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**SURREY ASSOCIATION OF YOUTH CLUBS AND
SURREY PHAB LIMITED**

Directors' and Trustees' Report

and

Financial Statements

For the year ended 31st March 1999

KIMBERS

CHARTERED ACCOUNTANTS



SURREY ASSOCIATION OF YOUTH CLUBS

and

SURREY PHAB LIMITED

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SURREY ASSOCIATION OF YOUTH CLUBS

and

SURREY PHAB LIMITED

Company Information

Directors and Trustees:	M.J.H. Maughan (Chairman) D.F. Abbott A.J. Buchanan K.L. Butt G.C. Cooper Sir A.V. Driver Mrs. C.B. Andrews Mrs. S.V. Dunn I.H.O. MacLeod T.D. Wilkie C.L. King
Secretary:	R.G.J. Bowden
Company Number:	02513757 (England & Wales)
Charity Number:	803697
Registered Office:	Felbury House, Holmbury St. Mary, DORKING, Surrey. RH5 6NL
Auditors:	Kimbers Chartered Accountants 23 Westward Ho, Abbotswood, GUILDFORD, Surrey. GU1 1UU
Bankers:	Barclays Bank Plc, P.O. Box 446, Edgeborough Road, GUILDFORD, Surrey. GU1 2FT
Solicitors:	Messrs. Downs, 156 High Street, DORKING, Surrey. RH4 1BQ

SURREY ASSOCIATION OF YOUTH CLUBS

and

SURREY PHAB LIMITED

Directors' and Trustees' Report

and

Financial Statements

For the year ended 31st March 1999

REPORT OF THE TRUSTEES

The directors and trustees present their report together with the audited financial statements of the Company and Group for the year ended 31st March 1999.

Objects of the Charity, Principal Activities and Organisation of our work

The Charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

The Charity's objective and its principal activity continue to be that of helping young and disabled people in the Surrey area, through various activities designed to develop their physical, mental and spiritual capacities that they may grow to full maturity as individuals and members of society.

The Charity is organised so that the Trustees meet regularly to manage its affairs. There were 24 staff employed in the year end who were involved with organising and managing the activities and fund raising of the Charity, including its day to day administration.

Development, Activities and Achievements in the year

The trustees consider the performance of the Charity this year has been satisfactory. Reorganisation has been continued during the year which, it is anticipated, will produce an improvement in the year to March 2000.

Transactions and Financial Position

The Statement of Financial Activities shows net income for the year of £21,411 (1998: £15,605) and our funds stand at £283,481 (1998: £262,070).

Directors and Trustees

All directors of the Company are also trustees of the Charity and there are no other trustees. All the trustees named on page 1 served throughout the year. The board has power to appoint additional trustees as it considers fit.

SURREY ASSOCIATION OF YOUTH CLUBS

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Directors' and Trustees' Report

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Financial Statements

For the year ended 31st March 1999

REPORT OF THE TRUSTEES continued.....

Statement of Trustees' Responsibilities

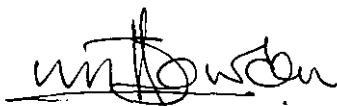
The Trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the profit or loss of the Charity for that year. In preparing those financial statements, the Trustees are required to:-

Select suitable accounting policies and then apply them consistently,
Make judgements and estimates that are reasonable and prudent,
Prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Charity, 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 Charity and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report was approved by the board of directors and trustees on 21st June 1999 and signed on its behalf.



R.G.J. Bowden
(Secretary)

SURREY ASSOCIATION OF YOUTH CLUBS

and

SURREY PHAB LIMITED

Auditors' Report

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective Responsibilities of Directors and Auditors

As described on page 3, the Charity's directors, who are also trustees of the Charity, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

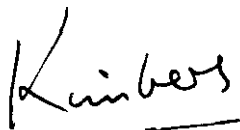
Basis of Opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by directors in 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 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 of the state of the Charity and group affairs as at 31st March 1999 and of its incoming resources and application of resources, including the income and expenditure of the Charity and Group, for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



KIMBERS
Chartered Accountants
Registered Auditor

22nd June 1999

**SURREY ASSOCIATION OF YOUTH CLUBS
and
SURREY PHAB LIMITED**

**Consolidated Statement of Financial Activities
(Incorporating a group income and expenditure account)**

For the year ended 31st March 1999

	Endowment & Restricted Funds	Unrestricted Funds	Total 1999	Total 1998
INCOMING RESOURCES				
2 Donations & Monies Received	58,157	281,533	339,690	334,852
Covenanted Income	---	4,370	4,370	4,625
3 Grants Received	93,533	---	93,533	83,860
4 Fundraising Ventures	1,008	86,386	87,394	46,768
5 Net Income of Trading Subsidiary	---	1,321	1,321	7,036
6 Investment Income	---	897	897	1,198
	<u>152,698</u>	<u>374,507</u>	<u>527,205</u>	<u>478,339</u>
RESOURCES EXPENDED				
7 DIRECT CHARITABLE EXPENDITURE				
Felbury House	4,645	95,387	100,032	116,131
Phab	71,408	75,930	147,338	157,353
Youth Work	42,929	38,625	81,554	64,339
Scrapp	36,124	70,148	106,272	90,686
OTHER EXPENDITURE				
8 Fundraising & Publicity	6,417	58,854	65,271	28,758
9 Management & Administration	---	5,327	5,327	5,467
	<u>161,523</u>	<u>344,271</u>	<u>505,794</u>	<u>462,734</u>
NET INCOMING RESOURCES BEFORE TRANSFERS	(8,825)	30,236	21,411	15,605
Transfer between funds	7,125	(7,125)	---	---
Net income resources for the year	<u>(1,700)</u>	<u>23,111</u>	<u>21,411</u>	<u>15,605</u>
Funds brought forward	<u>10,755</u>	<u>251,315</u>	<u>262,070</u>	<u>246,465</u>
Funds Carried forward	<u>£ 9,055</u>	<u>£ 274,426</u>	<u>£ 283,481</u>	<u>£ 262,070</u>

TOTAL RECOGNISED GAINS OR LOSSES

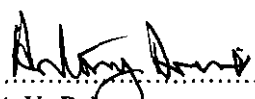
The Company has no recognised gains or losses for the current year or previous year.

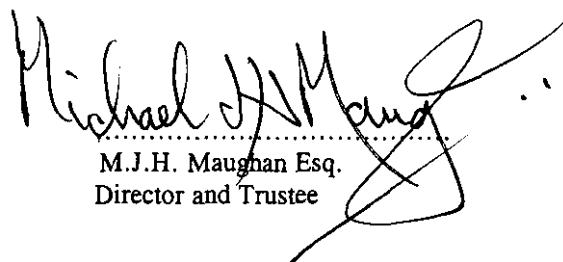
**SURREY ASSOCIATION OF YOUTH CLUBS
and
SURREY PHAB LIMITED**

Balance Sheets at 31st March 1999

Notes		Group		Company	
		1999	1998	1999	1998
	Fixed Assets				
10	Tangible Fixed Assets	334,855	310,392	334,855	310,392
11	Investments	<u>971</u>	<u>971</u>	<u>973</u>	<u>973</u>
		<u>335,826</u>	<u>311,363</u>	<u>335,828</u>	<u>311,365</u>
	Current Assets				
	Stocks	2,359	2,359	1,859	1,859
12	Debtors	32,593	23,211	32,415	24,472
	Cash at Bank and in Hand	<u>10,295</u>	<u>15,975</u>	<u>9,445</u>	<u>14,656</u>
		45,247	41,545	43,719	40,987
13	Creditors: Amounts falling due within one year	<u>60,913</u>	<u>51,137</u>	<u>59,387</u>	<u>50,581</u>
	Net Current Liabilities	(15,666)	(9,592)	(15,668)	(9,594)
	Total Assets Less Current Liabilities:	320,060	301,771	320,160	301,771
14	Creditors: Amounts falling due after more than one year	<u>36,679</u>	<u>39,701</u>	<u>36,679</u>	<u>39,701</u>
		£ 283,481	£ 262,070	£ 283,481	£ 262,070
17	Funds				
	Endowment Fund	1,000	1,000	1,000	1,000
	Restricted Funds	8,055	9,755	8,055	9,755
	Unrestricted Funds	<u>274,426</u>	<u>251,315</u>	<u>274,426</u>	<u>251,315</u>
		£ 283,481	£ 262,070	£ 283,481	£ 262,070

Approved by the board of directors and trustees on 21st June 1999 and signed on its behalf.


.....
Sir A.V. Driver
Director and Trustee


.....
M.J.H. Maughan Esq.
Director and Trustee

**SURREY ASSOCIATION OF YOUTH CLUBS
and
SURREY PHAB LIMITED**

Notes to the Financial Statements for the year ended 31st March 1999

1. Accounting Policies

Basis of Preparation

The accounts are prepared under the historical cost convention and include the results of the charity's operations which are described in the Directors' and Trustees' Report and all of which are continuing.

The accounts have been prepared in compliance with Statements of Recommended Practice on Charity Accounts.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the Charity qualifies as a small company.

Tangible Fixed Assets

Depreciation is provided at the following annual rates calculated to write off the cost of each asset over its estimated useful life, or if held under a finance lease, over the lease term, whichever is the shorter.

Equipment	- 25% - reducing balance basis
Motor Vehicle	- 25% - reducing balance basis

Freehold property is not depreciated. The property is maintained at least to its current standard and the cost of maintenance is charged to the income and expenditure account as incurred. In accordance with FRS 11 an annual impairment review is carried out.

Stocks

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

Income

Voluntary income and donations are accounted for as received by the charity. The income from fund-raising ventures is shown gross with associated costs included in fund-raising costs. Permanent endowments, when received, are dealt with through the Statement of Financial Activities.

Investments

Investments are stated at cost. Recognised realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities.

Fundraising Costs

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute to the charity's work. This includes the cost of advertising for donations and the staging of special fundraising events.

Hire Purchase and Leasing Commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**SURREY ASSOCIATION OF YOUTH CLUBS
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SURREY PHAB LIMITED**

Notes to the Financial Statements for the year ended 31st March 1999

Accounting Policies continued

Expenditure on Management and Administration of the Charity

Expenditure on Administration represents those costs incurred concerning the Charity's constitutional structure, the statutory costs, including legal and audit fees, together with the cost of administration meetings.

2. Donations and Monies Received

	Restricted £	Unrestricted £
Felbury House:		
Accommodation, courses and related insurance	---	102,407
Training	---	10,364
Other	7,992	3,039
	<u>7,992</u>	<u>115,810</u>
 Phab:		
Activities and projects	---	50,675
Affiliations	---	1,186
Respite Care	9,214	3,565
Disability Awareness Training	---	4,361
Transport	---	1,655
Donations and other	<u>10,684</u>	<u>20</u>
	<u>19,898</u>	<u>61,462</u>
 Youth Work:		
Activities and projects	---	2,940
Affiliations	---	4,665
Insurance	---	3,557
Donations and other	<u>8,045</u>	<u>30</u>
	<u>8,045</u>	<u>11,192</u>
 Scrapp:		
Projects and recycling	---	32,523
Affiliations	---	13,343
Donations and other	<u>22,222</u>	<u>9,649</u>
	<u>22,222</u>	<u>55,515</u>

**SURREY ASSOCIATION OF YOUTH CLUBS
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SURREY PHAB LIMITED**

Notes to the Financial Statements for the year ended 31st March 1999

	Restricted £	Unrestricted £
Donations - General:		
From Individuals	---	5,001
From Companies	---	4,213
From Trusts	---	<u>28,340</u>
	---	<u>37,554</u>
 3. Grants:		
Felbury House	---	---
Phab	12,500	---
Youth Work	13,000	---
Scrapp	7,500	---
National Lottery Charities Board	<u>60,533</u>	---
	<u>93,533</u>	---
 4. Fundraising Ventures:		
Gross proceeds of events	---	48,487
Charity Ball	---	8,083
Golf Tournament	---	21,306
Cricket	---	4,987
Sensory Garden	1,008	---
Captains Day - Golf Society	---	3,523
	<u>1,008</u>	<u>86,386</u>
 5. Net Income of Trading Subsidiary:	1999	1998
Sales	30,496	16,215
Cost of Sales	29,175	11,054
	---	---
Trading Profit	<u>1,321</u>	<u>5,161</u>
Other Income	---	1,875
	---	---
Net Profit	1,321	7,036
Amounts paid to Charity	1,321	7,036
Retained profits brought forward	---	---
	---	---
Retained profits carried forward	---	---

**SURREY ASSOCIATION OF YOUTH CLUBS
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Notes to the Financial Statements for the year ended 31st March 1999

6. Investment Income:	1999	1998
	£	£
Income from listed investments	120	120
Interest received	777	1,078
	<u>897</u>	<u>1,198</u>
7. Direct Charitable Expenditure:	Restricted	Unrestricted
	£	£
Felbury House:		
Activity Costs	1,250	11,431
Staff Costs	---	43,389
Support Costs	---	25,829
Training	---	10,251
Other	<u>3,395</u>	<u>4,487</u>
	<u>4,645</u>	<u>95,387</u>
Phab:		
Activity Costs	6,250	20,285
Transport and Travel Costs	6,989	3,505
Staff Costs	38,048	31,912
Respite Care	13,191	---
Support Costs	4,118	19,634
Other	<u>2,812</u>	<u>594</u>
	<u>71,408</u>	<u>75,930</u>
Youth Work:		
Activity Costs	1,250	2,505
Staff Costs	28,662	9,733
Affiliations and Insurance	---	4,078
Support Costs	4,118	21,711
Other	<u>8,899</u>	<u>598</u>
	<u>42,929</u>	<u>38,625</u>

SURREY ASSOCIATION OF YOUTH CLUBS
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SURREY PHAB LIMITED

Notes to the Financial Statements for the year ended 31st March 1999

Scrapp:	Restricted £	Unrestricted £
Activity Costs	19,722	419
Staff Costs	11,402	39,711
Support Costs	---	17,959
Transport	5,000	6,814
Other	<u>---</u>	<u>5,245</u>
	<u>36,124</u>	<u>70,148</u>

8. Fundraising and Publicity:

Event Expenses	4,845	22,241
Staff and Support	---	36,613
Other Income	<u>1,572</u>	<u>---</u>
	<u>6,417</u>	<u>58,854</u>

9. Management and Administration

Audit		2,250
Office Services		<u>3,077</u>
		<u>5,327</u>

**SURREY ASSOCIATION OF YOUTH CLUBS
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Notes to the Financial Statements for the year ended 31st March 1999

10. Tangible Fixed Assets	Freehold Property £	Equipment £	Motor Vehicle £	Total £
Cost or valuation				
At 1st April 1998	300,000	22,663	11,138	333,801
Additions	---	15,844	20,000	35,844
Disposals	---	(250)	---	(250)
At 31st March 1999	<u>300,000</u>	<u>38,257</u>	<u>31,138</u>	<u>369,395</u>
Depreciation				
At 1st April 1998	---	13,535	9,873	23,408
Charge for year	---	6,066	5,316	11,382
On disposals	---	(250)	---	(250)
At 31st March 1999	<u>---</u>	<u>19,351</u>	<u>15,189</u>	<u>34,540</u>
Net Book Value at 31st March 1999	£ <u>300,000</u>	£ <u>18,906</u>	£ <u>15,949</u>	£ <u>334,855</u>
Net Book Value at 31st March 1998	£ <u>300,000</u>	£ <u>9,127</u>	£ <u>1,265</u>	£ <u>310,392</u>

Freehold property was valued in May 1999 by Messrs. Robinsons, Chartered Surveyors, of Reigate, at an open market value of £345,000.

The following fixed assets, included in the above, are held under finance leases:

	Equipment £
Cost or valuation	
At 1st April 1998	3,721
Additions	<u>3,555</u>
At 31st March 1999	<u>7,276</u>
Depreciation	
At 1st April 1998	745
Charge for year	<u>1,455</u>
At 31st March 1999	<u>2,200</u>
Net Book Value at 31st March 1999	£ <u>5076</u>
Net Book Value at 31st March 1998	£ <u>2,976</u>

**SURREY ASSOCIATION OF YOUTH CLUBS
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Notes to the Financial Statements for the year ended 31st March 1999

11. Fixed Asset Investments	£
Cost or valuation	
At 1st April 1998 and 31st March 1999	<u>973</u>
Net Book Value at 31st March 1999	£ <u>973</u>
Net Book Value at 31st March 1998	£ <u>973</u>

	1999	1998
	£	£
Investments listed on a recognised stock exchange	971	971
Unlisted investment	<u>2</u>	<u>2</u>
	£ <u>973</u>	£ <u>973</u>

The listed investment comprises £1,000 of 12% Exchequer Stock 2013-2017. The market value of which at 31st March 1999 was £1,779 (1998: £1,610).

The unlisted investment represents the cost of two £1 Ordinary shares in the wholly owned subsidiary company **Felbury House Limited**; the trading company of the charity. The aggregate capital and reserves of Felbury House Limited at 31st March 1999 were £2 (1998: £2).

12. Debtors	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Trade debtors	14,597	20,994	14,419	18,430
Other debtors	8,895	2,217	8,895	2,217
Felbury House Ltd. - I/Co.	---	---	---	2,207
Corporation tax	1,618	---	1,618	1,618
Value added tax	5,983	---	5,983	---
Prepayments	<u>1,500</u>	---	<u>1,500</u>	---
	£ <u>32,593</u>	£ <u>23,211</u>	£ <u>32,415</u>	£ <u>24,472</u>

**SURREY ASSOCIATION OF YOUTH CLUBS
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Notes to the Financial Statements for the year ended 31st March 1999

13. Creditors: amounts falling due within one year

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Bank Loans and Overdrafts (Note 15)	4,667	10,166	4,667	10,166
Finance Leases (Note 16)	1,455	744	1,455	744
Trade Creditors	25,187	7,727	25,187	7,727
Other Creditors	12,432	20,024	12,432	20,024
Deposits Received	13,922	9,792	11,852	9,792
Value added tax	—	728	—	728
Felbury House Ltd - I/Co	—	—	1,094	—
Accrued Expenses	<u>3,250</u>	<u>1,956</u>	<u>2,700</u>	<u>1,400</u>
	£ 60,913	£ 51,137	£ 59,387	£ 50,581

14. Creditors: amounts falling due after more than one year

	1999	1998
	£	£
Bank Loans (Note 15)	33,244	37,655
Finance Leases (Note 16)	<u>3,435</u>	<u>2,046</u>
	£ 36,679	£ 39,701

15. Loans and Overdrafts

An analysis of the maturity of loans and overdrafts is given below:

	1999	1998
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	328	6,227
Bank loan	<u>4,339</u>	<u>3,939</u>
	£ 4,667	£ 10,166
Amounts falling due between one and two years:		
Bank loan	£ 9,878	£ 9,078
Amounts falling due between two and five years:		
Bank loan	£ 18,917	£ 16,917
Amounts falling due in more than five years:		
Bank loan	£ 4,449	£ 11,660

SURREY ASSOCIATION OF YOUTH CLUBS
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Notes to the Financial Statements for the year ended 31st March 1999

16. Obligations under Leasing Agreements

	Finance Leases	
	1999	1998
	£	£
Gross obligations payable:		
Within one year	2,530	1,188
Between one and five years	<u>6,107</u>	<u>3,267</u>
	£ 8,637	£ 4,455
Finance charges payable:		
Within one year	1,075	444
Between one and five years	<u>2,672</u>	<u>1,221</u>
	£ 3,747	£ 1,665
Net obligations payable:		
Within one year	1,455	744
Between one and five years	<u>3,435</u>	<u>2,046</u>
	£ 4,890	£ 2,790

17. Analysis of Movement of Funds

	B/forward 1 April 1998	Net Incoming Resources	Transfers Between Funds	Balance 31 March 1999
Endowment Fund				
Cass Sewell Fund	1,000	---	---	1,000
Restricted Funds				
Phab Funds	1,055	750	---	1,805
Replace Transport	5,878	(5,878)	---	---
Felbury House	1,250	5,000	---	6,250
Fund Raising	1,572	(1,572)	---	---
	<u>9,755</u>	<u>(1,700)</u>	<u>---</u>	<u>8,055</u>
Unrestricted Funds				
General	251,315	23,111	---	274,426
TOTAL GROUP FUNDS	£ 262,070	£ 21,411	£ ---	£ 283,481

SURREY ASSOCIATION OF YOUTH CLUBS
and
SURREY PHAB LIMITED

Notes to the Financial Statements for the year ended 31st March 1999

18. Analysis of Fund Balances between the Group Net Assets

	Unrestricted £	Restricted £	Total £
Tangible Fixed Assets	334,855	---	334,855
Investments	---	971	971
Net Current Liabilities	(23,750)	8,084	(15,666)
Long Term Liabilities	<u>(36,679)</u>	---	<u>(36,679)</u>
	<u>£ 274,426</u>	<u>£ 9,055</u>	<u>£ 283,481</u>

19. Staff Costs

The average number of employees during the year was 24 (1998 : 23)

	1999 £	1998 £
Wages and Salaries	263,425	231,870
Social Security Costs	<u>22,941</u>	<u>19,766</u>
	<u>£ 286,366</u>	<u>£ 251,636</u>

No employee earned in excess of £39,999.

20. National Lottery Charities Board

The Charity has received funding during the year from the National Lottery Charities Board of £ 31,583 towards the cost of employing a Training Co-ordinator, session trainers and ongoing work in respect of Phab services, plus £ 28,950 for developing and providing training for volunteer youth workers.

21. Company Profit and Loss Account

Exemption is claimed from the requirements of Companies Act 1985 Section 230, by reason of the Company being a registered Charity and the requirement to comply with the Charities Acts, Charities Accounting Regulations and Statement of Recommended Practice.

22. Contingent Liability

The Inland Revenue has raised Corporation Tax assessments for past years on Felbury House Limited arising from a technical error regarding payments from Felbury House Limited to the parent Company. The maximum liability, including interest, is unlikely to exceed £5,000. The Directors have lodged claims with the Inland Revenue which would eliminate the liabilities and no provision for this tax charge has been made in these financial statements.