

CAMPAIGN FOR NUCLEAR DISARMAMENT

(Company limited by guarantee no. 3533653)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

CAMPAIGN FOR NUCLEAR DISARMAMENT
(Company limited by guarantee no. 3533653)

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2005

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CAMPAIGN FOR NUCLEAR DISARMAMENT

LEGAL AND ADMINISTRATION DETAILS

For the year ended 31 December 2005

The Campaign for Nuclear Disarmament is incorporated as a company limited by guarantee (without share capital) no. 3533653. It is governed by its memorandum and articles of association. Every company member undertakes to contribute to its assets in the event of it being wound up while s/he is a member such amount as may be required not exceeding £1.

The Campaign is governed by an elected Council with policy decided by an Annual Conference of members. As well as the central organisation - which campaigns throughout England - there are a number of other CND organisations working regionally or in specialist areas. These organisations are entirely autonomous in their funding and decision-making and hence are not dealt with in these financial statements.

Details of the Campaign's objects and Council members (who are the directors for company law purposes) are given in the Report of the Council on page 2.

Officers: Chairperson: Kate Hudson
Vice-chairs: Sophie Bolt
Rae Street
Jeremy Corbyn MP
Treasurer: Linda Hugl
Company Secretary: Linda Hugl

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Auditors: Gotham Erskine
Friendly House
52 - 58 Tabernacle Stre
London
EC2A 4NJ

Bankers: The Co-operative Bank PLC
1 Islington High Street
London
N1 9TR
National Westminster Bank PLC
9 Charterhouse Building
Goswell Road
London
EC1M 7AT
Girobank PLC
Park Street
Ashford
Kent
TN24 8EH

CAMPAIGN FOR NUCLEAR DISARMAMENT

COUNCIL'S REPORT

For the year ended 31 December 2005

The Council (which is the board of directors for company law purposes) presents its report and the audited financial statements for the year ended 31 December 2005

Objects

The Campaign seeks nuclear disarmament by Britain and worldwide and to promote and advance the welfare of the human community by working for international peace and disarmament and a world in which the vast resources devoted to militarism are redirected to the real needs of the planet and the human community.

Policies adopted

Its principal campaigning activities are to inform, educate and lobby to achieve its objects. CND publishes periodicals and reports; it sends regular briefings to and meets with MPs; it lobbies UK ministers, ambassadors, diplomats, academics and opinion formers, both in person and by letter; it informs and educates its members and encourages them to take action; it holds street stalls and exhibitions, and distributes leaflets and other materials, to inform the public on nuclear issues; it sends representatives to international disarmament conferences; it maintains contact and liaises with other organisations including regional and local groups within the UK, like-minded organisations in Europe and elsewhere, and specialist and expert organisations worldwide; it produces a schools pack, other educational materials, and provides speakers. At all times, it informs the media about its activities.

Organisation of the Campaign

CND's annual conference is the policy-making body, establishes CND's strategy and sets priorities for the coming year. CND Council is the Board of Directors and is responsible for the implementation of policy as set by the Conference and meets three times a year. It monitors CND's finances and makes major financial decisions. Fifteen members of Council are directly elected by the AGM, and there are also representatives from the regions and specialist sections, as defined in Part 2 of CND's Regulations.

CND's staff work as a team, under the guidance of the Administration and Finance Group, and the Campaigns Group, which both meet four times a year. The Administration and Finance Group monitors financial performance against the budget, oversees fundraising, ensures that financial systems and controls are being followed and sets the budgets, including considering any amendments to the budgets, which are then approved by Council. It reports to Council. The Campaigns Group considers the details of campaigning programmes and ensures their integration with membership, fundraising and international work.

Council

The following members of the Council served throughout the year except where otherwise indicated:

Joan Abrams, Jim Addington, Patrick Allen, Pat Arrowsmith, Adam Beese, Sophie Bolt, David Bradley**, Monica Bradley**, Jim Brann, Pam Brivio*, Alex Campbell**, Anna Chaplin, Ruth Clarke*, Simon Clarke**, Jenny Clegg, Jeremy Corbyn MP, John Cox, Tom Cuthbert, Sue Davies, Beryl Davidson*, Monica Frisch, Mark Gallagher*, Joan Horrocks, Kate Hudson, Linda Hugl, Joy Hurcombe*, Liz Hutchins**, Helen John**, Alisa Johnson, Richard Johnson, Geri Laithwaite, Peter Leary, Peter le Mare, Phyllis Leslie**, Gawain Little, Oliver Little, Caroline Lucas MEP, Alice Mahon MP, Alan Meager**, Vijay Mehta, Tom Milburn, Rebecca Morden, Miriam Moss, Iain Naughton, Pauline Phillips, Chris Prettyman, Anna Rehin*, Helen Robertson, Robert Russell, Pat Sanchez, Gina Shaw, Jill Stallard*, Joanne Stevenson*, Rae Street, Joe Sturge, James Taggart, Jane Tallents**, Carol Turner, Michael Waugh, David Webb, George Woods*.

* elected/appointed at Annual Conference on 16 October 2005

** retired at Annual Conference on 16 October 2005

CAMPAIGN FOR NUCLEAR DISARMAMENT

COUNCIL'S REPORT

For the year ended 31 December 2005

Review of progress and achievements

For much of the year CND campaigned on its core objectives of opposing the UK Trident nuclear weapons system and working towards global nuclear disarmament.

The issue of Trident Replacement leapt to the top of the political agenda in 2005, with a decision due to be made during the course of this Parliament. CND's aim is to make sure that the option of not replacing Trident is brought to the fore, that the majority view of the public, which is against replacing Trident, is expressed, and that the final decision is made by Parliament, not behind closed doors. CND organized a strategic planning conference, working with other anti-nuclear groups to plan an effective campaign; Parliamentary CND has called for a Green Paper considering all options and Early Day Motions have been raised; a public meeting was held in parliament, addressed by three former ministers, and the issue was addressed at fringe meetings at both Labour and Liberal Democrat Annual Conferences. Opposition to the replacement is also growing amongst the trade unions and faith communities, and CND continues to ensure that the issue is raised in the press on all possible occasions. CND actively supports the Block the Builders campaign at AWE Aldermaston, where the replacement is to be developed.

Work also continued with our priority campaigning to scrap the existing Trident system, against the refit at Devonport Dockyards - including supporting the activities of Trident Ploughshares and the Nuclear Free Coalition in Plymouth - and the work of East Midlands CND at Rolls Royce in Derby where the reactors are produced. CND also worked with Scottish CND and Trident Ploughshares to organise the very successful blockade of Faslane during the G8 summit week in July.

The 60th anniversary of the atomic bombings dominated much of our campaigning in 2005. Links were made between the bombings – and the fact that they were not needed to end the war – and the current threats of new nuclear weapons and nuclear use. The Countdown to Hiroshima campaign provided materials for local campaigning: exhibitions sent over from Japan were widely used around the country; the Abolition Now petition received thousands of signatures and was the focus for Bruce Kent's national CND tour in the spring. A peace education pack was launched at teachers' union conferences, a peace poetry competition was run in conjunction with the Mayor of London and poet Adrian Mitchell, and a CND delegation went to Hiroshima and Nagasaki for the memorial events. On the date of the Hiroshima bombing, two full page statements were published in the national press, calling for nuclear abolition. They were made possible by the generosity of CND members and supporters, including a number of trade unions.

Over 20 CND delegates attended the 2005 NPT Review Conference in New York, to lobby diplomats to make progress on nuclear disarmament. No progress was made, but the US was thwarted in its attempts to roll back the strengthened disarmament commitment made in 2000. CND co-hosted a peace reception with United for Peace and Justice, the US peace coalition, and made many new links with NGOs and campaigning groups worldwide. CND also produced a popular briefing paper and held a packed fringe meeting with a range of speakers from around the world, including Japan, the US, France and Britain. CND's banner was also in evidence on a big No War, No Nukes march from the UN building to Central Park which attracted over 40,000 people. CND has also worked to raise Britain's non-compliance with the NPT through work in Parliament – including an adjournment debate, diplomatic lobbying and press work.

CAMPAIGN FOR NUCLEAR DISARMAMENT

COUNCIL'S REPORT

For the year ended 31 December 2005

CND produced information and organised protests on missile defence and space weapons throughout the year. An international conference was held in Leeds, organised by Yorkshire CND, on space security called 'Knocking on Heaven's Door'. Speakers and activists involved in the protest against missile defence and space warfare in the US and Europe attended. After the conference and during the International Keep Space for Peace Week, Bruce Gagnon toured Britain, speaking at meetings and demonstrations. This ended with events at the two Yorkshire bases of Menwith Hill and Fylingdales. CND worked to highlight the continuing militarization of space and the ongoing development of anti-satellite and space based weapons by the US in particular.

CND's Europe for Peace Conference, was organised jointly with Le Mouvement de la Paix, and hosted by Greater Manchester CND early in the year. Delegates agreed a common statement and joint activity in the future. CND also worked to make a strong case against those articles of the proposed EU constitution which advance the greater militarization of Europe and its increased integration with NATO nuclear policies. Over a hundred US nuclear weapons under the auspices of NATO are located in Britain, the subject of a CND briefing from Davida Higgin of Lakenheath Action Group. CND supported activities at a range of bases and military sites, including Brize Norton, Lakenheath and Croughton.

The government's announcement of its Energy Review - which will consider the possibility of new build nuclear power stations, together with an extensive PR campaign on behalf of the nuclear industry, brought nuclear power to the fore again. There was a good CND presence at a national Climate Change demonstration in London in December, where a newly-produced leaflet explaining why nuclear power is not the answer to climate change was handed out. Work is ongoing on a detailed briefing on the issues, which will be available in early 2006.

CND continued to work to secure the withdrawal of British troops from Iraq and for an end to the occupation. This issue was a theme of a fringe meeting at Labour Party conference and CND also jointly organised London demonstrations with the Stop the War Coalition and the Muslim Association of Britain. The dangers of further illegal wars launched by the US, in the context of their manipulation of the nuclear proliferation issue continued to be highlighted. CND worked to raise its concerns for a peaceful resolution of the situation in Iran with the media, diplomats and parliamentarians.

The Make Poverty History initiative from a range of development NGOs presented CND with the opportunity to make the links between nuclear weapons, war and poverty to a much wider and more diverse audience than usual. CND affiliated to the MPH coalition, working under the slogans Bread not Bombs and Water not War. CND ran a stall and also participated in a number of meetings at the G8 Alternative Summit to raise anti-nuclear issues more widely and was highly visible during the demonstration in Edinburgh at the time of the G8 Summit at Gleneagles in Scotland.

Work opposing Israeli nuclear weapons was strengthened and in July CND co-organised a lobby of Parliament with the Palestine Solidarity Campaign and the Campaign for a Nuclear Weapons Free Middle East. In opposing the Terrorism Bill in November, CND supported a successful lobby of Parliament together with other organisations, notably Liberty, and produced a detailed briefing highlighting the bill's attack on civil liberties and the limits it would place on protests at nuclear weapons sites. International work continued with CND represented at a range of events, including the World Social Forum in Porto Alegre in Brazil in January.

CAMPAIGN FOR NUCLEAR DISARMAMENT

COUNCIL'S REPORT

For the year ended 31 December 2005

Lobbying, letter writing, street campaigning, blockades, local meetings and parliamentary meetings have all been employed on CND campaigns. Much activity took place at local level, increasing awareness of and interest in peace issues and CND. CND assists local groups and activists through the provision of advice, encouragement, leaflets and other campaigning materials and the CND website continues to develop, providing up to date information on all activities. CND continues to work with its supporters in Parliament. It maintains regular contact with MPs, raises issues of concern and produces briefings, and seeks to influence the policy-making processes of the political parties and trade unions. CND lobbied and organised an event at the Labour Party Conference in collaboration with Labour CND. CND's trade union work made big strides during 2005, with national trade union affiliations doubling. CND increased its presence at festivals by attendance at five large-scale events, including at Glastonbury where a special edition of Campaign was distributed.

Future developments

The No Trident Replacement Campaign will be the main focus of 2006 with direct work at Aldermaston and by increasing awareness of the issues within Parliament, the TU movement and the public. Work will continue on scrapping Trident particularly at Devonport and Faslane. The hypocrisy of the nuclear weapons states in not working towards their disarmament obligations whilst demanding compliance of other states over proliferation, making the world a more dangerous place, will continue to be a campaign message. Campaigning against proposed nuclear power stations will also continue in 2006, highlighting the links with nuclear weapons and security issues.

CND will continue to organise a broad range of activities involving its staff, regions, groups and members, with actions at places related to nuclear issues. It will send representatives to international conferences, political party conferences, trade union conferences and many other events. It will continue to work with other campaigning organisations and groups to achieve its objectives, and fulfil its conference decisions

CND's efforts on fundraising and membership recruitment will continue. Fundraising, recruitment and profile raising will be maintained through CND's presence at festivals and events as well as through campaigning activities. Efforts to establish a charitable trust to support educational work will continue.

CND is committed to maximising its use of its resources, including its staff, members, and investment in information technology equipment. It will continue to develop its publications, especially its website (<http://www.cnduk.org>).

Voluntary help and donations in kind

CND is very grateful to a large number of volunteers, both in the National Office and in regional offices, who put in large amounts of work. All the Officers are volunteers, despite the time commitment entailed, and many regional offices are run entirely by volunteers. While all volunteers are entitled to claim travel and lunch expenses many do not do so, or claim only a small percentage. Equally many do not claim reimbursement of telephone, postal and other expenses incurred when working from their homes. These contributions are invaluable and much appreciated. CND is also particularly appreciative of the fundraising efforts of local groups and of the legacies it has received from supporters.

Financial Review

The results of the year's operation are set out in the attached financial statements. The retained reserves at 31 December 2005 amount to £403,526. During the year the Administration and Finance Group found a high interest deposit facility offered by Co-operative Bank in which to invest the current high level of reserves and consider this a better way to manage these reserves.

CAMPAIGN FOR NUCLEAR DISARMAMENT

COUNCIL'S REPORT

For the year ended 31 December 2005

Statement of responsibility for the preparation of the financial statements

The Council is required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the Company and of the income and expenditure of the Company for that year. In preparing those financial statements the Council is required to:

- select suitable accounting policies and applied 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; and
- prepare the financial statements on a going concern basis (unless it is inappropriate to presume that the Company will continue in operation).

The Council has overall responsibility for ensuring that the Company has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Auditors

The auditors, Gotham Erskine have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

Small company special provisions

The report of the Council has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Council on 16 July 2006 and signed on its behalf by:

Linda Hugl

Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMPAIGN FOR NUCLEAR DISARMAMENT

We have audited the financial statements of the Campaign for Nuclear Disarmament for the year ended 31 December 2005 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirement of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of responsibility, the Council (which is the board of directors of the Campaign for Nuclear Disarmament for the purposes of company law) is responsible for the preparation of the Council's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you if, in our opinion, the Council's Annual Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Council members' remuneration and transactions is not disclosed.

We read the Council's Annual Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Council 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the Company's affairs as at 31 December 2005, and of its income and expenditure, in the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Gotham Erskine
Chartered Accountants
& Registered Auditors
Friendly House
52 - 58 Tabernacle Street
London

Date:

CAMPAIGN FOR NUCLEAR DISARMAMENT

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2005

	Notes	2005 £	2004 £
OPERATING INCOME			
Subscriptions, fundraising and donations	2	398,660	395,432
Legacies		150,772	84,189
Income from sale of campaigning materials		-	2,659
Conference income		4,378	3,592
Total income		553,810	485,872
OPERATING EXPENDITURE			
Campaigning activities:	4		
Direct campaigning costs	7	167,958	130,499
Regions		37,078	35,400
Specialist sections		6,030	6,200
External campaigns		6,550	5,000
Membership and fundraising		80,238	101,694
Policy and decision making		11,112	9,417
Support costs	8	127,957	125,328
Governance costs	9	9,954	4,352
TOTAL RESOURCES EXPENDED		446,877	417,890
OPERATING SURPLUS			
Bank interest		106,933	67,982
Taxation	11	9,342	4,154
		-	-
SURPLUS/(DEFICIT)		116,275	72,136
SURPLUS AFTER TAX		116,275	72,136
Transfer (to)/from Fixed assets reserve	12	(7,164)	(3,814)
SURPLUS/(DEFICIT) FOR YEAR AFTER TRANSFERS		£ 109,111	£ 68,322

Notes

Movements in the Accumulated Surplus are shown below. Details of other movements in reserves are shown in Note 12.

	2005 £	2004 £
Surplus for year after transfers	109,111	68,322
Accumulated surplus at the start of the year	139,415	71,093
Accumulated surplus at the end of the year	£ 248,526	£ 139,415

The annexed notes form part of these financial statements

CAMPAIGN FOR NUCLEAR DISARMAMENT (company limited by guarantee)

BALANCE SHEET
As at 31 December 2005

	Notes	2005	2004
		£	£
FIXED ASSETS			
Tangible assets	5	14,365	15,177
Investments		<u>53,419</u>	<u>45,583</u>
		67,784	60,760
CURRENT ASSETS			
Stocks		5,939	3,096
Debtors	10	24,497	76,218
Cash at bank and in hand		371,691	201,256
		<u>402,127</u>	<u>280,570</u>
CREDITORS: amounts falling due within one year	11	<u>(66,385)</u>	<u>(61,915)</u>
NET CURRENT ASSETS		335,742	218,655
NET ASSETS/TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 403,526</u>	<u>£ 279,415</u>
CAPITAL AND RESERVES			
Accumulated surplus		248,526	139,415
General reserve	12	120,000	110,000
Fixed assets reserve	12	35,000	30,000
		<u>£ 403,526</u>	<u>£ 279,415</u>

The financial statements have been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2005). They were approved by the Council on 16 July 2006 and signed on their behalf by:-

KATE HUDSON, Chair

LINDA HUGL, Treasurer

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2005

	2005	2004
	£	£
Surplus/(deficit) for year after taxation	116,275	72,136
Gain on revaluation of investment	<u>7,836</u>	<u>5,040</u>
Total recognised gains and losses relating to the year	<u>£ 124,111</u>	<u>£ 77,176</u>

The annexed notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 1985, the Financial Reporting Standard for Smaller Entities (effective January 2005) and applicable accounting standards.

The financial statements do not deal with any funds under the control of CND Representative Organisations. These are defined in the Campaign's constitution as CND national organisations, regional organisations, groups and specialist sections. All such organisations are entirely autonomous in their funding and decision-making. Details of transactions with these organisations are given in Note 13.

The effect of events relating to the year ended 31 December 2005 which occurred before the date of approval of the financial statements by the Council have been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 December 2005 and of the results for the year ended on that date.

Income recognition

Income from membership subscriptions is accounted for on a cash received basis. Donations are also accounted for on a cash basis except where received in response to a specific appeal. Such donations are recognised when the costs to be funded are defrayed. Legacy income is recognised when it is reasonably certain that a legacy will be received and the amount receivable can be reliably measured. All other income is accounted for on the accruals basis.

Investments

Investments are stated at year-end market value throughout the year.

Depreciation

All assets costing more than £500 are capitalised. Depreciation has been computed so as to write off the cost of the tangible fixed assets (equipment, furniture and fixtures) evenly over their expected useful lives of 4 - 8 years.

Stocks

Stocks of materials and merchandise for sale are valued at the lower of cost and net realisable value.

CAMPAIGN FOR NUCLEAR DISARMAMENT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

2. SUBSCRIPTIONS, FUNDRAISING AND DONATIONS	2005	2004
	£	£
Membership subscriptions (see below)	307,438	307,783
Fees from affiliated/representative organisations	3,546	4,172
General donations	6,597	8,457
In memoriam donations	2,335	-
Peace education income (see below)	4,721	2,135
Donations towards public liability insurance costs	1,820	2,080
Other specific donations	18,765	4,572
The white ribbon campaign (ICC fund)	-	7,745
Other appeals	36,073	49,763
Fundraising events and projects	17,365	8,725
	<u>£ 398,660</u>	<u>£ 395,432</u>

Some members pay their subscriptions at more than the set rates - these additional donations are included as part of the Membership subscriptions income shown above.

Peace education income mainly represents grants received from W F Southall Trust via the United Nations Association Trust of £1,950 (2004 - £1,500) and Ex Services CND £1,500 (2004 - £200 from Red House Fund). Income is recognised to the extent that it is expended in the year; unexpended amounts are included as deferred income within Other creditors (see Note 11) as follows:

	2005	2004
	£	£
Deferred income at the start of the year	2,876	3,311
Grants received in the year	3,450	1,700
Less: Expenditure in the year	(4,721)	(2,135)
Deferred income at the end of the year	<u>£ 1,605</u>	<u>£ 2,876</u>

All other specific donations, mainly for campaigning, have been spent on the purposes for which they were given during the year.

3. EMPLOYEES AND STAFF COSTS	2005	2004
	£	£
Wages and salaries	180,514	159,529
Social security costs	17,503	15,502
Other staff costs	1,742	1,255
	<u>£ 199,759</u>	<u>£ 176,286</u>

The average weekly number of full time equivalent employees during the year was:

Campaigning activities	3.8	3.0
Membership and fundraising	2.0	2.5
Support costs	1.8	1.5
	<u>7.6</u>	<u>7.0</u>

CAMPAIGN FOR NUCLEAR DISARMAMENT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

4. DEPARTMENTAL COSTS	Staff costs £	Direct costs £	2005 Total £	2004 Total £
Membership and fundraising	55,083	25,155	80,238	101,694
Campaigning activities:				
Direct campaigning costs (see below)	99,152	68,806	167,958	130,499
Regions	-	37,078	37,078	35,400
Specialist sections	-	6,030	6,030	6,200
External campaigns	-	6,550	6,550	5,000
Policy and decision making	-	11,112	11,112	9,417
Support costs	45,524	82,433	127,957	125,328
Management and administration costs	-	9,954	9,954	4,352
	<u>£ 199,759</u>	<u>£ 247,118</u>	<u>£ 446,877</u>	<u>£ 417,890</u>

Information about Direct campaigning costs, Regions and Specialist sections expenditure is given in Notes 7 and 13. Details of support costs are given in Note 8 and details of management and administration costs are given in Note 9.

No members of the Council received remuneration for their services during the year other than one member who received £100 for running an Arts Programme (2004 - Nil). Expenses relating to travel and subsistence totalling £5,035 (2004 - £5,845) were reimbursed to 36 members (2004 - 31).

Details of staff costs and numbers are given in Note 3.

5. TANGIBLE FIXED ASSETS - OFFICE EQUIPMENT

	£
Cost	
At 1 January 2005	63,022
Additions	8,272
Disposals	<u>(7,830)</u>
At 31 December 2005	<u>63,464</u>
Depreciation	
At 1 January 2005	47,845
Charge for the year	9,084
Eliminated on disposals	<u>(7,830)</u>
At 31 December 2005	<u>49,099</u>
Net book value	
At 31 December 2005	<u>£ 14,365</u>
At 31 December 2004	<u>£ 15,177</u>

CAMPAIGN FOR NUCLEAR DISARMAMENT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

6. INVESTMENTS	2005	2004
	£	£
Market value		
F&C - Stewardship International Fund Accumulation	13,696	11,226
AXA - UK Ethical Class R Fund Accumulation	13,197	11,725
Norwich Union - UK Ethical Fund Accumulation	15,207	13,157
Henderson - Global Care Growth Fund	11,319	9,475
	£ 53,419	£ 45,583

In 2001 the Campaign invested £50,000 equally into 4 unit trusts as above and since then there have been no movements apart from the annual revaluations. The year-end market value was as shown above. Dividend income is reinvested.

7. DIRECT CAMPAIGNING COSTS	2005	2004
	£	£
Campaign! Magazine	5,073	4,637
General campaigning	33,095	28,196
Public liability insurance	8,178	10,784
Parliamentary work	2,293	3,148
Profile raising events (see below)	7,310	-
Materials	-	1,509
Peace education	4,721	2,098
Press	1,360	1,498
Information service	433	577
International Advisory Group	6,009	816
Trade union work	334	161
Staff costs	99,152	77,075
	£ 167,958	£ 130,499

The cost of profile raising events in 2004 amounting to £7,924 were included as part of Fundraising costs but Council has decided that it is more appropriate to include these costs now under Campaigning.

CAMPAIGN FOR NUCLEAR DISARMAMENT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

8. SUPPORT COSTS	2005	2004
	£	£
Premises costs (see below)	63,059	58,479
Less: Rent income from sub-letting	(32,905)	(27,421)
Insurance	5,656	7,973
Bank and credit card charges	9,779	10,425
Accountancy costs	575	783
Legal and professional fees	-	-
Equipment maintenance	8,454	8,291
Depreciation	9,084	11,186
Telephone	8,472	6,464
Printing, postage and stationery	1,141	(115)
General volunteers' expenses	4,670	5,691
Miscellaneous expenses	2,739	4,628
Sundry staff costs	1,709	1,802
Finance and administration staff costs	45,524	37,142
	£ 127,957	£ 125,328

Premises costs include the total expenditure on rent, rates, light, heat and repairs for 162 Holloway Road, on which the Campaign holds a lease expiring in 2009. Committed rent for the year ended 31 December 2006 amounts to £41,000.

9. MANAGEMENT AND ADMINISTRATION	2005	2004
	£	£
Audit fees	5,400	4,600
Legal and professional fees	4,554	(248)
	£ 9,954	£ 4,352

Fees payable to the auditors, net of VAT were as follows:

Audit and accounts (shown above inclusive of VAT)	4,596	3,920
Advice and assistance (included in Support costs)	240	400
	£ 4,836	£ 4,320

10. DEBTORS AND FUTURE LEGACY INCOME	2005	2004
	£	£
Legacies receivable	-	54,453
Prepayments	18,462	17,501
Other debtors	6,035	4,264
	£ 24,497	£ 76,218

CAMPAIGN FOR NUCLEAR DISARMAMENT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

At the year-end the Campaign had been notified of its entitlement to various legacies, totalling approximately £308,000. Included in this total is approximately £90,000 which was received in March 2006 and was designated for use in Scotland as far as possible; approximately £80,000 of this has been paid to Scottish CND by agreement with them. Also included is a legacy of approximately £190,000, part of which the Campaign intends to forego in favour of a new charity which it is establishing (see page 5); as a charitable legacy the new organisation will be able to claim back a considerable amount of the inheritance tax paid from the estate. The new charity will be carrying out educational and other charitable work in pursuit of the Campaign's objects but the Campaign itself will only retain £100,000 from the legacy.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005	2004
	£	£
Trade creditors	6,982	3,910
Provision for premises repairs (see below)	2,457	2,457
Tax and social security	5,798	4,783
Other creditors (see below)	42,955	34,720
Accruals	8,193	16,045
	<u>£ 66,385</u>	<u>£ 61,915</u>

No corporation tax liability arose during the year on interest income (2004 - Nil).

The Campaign makes prudent provision for the cost of future repairs required to be carried out under the terms of its office lease, including regular internal and external decoration. The provision made in the year is included in premises costs as shown in Note 8. Details of movements for the year are as follows:

	2005	2004
	£	£
Provision at the start of the year	2,457	4,282
Provision made for the year	-	3,000
	<u>2,457</u>	<u>7,282</u>
Less: Maintenance carried out in the year	-	(4,825)
Provision at the end of the year	<u>£ 2,457</u>	<u>£ 2,457</u>

As explained in Note 13, the Campaign pays to Scottish CND and CND Cymru a share of legacies and membership subscription income. The amounts calculated as payable for the financial year are shown above under Other creditors. Also included in Other creditors at the year-end was an amount of £4,590 held on behalf of Ex Services CND (see Note 13).

12. RESERVES	Balance at	Surplus	Transfers	Balance at
	1 January	for year		31 December
	2005	£	£	2005
	£	£	£	£
Accumulated surplus	139,415	116,275	(7,164)	248,526
General reserve	110,000	7,836	2,164	120,000
Fixed asset reserve	30,000	-	5,000	35,000
	<u>£ 279,415</u>	<u>£ 124,111</u>	<u>£ Nil</u>	<u>£ 403,526</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

The surpluses for the year shown above are respectively the surplus for the year on the Income and Expenditure Account before transfers, credited to the Accumulated surplus, and the gain on revaluation of investments shown in the Statement of Total Recognised Gains and Losses on page 9, credited to the General reserve. The General reserve was set up to allow an orderly wind-down of the Campaign, should this ever become necessary, and should be used for this purpose only. The balance in the reserve is maintained at approximately three month's expenditure. Investment gains and losses are credited or charged to the General reserve since the investments concerned were made from that reserve.

The purpose of the Fixed assets reserve is to reflect the Campaign's funds which are tied up in fixed assets and therefore not available for spending on other purposes. The year-end balance has been set to equate to the net book value of fixed assets plus a further £20,000 to cover future fixed asset purchases.

13. TRANSACTIONS WITH OTHER CND ORGANISATIONS

The Campaign makes grants to regional CND organisations and specialist sections and the totals given are shown in Note 4. Grants to Yorkshire CND and Greater Manchester CND are principally towards the costs of staff employed by those organisations.

During 2004 the Treasurer of Ex Services CND was ill and the organisation asked the Campaign to administer funds, including a £13,300 legacy received by the organisation, on its behalf. After other income and expenditure had been taken in to account, the Campaign held £9,890 on their behalf at 31 December 2004. During 2005 a further £1,500 of costs were incurred on behalf of Ex Services CND and £3,800 was retained as donations towards specified costs of the Campaign authorised by the organisation, leaving a year-end balance amounting to £4,590 included under Other creditors (see Note 11).

The Campaign pays to CND Cymru and Scottish CND a proportion of legacies received based respectively on Welsh and Scottish members as a proportion of Campaign membership - less a deduction for the proportionate share of legacies received by those organisations. The net amounts payable, respectively of £11,000 (2004 - £5,687) and £19,444 (2004 - £9,390), are deducted from the Legacies income shown in the Income and Expenditure Account.

The Campaign also pays to CND Cymru and Scottish CND the subscriptions received from members who have moved respectively to Wales and Scotland (less a deduction for members moving the other way). The net amounts concerned, respectively £2,859 (2004 - £3,561) and £2,167 (2004 - £2,313), are deducted from the Membership subscriptions income shown in Note 2.

All amounts due were paid by the year end except for the membership and legacy income share-outs which are paid in arrears.

As explained in Note 1 all these other CND organisations are completely autonomous and organisationally separate from the Campaign.