

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(A Company Limited by Guarantee)

ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2004

Burgis & Bullock
Chartered Accountants
2 Chapel Court
Holly Walk
Leamington Spa
Warwickshire
CV32 4YS

HENRY DOUBLEDAY RESEARCH ASSOCIATION

INDEX TO ACCOUNTS

YEAR ENDED

31 DECEMBER 2004

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**HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)**

LEGAL AND ADMINISTRATIVE DETAILS

31 DECEMBER 2004

REGISTERED NUMBER: 2188402

CHARITY REGISTERED NUMBER: 298104

REGISTERED OFFICE: Ryton Organic Gardens
Ryton on Dunsmore
Coventry
CV8 3LG

AUDITORS: Burgis & Bullock
2 Chapel Court
Holly Walk
Leamington Spa
CV32 4YS

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

THE COUNCIL OF MANAGEMENT: The Rt Hon Earl Kitchener, TD, DL, MA
G Pearson (Vice President)
Dr W Blyth (Chairman to September 2004)
Dr B Bourne (Vice Chairman to September 2004
Chairman from October 2004)
Dr S A Bucknall (Vice Chairman from October 2004)

D Allan
R Bearman
W Ellicock
Dr J Garrett
A Harbour
Dr B Haskins
R Key
J Lucas
JRW Petrie
K Pinder
J Scott
CM Ungoed –Thomas
M Bradley (appointed September 2004)

CHIEF EXECUTIVE & COMPANY SECRETARY: Dr S Kay-Williams

COUNCIL OF MANAGEMENT ANNUAL REPORT**HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)****YEAR ENDED 31 DECEMBER 2004**

The council of management have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2004. The council of management have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

Legal Status

The charity is a charitable company limited by guarantee and was set up on the 16 October 1987. It is governed by a memorandum and articles of association dated 16 October 1987, which was last amended by a special resolution dated 11 September 2004. Its objects are to carry out activities that research and promote organic gardening, farming and food.

Objectives

The charity's objects are to advance education and science for the public benefit by:

The improvement of scientific and practical horticulture in all their branches through the application of organic methods and principles of horticulture and agriculture, and the dissemination of the useful results thereof.

The advancement of awareness and knowledge of ecosystems and our impact on them by demonstrating the value of organic methods on a broad educational front both in the United Kingdom and overseas.

Review of the Business for the year

The Statement of Financial Activities for the year is set out on page 6 of the financial statements. A summary of the financial results and the work of the charity is set out below.

Organisation

The council members and the executives determine the general policy of the association. The day-to-day management of the association is delegated to the executive committee.

Grant Making Policies

Grants payable to partner organisations are considered to be part of the cost of activities in furtherance of the objects of the charity, because much of the charity's development programme is carried out through grants to overseas organisations which support long-term, sustainable benefits for a community, which are monitored by the charity.

Governance and Internal Control

The membership selects members of the council of management board. Applications for council of management are sought by advertisement from existing members. Members of the council of management serve on the board for a five-year period. The council of management meets four times a year, this includes a meeting to review the strategy and performance and to set up the operating plans and budgets. The Finance and General Purpose Committee is made up of trustees and other individuals. The committee operated under specific terms of reference, which delegate certain functions from the council of management board. The committee has its decisions ratified by the full board.

Investment Policy

The charity's policy is to adopt a medium risk investment strategy based on maximising income on temporarily invested restricted and surplus funds, and within this strategy the trustees set a 2.5% income target based on the market rate of cash deposits. During the year this target was exceeded.

COUNCIL OF MANAGEMENT ANNUAL REPORT

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING (Limited by Guarantee)

YEAR ENDED 31 DECEMBER 2004
(continued)

Fundraising

Of the money spent on fundraising and publicity only £21,507 was spent on fundraising. During this year work has begun to put in place underpinning revenue fundraising for long-term sustainability. However, this will take time to begin to come on stream and will require further investment.

Resources expended

The pattern of direct charitable expenditure has remained broadly similar, and may be summed up as education, information and advice, conservation research and promotion of organic gardening, horticulture, farming and food.

There was also considerable expenditure on the second part of the new buildings for staff. Funding for this came from European Regional Development Funds, several general supporters and a mortgage from Triodos Bank.

Research into organic growing methods was boosted with run-on grants from DEFRA in continuing recognition of our work.

The new areas of work for 2004 were in the Organic Food for All programme which focuses on encouraging people on low incomes to grow their own organic fruit and vegetables, and running training courses for staff of the government initiative Waste Resource Action Programme (WRAP) on all aspects of composting as HDRA's staff and site are uniquely able to offer this training.

Organic Enterprises Limited

The Charity's wholly owned trading subsidiary carries out non-charitable trading activities for the charity. During the year the company made a gift aid payment of £78,431 transferring all its taxable profits to the charity. The directors of the subsidiary include three directors who are independent of the charity.

Income Generation

The charity's income decreased from £4,646,507 to £3,124,160 and, after taking into account the income generated by the trading company the group's overall income amounted to £4,299,899.

Volunteers

The charity is grateful for the many hours of work given by volunteers at our three sites and working with local groups. While this contribution is valued enormously, it is considered that working out a cost equivalent is not adequately representative of their contribution, nor helpful in the overall figures.

Employee Involvement and Employment of Disabled

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The charity intends to carry out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and trustees.

The charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities policy
- Volunteer's policy
- Health and Safety policy

COUNCIL OF MANAGEMENT ANNUAL REPORT**HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)****YEAR ENDED 31 DECEMBER 2004
(continued)****Employee Involvement and Employment of Disabled continued**

In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, retention and training of disabled staff. Full details of these policies are available from the charity's offices.

Risk management

The Council takes risk management seriously and has established a Risk Management Working Group comprising Council members and senior managers. This working group is reviewing all existing major risks to HDRA under the SORP guidance of reputation, operation, finance, governance and legal factors, their likely impact and current level of mitigation. Where needs are identified, further systems to mitigate risk will be set up.

HDRA is committed to protecting its staff, its reputation, and its material and financial assets through the practice of effective risk management. HDRA's Council and management team are committed to safeguarding the welfare and safety of its staff, its visitors and others who deal with the organisation. To this end HDRA will carry out an annual risk assessment and ensure that HDRA has an active risk management strategy. Furthermore, Council will ensure that this strategy is implemented to the best of HDRA's ability and that appropriate actions are taken to avert or moderate the threat of risk. This strategy will be reviewed and, where necessary, updated by Council on an annual basis.

Reserves Policy

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a general reserve equivalent to £1,100,000 should be maintained. This equates to approximately seven months of unrestricted fund expenditure. It is intended that all budgets for future years will forecast surpluses to increase the general fund to the level agreed by the trustees.

The charity has a number of other designated and restricted funds, which are represented by investments and fixed assets. The purpose of these funds is detailed in notes 20 to 21 in the financial statements.

Council of Management responsibilities

The Companies Act 1985 requires the council of management to prepare financial statements for the financial year, which give a true and fair view of the state of affairs of the charity at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the council of management are required to select suitable accounting policies, as described on pages 10-12, then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The council of management must also prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Dr W Bourne
Chairman
Date

REPORT OF THE INDEPENDENT AUDITORS TO
THE MEMBERS OF HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY
UNDERTAKING FOR THE YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements of Henry Doubleday Research Association Limited for the year ended 31 December 2004 which comprise the Consolidated Statement of Financial Activities, the Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom 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 in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity'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 mis-statement, whether caused by fraud or other irregularity or error. In forming an 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 Group and Charity's state of affairs as at 31 December 2004 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Burgis & Bullock
Chartered Accountants
Registered auditor

2 Chapel Court
Holly Walk
Leamington Spa
CV32 4YS

Date:

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2004 £	<i>Restated Total 2003 £</i>
Incoming resources					
Donations appeals and charitable gifts	2	322,454	118,209	440,663	704,372
Legacies	3	(61,492)	-	(61,492)	107,049
Sponsorship		21,297	67,188	88,485	85,184
Activities in furtherance of charity's objects:					
Admission, subscriptions and grants	4	1,761,633	-	1,761,633	3,639,980
Activities for generating funds:					
Fees for gardening services		81,720	-	81,720	98,204
Shop & Restaurant income		1,738,723	-	1,738,723	955,450
Investment income	5	7,306	-	7,306	14,470
Other income	6	225,679	17,182	242,861	461,440
Total incoming resources		4,097,320	202,579	4,299,899	6,066,149
Resources expended					
Costs of generating funds:					
Fundraising and publicity	7	68,725	-	68,725	68,839
Shop & Restaurant costs		1,119,066	-	1,119,066	903,159
Other costs		121,985	-	121,985	115,533
Charitable expenditure:					
Costs of activities in furtherance of the charity's objectives	8	2,350,324	234,716	2,585,040	2,726,526
Management and administration of the charity	9	456,594	-	456,594	521,247
Total resources expended	10	4,116,694	234,716	4,351,410	4,335,304
Net (outgoing)/incoming resources		(19,374)	(32,137)	(51,511)	1,730,845
Other recognised gains and losses					
Unrealised gains on investments		(1,737)	6,500	4,763	650
Net movement in funds		(21,111)	(25,637)	(46,748)	1,731,495
Restated fund balances brought forward at 1 January		183,945	4,053,636	4,237,581	2,506,086
Fund balances carried forward at 31 December		162,834	4,027,999	4,190,833	4,237,581

All of the results are from continuing activities and include all gains and losses recognised in this year and last.

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

BALANCE SHEET
AT 31 DECEMBER 2004

	Notes	Group		Charitable company	
		2004	Restated 2003	2004	Restated 2003
		£	£	£	£
Fixed assets					
Tangible fixed assets	11	5,770,558	4,750,376	5,757,247	4,724,187
Investments	12	52,781	61,018	52,288	60,525
		<hr/>	<hr/>	<hr/>	<hr/>
		5,823,339	4,811,394	5,809,535	4,784,712
		<hr/>	<hr/>	<hr/>	<hr/>
Current assets					
Stocks	13	168,477	137,818	5,000	10,000
Debtors	14	688,460	855,390	697,397	804,607
Cash at bank and in hand		95,958	347,868	55,756	248,336
		<hr/>	<hr/>	<hr/>	<hr/>
		952,895	1,341,076	758,153	1,062,943
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors: amounts falling due within one year	15	(1,931,562)	(1,799,803)	(1,723,016)	(1,494,863)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current liabilities		(978,667)	(458,727)	(964,863)	(431,290)
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		4,844,672	4,352,667	4,844,672	4,352,792
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors: amounts falling due after more than one year	16	(653,839)	(115,086)	(653,839)	(115,086)
		<hr/>	<hr/>	<hr/>	<hr/>
Net assets		4,190,833	4,237,581	4,190,833	4,237,706
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Income funds					
Restricted funds	20	4,027,999	4,053,636	4,027,999	4,053,636
Unrestricted funds:					
- designated funds	21	-	-	801,035	801,035
- other charitable funds		162,834	183,945	(638,201)	(616,965)
		<hr/>	<hr/>	<hr/>	<hr/>
	23	4,190,833	4,237,581	4,190,833	4,237,706
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

On behalf of the Council of Management

Dr W Bourne, Chairman
Date

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2004

	2004	<i>Restated</i>
	£	<i>2003</i>
Reconciliation of Net Incoming Resources to Net Cash Inflow From Operating Activities	£	£
Net Incoming Resources	(51,511)	1,730,845
Movement In Deferred Income	21,649	(2,752)
Investment Income	(7,306)	(14,470)
Interest Paid	24,526	-
Corporation Tax Paid	1,613	-
Depreciation	190,886	149,628
Loss on Disposal	22,465	-
Amortisation	-	140,950
Donated Assets	-	(93,861)
Increase in Stock	(30,659)	(53,172)
Decrease in Debtors	166,930	462,739
(Decrease)/Increase in Creditors	(10,066)	37,892
Net Cash Inflow from Operating Activities	328,527	2,357,799
Cash Flow Statement		
Net Cash Inflow from Operating Activities	328,527	2,357,799
Return on Investment and Servicing of Finance	(17,220)	14,470
Taxation	(1,613)	-
Capital Expenditure	(1,233,533)	(2,775,539)
Net cash outflow before management of liquid resources and financing	(923,839)	(403,270)
Financing	559,784	(6,659)
(Decrease) in Cash	(364,055)	(409,929)
Reconciliation of Net Cash Flow to Movement in Net Debt		
(Decrease) in Cash in the Year	(364,055)	(409,929)
Loans Repaid	3,216	7,009
New loan	(550,000)	-
Change in Net Debt	(910,839)	(402,920)
Net Debt at Start of Year	(493,340)	(90,420)
Net Debt at End of Year	(1,404,179)	(493,340)

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2004

Gross Cash Flows	2004	Restated	
	£	2003	
		£	
Returns on Investments and Servicing of Finance			
Interest Received	7,306	14,470	
Interest Paid	(24,526)	-	
	<hr/>	<hr/>	
	(17,220)	14,470	
	<hr/>	<hr/>	
Taxation			
Corporation tax paid	1,613	-	
	<hr/>	<hr/>	
Capital Expenditure			
Payments for Tangible Fixed Assets	(1,233,533)	(2,775,539)	
	<hr/>	<hr/>	
Management of Liquid Resources			
Loans Repaid	(3,216)	(7,009)	
New Loan	550,000	-	
Sale of Investments	13,000	350	
	<hr/>	<hr/>	
	559,784	(6,659)	
	<hr/>	<hr/>	
Analysis of Changes in Net Debt	1 January	Cash Flow	31 Dec 2004
	2004		
	£	£	£
Cash at Bank and in Hand	347,868	(251,910)	95,958
Overdrafts	(786,703)	(112,145)	(898,848)
	<hr/>	<hr/>	<hr/>
Decrease in Cash in the Year	(438,835)	(364,055)	(802,890)
Debt Due within One Year	(6,000)	(1,086)	(7,086)
Debt Due after One Year	(48,505)	(545,698)	(594,203)
	<hr/>	<hr/>	<hr/>
	(493,340)	(910,839)	(1,404,179)
	<hr/>	<hr/>	<hr/>

**HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)**

NOTES TO THE ACCOUNTS

AS AT 31 DECEMBER 2004

1. Accounting Policies

a) Accounting Convention

The Accounts are prepared under the historical cost convention (modified to include the revaluation of investments). In preparing the Financial Statements the charity follows best practice as laid down in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000.

b) Consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary Organic Enterprises Limited on a line by line basis.

A separate Statement of Financial Activities, or Income and Expenditure Account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 230 of Companies Act 1985 and paragraph 304 of SORP 2000.

c) Intangible Fixed Assets

Goodwill arising on consolidation is amortised over its estimated useful life of 10 years.

d) Tangible Fixed Assets

Depreciation is provided on all Tangible Fixed Assets, other than Freehold Land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, or lease period if shorter, as follows:-

Freehold Buildings	2% to 10% straight line
Ground research and Equipment	10% to 25% straight line
Fixtures and Fittings	10% to 25% straight line
Long leasehold	Over the term of the lease

e) Taxation

The charity is exempt from Tax.

f) Donations and Legacies

Donations and legacies are accounted for when received and treated according to the donor's wishes.

g) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less cost of disposal.

**HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)**

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

1. Accounting Policies (continued)

h) Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects without further specified purpose and are available as general funds.

Designated funds comprise unrestricted funds that have been set aside by the council of management for a particular purpose. The aim and use of each designated fund is set out in note 21.

i) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified and a third party is bearing the cost.

Income received from deposit covenanted donations are credited to separate accounts, shown on the Balance Sheet as Deferred Income and split according to whether the receipt will be credited to the Statement of Financial Activities within one year.

Membership subscriptions are accounted for on an accruals basis providing an allowance for deferred income for subscriptions received in advance.

Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

j) Resources Expended

Expenditure is included on an accruals basis.

Costs of activities in the furtherance of Charity's Objects comprise those costs directly attributable to managing the charity's activities.

Management and administration costs comprise costs for the running of the charity itself as an organisation.

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

1. Accounting Policies (continued)

k) Government Grants

Grants are allocated between capital and revenue. The revenue element of the grant is released to profit and loss account in the year in which the grant is received. The capital element is released over the life of the asset to which the grant relates.

l) Grant Payable

Grants payables are charged in the year when the offer is conveyed to the recipient.

m) Pension Costs

The Association contributed to a defined benefit scheme at the year-end. The regular pension cost is charged to the Statement of Financial Activities and is based on the expected pension cost over the services lives of the employees.

n) Fixed Asset Investments

Investments held as fixed assets are stated at market value at the Balance Sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

o) Operating Leases

Rentals under operating leases are charged against income on a straight-line basis over the period of the lease.

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

2. Donations, Appeals and Charitable Grants

	Unrestricted Funds	Restricted Funds	2004 Total Funds	2003 Total Funds
	£	£	£	£
Donations	32,391	73,841	106,232	202,049
Gift aid and tax recovery	145,283	18,198	163,481	156,620
Appeals	97,654	19,170	116,824	15,529
Charitable grants	47,126	7,000	54,126	330,174
	<hr/> 322,454	118,209	440,663	704,372 <hr/>

3. Legacies

In 2003 a provision was made for the receipt of a significant legacy amounting to £100,000, which the Trustees had been advised was due to be received shortly after completion of the accounts. Unfortunately due to unforeseen delays in the administration of the deceased's estate the amount has still not been received. Therefore the provision has been eliminated and the legacy will now be accounted for on receipt of the funds.

4. Admissions, Subscriptions & Grants

	Unrestricted Funds	Restricted Funds	2004 Total Funds	2003 Total Restated Funds
	£	£	£	£
Admission charges	74,238	-	74,238	63,471
Membership subscriptions	709,304	-	709,304	657,956
Government & commercial grants	978,091	-	978,091	2,918,553
	<hr/> 1,761,633	-	1,761,633	3,639,980 <hr/>

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

5. Investment Income (Unrestricted)	Investment Value	Investment Value	Investment Income	Investment Income
	2004	2003	2004	2003
UK quoted investments	52,278	60,515	-	2,038
UK group undertakings	9	-	-	-
UK participating interest	1	1	-	-
UK portfolio cash	-	-	7,306	12,432
	52,288	60,525	7,306	14,470

6. Other Income	Unrestricted Funds	Restricted Funds	2004 Total Funds	2003 Total Funds
	£	£	£	£
Royalty income	54,401	-	54,401	69,309
Conference fees	78,510	-	78,510	61,867
Rental income	1,500	-	1,500	1,500
Sundry income	91,268	17,182	108,450	328,764
	225,769	17,182	242,861	461,440

7. Fundraising and Publicity	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£
Fundraising & publicity costs	68,725	-	68,725	68,839

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 DECEMBER 2004

8. Costs of Furtherance of Charity's Objects

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Restated Total Funds 2003
	£	£	£	£
Membership	64,235	-	64,235	75,803
Premises	32,644	-	32,644	11,091
Grounds	313,966	-	313,966	300,444
Education & advisory	168,514	71,120	239,634	165,678
International research	825,205	-	825,205	1,030,796
Genetic research	72,462	5,204	77,666	74,379
Executive, marketing & fundraising	172,455	-	172,455	219,368
Site overheads	126,987	-	126,987	218,562
Depreciation	26,783	121,353	148,136	108,004
Amortisation	-	-	-	76,023
Loss on disposal	19,982	-	19,982	-
Horticulture	44,768	-	44,768	41,036
Provision of Charitable Services	1,868,001	197,677	2,065,678	2,321,184
Support costs:				
Printing, stationery & postage	295,205	33,444	328,649	288,100
Advertising	9,244	-	9,244	16,660
Consumable & repairs	14,779	27	14,806	-
Equipment costs and leasing	34,495	-	34,495	-
Leasing & vehicle costs	17,334	143	17,477	21,053
Telephone	2,664	-	2,664	3,848
Entertaining	19,061	1,772	20,833	17,048
Professional fees	20,262	-	20,262	9,303
Bank & CC charges	5,675	-	5,675	-
Conference & room hire	21,338	-	21,338	17,798
Sundry	36,840	-	36,840	21,328
ICT costs	717	1,653	2,370	2,339
Travel	4,709	-	4,709	7,865
Total	2,350,324	234,716	2,585,040	2,726,526

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 DECEMBER 2004

8. Costs of Furtherance of Charity's Objects (continued)

Included in the above costs are the following amounts:

	Staff costs	Depreciation & other costs	2004 Total	Restated 2003 Total
	£	£	£	£
Membership	52,873	11,362	64,235	75,803
Premises & grounds	302,501	44,109	346,610	311,535
Education & Advisory	219,647	19,987	239,634	165,678
International research	442,455	382,750	825,205	1,030,796
Genetic research	62,605	15,061	77,666	74,379
Executive, marketing & fundraising	157,168	15,287	172,455	219,368
Site overheads	-	126,987	126,987	218,562
Depreciation	-	148,136	148,136	108,004
Amortisation	-	-	-	76,023
Horticultural	43,039	1,729	44,768	41,036
Loss on disposal	-	19,982	19,982	-
	<u>1,280,288</u>	<u>785,390</u>	<u>2,065,678</u>	<u>2,321,184</u>

9. Management and Administration

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
	£	£	£	£
Salaries	230,292	-	230,292	260,597
Office and other costs	141,808	-	141,808	141,026
Audit fees	16,050	-	16,050	12,325
Legal & professional fees	11,563	-	11,563	14,100
Interest payable	24,526	-	24,526	-
Depreciation	32,355	-	32,355	28,272
Amortisation	-	-	-	64,927
	<u>456,594</u>	<u>-</u>	<u>456,594</u>	<u>521,247</u>

The cost of indemnity insurance incurred during the year was £16,800 (2003 £16,000).

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 DECEMBER 2004

10. Total Resources Expended

	Staff Costs	Depreciation & Amortisation	Grants paid and other costs	Total Funds 2004	Restated Total Funds 2003
	£	£	£	£	£
Direct charitable expenditure	1,280,288	148,136	1,156,616	2,585,040	2,726,526
Fundraising and publicity	17,432	-	51,293	68,725	68,839
Management & administration	229,330	32,355	194,909	456,594	521,247
Shop and restaurant costs	394,641	10,334	714,091	1,119,066	903,159
Conference costs	16,500	61	59,230	75,791	49,577
Consultancy costs	-	-	-	-	3,201
Publishing costs	24,933	-	19,648	44,581	62,755
Taxation	-	-	1,613	1,613	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,963,124	190,886	2,197,400	4,351,410	4,335,304
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs were:

	2004 £	2003 £
Wages and salaries	1,765,794	1,655,691
Social security costs	139,812	121,990
Other pension costs	57,518	49,755
	<hr/>	<hr/>
	1,963,124	1,827,436
	<hr/> <hr/>	<hr/> <hr/>

No trustee received any remuneration or any other benefits or expenses. Travelling expenses are reimbursed in accordance with the Association's policy.

The chief executive salaries were £61,433 during the year (2003: £154,682).

The chief executive pension costs were £2,567 during the year. There was 1 higher paid employee for the year earning £60,000-£70,000 (2003: 2 earning £60,000-£70,000 and 1 earning £50,000-£60,000).

The average number of staff employed by the charity and the company during the financial year amounted to:

	2004 No.	2003 No.
Total number of staff	141	129
	<hr/>	<hr/>

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 DECEMBER 2004

11. Restated Tangible Fixed Assets	Land & Buildings	Grounds & Research Equipment	Fixtures & Fittings	Total
Group	£	£	£	£
Cost – restated				
At 1 January 2004	4,800,038	197,658	563,361	5,561,057
Additions	872,384	13,000	348,149	1,233,533
Disposals	(32,679)	-	(281,082)	(313,761)
At 31 December 2004	<u>5,639,743</u>	<u>210,658</u>	<u>630,428</u>	<u>6,480,829</u>
Depreciation				
At 1 January 2004	353,447	125,682	331,552	810,681
Charge for the Year	104,443	16,338	70,105	190,886
Disposals	(24,257)	-	(267,039)	(291,296)
At 31 December 2004	<u>433,633</u>	<u>142,020</u>	<u>134,618</u>	<u>710,271</u>
Net Book Value				
31 December 2004	<u>5,206,110</u>	<u>68,638</u>	<u>495,810</u>	<u>5,770,558</u>
31 December 2003 (restated)	<u>4,465,591</u>	<u>71,976</u>	<u>231,809</u>	<u>4,750,376</u>

Included in Freehold Land and Buildings is £458,000 (2003: £458,000) relating to land.

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

11. Tangible Fixed Assets - Restated (continued)

	Land & Buildings	Grounds & Research Equipment	Fixtures & Fittings	Total
	£	£	£	£
Company				
Cost				
At 1 January 2004	4,800,038	197,658	474,126	5,471,822
Additions	872,384	13,000	348,149	1,233,533
Disposals	(32,679)	-	(243,777)	(276,456)
At 31 December 2004	<u>5,639,743</u>	<u>210,658</u>	<u>578,498</u>	<u>6,428,899</u>
Depreciation				
At 1 January 2004	353,447	125,682	268,506	747,635
Charge for the Year	104,443	16,338	59,710	180,491
Disposals	(24,257)	-	(232,217)	(256,474)
At 31 December 2004	<u>433,633</u>	<u>142,020</u>	<u>95,999</u>	<u>671,652</u>
Net Book Value				
31 December 2004	<u>5,206,110</u>	<u>68,638</u>	<u>482,499</u>	<u>5,757,247</u>
31 December 2003	<u>4,446,591</u>	<u>71,976</u>	<u>205,620</u>	<u>4,724,187</u>

Included in Freehold Land and Buildings is £458,000 (2003: £458,000) relating to land.

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

12. Investments

Group	2004 £	2003 £
Market value at 1 January 2004	60,515	29,865
Net gains on revaluations in the year ended 31 December 2004 (Disposals)/Acquisitions	4,763 (13,000)	650 30,000
Market value at 31 December 2004	<u>52,278</u>	<u>60,515</u>
Investments at market value comprised:		
UK fixed interest securities	15,778	30,515
Quoted UK shares	36,500	30,000
Investments at market value:	<u>52,278</u>	<u>60,515</u>
Investment in group undertakings	503	503
Total investments	<u>52,781</u>	<u>61,018</u>
	2004 £	2003 £
Historical cost of UK fixed interest securities at 31 December 2004	<u>14,515</u>	<u>27,322</u>

The value of the investments allotted under ranges under the Trustee Investment Act is as follows:

	2004 £	2003 £
Narrow range	<u>52,278</u>	<u>60,515</u>

Analysis of investments at 31 December 2004 between funds

	Total £	Broad Range £	Narrow Range £
Quoted Investments	<u>52,278</u>	<u>52,278</u>	<u>-</u>

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

12. Investments (continued)

Subsidiary and associated undertakings

During the year Organic Enterprises Limited, a 100% subsidiary, was the sole trading subsidiary with the principal activities of running shops and restaurants at the charity's outlets, the production and distribution of certain publications and management of consultancy projects.

Net income from the subsidiary trading activities	2004	2003
	£	£
Profit and Loss account		
Turnover	1,817,233	1,780,007
Cost of Sales	(1,096,445)	(892,642)
	<hr/>	<hr/>
Gross Profit	720,788	887,365
Other income	56,849	74,819
Administrative expenses	(697,593)	(912,701)
Tax	(1,613)	-
	<hr/>	<hr/>
Net profit prior to gift aid to the charity	78,431	49,483
	<hr/> <hr/>	<hr/> <hr/>
Net assets at 31 December 2004	7	7
	<hr/> <hr/>	<hr/> <hr/>

HDRA Consultants Limited is 100% owned by the association and did not trade during the year. Net assets of the company were £2 at the year-end (2003: £2).

The association indirectly owns a subsidiary through Organic Enterprises Limited –

HDRA (Sales) Limited (owned 94.4%) had net assets of £nil (2003: £156,611) at the year-end. This company did not trade during the year.

As they no longer trade an application was to be made during 2004 to remove HDRA Consultants Limited and HDRA (Sales) Limited from the Register of Companies, this is still in progress.

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

12. Investments (continued)

Charitable Company

	2004	2003
	£	£
Market value at 1 January 2004	60,515	29,865
Net gains on revaluations in the year ended 31 December 2004 (Disposals)/Acquisitions	4,763 (13,000)	650 30,000
Market value at 31 December 2004	52,278	60,515
Investments at market value comprised:		
UK fixed interest securities	15,778	30,515
Quoted UK shares	36,500	30,000
Investments at market value:	52,278	60,515
Investment in group undertakings	10	10
Total investments	52,288	60,525
	2004	2003
	£	£
Historical cost of UK fixed interest securities at 31 December 2004	14,515	27,322

The value of the investments allotted under ranges under the Trustee Investment Act is as follows:

	2004	2003
	£	£
Narrow range	52,278	60,515

Analysis of investments at 31 December 2004 between funds

	Total	Broad	Narrow
	£	Range	Range
		£	£
Quoted Investments	52,278	52,278	-
	52,278	52,278	-

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

12. Investments (continued)

Investments in group undertakings are made up of –

	Shares
HDRA Consultants	£2
HDRA (Sales) Limited	£1
Organic Enterprises Limited	£7
	<u>£10</u>

In addition the group indirectly owns an investment of £502 in 50% of the issued share capital of a dormant company, The Composting Company Limited.

13. Stock

	Group		Charitable Company	
	2004	2003	2004	2003
	£	£	£	£
Stocks for resale	168,477	137,818	5,000	10,000
	<u>168,477</u>	<u>137,818</u>	<u>5,000</u>	<u>10,000</u>

14. Debtors

	Group		Charitable company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	447,707	533,672	307,330	319,191
Prepayments	70,611	36,088	70,611	34,708
Other debtors	170,142	285,630	89,602	175,165
Amount owed by subsidiary undertaking	-	-	229,854	275,543
	<u>688,460</u>	<u>855,390</u>	<u>697,397</u>	<u>804,607</u>

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

15. Creditors: amounts falling due within one year	Group		Charitable company	
	Restated		Restated	
	2004	2003	2004	2003
	£	£	£	£
Bank overdraft and loans	913,020	792,703	867,568	721,032
Trade creditors	399,713	410,266	279,762	368,468
Accruals and deferred income	282,015	285,608	282,013	285,608
Other taxation and social security	118,893	68,812	107,573	61,172
Other creditors	217,921	242,414	186,100	58,583
	<hr/>	<hr/>	<hr/>	<hr/>
	1,931,562	1,799,803	1,723,016	1,494,863
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The aggregate amount of consolidated secured creditors at the year-end is £753,245 (2003: £598,635).

The Triodos bank overdraft and loans are secured by way of a legal mortgage over the freehold property, a legal mortgage over the leasehold property known as Yalding Organic Gardens, and a debenture over all assets and undertakings of the charity.

16. Creditors: amounts falling due after more than one year	Group		Charitable company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts (see note 17)	587,117	48,505	587,117	48,505
Accruals and deferred income	66,722	66,581	66,722	66,581
	<hr/>	<hr/>	<hr/>	<hr/>
	653,839	115,086	653,839	115,086
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The aggregate amount of secured creditors at the year-end is £587,117 (2003: £48,505).

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

17. Loans	Group	Charitable company	
	2004	2003	
	£	£	
An analysis of loans is given below:			
Amounts falling due within one year:			
Bank loans	7,086	6,000	7,086
	<u>7,086</u>	<u>6,000</u>	<u>7,086</u>
 Amounts falling due between one and two years:			
Bank loans	7,086	6,000	7,086
	<u>7,086</u>	<u>6,000</u>	<u>7,086</u>
 Amounts falling due between two and five years:			
Bank loans	35,430	30,000	35,430
	<u>35,430</u>	<u>30,000</u>	<u>35,430</u>
 Amounts falling due after five years:			
Bank loans	551,687	12,505	551,687
	<u>551,687</u>	<u>12,505</u>	<u>551,687</u>

During the year the charity took out another loan with Triodos bank. The existing loan is repayable in 8 years and the new loan is repayable in 21 years. The new loan is repayable at base rate plus 1.9%, the existing loan at 8%. The bank has a legal mortgage over the freehold property, a legal mortgage over the leasehold property known as Yalding Organic Gardens, a debenture over all assets and undertakings of the charity, both present and future.

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

18. Pensions

The Association together with Organic Enterprises Limited and 26 other institutions participates in a pension scheme, which provides 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 Statement of Financial Activities 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 2004. 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 increases in salaries and pensions. It was assumed that the investment returns would be 7.5% per annum, that salary increases would average 4% 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 £57,418 (2003: £49,755).

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 fair value of the assets held by the pension scheme at the actuarial date were as follows, together with the expected rate of return for each class of asset.

	2004	Rate
	£,000	Return
		%
UK equities	4,202	5.0
Overseas equities	1,007	5.0
Bonds	1,291	5.0
Other:		
Property	895	7.5
Other	1,393	7.5
	<hr/>	
Fair value of assets held	8,788	
Liabilities to members	12,591	
	<hr/>	
Deficit	3,803	
	<hr/> <hr/>	

The pension scheme deficit has not been incorporated in the balance sheet of the charity.

The contributions of the Association and employees will increase, in accordance with recommendations from the actuary, from 7.4% to 11.5% and 3.5% to 6.0% respectively with effect from 1 July 2005. This will raise the assets to the level of the funding target over the next 15 years.

**HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)**

NOTES TO THE ACCOUNTS (continued)

AS AT 31 DECEMBER 2004

19. Capital and Company Status

The charity is a company limited by guarantee. The members of the company are named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

20. Restricted Funds

Group and Company

	Restated Balance at 1 January 2004 £	Movement in Resources Incoming/(Outgoing) £		Balance at 31 December 2004 £
	£	£	£	£
Restricted Funds:				
Seed of Hope Appeal	230	170	-	400
Grow your Own Appeal	95	384	-	479
Adopt-a-veg appeal	1,289	19,191	(11,986)	8,494
Vegetable Kingdom appeal	2,527,645	-	(76,950)	2,450,695
Replacement offices	937,387	-	(13,069)	924,318
Phase 2 replacement offices	474,604	-	(31,334)	443,270
Organic Africa	34,779	5,161	(35,816)	4,124
Organic Food For All	77,607	66,252	(41,022)	102,837
Vegetable Database	-	49,340	(10,617)	38,723
Educational Appeal	-	46,459	(1,772)	44,687
International Appeal	-	22,122	(12,150)	9,972
	-----	-----	-----	-----
Total Restricted Funds	4,053,636	209,079	(234,716)	4,027,999
	-----	-----	-----	-----

The Seeds of Hope Appeal was a project that distributes tree seeds free of charge to all parts of the African sub-continent.

The Grow Your Own Appeal was to encourage more people to take up organic gardening.

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

20. Restricted Funds (continued)

The Adopt-A-Veg Appeal was for the retention of old varieties of vegetables, which are no longer produced on a commercial basis.

The Vegetable Kingdom Appeal was launched to fund a new seed conservation facility and visitor centre at Ryton Organic Gardens.

The Replacing Offices Appeal is to create new office buildings for research and financial staff.

The Organic Africa Appeal is to fund the Ghana Organic Agriculture Networks, which aims to promote organic farming in Africa.

The Organic Food For All appeal is to encourage people to think about eating organic foods.

Certain costs have been transferred to unrestricted funds where there were insufficient restricted funds to cover costs.

21. Designated Funds

Group and Company	Balance at 1 Jan 2004 £	Movement in resources £	Balance at 31 Dec 2004 £
Building fund	801,035	(801,035)	-
	<u> </u>	<u> </u>	<u> </u>

The unrestricted funds of the charity included a building fund, which had been set aside out of unrestricted funds by the Council of Management for that specific purpose. The Building Fund reflected the amount of Association's funds committed to land and buildings and ground improvements net of the Triodos Loans outstanding in relation thereto. The building works are now complete.

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

22. Prior Year Adjustment

Charity	Unrestricted Funds	Restricted funds	Total £
1 January 2003 – balance as previously stated	1,045,452	1,701,386	2,746,838
Restatement	(237,875)	2,675,728	2,437,853
Movement in the year	(623,632)	(323,478)	(947,110)
Revised balance at 31 December 2003	183,945	4,053,636	4,237,581
Movement in the year	(21,111)	(25,637)	(46,748)
At 31 December 2004	162,834	4,027,999	4,190,833

The 2003 reserves have been restated to show deferred membership income that was paid in 2003 in relation to 2004. Previously, the charity had not accounted for deferred income, recognising all income in the year it was paid. The overall result has been to reduce the net incoming resources £21,649 (2003: £237,875).

The 2003 reserves have also been restated to show fixed assets, which were not capitalised in 2003. The net effect is to increase restricted funds by £2,675,728.

23. Analysis of net assets between funds

Group	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund Balances at 31 December 2004 are represented by :			
Tangible Fixed Assets	1,604,059	4,166,499	5,770,558
Investments	16,281	36,500	52,781
Current Assets (for restricted funds See Note 20)	952,895	-	952,895
Current Liabilities	(1,756,562)	(175,000)	(1,931,562)
Creditors falling due after more than one year	(653,839)	-	(653,839)
Total Net Assets	<u>162,834</u>	<u>4,027,999</u>	<u>4,190,833</u>

HENRY DOUBLEDAY RESEARCH ASSOCIATION AND SUBSIDIARY UNDERTAKING
(Limited by Guarantee)

NOTES TO THE ACCOUNTS (continued)

24. Operating Lease Commitments

The future minimum payments to which the group and company are committed at 31 December 2004 under Operating Leases are payable as follows:

	2004	2003
	£	£
In One year	9,560	-
In the Second to Fifth Year	28,037	37,216
After Five Years	-	-
	-	-

25. Capital Commitments

There were capital commitments of £nil (2003: £984,833 relating to the building developments) at the year-end.

26. Contingent liabilities

There was a contingent liabilities relating to a bank guarantee of £100,000 (2003: £nil) at the year-end.

27. Ultimate Controlling Party

The company is controlled by its Council of Management as disclosed on page 1.