

**The Association of Friendly Societies
(Company Limited by Guarantee)**

**Report and financial statements
Registered number 3063969
Year End Date 30 June 2000**



Report and financial statements

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Report of the Executive Committee

The officers of the Executive Committee present their report and financial statements for the year ended 30 June 2000.

Business review

The principal activities of the Association involve the promotion and advancement of the interests of Friendly Societies. During the year the Association has received turnover of £310,660 comprising both members' subscriptions and receipts from other Association activities.

Directors

The members of the Executive Committee, who were also directors of the company, during the year were as follows:

Mr Ronald Baxter	(resigned 8 June 2000)
Mr Nigel Brinn	
Mr Allan Chalkley	
Mr Edward Chapman	
Mr David Leonard Foster	(appointed President 22 October 1999)
Mr John Holme	(Treasurer)
Mr Roy Hurley	(President until 22 October 1999)
Mr Brian McCaul	
The Rt. Hon. The Lord Naseby	
Mr Colin Paskell	
Mr Robert Pollard	(resigned 22 October 1999)
Mr Paul Protheroe	(co-opted 9 June 2000)
Mr John Reeve	(appointed Vice President 22 October 1999)
Mr Malcolm Robertshaw	
Mr Mark Rothery	(appointed 22 October 1999)
Mr Roy Skidmore	
Mr Robert Thomson	

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the appointment of auditors of the company is to be proposed at the forthcoming Annual General Meeting.



By order of the board

MEG Poole
Secretary

31 August 2000

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 company and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Report of the auditors to the members of The Association of Friendly Societies (Company Limited by Guarantee)

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

As described on page 2 the company's 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 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 as at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

4 September 2000

Income and expenditure account
for the year ended 30 June 2000

	<i>Note</i>	2000 £	1999 £
Turnover	3	310,660	277,449
Administrative expenses	4	(280,065)	(260,552)
		<hr/>	<hr/>
Operating surplus		30,595	16,897
Interest receivable		8,893	8,170
		<hr/>	<hr/>
Surplus on ordinary activities before taxation	5	39,488	25,067
Tax on profit on ordinary activities	7	(1,488)	(1,765)
		<hr/>	<hr/>
Surplus for the financial period transferred to members' funds	12	38,000	23,302
		<hr/>	<hr/>

The company has no recognised gains or losses other than those reflected in its income and expenditure account.
 All income and the surplus for the year are derived from continuing operations.

Balance sheet
at 30 June 2000

	<i>Note</i>	2000		1999
		£	£	£
Fixed assets				
Tangible assets	8	32,568		1,379
Current assets				
Debtors	9	19,665		21,511
Cash at bank and in hand		214,278		176,129
		233,943		197,640
Creditors: amounts falling due within one year	10	(100,866)		(79,544)
Net current assets		133,077		118,096
Total assets less current liabilities		165,645		119,475
Creditors: amounts falling due after more than one year	10	(8,170)		-
Net assets		157,475		119,475
Members' funds	12	157,475		119,475

These financial statements were approved by the Executive Committee on 31 August 2000 and were signed on its behalf by:



DL Foster
President

Notes

(forming part of the financial statements)

1 Status of the company

The company is limited by guarantee and does not have a share capital.

Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up while a member, or within one year after ceasing to be a member, such amount as may be required not exceeding £1.

2 Accounting policies

Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Tangible fixed assets and depreciation

Fixed assets are carried at cost less accumulated depreciation. Depreciation is provided on a straight line basis as follows:

Computer equipment	-	33%
Other office equipment	-	20%
Furniture, fixtures and fittings	-	20%

3 Turnover

Turnover represents income from membership subscriptions and other sources and comprises amounts receivable in respect of the period. Subscriptions relating to a subsequent period are carried forward as deferred income.

	2000 £	1999 £
Members' subscriptions	312,922	258,248
Sales of publications	(4,040)	5,458
Seminar income	1,778	13,743
	<hr/> 310,660 <hr/>	<hr/> 277,449 <hr/>

Notes (continued)

4 Administrative expenses

	2000 £	1999 £
Salaries and pensions	113,398	107,869
Recruitment	765	1,285
Travelling	3,953	5,541
Stationery, postage and telephone	18,582	17,892
Professional fees	12,214	18,880
Accommodation costs	68,124	34,003
Executive committee expenses	7,984	15,589
Annual meeting income/expenses	(7,089)	9,629
Depreciation	5,543	3,040
Publicity costs	22,181	22,929
Lobbyists	31,560	23,378
Bank charges	49	122
Sundry	1,548	395
VAT	419	-
Seminar expenses	360	-
Finance charges	474	-
	<u>280,065</u>	<u>260,552</u>

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging the following:

	2000 £	1999 £
Auditors' remuneration:		
In respect of audit	2,881	1,200
Adjustment in respect of previous year's accrual	240	8
	<u>3,121</u>	<u>1,208</u>

Notes (continued)

6 Salaries

Directors

No salaries or fees were paid to directors in the period.

Officers and employees

The salaries paid to officers and employees during the period were as follows:

	2000 £	1999 £
Wages and salaries	93,619	89,958
Social security costs	9,445	8,075
Other pension costs	10,334	9,836
	<hr/>	<hr/>
	113,398	107,869
	<hr/>	<hr/>

The average number of employees of the Association during the period was as follows:

	Number of employees
2000	1999
3	2
<hr/>	<hr/>

7 Taxation

	2000 £	1999 £
Corporation tax due (2000:17.5%, 1999:20.75%)	1,557	1,715
Prior year adjustment	(69)	50
	<hr/>	<hr/>
	1,488	1,765
	<hr/>	<hr/>

Notes (continued)

8 Tangible fixed assets

	Computer equipment	Other office equipment	Furniture, fixtures and fittings	Total
	£	£	£	£
<i>Cost</i>				
At 1 July 1999	10,632	392	22,090	33,114
Additions	9,027	4,943	22,762	36,732
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	19,659	5,335	44,852	69,846
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 July 1999	10,564	392	20,779	31,735
Provided in the year	2,302	247	2,994	5,543
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2000	12,866	639	23,773	37,278
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 June 2000	6,793	4,696	21,079	32,568
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1999	68	-	1,311	1,379
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the total net book value of computer equipment is £6,793 (1999: £0) in respect of assets held under finance leases. Depreciation for the year on these assets was £2,234 (1999: £0).

Included in the total net book value of other office equipment is £4,696 (1999: £0) in respect of assets held under finance leases. Depreciation for the year on these assets was £247 (1999: £0).

9 Debtors

	2000 £	1999 £
Prepayments	15,800	11,399
Other debtors	3,865	10,112
	<hr/>	<hr/>
	19,665	21,511
	<hr/>	<hr/>

Notes (continued)

10 Creditors

	2000 £	1999 £
Trade creditors:		
Obligations under finance leases	11,692	-
Other	-	10,783
Taxation	1,557	1,715
Accruals and deferred income	95,787	67,046
	<hr/>	<hr/>
	109,036	79,544
Less: finance leases due after one year	(8,170)	-
	<hr/>	<hr/>
	100,866	79,544
	<hr/>	<hr/>

	2000 £	1999 £
The maturity of obligations under finance leases is as follows:		
Within one year	4,903	-
In the second to fifth years	9,646	-
Over five years	-	-
	<hr/>	<hr/>
	14,549	-
Less: future finance charges	(2,857)	-
	<hr/>	<hr/>
	11,692	-
	<hr/>	<hr/>

11 Commitments

(a) There are no capital commitments outstanding at the period end.

(b) Annual commitments under operating leases at 30 June 2000 are as follows:

	2000 Land and Buildings £	1999 Land and buildings £
Expiring::		
Within one year	33,542	15,040
Over one year and less than five years	134,168	-
Over five years	149,653	-
	<hr/>	<hr/>
	317,363	15,040
	<hr/>	<hr/>

Notes *(continued)*

12 Reconciliation of movements in members' funds

	2000 £	1999 £
Opening members' funds	119,475	96,173
Profit for the financial period	38,000	23,302
	<hr/>	<hr/>
Closing members' funds	157,475	119,475
	<hr/>	<hr/>