

Penrhys Partnership Limited

(A company limited by guarantee and not share capital)

Financial Statements

for the year ended 31 March 1997

Registered no: 2699701



Penrhys Partnership Limited

Annual report

for the year ended 31 March 1997

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Penrhys Partnership Limited

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Directors and advisers

Executive directors

Rev Dr J I Morgans - Chairman
J P Sheppard
W N Morgans
G M Summers
C M Morse
Dr D C Warrell
J English

Secretary and registered office

L James
Fitzalan House
Fitzalan Road
Cardiff
CF2 1XZ

Registered Auditors

Coopers & Lybrand
Churchill House
Churchill Way
Cardiff
CF1 4XQ

Bankers

Co-operative Bank plc
South Wales Business Centre
37 Park Place
Cathays Park
Cardiff
CF1 3BB

Solicitors

Eversheds
Fitzalan House
Fitzalan Road
Cardiff
CF2 1XZ

Directors' report for the year ended 31 March 1997

The directors present herewith their report and the audited financial statements for the year ended 31 March 1997.

Principal activities

The principal activity of the company is the regeneration of the centre of the Penrhys Housing Estate in the Rhondda Valley.

Review of business and future developments

The income and expenditure account for the year is set out on page 5. The surplus for the year has been transferred to the accumulated fund.

Directors

The directors of the company at 31 March 1997, all of whom have been directors during the whole of the year ended on that date, are listed below:

Rev Dr J I Morgans (Chairman)
J P Sheppard
W N Morgans
G M Summers
C M Morse
Dr D C Warrell
J English

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1997. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Penrhys Partnership Limited

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Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board

Director, *John A. Magars.*
16 September 1997

Report of the auditors to the members of Penrhys Partnership Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors 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 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.

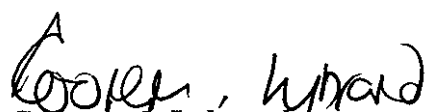
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Basis of presentation

We draw your attention to note 1 which explains that the directors consider that it would be inappropriate to present the financial statements in either of the formats set out in the Companies Act 1985. Therefore, as permitted by the Companies Act, in order to reflect the special nature of the company's activities, the directors present an income and expenditure account rather than a profit and loss account. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1997 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Coopers & Lybrand

Chartered Accountants and Registered Auditors
Cardiff,

16 September 1997

**Income and expenditure account
for the year ended 31 March 1997**

		Continuing operations 1997 £	Continuing operations 1996 £
	Notes		
Income	2	86,121	86,270
Administration expenses		(63,282)	(87,485)
Operating surplus/(deficit)		22,839	(1,215)
Interest receivable		2,885	4,831
Surplus on ordinary activities before taxation	4	25,724	3,616
Tax on interest receivable	5	(669)	(1,208)
Retained surplus for the year		25,055	2,408
Statement of accumulated funds			
Accumulated fund at 1 April 1996		125,241	122,833
Retained surplus for the year		25,055	2,408
Accumulated fund at 31 March 1997		150,296	125,241

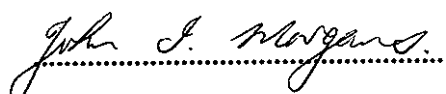
The company has no recognised gains and losses other than the surplus above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the surplus on ordinary activities before taxation and the retained surplus for the year stated above, and their historical cost equivalents.

Balance sheet at 31 March 1997

	Notes	1997 £	1996 £
Fixed assets			
Tangible assets	6	<u>915,335</u>	<u>935,517</u>
Current assets			
Debtors	7	<u>19,067</u>	<u>11,532</u>
Cash at bank and in hand		<u>75,612</u>	<u>58,011</u>
		<u>94,679</u>	<u>69,543</u>
Creditors: amounts falling due within one year	8	<u>(3,497)</u>	<u>(3,395)</u>
Net current assets		<u>91,182</u>	<u>66,148</u>
Total assets less current liabilities		<u>1,006,517</u>	<u>1,001,665</u>
Provisions for liabilities and charges	9	-	(603)
Accruals and deferred income	10	<u>(856,221)</u>	<u>(875,821)</u>
		<u>(856,221)</u>	<u>(876,424)</u>
Net assets		<u>150,296</u>	<u>125,241</u>
Capital and reserves			
Income and expenditure account		<u>150,296</u>	<u>125,241</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 16 September 1997 and were signed on its behalf by:

 Rev Dr J I Morgans (Chairman)

**Notes to the financial statements
for the year ended 31 March 1997****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Basis of presentation

The company is a non-profit amalgam of both private and public sectors working with the community and so achievements are not measured by normal commercial criteria. Accordingly, the directors consider that it would be inappropriate to present the financial statements in either of the formats set out in the Companies Act 1985. Therefore, as permitted by the Companies Act, in order to reflect the special nature of the company's activities, the directors are of the opinion that it would be more appropriate to present an income and expenditure account rather than a profit and loss account.

Cash flow

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Fixtures and fittings and equipment	15
Amphitheatre	10
Land and buildings	2

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the income and expenditure account over the related asset's useful life. Other grants are credited to the income and expenditure account when received.

Income

Income comprises revenue based grants, donations and telephone receipts.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

2 Income

All income arose within the United Kingdom.

3 Employee information

The average weekly number of persons (excluding executive directors) employed by the company during the year was:

	1997 Number	1996 Number
Administration	4	3
Security	-	1
	<u>4</u>	<u>4</u>
	<u>==</u>	<u>==</u>
	£	£
Staff costs		
Wages and salaries	62,427	72,525
Social security costs	8,510	7,037
	<u>70,937</u>	<u>79,562</u>
	<u>==</u>	<u>==</u>

Staff costs have been reduced by a transfer of £21,000 to the Trust in respect of Company staff utilised on the Canolfan Rhys Project.

4 Surplus on ordinary activities before taxation

	1997 £	1996 £
Surplus on ordinary activities before taxation is stated after crediting:		
Amortisation of government grant	19,600	19,600
Rental income	29,119	32,238
	<u> </u>	<u> </u>
And after charging:		
Depreciation charge for the year:		
Tangible owned fixed assets	22,366	22,038
Hire of other assets - operating leases	-	434
Auditors' remuneration	-	-
Directors' emoluments	-	-
	<u> </u>	<u> </u>

5 Tax on interest receivable

	1997 £	1996 £
United Kingdom corporation tax at 24% (1996: 25%)		
Current	(1,272)	(1,110)
Deferred	603	(98)
	<u> </u>	<u> </u>
	(669)	(1,208)
	<u> </u>	<u> </u>

6 Tangible fixed assets

	Land and buildings £	Amphitheatre £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 1996	968,911	13,672	8,620	991,203
Additions	-	-	2,184	2,184
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1997	968,911	13,672	10,804	993,387
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 April 1996	46,220	5,468	3,998	55,686
Charge for year	19,378	1,367	1,621	22,366
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 1997	65,598	6,835	5,619	78,052
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 March 1997	903,313	6,837	5,185	915,335
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 March 1996	922,691	8,204	4,622	935,517
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Other debtors	3,155	2,513
Prepayments and accrued income	124	6,019
Amount due from related parties	15,788	3,000
	<u>19,067</u>	<u>11,532</u>

8 Creditors: amounts falling due within one year

	1997 £	1996 £
Corporation tax	1,272	1,110
Other creditors	2,225	2,285
	<u>3,497</u>	<u>3,395</u>

9 Provisions for liabilities and charges

	Deferred Taxation £
At 1 April 1996	603
Income and expenditure account	(603)
	<u>—</u>
At 31 March 1997	<u>Nil</u>

Deferred taxation provided in the financial statements, and the total potential liability are as follows:

	Amount provided		Amount unprovided	
	1997 £	1996 £	1997 £	1996 £
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	-	-	-	-
Other	-	603	-	-
	<u>-</u>	<u>603</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>603</u>	<u>-</u>	<u>-</u>

10 Accruals and deferred income

	1997 £	1996 £
Government grants		
At 1 April 1996	875,821	894,106
Amounts received during the year	-	1,315
Amortisation in year	(19,600)	(19,600)
	<hr/>	<hr/>
At 31 March 1997	856,221	875,821
	<hr/>	<hr/>

11 Status of the company

The company is a company limited by guarantee and not share capital. The liability of the members is limited to £1 each.

12 Related parties

The directors of the company are also directors of The Penrhys Partnership Trust, an incorporated charity (registration number 2861787; charity number 1027848).

During the year the company paid ERDF project expenses on behalf of the Trust totalling £26,922, of which the Trust repaid £5,000 during the year.

Due to a bank error the Trust was charged with the Company's March 1997 salaries amounting to £6,134; this error was rectified early in the next accounting period.