2598141

Fairthorne Manor Recreation Limited

Report and Financial Statements

Period Ended

31 December 2002

BDO Stoy Hayward
Chartered Accountants

Fairthorne Manor Recreation Limited

Report and financial statements for the period ended 31 December 2002

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Directors

C J Hand
R L Collyns
M Tilbury
P J Cooper

Secretary and registered office

M J Short, Fairthorne Manor, Curdridge, Southampton, SO30 2GH

Company number

2598141

Auditors

BDO Stoy Hayward, Park House, 102-108 Above Bar, Southampton, SO14 7NH

Fairthorne Manor Recreation Limited

Report of the directors for the period ended 31 December 2002

The directors present their report together with the audited financial statements for the period ended 31 December 2002.

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the period.

Principal activities, review of business and future developments

The company's principal activity is the provision of recreational facilities.

Charitable and political contributions

During the year the company made a charitable donation of £47,761 to South East Hampshire YMCA. There were no political contributions.

Directors

The directors of the company during the period were:

P Posner
K L Holmes
C Poulard
C J Hand
R L Collyns
M Tilbury
P J Cooper

No director had any beneficial interest in the share capital of the company nor in the shares of any other group companies.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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 and;
- prepare the financial statements 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 to 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 prevention and detection of fraud and other irregularities.

Auditors

The auditors, PKF, resigned during the period. A resolution to appoint BDO Stoy Hayward will be proposed at the annual general meeting.

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

By order of the board

M J Short

Secretary

21 May 2003

Fairthorne Manor Recreation Limited

Report of the independent auditors

To the shareholders of Fairthorne Manor Recreation Limited

We have audited the financial statements of Fairthorne Manor Recreation Limited for the period ended 31 December 2002 on pages 5 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' 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 directors' remuneration and transactions with the company is not disclosed.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors 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 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 company's affairs as at 31 December 2002 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Southampton

21 May 2003

Fairthorne Manor Recreation Limited

Profit and loss account for the nine months ended 31 December 2002

	Note	Nine months ended 31 December 2002 £	Year ended 31 March 2002 £
Turnover	2	**268,447**	683,176
Cost of sales		**44,685**	-
Gross profit		**223,762**	683,176
Administrative expenses		**176,001**	549,509
Operating profit	3	**47,761**	133,667
Interest payable		**(47,761)**	(133,667)
Profit on ordinary activities before and after taxation for the financial period/year		-	-

The notes on pages 7 to 10 form part of these financial statements.

Fairthorne Manor Recreation Limited

Balance sheet at 31 December 2002

	Note	31 December 2002 £	31 December 2002 £	31 March 2002 £	31 March 2002 £
Fixed assets					
Intangible assets	5		**1**		1
Current assets					
Stocks		**3,445**		5,888	
Debtors	6	**75,976**		2,905	
Cash at bank and in hand		**446**		294,199	
		79,867		302,992	
Creditors: amounts falling due within one year	7	**74,868**		297,993	
Net current assets			**4,999**		4,999
Total assets less current liabilities			**5,000**		5,000
Capital and reserves					
Called up share capital	8		**5,000**		5,000
Shareholders' funds			**5,000**		5,000

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 21 . 5 . 03

C. J. H

C J Hand
Director

The notes on pages 7 to 10 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by the Financial Reporting Standard for Smaller Entities (effective June 2002) not to prepare a cash flow statement.

Goodwill

Goodwill arising on an acquisition of a trade undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 5 years.

Negative goodwill is released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased are recovered, whether through depreciation or sale.

The profit or loss on disposal of a business includes any goodwill arising on acquisitions which was previously eliminated against reserves.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pensions

The cost of the defined benefit pension plan is charged to the statement of financial activities so as to spread the cost of pensions over the service lives of employees. Pension cost is assessed in accordance with the advice of a qualified actuary. Actuarial surpluses and deficits are spread over the average remaining service lives of employees. The plan's actuary has advised that it is not possible to identify separately the assets and liabilities relating to Fairthorne Manor Recreation Limited.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	Nine months ended 31 December 2002 £	Year ended 31 March 2002 £
This is arrived at after charging:		
Auditors' remuneration -audit services	2,200	600

4 Directors' remuneration

No director received any emoluments during the current period (2002 - £nil).

5 Intangible assets

	Purchased goodwill £
Cost or valuation	
At 1 April 2002 and 31 December 2002	1

6 Debtors

	31 December 2002 £	31 March 2002 £
Trade debtors	-	2,905
Amounts owed by group undertakings	71,816	-
Prepayments and accrued income	4,160	-
	75,976	2,905

All amounts shown under debtors fall due for payment within one year.

7 Creditors: amounts falling due within one year

	31 December 2002 £	31 March 2002 £
Trade creditors	**4,408**	7,410
Amounts owed to group undertakings	**-**	272,191
Taxation and social security	**15,116**	467
Accruals and deferred income	**55,344**	17,925
	74,868	297,993

8 Share capital

	Authorised		Allotted, called up and fully paid	
	31 December 2002 £	31 March 2002 £	31 December 2002 £	31 March 2002 £
Ordinary shares of £1 each	**50,000**	50,000	**5,000**	5,000

9 Pensions

The company operates a contributory pension plan providing defined benefits based on final pensionable pay for its employees. The assets of the plan are held separately from those of Fairthorne Manor Recreation Limited. At the year end, these were invested in the Legal & General and Schroders Managed Funds Units. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The pension charge for the period was £1,025 (year ended 31 March 2002 - £nil).

The most recent completed valuation was at 1 May 2002. The assumptions used which have the most significant effect on the results of the valuation are those relating to the investment yield of 6.5% per annum and the rate of earnings increase of 4.25% per annum. The result of the valuation showed that the actuarial value of the assets was £33.9m. This represented 76% of the benefits that had accrued to members, after allowing for expected future increases in earnings. However, under Section 56 of the Pension Act 1995, the Minimum Funding Requirement (the MFR) funding level was 86%. The plan's actuary has advised that it is not possible to identify separately the assets and liabilities relating to Fairthorne Manor Recreation Limited.

During the period ended 31 December 2002, contributions from employees were 6% of salary and the employer contributions were 14.4%. From 1 May 2003, the contribution rate for employees was increased to 8%, employer contributions remaining at 14.4%.

10 Commitments under operating leases

As at 31 December 2002, the company had annual commitments under non-cancellable operating leases as set out below:

	2002 £	2002 £
Operating leases which expire:		
Within one year	-	29,500
In two to five years	3,725	-
After five years	17,361	-
	21,086	29,500

11 Related party disclosures

The company has taken advantage of the exemption conferred by the Financial Reporting Standard for Smaller Entities not to disclose transactions with members of the group headed by South East Hampshire YMCA on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

Related party transactions and balances

	Owed by related party 31 December 2002 £	Owed by related party 31 March 2002 £
South East Hampshire YMCA	71,816	272,191

12 Ultimate parent company and parent undertaking of larger group

The largest group in which the results of the company are consolidated is that headed by South East Hampshire YMCA, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Cardiff, CF4 3UZ. No other group accounts include the results of the company.