

**HARROW SCHOOL OF GYMNASTICS**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS**  
**YEAR TO 28 FEBRUARY 2011**

**COMPANY NO. 2585823 (ENGLAND AND WALES)**

**REGISTERED CHARITY NO: 1002258**



**HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)**

**YEAR TO 28 FEBRUARY 2011**

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**HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)**

**YEAR TO 28 FEBRUARY 2011**

**COMPANY INFORMATION**

Registered Company No 2585823

Registered Charity No 1002258

Directors (including those who served for any part of the Financial Year)

Chair Valarie Newman

Company Secretary Sandra Mortazavi

Treasurer Linda Cockburn

Other Patrick Alleyne

Principal Address and Registered Office  
186 Christchurch Avenue  
Harrow  
Middlesex HA3 5BD

Key Personnel and Professional Advisers

Administration Managers Marie Jenkins & Desna Hale

Health, Safety & Welfare Officers Desna Hale & Valerie Newman

Bankers  
NatWest Bank Plc  
80 Shenley Road  
Borehamwood  
Hertfordshire WD6 1DZ

Auditor  
Allhotts  
Chartered Accountants and Registered Auditors  
Congress House  
14 Lyon Road  
Harrow  
Middlesex HA1 2EN

# **HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)**

**YEAR TO 28 FEBRUARY 2011**

## **DIRECTORS' REPORT**

The Directors present their report and the financial statements for the year ended 28 February 2011

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Harrow School of Gymnastics was founded in 1992. Harrow School of Gymnastics is a registered charity and is also a company limited by guarantee. The members of Harrow School of Gymnastics are the gymnasts or, in the case of a gymnast under the age of 18 years, a parent. The Directors of Harrow School of Gymnastics are also the charity trustees. They are volunteer members who are elected at the Annual General Meeting. One third of the Directors are required to retire each year and may offer themselves for re-election.

New directors receive an induction pack containing Harrow School of Gymnastics' policies and other important documents such as the Development Plan. They are required to sign the Directors' Code of Conduct and a Declaration of Interests. They also attend relevant courses.

The Directors are responsible for the overall strategy and major decisions of Harrow School of Gymnastics, but operational management is delegated to the two Office Managers and three Heads of Department.

The representative of the Board of Directors for Health, Safety and Welfare is Desna Hale.

Harrow School of Gymnastics is affiliated to British Gymnastics, the governing body for the sport of gymnastics in the United Kingdom.

The Directors have examined the major strategic, business and operational risks which Harrow School of Gymnastics faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

### **OBJECTIVES AND ACTIVITIES**

The object set out in the Memorandum of Association is the provision of gymnastic coaching and facilities. The mission of Harrow School of Gymnastics is to provide "Gymnastics of the highest standard for all" within its geographic area of operations, i.e. the London Borough of Harrow and surrounding areas.

When planning our activities for the year, the Directors of Harrow School of Gymnastics have considered the Charity Commissioner's guidance on public benefit and in particular they specific guidance on charities for the advancement of amateur sport. Gymnastics is a sport open to all at any age. It is a sport that promotes self-discipline, mental as well as physical, and the training can be the perfect basis for later participation in other sports. Some children are recommended to join a gymnastics class to help with development problems they have with, for example, balance, co-ordination or muscle strength. At a time when health and fitness is of national concern, gymnastics can provide an additional form of exercise to that provided within the school curriculum, which helps to develop the mind and body.

Financial assistance is available for those whose parents/carers are on state benefits or are experiencing temporary hardship, via our hardship fund. The directors would like to thank the John Lyon Trust for their continued support which helps to ensure that funds are available for those talented gymnasts who are in need of financial assistance in order to train for the hours necessary for them to reach their full potential.

Harrow School of Gymnastics provides gymnastics coaching in two broad categories:

- Recreational gymnastics – typically in classes of one hour per week, for all ages from toddlers to adults
- Competitive gymnastics – two separate squads (Men's Artistic and Women's Artistic) for age 5 up to early 20's, training for up to 22 hours per week

# HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)

YEAR TO 28 FEBRUARY 2011

## DIRECTORS' REPORT (CONTINUED)

### ACHIEVEMENTS AND PERFORMANCE

Harrow School of Gymnastics maintained its GymMark quality accreditation from British Gymnastics

The gym continues to be very well used by the community and the number of members has increased in each category when compared to the previous year

	February 2011	February 2010
Recreational		
Playgym (age under 5 years)	73	63
Pre-school (ages 3 – 5 years)	115	107
General gymnastics (ages 5 – 15)	660	604
Adult gym	51	38
Competitive		
Men's Artistic	44	38
Women's Artistic	53	45
Total	996	895

Recreational Gymnastics extends to cover

1 Parties of up to 40 children, of which 62 were held during the 2010/11 year (70 in 2009/10)

2 Holiday Fun sessions, which numbered 20 (was 19)

#### Highlights in general gymnastics 2010/11

General Gymnast of the Year awards were made to Max Lewis and Kirsty Jones, both of whom were subsequently offered places in the floor and vault squads

230 Gymnasts attended the annual club competition

99% of members passed BG proficiency badges

#### Highlights in men's artistic

Competitive gymnasts enter a variety of club, regional, national and international competitions, appropriate to their abilities

During the year, 4 regional competitions were entered with the following results

All Around medals

Gold 8

Silver 12

Bronze 3

Individual apparatus medals

Gold 45

Silver 10

Bronze 4

National competitions

From these competitions, 9 Harrow gymnasts qualified to represent London at National Finals, with the level 4 boys (of which 2 of the team of 4 were from Harrow) won gold

Scottish championships

Vincent Copp became senior Scottish National All Around Champion winning gold on Rings, Parallel bars and High bar and silver on Floor, Pommel and Vault

International competitions

Antony O'Donnell represented Ireland at the European Championships

Vincent Copp Came 8th at the Northern Europeans, coming 4th on Floor and winning a team silver for Scotland

# **HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)**

**YEAR TO 28 FEBRUARY 2011**

## **DIRECTORS' REPORT (CONTINUED)**

### **Highlights in women's artistic**

Girls competed in the club championships and 2 regional competitions, winning 2 gold medals at Regionals

The girls department employed 2 new coaches, which will support increased attendance at competitions in the coming year

### **Highlights in staff development**

Fliss Copp and Leonid Pronin both passed their National Judge qualification and both have judged this year at national competitions

Graham O'Sullivan passed the International Brevet Judging qualification, was head competition judge at national finals and judged 2 internationals including the Men's European Championships

## **FINANCIAL REVIEW**

The financial results for the year to 28 February 2011 are set out on pages 9-15 Funding is from members via fees with a small amount of additional fundraising to support specific areas of our work All funding goes towards the provision of training and training related facilities and equipment There was an increase of 7.2% in unrestricted income to £325,022, while related expenditure increased by 3.0% to £327,586 There was excess of expenditure over income of £2,564, which has been deducted from unrestricted reserves

Restricted reserves of £650 at the end of the year represent the unspent balances of the Hardship fund

The Directors carry out an annual review of Harrow School of Gymnastics' free reserves policy in the light of known risks and future plans Free reserves are those funds, which are not committed to specific projects or invested in fixed assets The Directors have established a policy that Harrow School of Gymnastics should have a minimum free reserve of 3 months budgeted expenditure, which is approximately £90,000 This will enable Harrow School of Gymnastics to meet its objectives if it faces loss of income or increases in unfunded costs The free reserves at 28<sup>th</sup> February 2011 were £108,927 (2010 £109,476)

## **PLANS FOR FUTURE PERIODS**

The directors intend to continue the existing range of activities and to maintain high standards required to retain GymMark accreditation

During the coming year the directors will be focusing efforts on ensuring that the activities and services provided are carried out efficiently and effectively The directors have begun the process of remodelling book keeping and administrative procedures and that will continue during the year A review of all contracts will also take place this year to ensure that we are being offered value for money in each area

A review of IT systems has been undertaken and replacement of existing hardware and software is a priority

This report was approved by the Directors at their meeting on 19 July 2011 and signed on their behalf by



Valerie Newman

Director

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law required the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The directors are responsible for maintaining proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company, and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

YEAR TO 28 FEBRUARY 2011

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**

I report on the accounts of Harrow School of Gymnastics for the year ended 28 February 2011, which comprise the Statement of Financial Activities including Income and Expenditure, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

***Respective responsibilities of trustees and examiner***

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

It is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- to state whether particular matters have come to my attention.

***Basis of independent examiner's report***

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

***Independent examiner's statement***

In connection with my examination, no matter has come to my attention

- 1 which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 41 of the 1993 Act, and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act

have not been met, or

- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Ian Davies F C A  
Alliotts, Chartered Accountants  
Congress House, 14 Lyon Road, Harrow, Middlesex HA1 2EN

Date 19 July 2011



**HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)**

**YEAR TO 28 FEBRUARY 2011**

**STATEMENT OF FINANCIAL ACTIVITIES  
(Including Income and Expenditure Account)**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>INCOMING RESOURCES</b>					
<i><b>Incoming Resources from Generated Funds</b></i>					
Voluntary Income		1,506	-	1,506	1,247
Activities for Generating Funds - Trading Income		40,034	-	40,034	39,431
Investment Income – Interest Received		363	-	363	1,704
 Incoming resources from Charitable Activities					
Fees Receivable for Gymnastic Coaching	2	283,119	-	283,119	260,852
<b>Total Incoming Resources</b>		<b>325,022</b>	<b>-</b>	<b>325,022</b>	<b>303,234</b>
 <b>RESOURCES EXPENDED</b>					
<i><b>Costs of Generating Funds</b></i>					
Fundraising Trading - Cost of Goods Sold		36,877	-	36,877	34,906
<i><b>Charitable Activities</b></i>					
Costs of Gymnastic Coaching		288,175	2,000	290,175	284,370
Governance Costs		2,534	-	2,534	3,795
<b>Total Resources Expended</b>	3	<b>327,586</b>	<b>2,000</b>	<b>329,586</b>	<b>323,071</b>
 Net Income / (Expenditure) before Transfer		(2,564)	(2,000)	(4,564)	(19,837)
Transfer Between Funds		-	-	-	-
<b>Net Incoming / (Outgoing) Resources for the year</b>		<b>(2,564)</b>	<b>(2,000)</b>	<b>(4,564)</b>	<b>(19,837)</b>
 <b>Reconciliation of Funds</b>					
Total funds brought forward at 1 March 2010		155,562	2,650	158,212	178,049
<b>Total funds carried forward at 28 February 2011</b>		<b>152,998</b>	<b>650</b>	<b>153,648</b>	<b>158,212</b>

The Statement of Financial Activities has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the Statement of Financial Activities

**HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)****YEAR TO 28 FEBRUARY 2011****BALANCE SHEET**

	Notes	2011	2010
		£	£
<b>Fixed Assets</b>			
Tangible Assets	4	<u>44,071</u>	<u>48,086</u>
<b>Current Assets</b>			
Stock		4,846	4,570
Debtors	5	4,126	5,557
Cash at bank & in hand		<u>175,640</u>	<u>146,537</u>
		<u>184,612</u>	<u>156,664</u>
<b>Current Liabilities</b>			
Creditors Amounts falling due within one year	6	<u>75,035</u>	<u>46,538</u>
<b>Net Current Assets</b>		<u>109,577</u>	<u>110,126</u>
<b>Total Net Assets</b>		<u>153,648</u>	<u>158,212</u>
<b>Funds</b>			
Restricted		650	2,650
Unrestricted - Invested in Fixed Assets		44,071	46,086
Unrestricted - Free Reserves		<u>108,927</u>	<u>109,476</u>
Total Funds	7	<u>153,648</u>	<u>158,212</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 28 February 2011. No trustee of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts on pages 9 to 15 were approved by the Directors on 19 July 2011 and signed on their behalf by



Linda Cockburn – Director Company number – 025855823 Charity number - 1002258

# HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)

YEAR TO 28 FEBRUARY 2011

## NOTES TO THE ACCOUNTS

1. **Legal Status**

The Company is limited by Guarantee and has no Share Capital. The Memorandum of Association provides that all members are liable to contribute a sum not exceeding £1 in the event of the Company being wound up.

2. **Accounting Policies**

a) **Basis of Accounting**

The financial statements have been prepared under historical cost convention and in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005. The principal accounting policies in the preparation of the financial statements are set out below.

b) **Fund Accounting**

Restricted funds are subjected to restrictions on their expenditure imposed by the donor. Expenditure, which meets these restrictions, is identified to the fund.

c) **Incoming Resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities and the value of services provided by volunteers are acknowledged but not been included in these accounts.
- Investment income is included when receivable.
- Fees receivable consist of charges for the accounting year for both recreational and competitive gymnastics.

d) **Resources Expended**

Expenditure recognised on an accrual basis as a liability is incurred. All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them (Support Costs).
- Governance expenditure includes those costs associated with meeting the constitutional and statutory requirements of the charity and includes the audit fees and costs linked to the strategic management of the charity.

e) **Tangible Fixed Assets**

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of items less than £1,000 are written off as an expense as required. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold Property	25 years
Gym Equipment	5 years
Fixtures and Fittings	6½ years (except computer equipment 3 years)

f) **Expenditure**

Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

g) **Operating Leases**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against income as incurred.

h) **Taxation**

No provision for taxation arises on the income of the company due to its charitable status.

**HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)**

**YEAR TO 28 FEBRUARY 2011**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**3. RESOURCES EXPENDED**

	Staff Costs	Depreciation	Other Costs	2011 Total	2010 Total
	£	£	£	£	£
<i>Cost of Generating funds</i>					
Fundraising Trading - Costs of Goods Sold	-	-	36,877	36,877	34,906
<i>Charitable Activities</i>					
Costs of Gymnastic Coaching					
Service running costs	162,020	6,394	7,246	175,660	175,047
Premises costs	2,804	8,150	37,972	48,926	55,081
Support costs	40,760	-	24,829	65,589	54,242
	205,584	14,544	70,047	290,175	284,370
Governance Costs	-	-	2,534	2,534	3,795
Total Resources Expended	205,584	14,544	109,458	329,586	323,071
Staff Costs				£	£
Wages & Salaries				192,478	189,610
Social Security Costs				13,106	12,378
				205,584	201,988
Other Costs				£	£
Governance Costs include Auditors' Remuneration				-	2,070
Non-Audit Remuneration				2,534	1,725
				2,534	3,795
The average number of persons employed by the Charitable Company during the year was				Number	Number
Trustees				3	3
Coaches (mainly part-time)				26	29
Administration				2	2
				31	34

No employee earned emoluments of more than £60,000 during the year. Payment of £37,350 (2010 £41,073) was made to a total of four (2010 five) persons connected with two Trustees for coaching services. No other remuneration or reimbursement of expenses was made to Trustees during the year (2010 £Nil).

**HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)**

**YEAR TO 28 FEBRUARY 2011**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**4 TANGIBLE FIXED ASSETS**

	Leasehold Land & Buildings	Gymnasium Equipment	Fixtures, Fittings & Other Equipment	Total 2011
	£	£	£	£
<b>Costs</b>				
As at 1 March 2010	155,444	61,635	21,255	238,334
Additions	-	3,045	7,484	10,529
Disposals	-	-	-	-
As at 28 February 2011	155,444	64,680	28,739	248,863
<b>Depreciation</b>				
As at 1 March 2010	118,139	53,618	18,491	190,248
Charged in year	6,218	6,394	1,932	14,544
Depreciation on disposal				
As at 28 February 2011	124,357	60,012	20,423	204,792
<b>Net Book Values</b>				
As at 1 March 2010	37,305	8,017	2,764	48,086
As at 28 February 2011	31,087	4,668	8,316	44,071

**5. DEBTORS**

	2011	2010
	£	£
All due within one year		
Prepayments	4,126	5,557

**HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)**

**YEAR TO 28 FEBRUARY 2011**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**6 CREDITORS**

	2011	2010
	£	£
All due within one year		
Fees received in advance	22,291	20,357
Trade and Other Creditors	34,568	21,836
Taxes & Social Security Cost	18,176	4,345
	<hr/> 75,035	<hr/> 46,538

**7 FUNDS**

a) Analysis of Movement of Funds	Balance at 1 3 10	Net Incoming Resources	Transfers	Balance at 28 02 11
<b>Restricted Funds</b>				
Hardship Fund	650	-	-	650
Awards for All	2,000	(2,000)	-	-
	<hr/> 2,650	<hr/> (2,000)	<hr/> -	<hr/> 650
Unrestricted	155,562	(2,564)	-	152,998
<b>Total Funds</b>	<hr/> 158,212	<hr/> (4,564)	<hr/> -	<hr/> 153,648

b) Analysis of Net Assets at 28 February 2011	Tangible Assets	Current Assets	Current Liabilities	Inter Fund Balances	Total
<b>Restricted Funds:</b>					
Hardship Fund	-	-	-	650	650
Awards for All	-	-	-	-	-
	<hr/> -	<hr/> -	<hr/> -	<hr/> 650	<hr/> 650
Unrestricted	44,071	184,612	(75,035)	(650)	152,998
<b>Total Funds</b>	<hr/> 44,071	<hr/> 184,612	<hr/> (75,035)	<hr/> -	<hr/> 153,648

**HARROW SCHOOL OF GYMNASTICS (A Company Limited by Guarantee)**

**YEAR TO 28 FEBRUARY 2011**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**8. PURPOSE OF FUNDS**

Restricted Funds of £650 (2010 £2,650) represent the unspent balances of grants from

- Harrow Council – for hardship,
- Awards for All – funding towards sprung floor

**9 FINANCIAL COMMITMENTS**

At 28 February 2011, the Charitable Company had annual commitments under a non-cancellable operating lease of its land as follows

	2011	2010
	£	£
Expiry Date over 5 years	5,950	5,950

The Charitable Company is in negotiation with its Landlord regarding the rent review, which was due on 1<sup>st</sup> May 2001. Provision has been made for the additional rent expected to be payable by the Charitable Company but this has not been formally accepted by the Landlord. An independent rent review assessor was appointed by the Directors in an attempt to obtain a fair agreement with the Landlord in respect of past and future ground rent. Additional amounts may be due once the final outcome of these negotiations is known.