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FRIENDS OF THE EARTH LIMITED

(A company limited by guarantee
and not having a share capital)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1986

LA

Hayes & Allen

FRIENDS OF THE EARTH LIMITED

(A company limited by guarantee and not having a share capital)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1986

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FRIENDS OF THE EARTH LIMITED

(A company limited by guarantee and not having a share capital)

DIRECTORS' REPORT

The directors present their report and accounts of the company for the year ended 31st May 1986.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity is the promotion of conservation interests and the rational use of the environment.

During the year the company was involved in a wide range of campaigning activities. A major survey of Tree Dieback symptoms and a Rally outside Didcot Power Station maintained pressure on Government to do something about Acid Rain. The Tropical Rainforest Campaign produced extensive background documentation for its lobbying of MPs and negotiations with the Timber Trade. We maintained a high level of activity on both countryside and pesticides issues. The Energy Campaign has been concentrating on Sizewell, nuclear waste issues and reprocessing at Sellafield; a new Safe Energy Campaign was launched after the Chernobyl disaster. In March 1986, our transport campaigning received a great boost through our Cities for People initiative.

Membership rose satisfactorily throughout the year, and we maintained a very high media profile.

The year ending May 1987 will be a particularly busy one for FoE, concentrating on promoting environmental issues in the run-up to the next election. The company will continue to be active in all the areas mentioned above.

RESULTS

The excess of expenditure over income after tax for the year was £11,225, which has reduced the surplus of funds to £2,926 at 31st May 1986.

DIRECTORS

The names of the directors of the company, who held office during the year, or who have been appointed since 31st May 1986, are listed below:-

D. Wilson	Chairman	(resigned 16th August 1986)
D.W. Hutchinson		(resigned 7th June 1986)
B.E.R. Jones		
I.M.L. Webb		
K.K. Kovach		(resigned 7th December 1985)
M.A. Smyth		
L.A. Palmer		
R. Byrom		
J. Weston		
S. Hornby		
M. Minhinnick		
J. Roberts		
J.R. Sandbrook	Acting Chairman	
N. Myers		(appointed 7th June 1986)
R. Russell-Jones		(appointed 7th June 1986)
T. Pettitt		(appointed 7th December 1985)

FRIENDS OF THE EARTH LIMITED

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DIRECTORS' REPORT (continued)

FIXED ASSETS

The directors consider that the market value of the company's interest in the freehold property is in excess of the net book value shown in the accounts.

AUDITORS

Hays Allan, have indicated their willingness to continue in office and offer themselves for re-appointment in accordance with Section 384 of the Companies Act 1985.

BY ORDER OF THE BOARD



M.A. SMYTH

Secretary.

11th October 1986

FRIENDS OF THE EARTH LIMITED

(A company limited by guarantee and not having a share capital)

AUDITORS' REPORTTO THE MEMBERS OF FRIENDS OF THE EARTH LIMITED

We have audited the accounts on pages 4 to 10. Our audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraphs.

This organisation, in common with many others of similar size and nature, derives a substantial proportion of its income from voluntary donations which cannot be fully controlled until they are entered in the accounting records, and are not therefore susceptible to independent audit verification.

As described in note 1(a) of the notes to the accounts, these accounts have been prepared on a going concern basis on the assumption that continued support is received from benefactors.

Subject to the limitation, as stated in paragraph 2 above and the basis as stated in paragraph 3 being appropriate, in our opinion the accounts give a true and fair view of the state of the company's affairs as 31st May 1986 and of its deficit and source and application of funds for the year then ended, and comply with the Companies Act 1985.



HAYS ALLAN

Chartered Accountants.

Southampton House,
317 High Holborn,
London WC1V 7NL.

11th October 1986

FRIENDS OF THE EARTH LIMITED

(A company limited by guarantee and not having a share capital)

INCOME AND EXPENDITURE ACCOUNTFOR THE YEAR ENDED 31ST MAY 1986

	<u>Notes</u>	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
INCOME	2	469,902	348,872
EXPENDITURE	3	<u>469,387</u>	<u>344,390</u>
SURPLUS BEFORE INTEREST PAYABLE		515	4,482
Interest payable	6	<u>7,740</u>	<u>9,423</u>
NET DEFICIT BEFORE TAXATION		(7,225)	(4,941)
Taxation	7	<u>4,000</u>	<u>-</u>
NET DEFICIT FOR THE YEAR		(11,225)	(4,941)
Accumulated surplus, at beginning of year		<u>14,151</u>	<u>19,092</u>
Accumulated surplus at end of year		<u><u>£2,926</u></u>	<u><u>£14,151</u></u>

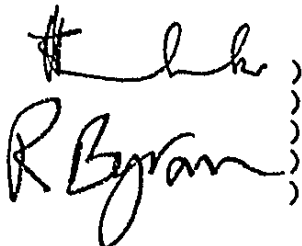
FRIENDS OF THE EARTH LIMITED

(A company limited by guarantee and not having a share capital)

BALANCE SHEETAT 31ST MAY 1986

	<u>Notes</u>	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
FIX ASSETS	8	<u>110,024</u>	<u>114,655</u>
CURRENT ASSETS			
Stocks		15,877	6,763
Debtors	9	129,871	36,974
Cash at bank and in hand		<u>2,101</u>	<u>491</u>
		147,849	44,228
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	10	(217,168)	(103,600)
NET CURRENT LIABILITIES		<u>(69,319)</u>	<u>(59,372)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,705</u>	<u>55,283</u>
CREDITORS: Amounts falling due after more than one year (including loans)	11	37,779	41,132
NET ASSETS		<u>£2,926</u>	<u>£14,151</u>
GENERAL FUND			
Accumulated surplus		<u>£2,926</u>	<u>£14,151</u>

The accounts on pages 4 to 10 were approved by the board of directors on 11th October 1986, and were signed on its behalf by:


 R. Byram
 Directors

FRIENDS OF THE EARTH LIMITED

(A company limited by guarantee and not having a share capital)

STATEMENT OF SOURCE AND APPLICATION OF FUNDSYEAR ENDED 31ST MAY 1986

	<u>1986</u> £	<u>1985</u> £
APPLICATION OF FUNDS		
General Fund - net deficit for the year before taxation	7,225	4,941
Item not involving the movement of funds:		
Depreciation	<u>4,631</u>	<u>4,494</u>
Funds absorbed by operations	(2,594)	(447)
Purchase of fixed assets	-	1,436
Repayment of bank mortgage	<u>3,554</u>	<u>3,753</u>
DECREASE IN WORKING CAPITAL	<u>£(6,148)</u>	<u>£(5,636)</u>
REPRESENTED BY:		
Increase/(Decrease) in stocks	9,114	(2,205)
Increase in debtors	92,897	26,782
Increase in creditors	<u>(120,007)</u>	<u>(18,624)</u>
	(17,996)	5,953
Movement in liquid funds:		
Increase/(Decrease) in cash and bank balances	<u>11,848</u>	<u>(11,589)</u>
	<u>£(6,148)</u>	<u>£(5,636)</u>

FRIENDS OF THE EARTH LIMITED

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NOTES TO THE ACCOUNTSYEAR ENDED 31ST MAY 1986

1. ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The accounts have been prepared on the historical cost basis.

The accounts have been prepared on a going concern basis on the assumption that continued support is received from benefactors.

b) STOCKS

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

c) INCOME

Supporters' contributions, donations and sponsorship

Income arising from supporters' contributions, donations and sponsorship is accounted for as and when received.

Trading

Trading sales represent amounts invoiced, excluding value added tax.

Other income

Other income is accounted for on an accruals basis.

d) FIXED ASSETS

Fixed assets are written off in equal annual instalments over their estimated useful lives at the following rates of depreciation:-

Office equipment, fixtures and fittings - 25.0% per annum
Freehold buildings - 2.5% per annum

Individual items of office equipment, fixtures and fittings costing £50 or less are treated as revenue expenditure.

2. INCOME

	<u>1986</u> £	<u>1985</u> £
Supporters' contributions	190,641	162,888
Sponsorship	-	35,667
Donations	162,995	78,626
Events	29,394	18,930
Grants	54,479	30,000
Interest receivable	-	491
Rent and tenants' contributions	-	4,496
Gross profit on trading	8,041	10,839
Management charge receivable from Friends of the Earth Trust Limited	-	2,800
Other income	24,352	4,135
	<u>£469,902</u>	<u>£348,872</u>
Trading turnover	<u>£50,377</u>	<u>£35,099</u>

FRIENDS OF THE EARTH LIMITED

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NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST MAY 1986

3. EXPENDITURE	<u>1986</u> £	<u>1985</u> £
Staff costs (see note 5)	111,846	92,582
Consultancy	18,513	8,820
Development and fundraising	65,981	32,004
Depreciation of fixed assets	4,631	4,494
Auditors' remuneration	3,000	2,500
Other expenses	265,416	203,990
	<u>£469,387</u>	<u>£344,390</u>

4. G.L.C. GRANT

A grant was received from the G.L.C. during the year for a specific project.

	£
Grant received	301,503
Related expenditure	(298,547)
Staff costs (see note 5)	(7,862)
Deficit on project to income and expenditure account	<u>£4,906</u>

5. DIRECTORS AND EMPLOYEES

The average weekly number of persons employed by the company during the year was:

	<u>1986</u> Number	<u>1985</u> Number
Directors	-	-
Staff	14	11
	<u>14</u>	<u>11</u>

The directors received no remuneration.

Staff costs (for the above persons):

	£	£
Salaries (see notes 3 and 4)	108,381	83,595
Social Security costs	11,327	8,987
	<u>£119,708</u>	<u>£92,582</u>

6. INTEREST PAYABLE

On bank overdraft	1,573	3,457
On bank mortgage repayable partly in more than five years	6,167	5,966
	<u>£7,740</u>	<u>£9,423</u>

FRIENDS OF THE EARTH LIMITED

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NOTES TO THE ACCOUNTS (continued)YEAR ENDED 31ST MAY 19867. TAXATION 1986 1985

The charge for taxation is made up as follows:-

Underprovision in previous years	<u>£4,000</u>	<u>£ -</u>
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On the basis of the deficit for the year no provision has been made within the accounts for UK Corporation Tax.

8. FIXED ASSETS

	Office equipment, fixtures and fittings	Freehold land and buildings	Total
	£	£	£
COST			
Balance at 1st June 1985	10,797	121,034	131,831
Additions	-	-	-
	<u>10,797</u>	<u>121,034</u>	<u>131,831</u>
Balance at 31st May 1986			
	<u>10,797</u>	<u>121,034</u>	<u>131,831</u>
DEPRECIATION			
Balance at 1st June 1985	8,122	9,054	17,176
Charge for the year	1,605	3,026	4,631
	<u>9,727</u>	<u>12,080</u>	<u>21,807</u>
Balance at 31st May 1986			
	<u>9,727</u>	<u>12,080</u>	<u>21,807</u>
NET BOOK VALUE			
At 31st May 1986	<u>£1,070</u>	<u>£108,954</u>	<u>£110,024</u>
At 31st May 1985	<u>£2,675</u>	<u>£111,980</u>	<u>£114,655</u>

9. DEBTORS

	<u>1986</u> £	<u>1985</u> £
Trade debtors	2,974	2,316
Prepayments and accrued income	41,412	249
Amount due from		
- Friends of the Earth Trust Limited	53,863	32,962
- Earth Resources Research Limited	-	832
Other debtors	31,622	615
	<u>£129,871</u>	<u>£36,974</u>

The realisability of the debt from Friends of the Earth Trust Limited is dependent upon future support of that company by benefactors.

FRIENDS OF THE EARTH LIMITED

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NOTES TO THE ACCOUNTS (continued)YEAR ENDED 31ST MAY 1986

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
Bank overdraft	-	10,238
Current instalments due on bank mortgage loan	3,553	3,754
Trade creditors	160,556	62,635
Interest-free loans	4,480	10,880
Corporation tax	4,000	-
Taxation and Social Security payable	13,100	4,062
Accruals and deferred income	25,095	11,695
Other creditors	6,384	336
	<u>£217,168</u>	<u>£103,600</u>
7		
11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Bank mortgage loan	<u>£37,779</u>	<u>£41,132</u>

The bank mortgage loan is secured on the premises situated at 377 City Road, London, EC1V 1NA. It bears interest at 2.25% over the bank's base rate, and is repayable over 12 years by equal monthly instalments.

12. LIABILITY OF MEMBERS

In the event of a winding up, each member of the company is liable to contribute an amount not exceeding £10. At 31st May 1986 the number of members was 7 (1985: 7).