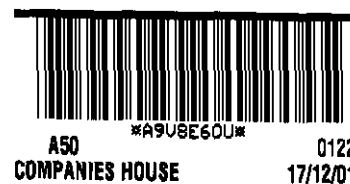


**DERBYSHIRE AND LANCASHIRE
GLIDING CLUB LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
30TH SEPTEMBER 2001**



DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

COMPANY INFORMATION

Directors

Mr C. Haslett
Mr M.S. Armstrong
Mr R. S. Bollom

Secretary

Mr R.S. Bollom

Company Number

468190

Registered Office

Camphill
Great Hucklow
Derbyshire
SK17 8RQ

Auditors

Henry Bramall & Co.
501 Glossop Road
Sheffield
South Yorkshire
S10 2QE

DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

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DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

The directors present their report together with the audited accounts for the year ended 30th September 2001.

Principal Activities and Review of Business

The company's principal activity during the year was the operation of a gliding club.

Results

The results for the year are set out in the profit and loss account on page 4.

The directors consider the profit achieved on ordinary activities before taxation to be encouraging. The club has reduced payroll costs during the year which, together with the increase in membership, has resulted in a healthy profit being achieved.

The directors consider the state of the company's affairs to be satisfactory.

After making enquiries, the directors have reasonable expectation that the company has adequate resources to continue operations for the foreseeable future.

Directors

The directors who held office during the year were as follows:

Mr C. Haslett
Mr M.S. Armstrong
Mr R. S. Bollom

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

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the accounts 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 prevention and detection of fraud and other irregularities.

DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

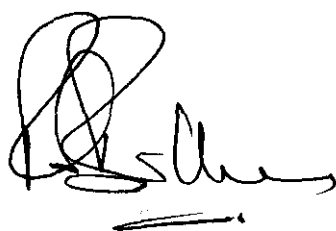
DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

Auditors

A resolution to reappoint Henry Bramall & Co. Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 14th December 2001, and signed on its behalf.

A handwritten signature in black ink, appearing to read 'R. S. Bollom', with a horizontal line underneath.

Mr R. S. Bollom, Director
14th December 2001

AUDITORS' REPORT TO THE

SHAREHOLDERS OF DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.


Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Henry Bramall & Co.
Chartered Accountants and Registered Auditors
501 Glossop Road
Sheffield
South Yorkshire
S10 2QE
Date: 14th December 2001

DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

	Notes	2001 £	2000 £
Turnover	2	135,010	134,938
Cost of Sales		62,797	60,935
Gross Profit		72,213	74,003
Administrative Expenses		56,475	72,671
		15,738	1,332
Other operating income		2,851	2,851
Operating Profit	3	18,589	4,183
Other Exceptional Items	4	-	40,000
		18,589	44,183
Interest Receivable		3,078	569
Interest Payable and Similar Charges	5	(538)	(1,083)
Profit on Ordinary Activities before Taxation		21,129	43,669
Tax on profit on ordinary activities	7	96	85
Profit for the Financial Year	15	21,033	43,584
Retained Profit Brought Forward		245,632	202,047
Retained Profit Carried Forward		266,665	245,631

All amounts relate to continuing activities.

There were no recognised gains or losses for 2001 or 2000 other than those included in the profit and loss account.

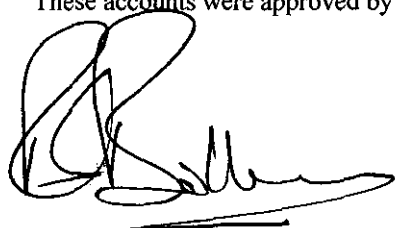
DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

BALANCE SHEET

AS AT 30TH SEPTEMBER 2001

	Notes	£	2001 £	£	2000 £
Fixed Assets					
Tangible assets	8		443,743		457,983
Current Assets					
Stocks	9	5,863		7,144	
Debtors	10	20,728		5,851	
Cash at bank and in hand		110,776		78,708	
		137,367		91,703	
Creditors: Amounts Falling Due Within One Year	11	50,732		32,491	
Net Current Assets			86,635		59,212
Total Assets Less Current Liabilities			530,378		517,195
Creditors: Amounts Falling Due After More Than One Year	12		-		5,000
Accruals and Deferred Income					
Accruals and deferred income	14		51,311		54,162
			479,067		458,033
Capital and Reserves					
Revaluation reserve	15		135,728		135,728
Other reserves - equity	15		76,674		76,674
Profit and loss account	15		266,665		245,631
Shareholders' Funds	16		479,067		458,033

These accounts were approved by the board on 14th December 2001 and signed on its behalf.



Mr R. S. Bollom
Director

DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention except that certain freehold properties are shown at their revalued amounts.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises the value of sales including value added tax on all member flying activities.
All course income with short term memberships and social activities are stated after value added tax.
This policy is in line with current VAT legislation relating to sports clubs.

Depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, with the exception of freehold land, by equal annual instalments over their expected useful lives:

Freehold properties	- 5% to 10%
Flying equipment	- 10%
Winches, tractors and trailers	- 10% to 20%
Fixtures and fittings	- 20%

Land has not been depreciated in accordance with SSAP 12.

Stocks

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

Grants received

Capital grants received are deferred and written back into profit and loss account over the life of the capital asset concerned. Revenue grants received are credited to profit and loss account in the period in which they are received.

DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

2 Turnover

Turnover relates to the following activities or business segments:

	2001	2000
	£	£
Flying income	72,813	80,806
Subscriptions	31,255	26,397
Caravan and hangar rents	14,562	13,086
Bar and other sales income	16,380	14,649
	<u>135,010</u>	<u>134,938</u>

The geographical analysis of turnover is as follows:

	£	£
UK	<u>135,010</u>	<u>134,938</u>
	<u>135,010</u>	<u>134,938</u>

3 Operating Profit

The operating profit is arrived at after charging or crediting:

	2001	2000
	£	£
Depreciation of owned assets	14,741	14,940
Profit on disposal of fixed assets	(936)	1,330
Auditors' remuneration	850	837
Capital grant transfer	<u>(2,851)</u>	<u>(2,851)</u>

4 Exceptional Items

	2001	2000
	£	£
Insurance receipt	-	40,000
	<u>-</u>	<u>40,000</u>

Refer to note 17 on page 11 of the accounts.

5 Interest Payable and Similar Charges

	2001	2000
	£	£
Bank overdrafts and loans	<u>538</u>	<u>1,083</u>

DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

6 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	2001	2000
	£	£
Wages and salaries	22,111	33,750
Social security costs	701	1,307
	<u>22,812</u>	<u>35,057</u>

The average monthly number of employees, including directors, during the year was as follows:

	2001	2000
	Number	Number
Office and management	7	8
	<u>7</u>	<u>8</u>

7 Taxation

	2001	2000
	£	£
Based on the profit for the year		
UK corporation tax at an average rate of 10% (2000 : 15%)	81	85
	<u>81</u>	<u>85</u>
Prior periods		
UK corporation tax	15	-
	<u>96</u>	<u>85</u>

As this is a members only club there is no liability to corporation tax on the main club activities (2000 : Nil)

DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

8 Tangible Fixed Assets

	Freehold Land and Buildings	Gliders	Winches, tractors and trailers	Fixtures and Fittings	Total
Cost or valuation	£	£	£	£	£
At 1st October 2000	442,252	111,831	106,511	10,420	671,014
Additions	-	-	500	-	500
Disposals	-	-	(33,093)	(1,250)	(34,343)
At 30th September 2001	442,252	111,831	73,918	9,170	637,171
Depreciation					
At 1st October 2000	52,500	74,583	79,089	6,858	213,030
Charge for the year	5,863	1,870	6,083	925	14,741
Disposals	-	-	(33,093)	(1,250)	(34,343)
At 30th September 2001	58,363	76,453	52,079	6,533	193,428
Net Book Value					
At 30th September 2001	383,889	35,378	21,839	2,637	443,743
<i>At 30th September 2000</i>	<i>389,752</i>	<i>37,248</i>	<i>27,422</i>	<i>3,562</i>	<i>457,984</i>

The freehold land, being a non-depreciable asset, was valued by Bagshaws, Chartered Surveyors on 17 April 1990 and their valuation, based on vacant possession, was £300,000.

The historical net book value of the freehold land and buildings at the year end would have been £182,790.

9	Stocks	2001	2000
		£	£
	Consumables	3,714	5,609
	Goods for resale	2,149	1,535
		5,863	7,144
10	Debtors	2001	2000
		£	£
	Prepayments	20,728	5,851
		20,728	5,851

DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

11	Creditors: Amounts Falling Due Within One Year	2001	2000
		£	£
	Bank loans and overdrafts (Note 13)	-	1,242
	Trade creditors	16,253	1,389
	Corporation tax	81	85
	Other taxes and social security	2,073	2,245
	Other creditors	8,700	4,700
	Accruals and deferred income	23,625	22,830
		<u>50,732</u>	<u>32,491</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

Other creditors above amounting to £8,700 include £5,000 in respect of debenture loans due for repayment in the current financial year. The loans are secured against the assets of the club.

12	Creditors: Amounts Falling Due After One Year	2001	2000
		£	£
	Loans (Note 13)	-	5,000
		<u>-</u>	<u>5,000</u>

13	Loans	2001	2000
		£	£
	Amounts repayable:		
	In one year or less, or on demand	-	1,242
	Between one and two years	-	5,000
		<u>-</u>	<u>6,242</u>

14	Accruals and Deferred Income	2001	2000
		£	£
	At 1st October 2000	54,162	57,013
	Released during the year	(2,851)	(2,851)
	At 30th September 2001	<u>51,311</u>	<u>54,162</u>

The above deferred income is in respect of a Sports Council grant received towards the construction of the new workshop.

DERBYSHIRE & LANCASHIRE GLIDING CLUB LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

15 Reserves

	Revaluation Reserve	Other Reserves Equity	Profit and Loss Account
	£	£	£
At 1st October 1999	135,728	76,674	202,047
Profit for the year	-	-	43,584
At 1st October 2000	135,728	76,674	245,632
Profit for the year	-	-	21,033
At 30th September 2001	135,728	76,674	266,665

16 Reconciliation of Shareholders' Funds

	2001 £	2000 £
Profit for the financial year	21,033	43,584
Increase in the shareholders' funds	21,033	43,584
Opening shareholders' funds	458,034	414,449
Closing shareholders' funds	479,067	458,033

17 Contingent liability

Following the fatal accident in May 1999 the club received an insurance claim of £40,000. The accident was investigated by the BGA and no blame and action has been taken by the BGA against the club. Any subsequent third party action taken against the club is covered by insurance and, as such, no provision for any financial liability has been made.