</u>
		163,089	307,562
<b>Creditors Due Within One Year</b>	4	<u>276,418</u>	<u>206,774</u>
<b>Net Current Assets/(Liabilities)</b>		<u>(113,329)</u>	<u>100,788</u>
<b>Total Assets less Current Liabilities</b>		862,666	943,416
<b>Creditors Due After One Year</b>	5	<u>238,622</u>	<u>270,995</u>
<b>Net Assets</b>		<u><u>£624,044</u></u>	<u><u>£672,421</u></u>
<b>Represented by:</b>			
Operations Fund	7	(49,793)	88,609
Buildings Fund	7	673,837	533,932
Restricted Fund	7	<u>-</u>	<u>49,880</u>
		<u><u>£624,044</u></u>	<u><u>£672,421</u></u>

The financial statements were approved by the Council of Management on 20 July, 1996

Advantage has been taken, in the preparation of the accounts, of special exemptions applicable to small companies.

In the opinion of the directors the company is entitled to those exemptions on the basis that it qualifies as a small company under section 247.


 Member of Council of Management

# HENRY DOUBLEDAY RESEARCH ASSOCIATION

## Statement of Financial Activities for the Year ended 31 December 1995

	Note	1995	1994
<b>Income and Expenditure</b>			
Admission Charges		38,971	32,074
Membership Subscriptions		254,348	231,622
Donations		204,298	179,760
Legacies		12,469	26,219
Appeals		42,179	62,406
Grants		280,959	385,886
Sponsorship		10,500	5,500
Services		174,493	91,982
Investments		23,442	37,713
<b>Total Incoming Resources</b>		<b>1,041,659</b>	<b>1,053,162</b>
<b>Resources Expended</b>			
Membership	8	59,695	57,097
Grounds	9	140,388	67,593
Education and Advisory	10	158,502	116,693
International Research	11	220,034	259,897
Genetic Resources	12	43,780	31,307
Site Overheads	13	115,914	109,782
Executive Marketing and Fundraising	14	161,182	155,759
Administration	15	122,576	69,867
Finance	16	18,044	7,237
Depreciation		49,921	43,570
<b>Total Resources Expended</b>		<b>1,090,036</b>	<b>918,812</b>
<b>Net Incoming/(Outgoing) Resources before Transfers</b>		<b>(48,377)</b>	<b>134,350</b>
Transfer between Funds		(90,025)	33,003
<b>Net Incoming/(Outgoing) Resources for the Year</b>		<b>(138,402)</b>	<b>167,353</b>
Balances brought forward at 1 January 1995		88,609	(78,744)
<b>Balances carried forward at 31 December 1995</b>		<b>£(49,793)</b>	<b>£88,609</b>

All of the Associations operations are classed as continuing.

A statement of the movements on the Income and Expenditure Account appears as note 7 to the financial statements.

The Association had no recognised gains or losses other than the deficit for the period.



# HENRY DOUBLEDAY RESEARCH ASSOCIATION

Notes to the Financial Statements for the Year ended 31 December 1995

## 1 Tangible Fixed Assets

Cost	Freehold Land and Buildings	Leasehold Land and Buildings	Grounds & Research Equipment	Shop Cafe & Establishment Equipment	Computers	Total
At 1 January 1995	579,505	257,314	87,262	121,089	50,808	1,095,978
Additions	10,875	151,692	345	18,007	2,369	183,288
At 31 December 1995	590,380	409,006	87,607	139,096	53,177	1,279,266
Depreciation						
At 1 January 1995	62,464	-	49,058	91,021	50,808	253,351
Charge	15,418	7,255	10,563	16,211	474	49,921
At 31 December 1995	77,882	7,255	59,621	107,232	51,282	303,272
Net Book Value						
At 31 December 1995	£512,498	£401,751	£27,986	£31,864	£1,895	£975,994
At 31 December 1994	£517,041	£257,314	£38,204	£30,068	£ -	£842,627

# HENRY DOUBLEDAY RESEARCH ASSOCIATION

## Notes to the Financial Statements for the Year ended 31 December 1995 (Continued)

2 Investments - as Fixed Assets	Unlisted
Cost at 1 January 1995	1
Additions	—
Cost at 31 December 1995	<u>£1</u>

### a) Organic Enterprises Limited

The investments represents 1 Deferred Ordinary Share of £1 in Organic Enterprises Limited. This investment comprises the only Deferred Share of that Company in issue. Organic Enterprises Limited is registered in England and Wales and its principal place of business is Ryton Gardens, Ryton-on-Dunsmore.

The Deferred Ordinary Share carries voting rights equal to one third of the total Ordinary Share Capital in issue at any time. It has no right to participate in dividends or distribution in surplus assets until Ordinary Shareholders have received a return equal to 7% compound net of ACT per annum on and from the date of their original investment. The Deferred Share will be entitled to 50% of any dividend or distribution in excess of this amount.

### b) H.D.R.A. (Sales) Limited

The Association is entitled to receive under Deed of Covenant any surplus income of this company arising from its principal activity of the sale of books and literature of the Association. The Board of Directors of H.D.R.A. (Sales) Limited is made up of the Council of Management and other Executive Officers of the Association and these directors own the entire issued share capital of H.D.R.A. (Sales) Limited.

3 Debtors	1995	1994
Trade Debtors	43,555	19,263
H.D.R.A. (Sales) Limited - Current Account	20,383	30,199
Income Tax Recoverable	18,528	34,914
Prepayments and Accrued Income	8,737	13,031
Grant Receivable	26,670	19,390
Other Debtors	39,643	—
	<u>£157,516</u>	<u>£116,797</u>

All debtors are due within one year.

4 Creditors due within One Year	1995	1994
Other Loans	44,168	38,959
Operations Creditors	102,163	104,627
Amounts owed to Group undertakings		
- Organic Enterprises Limited	25,329	19,651
Taxation and Social Security	20,530	10,215
Accrued Expenses	38,836	20,648
Deferred Income	39,684	12,674
Other Creditors	5,708	—
	<u>£276,418</u>	<u>£206,774</u>

# **HENRY DOUBLEDAY RESEARCH ASSOCIATION**

## **Notes to the Financial Statements for the Year ended 31 December 1995** (Continued)

<b>5 Creditors due after One Year</b>	<b>1995</b>	<b>1994</b>
Other Loans	185,522	217,564
Deferred Income	53,100	53,431
	<u>£238,622</u>	<u>£270,995</u>

<b>6 Borrowings - Additional Information</b>	<b>1995</b>	<b>1994</b>
<b>a) Other Loans</b>		
Due within five years:		
Within 1 year	44,168	38,959
Between 1 and 2 years	33,385	33,645
Between 2 and 5 years	71,586	85,084
	<u>149,139</u>	<u>157,688</u>
Due after 5 years, by instalments	80,551	98,835
	<u>£229,690</u>	<u>£256,523</u>

The loans outstanding are as follows:

	<b>1995</b>				<b>1994</b>	
	<b>Within 1 year</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>After 5 years</b>	<b>Within 1 year</b>	<b>After 1 year</b>
<b>Due</b>						
Triodos Bank	27,074	28,391	60,692	73,406	25,859	189,564
Mercury Pension Scheme	3,571	3,571	10,713	7,145	-	25,000
Hire Purchase Liability	1,423	1,423	181	-	-	-
<b>Members:</b>						
Interest Free	12,100	-	-	-	12,100	3,000
Interest Bearing	-	-	-	-	1,000	-
	<u>£44,168</u>	<u>£33,385</u>	<u>£71,586</u>	<u>£80,551</u>	<u>£38,959</u>	<u>£217,564</u>

There are three Triodos Bank (formerly Mercury Provident plc) loans outstanding at the year end:

A variable rate loan of £54,208 with interest being charged at a rate between 3% and 11%, and annual repayments of £11,214.

Two fixed rate loans, one for £96,402 repayable monthly over 14 years, and the other for £38,953 repayable monthly over 3 years. Interest is payable on both these loans at 8%.

The Mercury Pension Fund Loan is repayable by annual instalments commencing from 31 December 1996. Interest is payable on the loan at 12%.

The loans are secured on the Association's freehold land and buildings at Ryton Gardens, a fixed and floating charge over the current and future assets of the company, and a legal mortgage over the leasehold property and buildings at Yalding Organic Gardens, Kent.

# **HENRY DOUBLEDAY RESEARCH ASSOCIATION**

## **Notes to the Financial Statements for the Year ended 31 December 1995** (continued)

### **6 Borrowings - Additional Information (continued)**

The Members Loans are unsecured and repayable as follows:

During

1996	<u>£12,100</u>
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Interest is payable on Members Loans at rates between 0 and 8%.

7 Fund Balances	Operations Fund		Buildings Fund		Restricted Fund	
	1995	1994	1995	1994	1995	1994
At 1st January 1995	88,609	(78,744)	533,932	531,935	49,880	84,880
From (to) I and E Account	(48,377)	169,350	-	-	-	(35,000)
Fund Transfers	<u>(90,025)</u>	<u>(1,997)</u>	<u>139,905</u>	<u>1,997</u>	<u>(49,880)</u>	<u>-</u>
At 31 December 1995	<u>£(49,793)</u>	<u>£88,609</u>	<u>£673,837</u>	<u>£533,932</u>	<u>£ -</u>	<u>£49,880</u>

The restricted fund relates to overseas projects. Donations and Grants received specifically for the direct expenditure on such projects are shown in the Income and Expenditure Account. The surplus or deficit between income and expenditure for the year is transferred to or from the Restricted Fund balance.

The Buildings Fund reflects the amount of the Association's funds committed to freehold land and buildings and ground improvements net of the Mercury loans outstanding in relation thereto.

8 Membership	1995	1994
Staff Costs	10,783	12,000
Newsletters and Annual Report	25,863	22,005
Printing, Postage and Stationery	<u>23,049</u>	<u>23,092</u>
	<u>£59,695</u>	<u>£57,097</u>
9 Grounds	1995	1994
Staff Costs	112,113	57,466
Consumables and Repairs	<u>28,275</u>	<u>10,127</u>
	<u>£140,388</u>	<u>£67,593</u>

# **HENRY DOUBLEDAY RESEARCH ASSOCIATION**

## **Notes to the Financial Statements for the Year ended 31 December 1995** (continued)

<b>10 Education and Advisory</b>	<b>1995</b>	<b>1994</b>
Staff Costs	95,288	97,943
Library, Exhibition and Project Costs	63,214	18,750
	<u>£158,502</u>	<u>£116,693</u>
<b>11 International Research</b>	<b>1995</b>	<b>1994</b>
Staff Costs	107,627	127,517
Consumables and Repairs	112,407	132,380
	<u>£220,034</u>	<u>£259,897</u>
<b>12 Genetic Resources</b>	<b>1995</b>	<b>1994</b>
Staff Costs	25,757	23,382
Project Costs	18,023	7,925
	<u>£43,780</u>	<u>£31,307</u>
<b>13 Site Overheads</b>	<b>1995</b>	<b>1994</b>
Canteen Expenses	13,208	14,190
Heat, Light and Power	17,990	17,447
Rates, Insurance and Water	13,631	12,962
Printing, Postage and Stationery	39,692	41,178
Telephone	9,709	10,102
Computers and Database	9,052	5,163
Equipment Leasing	7,825	7,768
Repairs and Maintenance	4,924	6,859
Cleaning	16,614	15,373
	<u>132,645</u>	<u>131,042</u>
Less: Service Charges	<u>16,731</u>	<u>21,260</u>
	<u>£115,914</u>	<u>£109,782</u>
<b>14 Executive, Marketing and Fundraising</b>	<b>1995</b>	<b>1994</b>
Staff Costs	112,521	121,704
Advertising and Promotion	18,558	25,417
Events	17,524	17,545
Fundraising Costs	20,387	1,003
	<u>168,990</u>	<u>165,669</u>
Less: Service Charge	<u>7808</u>	<u>9900</u>
	<u>£161,182</u>	<u>£155,769</u>

# HENRY DOUBLEDAY RESEARCH ASSOCIATION

## Notes to the Financial Statements for the Year ended 31 December 1995 (continued)

15 Administration	1995	1994
Staff Costs	102,905	42,612
General Expenses	5,047	5,485
Bank Charges	2,272	4,955
Travel Expenses	1,123	4,395
Audit Fee	3,969	4,170
Legal and Professional	10,606	12,554
	<u>125,922</u>	<u>74,171</u>
Less Service Charges	3,346	4,304
	<u>£122,576</u>	<u>£69,867</u>
16 Finance	1995	1994
Loan Interest	<u>£18,044</u>	<u>£7,237</u>

## HENRY DOUBLEDAY RESEARCH ASSOCIATION

### Notes to the Financial Statements for the Year ended 31 December 1995 (continued)

#### 17 Defined benefit pension scheme

The Association, along with H.D.R.A. (Sales) Limited and Organic Enterprises Limited, participate in a pension scheme with 25 other institutions, which provide benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Association, being invested with a pension fund management company. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 1992. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 8.5% per annum, that salary increases would average 7% per annum and that present and future pensions would increase at the rate of 3% per annum.

The pension charge for the Association for the year was £10,000.

Due to the nature of the scheme it is not practicable to extract from the scheme funds as a whole the amount attributable to Henry Doubleday Research Association. The following information applies therefore to the value of the pension scheme attributable to all 28 participating institutions.

The most recent actuarial valuation showed that the market value of the scheme's assets was £2,659,305 and that the actuarial value of those assets represented 109% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the Association will be increased to 6.4% but with employees remaining at 3.5%.