Registrar
Co No: 2598141

Fairthorne Manor Recreation Limited

Report and Financial Statements

Year Ended

31 December 2008

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BDO

BDO Stoy Hayward
Chartered Accountants

Fairthorne Manor Recreation Limited

Annual report and financial statements
for the year ended 31 December 2008

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Directors

C J Hand
M Tilbury
P J Cooper
D J Adams

Secretary and registered office

C J Hand, Fairthorne Manor, Curdridge, Southampton, SO30 2GH

Company number

2598141

Auditors

BDO Stoy Hayward LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Fairthorne Manor Recreation Limited

Report of the directors
for the year ended 31 December 2008

The directors present their report together with the audited financial statements for the year ended 31 December 2008.

Results

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

Principal activities

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

Directors

The directors of the company during the year were:

C J Hand
M Tilbury
P J Cooper
D J Adams

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year 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 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; 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

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This directors' 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

C J Hand

Secretary

Date: 15-6.09

Fairthorne Manor Recreation Limited

Independent auditor's report

To the shareholders of Fairthorne Manor Recreation Limited

We have audited the financial statements of Fairthorne Manor Recreation Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions 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 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Southampton

Date: 8/7/9

Fairthorne Manor Recreation Limited

Profit and loss account
for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	**224,934**	239,792
Cost of sales		**64,856**	64,255
Gross profit		**160,078**	175,537
Administrative expenses		**148,920**	205,414
Profit/(loss) on ordinary activities before and after taxation for the financial year		**11,158**	(29,877)

The notes on pages 7 to 12 form part of these financial statements.

Fairthorne Manor Recreation Limited

Balance sheet
at 31 December 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Intangible assets	5		**1**		1
Tangible assets	6		**9,298**		259,224
			9,299		259,225
Current assets					
Stocks		**8,858**		6,276	
Debtors	7	**38,218**		5,465	
Cash at bank and in hand		**8,670**		6,419	
		55,746		18,160	
Creditors: amounts falling due within one year	8	**52,457**		275,955	
Net current assets/(liabilities)			**3,289**		(257,795)
Total assets less current liabilities			**12,588**		1,430
Capital and reserves					
Called up share capital	9		**5,000**		5,000
Profit and loss account	10		**7,588**		(3,570)
Shareholders' funds			**12,588**		1,430

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 January 2007).

The financial statements were approved by the board of directors and authorised for issue on 15th June 2009

C J Hand
Director

The notes on pages 7 to 12 form part of these financial statements.

Fairthorne Manor Recreation Limited

Notes forming part of the financial statements
for the year ended 31 December 2008

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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 Financial Reporting Standard for Smaller Entities (effective January 2007) does not require the preperation of a cash flow statement. Accordingly, the company has not prepared one.

Goodwill

Goodwill arising on an acquisition of a trade is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life which ranges from 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.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

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 over the term of the lease. 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 over the shorter of estimated useful economic life and the period of the lease.

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 is calculated so that it 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.

1 Accounting policies *(continued)*

Pension costs

Fairthorne Manor Recreation Limited participates in a multi-employer pension plan for employees of both YMCA England and member YMCA's. The plan's actuary has advised that it is not possible to identify seperately the assets and liabilities relating to Fairthorne Manor Recreation Limited for the purpose of FRS 17 disclosure.

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 qualified actuaries. Actuarial surpluses and defecits are spread over a period fo 13 years.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating profit/(loss)

	2008	**2007**
	£	**£**
This is arrived at after charging:		
Depreciation of tangible fixed assets	**5,170**	14,161
Auditors' remuneration - audit services	**2,300**	2,300
Gift Aid payment to parent charity	**12,193**	-

4 Directors' remuneration

No director received any emoluments during the current year (2007 - £Nil).

5 Intangible fixed assets

	Purchased goodwill
	£
Cost or valuation	
At 1 January 2008 and 31 December 2008	1
Net book value	
At 31 December 2007 and 31 December 2008	1

6 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2008	216,087	68,765	284,852
Additions	9,871	-	9,871
Transfers	(225,958)	(46,640)	(272,598)
At 31 December 2008	-	**22,125**	**22,125**
Depreciation			
At 1 January 2008	8,644	16,984	25,628
Provided for the year	-	5,170	5,170
Transfers	(8,644)	(9,327)	(17,971)
At 31 December 2008	-	**12,827**	**12,827**
Net book value			
At 31 December 2008	-	**9,298**	**9,298**
At 31 December 2007	207,443	51,781	259,224

7 Debtors

	2008 £	2007 £
Trade debtors	**2,468**	-
Amounts owed by group undertakings	**30,673**	-
Other debtors	**5,077**	5,465
	38,218	5,465

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

8 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	**4,465**	5,462
Amounts owed to group undertakings	**-**	229,842
Taxation and social security	**2,413**	-
Other creditors	**45,579**	40,651
	52,457	275,955

9 Share capital

	Authorised 2008 £	Authorised 2007 £	Allotted, called up and fully paid 2008 £	Allotted, called up and fully paid 2007 £
5,000 Ordinary shares of £1 each	**5,000**	5,000	**5,000**	5,000

10 Reserves

	Profit and loss account £
At 1 January 2008	(3,570)
Profit for the year	11,158
At 31 December 2008	**7,588**

11 Pensions

The company participates in a contributory pension plan providing defined benefits based on final pensionable pay for employees of YMCAs in England, Scotland and Wales. The assets of the YMCA Pension Plan are held separately from those of Fairthorne Manor Recreation Limited and at the year end these were invested in pooled funds operated by Legal & General (equities, bonds and property units) and Schroder (property units). The pension charge for the year was £868 (2007: £2,973).

The most recent completed three year valuation was at 1 May 2008. The assumptions used which have the most significant effect on the results of the valuation are those relating to investment yield of 6.75% per annum, the rate of earnings increase of 5% per annum, and the average life expectancy from normal retirement age (of 65) for an Employed Deferred Member of 24.5 years and for a Pensioner of 22.5 years. The result of the valuation showed that the actuarial value of the assets was £49.4m. This represented 62% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

During the year ended 31 December 2008, contributions for employees were 8% of salary and the employer contributions were 26%.

The plan's actuary has advised that it is not possible to identify separately the assets and liabilities relating to Fairthorne Manor Recreation Limited for the purposes of FRS 17 disclosure, and accordingly the FRS 17 deficit is not shown on the balance sheet.

After taking professional advice and having consideration to the various options open to them, YMCA England, in its capacity as Principal Employer in the YMCA Pension Plan and in conjunction with the Trustee of the YMCA Pension Plan, closed the YMCA Pension Plan with effect from 30 April 2007.

YMCA Fairthorne Group, the company's parent, has been advised that it will need to make monthly contributions of £1,776 increasing by 5% per annum to the next actuarial valuation. This amount is based on the current actuarial assumptions (as outlined above) and may vary in the future as a result of the actual performance of the Pension Plan. The current recovery period is 10 years.

In addition, Fairthorne Manor Recreation Limited may have over time liabilities in the event of the non-payment by other participating YMCAs of their share of the YMCA Pension Plan's deficit. It is not possible currently to quantify the potential amount that Fairthorne Manor Recreation Limited may need to pay in the future.

12 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2008 £	2007 £
Operating leases which expire:		
Within one year	**2,593**	1,382
After five years	**17,510**	17,510
	20,103	18,892

13 Related party disclosures

Controlling parties

The company is controlled by YMCA Fairthorne Group, its parent company.

The company has taken advantage of its exemption conferred by the Financial Reporting Standard for Smaller Entities not to disclose transactions with members of the group headed by YMCA Fairthorne Group 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 its consolidated financial statements.

Related party transactions and balances

	Amounts owed by related parties 2008 £	Amounts owed to related parties 2007 £
YMCA Fairthorne Group	**30,673**	197,413

14 Ultimate parent company and parent undertaking of larger group

The largest and smallest group in which the results of the company are consolidated is that headed by YMCA Fairthorne Group, 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, and the Charity Commission (www.charity-commission.gov.uk). No other group accounts include the results of the company.