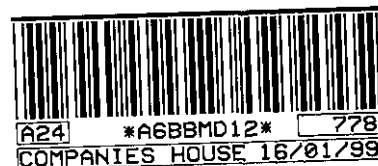


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Charterhouse Sports Centre Limited

Report and Accounts

31 August 1998



ERNST & YOUNG

Charterhouse Sports Centre Limited

Registered No. 2965748

Registered Charity No. 1049252

DIRECTORS

B T G Nicholson (Chairman)

R G O Bell

P J Benka

D F Kingsmill

SECRETARY

N Durkin

AUDITORS

Ernst & Young

Rolls House

7 Rolls Buildings

Fetter Lane

London EC4A 1NH

BANKERS

Lloyds Bank Plc

49 High Street

Godalming

Surrey GU7 1AT

SOLICITORS

Farrer & Co

66 Lincoln's Inn Fields

London WC2A 3IH

REGISTERED OFFICE

Charterhouse School

Godalming

Surrey GU7 2DF

Charterhouse Sports Centre Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 August 1998.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is to provide an educational facility for pupils of Charterhouse School and to provide sports facilities for members of the public.

The company is a registered charity.

The company is limited by guarantee. In the event of winding up every member of the company undertakes to contribute such amount as may be required, not exceeding £1 each.

RESULTS

The profit for the year amounted to £139,001. The directors consider the results for the year to be satisfactory and in line with expectations.

EVENTS SINCE THE BALANCE SHEET DATE

There have been no events since the balance sheet date which affect the accounts.

YEAR 2000 COMPLIANCE

Management have identified the broad risks to the company associated with Year 2000 compliance. We are currently in the process of contacting the suppliers of our system which could potentially be affected.

If necessary, systems will be adopted, either via an upgrade or a replacement. Amounts will be allocated from forthcoming capital and expenditure budgets once the financial impact has been determined.

DIRECTORS AND THEIR INTERESTS

The directors during the year were those listed on page 1.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the board



Secretary

11 December 1998

Charterhouse Sports Centre Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Charterhouse Sports Centre Limited

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

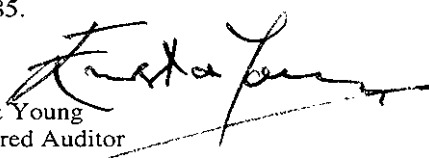
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 August 1998 and of its incoming resources and application of resources including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

11 December 1998

Charterhouse Sports Centre Limited

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 1998

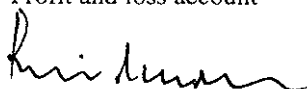
| | | <i>Total funds</i> |
|---------------------------------------------------------|------------------|--------------------|
| | <i>1998</i> | <i>1997</i> |
| | <i>£</i> | <i>£</i> |
| INCOME AND EXPENDITURE | | |
| INCOMING RESOURCES | | |
| Trading income | 755,334 | 580,913 |
| Bank and other interest | 5,592 | 3,143 |
| Total incoming resources | <u>760,926</u> | <u>584,056</u> |
| RESOURCES EXPENDED | | |
| Direct charitable expenditure | 3 515,610 | 478,282 |
| Fundraising and publicity | 4 16,317 | 25,477 |
| Management and administration of the charity | 5 89,998 | 83,345 |
| Total resources expended | <u>6 621,925</u> | <u>587,104</u> |
| Net incoming/(outgoing) resources for the year | <u>139,001</u> | <u>(3,048)</u> |
| BALANCE BROUGHT FORWARD | <u>(173,333)</u> | <u>(170,285)</u> |
| BALANCE CARRIED FORWARD | <u>(34,332)</u> | <u>(173,333)</u> |
| All activities relate to unrestricted operational funds | | |

Charterhouse Sports Centre Limited

BALANCE SHEET

at 31 August 1998

| | Notes | 1998 £ | 1997 £ |
|----------------------------------------------------------------|-------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 13,795 | 8,205 |
| CURRENT ASSETS | | | |
| Stocks | 8 | 2,790 | 1,297 |
| Debtors | 9 | 32,932 | 28,053 |
| Cash and bank balances | | 193,377 | 43,886 |
| | | 229,099 | 73,236 |
| CREDITORS: amounts falling due within one year | 10 | 71,352 | 60,080 |
| NET CURRENT ASSETS | | 157,747 | 13,156 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 171,542 | 21,361 |
| CREDITORS: amounts falling due after more than one year | 11 | 120,000 | 120,000 |
| ACCRUALS AND DEFERRED INCOME | | | |
| Members' subscriptions paid in advance | | 85,874 | 74,694 |
| | | (34,332) | (173,333) |
| CAPITAL AND RESERVES | | | |
| Profit and loss account | 12 | (34,332) | (173,333) |



B T G Nicholson

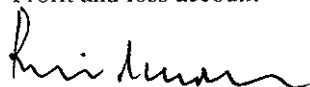
Chairman

11 December 1998

Charterhouse Sports Centre Limited

BALANCE SHEET at 31 August 1998

| | Notes | 1998 £ | 1997 £ |
|----------------------------------------------------------------|-------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 13,795 | 8,205 |
| CURRENT ASSETS | | | |
| Stocks | 8 | 2,790 | 1,297 |
| Debtors | 9 | 32,932 | 28,053 |
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| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| CREDITORS: amounts falling due after more than one year | 11 | 120,000 | 120,000 |
| ACCRUALS AND DEFERRED INCOME | | | |
| Members' subscriptions paid in advance | | 85,874 | 74,694 |
| | | (34,332) | (173,333) |
| CAPITAL AND RESERVES | | | |
| Profit and loss account | 12 | (34,332) | (173,333) |



B T G Nicholson

Chairman

11 December 1998

Charterhouse Sports Centre Limited

NOTES TO THE ACCOUNTS

at 31 August 1998

1. FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared on a going concern basis because the company is operating within budgeted projections for its first years of operation and because ongoing support will be available from the Carthusian Trust if required.

2. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention. The accounts are prepared in accordance with the Statement of Recommended Practice "Accounting by Charities", issued by the Charity Commissioners in October 1995 and other applicable accounting standards.

The company has taken advantage of the exemption in Financial Report Standard No. 1 from the requirement to produce a cash flow on the grounds that it is a small company.

Trading income

Trading income comprises membership subscriptions, guest fees and hire of facilities in the year, exclusive of value added tax.

Fixed assets and depreciation

The cost of fixed assets is written off by equal annual instalments over their expected useful lives as follows:

Plant and equipment - 3 to 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value, with due allowance for any obsolete or slow moving items.

Operational fund

The operational fund represents the working capital of the charity. The fund is not restricted by covenants or donor's criteria and is managed by the directors through setting and monitoring an annual budget for the day to day operations of the charity.

Lease commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

3. DIRECT CHARITABLE EXPENDITURE

| | 1998 £ | 1997 £ |
|--------------------|----------------|----------------|
| Cost of sales | 22,344 | 29,557 |
| Salaries | 183,704 | 185,408 |
| Premises and plant | 159,662 | 136,221 |
| Equipment expenses | 48,470 | 43,865 |
| Support costs | 91,427 | 76,770 |
| Finance costs | 5,920 | 4,312 |
| Depreciation | 4,083 | 2,149 |
| | <u>515,610</u> | <u>478,282</u> |

Charterhouse Sports Centre Limited

NOTES TO THE ACCOUNTS at 31 August 1998

4. FUNDRAISING AND PUBLICITY

| | 1998 £ | 1997 £ |
|---------------------------|-----------|-----------|
| Marketing and advertising | 16,317 | 25,477 |

5. MANAGEMENT AND ADMINISTRATION

| | 1998 £ | 1997 £ |
|-------------------|---------------|---------------|
| Salaries | 49,504 | 45,048 |
| Office costs | 18,858 | 17,421 |
| Professional fees | 7,041 | 7,043 |
| Finance charges | 2,595 | 1,833 |
| Interest paid | 12,000 | 12,000 |
| | <u>89,998</u> | <u>83,345</u> |

6. TOTAL RESOURCES EXPENDED

| | Staff costs £ | Depreciation £ | Other £ | 1998 £ | Total 1997 £ |
|-------------------------------|------------------|-------------------|----------------|----------------|--------------------|
| Direct charitable expenditure | 183,704 | 4,083 | 327,823 | 515,610 | 478,282 |
| Fundraising and publicity | - | - | 16,317 | 16,317 | 25,477 |
| Management and administration | 49,504 | - | 40,494 | 89,998 | 83,345 |
| | <u>233,208</u> | <u>4,083</u> | <u>384,634</u> | <u>621,925</u> | <u>587,104</u> |

| | 1998 £ | 1997 £ |
|-----------------------|----------------|----------------|
| Staff costs: | | |
| Wages and salaries | 211,349 | 213,296 |
| Social security costs | 21,859 | 17,160 |
| | <u>233,208</u> | <u>230,456</u> |

The average number of employees analysed by function was:

| | 1998 No. | 1997 No. |
|-------------------------------|-------------|-------------|
| Direct charitable expenditure | 21 | 25 |
| Fundraising and publicity | 1 | 1 |
| Management and administration | 6 | 3 |
| | <u>28</u> | <u>29</u> |

Charterhouse Sports Centre Limited

NOTES TO THE ACCOUNTS at 31 August 1998

7. TANGIBLE FIXED ASSETS

| | <i>Plant and equipment £</i> |
|---------------------|--------------------------------------|
| Cost: | |
| At 1 September 1997 | 10,745 |
| Additions | 9,673 |
| At 31 August 1998 | 20,418 |
| Depreciation: | |
| At 1 September 1997 | 2,540 |
| Charge for the year | 4,083 |
| At 31 August 1998 | 6,623 |
| Net book value: | |
| At 31 August 1998 | 13,795 |
| At 1 September 1997 | 8,205 |

8. STOCKS

| | <i>1998 £</i> | <i>1997 £</i> |
|------------------|-------------------|-------------------|
| Goods for resale | 2,790 | 1,297 |

9. DEBTORS

| | <i>1998 £</i> | <i>1997 £</i> |
|----------------|-------------------|-------------------|
| Sundry debtors | 10,787 | 4,446 |
| Staff loans | 14,900 | 17,900 |
| VAT | 2,032 | 493 |
| Prepayments | 5,213 | 5,214 |
| | 32,932 | 28,053 |

10. CREDITORS: amounts falling due within one year

| | <i>1998 £</i> | <i>1997 £</i> |
|---------------------------------------|-------------------|-------------------|
| Other creditors | 46,301 | 55,262 |
| Other taxes and social security costs | 25,051 | 4,818 |
| | 71,352 | 60,080 |

11. CREDITORS: amounts falling due after more than one year

| | <i>1998 £</i> | <i>1997 £</i> |
|---------------------------------------------------|-------------------|-------------------|
| Loan from the Carthusian Trust | 120,000 | 120,000 |
| Interest on the loan is charged at 10% per annum. | | |

Charterhouse Sports Centre Limited

NOTES TO THE ACCOUNTS at 31 August 1998

12. MOVEMENT ON RESERVES

| | 1998 £ | 1997 £ |
|----------------------------|-----------------|------------------|
| Profit and loss account | | |
| At 1 September 1997 | (173,333) | (170,285) |
| Profit/(loss) for the year | 139,001 | (3,048) |
| At 31 August 1998 | <u>(34,332)</u> | <u>(173,333)</u> |

13. OTHER FINANCIAL COMMITMENTS

At 31 August 1998 the company had annual commitments under non-cancellable operating leases as set out below:

| | <i>Land and buildings</i> | | <i>Other</i> | |
|--------------------------------|---------------------------|--------|--------------|------|
| | 1998 | 1997 | 1998 | 1997 |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| In over five years | 50,000 | 50,000 | 7,500 | - |