

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998**



FAROOQ & CO.
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

14 Brockhampton
Downhead Park
Milton Keynes
MK15 9BT

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

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RIVER VALLEY CENTRE - LIMITED BY GUARANTEE

COMPANY INFORMATION

Company Registration Number:	2151283
Charity Registration Number:	297501
Directors:	Mr R Goodship Mrs W Cross Mrs L Wilson Miss Merriman
Secretary:	Mrs L Wilson
Registered Office:	6 Whitehorse Drive Emerson Valley Milton Keynes Bucks MK4 2AS
Auditors:	Farooq & Co. Chartered Accountants & Reg'd Auditors 14 Brockhampton Downhead Park Milton Keynes Bucks MK15 9BT
Bankers:	Trustees Savings Bank Plc 87 Queensway Bletchley Milton Keynes Bucks MK2 2DW

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE REPORT OF THE DIRECTORS

The Directors present their Report and the Accounts of the Company for the year ended 31 March 1998.

OBJECTS, ORGANISATION AND ACTIVITIES

The Company is a charitable organisation, established to enhance the community life of the inhabitants of South Emerson Valley and District by providing communal facilities and promoting communal projects in associating with the local authorities, voluntary organisations and inhabitants.

The hall is available for hire by any individual or organisation in accordance with the standard hiring agreement and scale of charges adopted for the year. It is intended that the hall hire fees together with the revenue support from Milton Keynes Borough Council be sufficient to meet all expenditure incurred in providing the facilities to the community.

FINANCES

The attached financial statements on pages 6 to 10 show the current state of the finances which the directors consider to be satisfactory.

The hall fees received has been increased by 39% in comparison with the previous year. The revenue support from Milton Keynes borough Council also increased by 15%. There is deficit of £438 for the year under review in comparison with deficit of £905 during the previous year. The chief reason of deficit this year are mismanagement of funds by the previous Treasurer which has resulted in a £500 write off .

DIRECTORS

A member of the Management Committee constitute a director of the company for the purpose of the Companies Act 1985. The directors are elected or appointed at an annual meeting with the officers being elected from the directors. The members who were in office during the year are as follows:

Mr R Goodship

Miss W Cross

Mrs L Wilson (appointed 06.01.98)

Miss C Marriman (appointed 06.01.98)

Miss D McDowell (resigned 06.01.98)

AUDITORS

The Auditors, Farooq & Co. have signified their willingness to continue in office and their re-appointment as Auditors will be proposed at the forthcoming Annual General Meeting in accordance with section 385 of the Companies Act 1985.

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS Cont'd.....

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS AND INTERNAL CONTROLS

Financial Statements

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 as at the end of the financial year and of the profit or loss of the Company for that period. The Accounts must be prepared in compliance with the required formats and disclosures of the Companies Act 1985 and with applicable accounting standards. In addition, the Directors are required to:

- a) Select suitable accounting policies and apply them consistently;
- b) Make judgement and estimates that are reasonable and prudent;
- c) Take account of expenses and income relating to the period being reported on, whether or not they have been paid or received in that period;
- d) Prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the Accounts comply with the above requirements. The Directors are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Internal Controls

The Directors have responsibility for ensuring the effectiveness of the internal control systems of the Company, and they report that they are satisfied that those systems were working effectively throughout the period of the financial statements for the year ended 31 March 1998.

By the Order of the Board

Mrs L Wilson
Secretary



Dated...13/7/.....1998

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE

REPORT OF THE AUDITORS TO THE MEMBERS OF RIVER VALLEY CENTRE - LIMITED BY GUARANTEE

We have audited the accounts on pages 6 to 10 which have been prepared under the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 3, the Company's Directors are responsible to 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 audits 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 judgement 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. However, the evidence available to us was limited in respect of the following transactions:

1. Cash amounting to £800 was given to the former Treasurer to buy a computer. There is no receipt or any other documentary evidence in support of this transaction. In opinion of the directors, the computer's value is at £300 and therefore the remaining £500 has been written off.
2. Cash amounting to £1,200 was withdrawn by the former Treasurer to pay for the decoration and curtains. Receipts for £1,052.99 are available, but there are no receipts or any other documentary evidence in support of the remaining amount of £147.01.
3. There is a cheque payment of £107.23 to Tupples for stationery purchased. There is no receipt or any other documentary evidence in support of this transaction.
4. There are three cheque payments amounting to £158.50. There are no receipts or any other documentary evidence in support of the payments and therefore the amount has been charged to sundry expenses.

The above events reflect that there has been lack of internal control and mismanagement of funds during the year under review.

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE

REPORT OF THE AUDITORS TO THE MEMBERS OF RIVER VALLEY CENTRE - LIMITED BY GUARANTEE Cont'd...

Minutes of the meeting of the directors held during the year under review have not been made available to us. Therefore, we have been unable to obtain sufficient audit evidence if the expenditures, appointments and resignations of the directors were approved by the board.

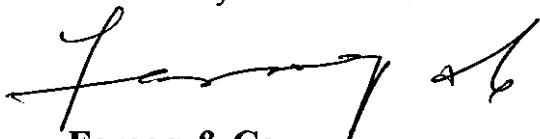
In forming our opinion, we also evaluated the overall adequacy of the presentation of the information in the Accounts.

Qualified Opinion arising from limitation in audit scope and lack of internal controls

Except for any adjustment that might have been found to be necessary had we been able to obtain sufficient evidence concerning the above mentioned transactions, in our opinion the Accounts give a true and fair view of the state of the Company's affairs as at 31st March 1998, and its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

In respect of lack of audit evidence available regarding the above transactions:

- we have not obtained all information and explanation that we considered necessary for the purpose of our audit, and
- we were unable to determine whether proper accounting records and internal control systems were maintained.



Farooq & Co.

Chartered Accountants & Registered Auditors

15 July 1998

14 Brockhampton
Downhead Park
Milton Keynes
Bucks MK15 9BT

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1998

	NOTES	1998 £	1997 £
Turnover	2	11,796	10,199
Administrative Expenses		12,300	11,187
Operating Loss	3	<u>(504)</u>	<u>- 988</u>
Interest Receivable		<u>66</u>	<u>83</u>
		(438)	(905)
Interest Payable		-	-
Profit on Ordinary Activities before Taxation		<u>(438)</u>	<u>(905)</u>
Tax Payable on Ordinary Activities	4	-	-
Profit on Ordinary Activities after Taxation		<u>(438)</u>	<u>(905)</u>
Retained Profit Brought Forward		1,563	2,468
Retained Profit Carried Forward		<u>1,125</u>	<u>1,563</u>

The Notes on pages 7 to 9 form a part of these accounts.

None of the company's activities were acquired or discontinued during the year or immediately preceding year.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 1998

	NOTES	1998		1997	
		£	£	£	£
FIXED ASSETS:					
Tangible Assets	5		453		304
CURRENT ASSETS:					
Debtors and Prepayments	6	788		435	
Cash at Bank and in Hand		<u>546</u>		<u>2,798</u>	
		1,334		3,233	
CREDITORS:					
Amounts falling due within one year	7	662		1,973	
NET CURRENT ASSETS			<u>672</u>		<u>1,260</u>
			<u>1,125</u>		<u>1,564</u>
CAPITAL AND RESERVES:					
Retained Profit	9		1,125		1,564
			<u>1,125</u>		<u>1,564</u>

The Notes on pages 7 to 9 form a part of these accounts

These financial statements were approved by the Board of Directors on 13 July 1998
and signed on its behalf by:

R Goodship
Chairman



W Cross
Treasurer



Dated 13th May 1998

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

1. ACCOUNTING POLICIES

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's financial statements.

Basis of Preparation

The accounts were prepared under the historical cost accounting convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible assets at following rates calculated to write off the cost or valuation of each asset over its expected useful life:

Plant and Equipment	25% on reducing balance
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Cash Flow Statement

The Company has taken advantage of its entitlement to exemption from FRSI as a small company.

2. TURNOVER

Turnover represents the hire fee charged, net of Value Added Tax, and the revenue support received from Milton Keynes Borough Council which are wholly attributable to the Company's principal activity.

3. OPERATING PROFIT

This is stated after charging:	1998	1997
	£	£
Auditors' Remuneration:	550	480
Depreciation	151	102

4. TAXATION

Being a charity, the company is exempt from Corporation Tax.

RIVER VALLEY CENTRE - LIMITED BY GUARANTEE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998 Cont'd.....

5. TANGIBLE FIXED ASSETS:

	Plant & Equipment £
Cost:	
At 1 st April 1997	1,450
Additions	300
	<u>1,750</u>
Depreciation:	
At 1 st April 1997	1,146
Depreciation for the Year	151
	<u>1,297</u>
Net Book Value at 31st March 1998	<u>453</u>
Net Book Value at 31st March 1997	<u>304</u>

6. DEBTORS AND PREPAYMENTS

	1998 £	1997
Trade Debtors	442	142
Prepaid Insurance	346	293
	<u>788</u>	<u>435</u>

7. CREDITORS

	1998	1997
Amounts falling due within one year		
Deposits and Rent received in advance	-	217
Creditors and Accruals	662	1,756
	<u>662</u>	<u>1,973</u>

8. SHARE CAPITAL

The Company is Limited By Guarantee and as such does not have Share Capital. In the event of the Company winding up the members' liability is restricted to £1 each.

11. STAFF NUMBERS AND COSTS

There were four (1997 four) part time persons employed during the financial year and their total wages amounted to £5,412 (1996 £5,458). Included in the wages cost is an amount of £2,056 (1997 £1,387) paid to Miss W Cross, a director and the Treasurer of the Company, who worked as a part time employee. However, article 19 (4A) of the Company's Memorandum of Association does not permit members of the Management Committee to receive any salary or benefits for their services.

12. INTEREST RECEIVABLE

The interest receivable arises from the bank deposit.

13. TRANSACTIONS INVOLVING DIRECTORS

- £30 were paid to the former Treasurer for reimbursements of telephone calls.
- One of the directors was paid wages for the work done at the centre as stated in note 11 above.
- The former Treasurer was given £800 for purchase of a computer for which no invoice or any other documentary evidence was made available. In opinion of the directors, the computer's value is at £300 and the remaining £500 has been written off. No action has been taken to recover the amount.
- The former Treasurer was given £1,200 for the decoration and curtains. The decoration was done and curtains were fitted, but there are no invoices or any other documentary evidence available in support of £147.01. The amount has been charged to decoration expenses.