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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 1987

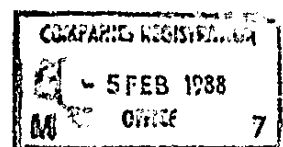
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**Hays Allan**

Chartered Accountants

Southampton House  
317 High Holborn  
London, WC1V 7NL



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 1987

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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 1987.

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. Our Safe Energy Campaign, launched in the wake of the Chernobyl disaster, entailed a considerable expansion of both staff and resources. Our Great Nuclear Debate involved hundreds of public meetings throughout the UK, and many new materials were produced. An independent Radiation Monitoring Unit was set up.

Our Tropical Rainforest Campaign continued to lobby the timber trade within the UK, but also took on a higher international profile with the establishment of the International Tropical Timber Organisation. Our Acid Rain Campaign broadened out into air pollution concerns in general, to include such issues as the protection of the ozone layer. We maintained a high level of activity on both Countryside and Pesticide issues, and our Transport and Bicycling Campaigns made good progress in achieving specific goals and developing policies. Considerable effort went into promoting our Green Agenda questionnaire, in the run-up to the June General Election.

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

The year ending May 1988 will be a particularly busy one for FoE, with a move to new premises and a real drive to improve our membership and administrative systems. The Company will continue to be active in all the areas mentioned above.

RESULTS

The excess of income over expenditure was £17,569, which has increased the surplus of funds to £20,495 at 31st May 1987.

FRIENDS OF THE EARTH LIMITED(A company limited by guarantee and not having a share capital)DIRECTORS' REPORT (continued)

## DIRECTORS

The names of the directors of the company, who held office during the year, or who have been appointed since 31st May 1987, are listed below:-

R. Byrom	
S. Hornby	(retired 6th December 1986)
D.W. Hutchinson	(retired 7th June 1986)
E.J. Jarvis	(appointed 6th December 1986)
B.E.R. Jones	(retired 6th December 1986)
S.A. Kularatne	(appointed 6th December 1986)
M. Minhinnick	
N. Myers	(appointed 7th June 1986)
	(retired 8th March 1987)
L.A. Palmer	
T. Pettitt	Chairman
J. Roberts	
R. Russell-Jones	(appointed 7th June 1986)
	(retired 8th March 1987)
J.R. Sandbrook	
I. Sesnan	(appointed 6th December 1986)
M.A. Smyth	(retired 6th April 1987)
V. Stevens	(appointed 30th March 1987)
I.M.L. Webb	(retired 6th December 1986)
J. Weston	
D. Wilson	(retired 16th August 1986)

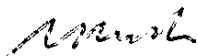
## FIXED ASSETS

On 14th July 1987 the freehold land and buildings were gifted to Friends of the Earth Trust Limited, a registered charity. The outstanding mortgage loan (see notes to the accounts numbers 11 and 12) became repayable in full on completion of the sale of the above property by Friends of the Earth Trust Limited.

## 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.

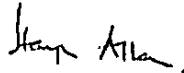
17th October 1987.

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 matter referred to in the following paragraph.

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.

Subject to the foregoing, in our opinion the accounts give a true and fair view of the state of the company's affairs as 31st May 1987 and of its surplus 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.

17th October 1987.

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 1987

	<u>Notes</u>	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
INCOME	2	720,922	469,902
EXPENDITURE	3	699,282	469,387
SURPLUS BEFORE INTEREST PAYABLE		21,640	515
Interest payable	6	7,482	7,740
SURPLUS (DEFICIT) FOR THE YEAR BEFORE TAXATION		14,158	(7,225)
Taxation	7	3,411	(4,000)
NET SURPLUS/(DEFICIT) FOR THE YEAR		17,569	(11,225)
ACCUMULATED SURPLUS, AT BEGINNING OF YEAR		2,926	14,151
ACCUMULATED SURPLUS, AT END OF YEAR		£20,495	£2,926



RIENDS 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 1987

	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
SOURCE OF FUNDS		
General Fund - net surplus (deficit) for the year before taxation	14,158	(7,225)
Item not involving the movements of funds:		
Depreciation	3,770	4,631
FUNDS GENERATED/(ABSORBED) BY OPERATIONS	17,928	(2,594)
APPLICATION OF FUNDS		
Purchase of fixed assets	(128)	-
Purchase of investment	(500)	-
Repayment of bank mortgage loan	(4,960)	(3,554)
Taxation paid	(589)	-
INCREASE/(DECREASE) IN WORKING CAPITAL	<u>£11,751</u> =====	<u>£(6,148)</u> =====
REPRESENTED BY:		
Increase in stocks	5,575	9,114
Increase in debtors	13,065	92,897
Decrease/(increase) in creditors	48,530	(120,007)
	<u>67,170</u>	<u>(17,996)</u>
Movement in liquid funds:		
(Decrease)/increase in cash and bank balances	(55,419)	11,848
	<u>£11,751</u> =====	<u>£(6,148)</u> =====

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ALIENS OF THE EARTH LIMITED  
company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST MAY 1987

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 accrual 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>1987</u> £	<u>1986</u> £
Supporters' contributions	249,955	190,641
Donations and sponsorship	309,571	162,995
Events	57,460	29,394
Grants	64,354	54,479
Gross profit on trading and other income	39,582	32,393
	<hr/> £720,922	<hr/> £469,902
Trading turnover	<hr/> £110,633	<hr/> £50,377

RIENDS OF THE EARTH LIMITED  
(A company limited by guarantee and not having a share capital)

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST MAY 1987

3. EXPENDITURE	<u>1987</u> £	<u>1986</u> £
Staff costs (see note 5)	186,893	111,846
Consultancy	-	18,513
Development and fundraising	149,543	65,981
Depreciation of fixed assets	3,770	4,631
Auditors' remuneration	3,500	3,000
Other expenses	356,076	265,416
	<u>£699,782</u>	<u>£469,387</u>

4. G.L.C. GRANT

A grant was received from the G.L.C. during the year ended 31st May 1986 for a specific project.

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

5. DIRECTORS AND EMPLOYEES

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

	<u>1987</u> Number	<u>1986</u> Number
Directors	-	-
Staff	20	14
	<u>20</u>	<u>14</u>
	£	£
Staff costs:		
Salaries (see notes 3 and 4)	169,578	108,381
Social Security costs	17,315	11,327
	<u>£186,893</u>	<u>£119,708</u>

The directors received no remuneration.

FRIENDS OF THE EARTH LIMITED  
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NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST MAY 1987

	<u>1987</u> £	<u>1986</u> £
6. INTEREST PAYABLE		
On bank overdraft	2,721	1,573
On bank mortgage	4,761	6,167
	<u>£7,482</u>	<u>£7,740</u>

7. TAXATION

The charge for taxation is made up as follows:-

Underprovision in previous years	-	4,000
Provision released - no longer required, relating to a previous period	3,411	-
	<u>£3,411</u>	<u>£(4,000)</u>
Credit/(charge) to income and expenditure account		

On the basis of the tax losses on trading brought forward no provision has been made within the accounts for UK Corporation Tax.

8. FIXED ASSETS

	<u>Office equipment, fixtures and fittings</u> £	<u>Freehold land and buildings</u> £	<u>Total</u> £
COST			
Balance at 1st June 1986	10,797	121,034	131,831
Additions	128	-	128
	<u>10,925</u>	<u>121,034</u>	<u>131,959</u>
Balance at 31st May 1987			
DEPRECIATION			
Balance at 1st June 1986	9,727	12,080	21,807
Charge for the year	744	3,026	3,770
	<u>10,471</u>	<u>15,106</u>	<u>25,577</u>
Balance at 31st May 1987			
NET BOOK VALUE			
At 31st May 1987	£454	£105,928	£106,382
At 31st May 1986	£1,070	£108,954	£110,024

FRIENDS OF THE EARTH LIMITED  
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NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31ST MAY 1987

9. INVESTMENT AT COST	<u>1987</u>	<u>1986</u>
	£	£
500 ordinary shares of £1 each fully paid in Peace, Ecology and Development Books Limited	£500	£ -
	<u>          </u>	<u>          </u>
10. DEBTORS		
Trade debtors	10,972	2,974
Prepayments and accrued income	90,521	41,412
Amount due from		
- Friends of the Earth Trust Limited	36,198	53,863
Other debtors	5,245	31,622
	<u>£142,936</u>	<u>£129,871</u>
	<u>          </u>	<u>          </u>
11. CREDITORS: DUE WITHIN ONE YEAR		
Bank overdraft	53,318	-
Current instalments due on bank mortgage loan	36,373	3,554
Trade creditors	103,336	160,555
Interest-free loans	3,730	4,480
Corporation tax	-	4,000
Taxation and Social Security payable	7,114	13,100
Accruals and deferred income	35,885	25,095
Other creditors	11,019	6,384
	<u>£250,775</u>	<u>£217,168</u>
	<u>          </u>	<u>          </u>
12. CREDITORS: DUE AFTER ONE YEAR		
Bank mortgage loan	£ -	£37,779
	<u>          </u>	<u>          </u>

The bank mortgage loan was secured on the freehold land and buildings situated at 377 City Road, London, EC1V 1NA. It bore interest at 2.5% over the bank's base rate.

13. POST BALANCE SHEET EVENT

On 14th July, 1987 the freehold land and buildings were gifted to Friends of the Earth Trust Limited, a registered charity. The outstanding mortgage loan (see notes 11 and 12 above) will be repayable in full on completion of the sale of the above property by Friends of the Earth Trust Limited.

14. 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 1987 the number of members was 7 (1986: 7).