

Charity Registration No. 800262

Company Registration No. 2301337 (England and Wales)

**THE FAMILY HOLIDAY ASSOCIATION
THE COUNCIL'S REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2003**

THE FAMILY HOLIDAY ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

The Council	K Graham (Chairman) A Rice (Vice Chair & Co Sec) R Liddiard (Treasurer) P Cushing P Isbell M Osamor I Reynolds J Smith A Caplin M Nicol
Charity number	800262
Company number	2301337
Principal address	16 Mortimer Street London W1T 3JL
Registered office	16 Mortimer Street London W1T 3JL
Auditors	Carter Backer Winter Highgate Hill London N19 5UU
Bankers	Barclays Bank Plc 99 Hatton Garden London EC1N 8DN Caf Bank Limited Kings Hill West Malling Kent ME19 4TA

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THE FAMILY HOLIDAY ASSOCIATION

THE COUNCIL'S REPORT FOR THE PERIOD ENDED 31 AUGUST 2003

The Council (who are the Charity's Trustees for the purposes of the Charities Act 1993 and Directors for the purposes of the Companies Act) present their annual report and the audited financial statements for the year ended 31 August 2003 . The financial statements have been prepared in accordance with the accounting policies set out on page 10 and comply with applicable law and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

The Family Holiday Association (FHA) is a registered Charity (No. 800262) and a company limited by guarantee and registered in England (No. 2301337). It is governed by its Memorandum and Articles of Association. The Council, which is its Board of Directors, is supported by various sub-committees of its members. The Memorandum and Articles require there to be a minimum of six and maximum of fifteen Council members at any time and one third of them are to be re-elected annually at the Annual General Meeting of the company by rotation.

The mission of the FHA is to improve the quality of family life for those parents and children who experience disadvantage, by providing grants for and promoting access to holidays and other recreational activities.

The scale of the problem we are attempting to address is huge. A third of British families will not take a holiday this year, most prevented from doing so because they have no spare cash and travel costs are too high. Yet the charity believes that the benefits of increased access to holidays for disadvantaged families would result in a range of social benefits ranging from relief from stress, improved mental health to reduced isolation and stronger family relationships.

We also believe that the current ad hoc statutory provision and the reliance on the voluntary sector has created a patchy support system, for families and carers who need a break, that does not do enough to address the very real issue of social exclusion.

Our declared objects for the charity are to increase the number of families that gain access to holidays; to research and promote the value of holidays for families experiencing disadvantage; and to increase awareness of the scale and scope of the problem of lack of access to holidays.

The FHA aims to achieve its objects by making efficient use of donations received and minimising overheads, in order to assist the maximum number of families each year. It is helped by having a loyal and committed staff ably supported by a team of volunteers.

Review of activities

The principal activity of the FHA during the year continued to be that of helping to provide holidays for disadvantaged families. In 2003 1,080 families went on holiday as a result of our grant-making programmes. Applications for holidays for families in need are referred to the FHA from various welfare sources such as social workers, GPs, health visitors and voluntary agencies. Applications are assessed by reference to clear criteria and funds are allocated to families through the referring agency who help with holiday bookings and arrangements.

We widened the range of holidays offered to include short-breaks and day trips in the knowledge that, sometimes, even a one-week break can be too much for some families to handle. We have subjected our holidays and the feedback we receive from families and their welfare agents to considerable monitoring over the past twelve months and have learned a great deal that will benefit our work this coming year.

Our first FHA-owned caravans have been very successful in helping provide high-quality accommodation and peak-period holidays at very cost-effective rates. We will be buying a further five caravans this spring.

The Family Breaks project, funded by the Community Fund, entered its second year and we published an interim evaluation report that showed the huge benefits that families who are particularly disadvantaged gain from supported and facilitated holidays.

THE FAMILY HOLIDAY ASSOCIATION

THE COUNCIL'S REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

In August we published a paper, commissioned from the Policy Research Bureau, on the benefits of holidays for families in need that generated considerable press and TV coverage.

The Council would like to thank long-standing member Jeremy Muller, who stood down from council in October 2002, for his many years of sterling service on behalf of the FHA and the families it seeks to help.

Future activities

The further development of our activities will see a continuation of a programme of research into the value and benefits of holidays; a strengthened commitment to the increase of monitoring and evaluation of programmes; and a desire to seek further appropriate partnerships.

The Council

K Graham (Chairman)

A Rice (Vice Chair & Co Sec)

R Liddiard (Treasurer)

J Muller (Company Secretary) (Resigned 8 October 2002)

P Cushing

P Isbell

M Osamor

I Reynolds

J Smith

Review of financial position

The results for the year are shown in the attached accounts.

Reserves policy

Council has reviewed the charity's needs for free reserves in line with the guidance issued by the Charity Commission. Council wishes to set aside reserves at a level which ensures that the FHA's core activities could continue during a period of unforeseen difficulty and believe that such reserves should be maintained in a readily realisable form. Last year Council stated a wish to see an agreed minimum reserves level established in a graduated manner within three years. Progress towards this goal is monitored and the manner of calculating necessary reserve levels reviewed by the Executive Committee and reported to each meeting of the Council.

The calculation of the required level of reserves is now an integral part of the FHA's planning, budget and forecast cycle. It takes into account: the risks associated with each stream of income and expenditure being different from that budgeted; the planned activity level; and the FHA's commitments. The Council believes that the minimum level of reserves should be calculated as a proportion of income and expenditure. Such a calculation currently suggests that reserves of between £400,000 and £775,000 are needed for the present financial year. In this, the first of a three-year programme to establish a suitable level of free reserves, they stand at £451,580, an increase from £449,049 last year.

Risk factors

Council has carried out a review of the major risks which the charity faces and is in the process of improving systems, where necessary, to mitigate those risks. Council believes that maintaining free reserves at the levels stated above, together with active review of financial and other controls, will significantly reduce exposure to risks.

Related parties

FHA is trustee of The Lloyd Thomas Charity for Women and Girls (Charity No. 252292) and administers its operations. That charity's activities are broadly similar to those of FHA, but there are relatively few transactions in the financial year.

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THE COUNCIL'S REPORT (CONTINUED) *FOR THE PERIOD ENDED 31 AUGUST 2003*

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Carter Backer Winter be reappointed as auditors of the company will be put to the Annual General Meeting.

K Graham (Chairman)

Member of Council

Dated: 11 March 2004

THE FAMILY HOLIDAY ASSOCIATION

STATEMENT OF THE COUNCIL'S RESPONSIBILITIES

Company law requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of FHA and of its income and expenditure for that period. In preparing those financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Companies Act 1985. The Council is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE FAMILY HOLIDAY ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FAMILY HOLIDAY ASSOCIATION

We have audited the accounts on pages 6 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 9 .

Respective responsibilities of the Council and auditors

As described in the statement of Council's responsibilities on page 4 the Council is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 director's 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 trustees remuneration and transactions with the company is not disclosed.

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

Basis of 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 Council 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 accounts give a true and fair view of the charitable company's state of affairs as at 31 August 2003 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Carter Backer Winter

Chartered Accountants

Registered Auditor

Highgate Hill

London

N19 5UU

Dated:

THE FAMILY HOLIDAY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2003

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2003 £	Total 2002 £
Incoming resources						
Donations and gifts		845,847	19,569	-	865,416	793,047
Grants receivable		4,406	90,000	-	94,406	98,004
Investment income		-	-	3,222	3,222	2,450
Interest receivable		11,721	942	352	13,015	7,648
Total incoming resources		861,974	110,511	3,574	976,059	901,149
Resources expended						
Direct charitable expenditure:						
Costs in furtherance of activities	3	350,841	115,773	-	466,614	385,606
Salary costs		126,706	-	-	126,706	95,393
Support costs		170,392	24,645	-	195,037	156,953
Other expenditure:						
Fundraising and publicity		62,980	-	-	62,980	64,206
Management and administration		116,735	3,765	-	120,500	73,252
Total resources expended	4	827,654	144,183	-	971,837	775,410
Net incoming/(outgoing) resources before transfers						
		34,320	(33,672)	3,574	4,222	125,739
Transfers between funds		6,272	-	(6,272)	-	-
Net incoming/(outgoing) resources		40,592	(33,672)	(2,698)	4,222	125,739
Realised losses on investment assets		-	-	(1,142)	(1,142)	-
Unrealised losses on investment assets		-	(6,547)	5,998	(549)	(7,521)
Net movement in funds		40,592	(40,219)	2,158	2,531	118,218
Fund balances at 1 September 2002		239,292	163,807	45,950	449,049	330,831
Fund balances at 31 August 2003		279,884	123,588	48,108	451,580	449,049

THE FAMILY HOLIDAY ASSOCIATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2003

	Year ended 31 August 2003 £	Year ended 31 August 2002 £
Gross income from charitable operations	972,485	898,330
Total income	<u>972,485</u>	<u>898,330</u>
Total expenditure	<u>971,837</u>	<u>775,410</u>
Net income for the period before transfers and investment asset disposals	648	122,920
Transfer from endowment funds	6,272	2,819
Net income before investment asset disposals	<u>6,920</u>	<u>125,739</u>
Loss on disposal of fixed asset investments	-	-
Net income for the period	<u><u>6,920</u></u>	<u><u>125,739</u></u>

THE FAMILY HOLIDAY ASSOCIATION

BALANCE SHEET AS AT 31 AUGUST 2003

	Notes	2003		2002	
		£	£	£	£
Fixed assets					
Tangible assets	7		78,485		24,388
Investments	8		63,459		66,627
			<u>141,944</u>		<u>91,015</u>
Current assets					
Debtors	9	14,177		42,413	
Cash at bank and in hand		320,609		339,391	
		<u>334,786</u>		<u>381,804</u>	
Creditors: amounts falling due within one year	10	(25,150)		(23,770)	
Net current assets			<u>309,636</u>		<u>358,034</u>
Total assets less current liabilities			<u>451,580</u>		<u>449,049</u>
Capital funds					
Endowment funds			48,108		45,950
Income funds					
Restricted funds			123,588		163,807
Unrestricted funds			279,884		239,292
			<u>451,580</u>		<u>449,049</u>

The accounts were approved by the Board on 11 March 2004

K Graham (Chairman)
Member of Council

A Rice (Vice Chair & Co Sec)
Member of Council

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2003

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

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

The accounts have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement. Each year the Association receives numerous gifts in kind, ranging from provision of free holidays to design, printing and publicity. Because of the variety of types and sources of donated holidays and travel arrangements, it is not considered possible to value these. However, as in the previous year, Council has incorporated as donations, the estimated value of donated Advertising, PR services, annual report printing, insurance, and holiday booking services. These have been written off under the appropriate expense headings.

1.3 Resources expended

Management and administration expenses reflect central establishment costs and do not include the costs of managing charitable projects, principally wage costs which, where they are separately identifiable, have been charged to the projects as direct charitable expenditure.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	Over the term of the lease
Office Equipment	15% pa reducing balance
Caravans	10% pa straight line

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Investments

Fixed asset investments are stated at market value. Profits or losses arising on disposals are transferred to the unrestricted fund.

1.7 Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the period in accordance with SSAP 24.

1.8 Accumulated funds

Endowment Funds

This fund is represented by long-term investments endowed upon the charity, the income from which may be used for the charity's general purpose.

Restricted Funds (see Note 2)

These are funds subject to restrictive conditions imposed by donors or by the declared purpose in

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 AUGUST 2003

appeals literature. They comprise grants from the National Lottery Charities Board designated for special projects, and funds raised less expenses in respect of Caravan Appeals.

1.9 Connected Charity

The FHA is trustee of The Lloyd Thomas Charity for Women and Girls. Its activities are very small in comparison with those of the FHA and it prepares its own accounts. There are no transactions between the charities.

2 Restricted funds

	Caravan Appeal £	National Lottery Grants £	Total £
Incoming resources			
Donations and grants received	19,569	90,000	109,569
Interest receivable	-	942	942
Total incoming resources	19,569	90,942	110,511
Resources expended			
Grants payable	-	140,418	140,418
Support costs, overheads and other expenditure	3,724	41	3,765
Total resources expended	3,724	140,459	144,183
Net (incoming)/outgoing resources	(15,845)	49,517	33,672

3 Grants payable

	Unrestricted funds £	Restricted funds £	Total 2003 £	Total 2002 £
Grants (to families and children)	350,841	115,773	466,614	385,606
	350,841	115,773	466,614	385,606

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2003 £	Total 2002 £
Costs of generating funds:					
Fundraising and publicity	-	-	62,980	62,980	64,206
Charitable expenditure:					
Grants payable	-	-	466,614	466,614	385,606
Costs in furtherance of objects	126,706	-	-	126,706	95,393
Support costs:					
Salaries and National Insurance	162,293	-	-	162,293	145,016
Overhead costs	-	11,823	20,921	32,744	4,423
	-	-	-	-	-
Management and administration	-	-	120,500	120,500	80,766
	288,999	11,823	608,035	908,857	711,204
	288,999	11,823	671,015	971,837	775,410

Management and administration costs includes payments to the auditors of £2,702.50 (2002 - £2,702.50) for audit fees .

An error in the rent calculations in the 2002 figures has had the effect of understating the management expenses for that year by £9,723 and overstating those for 2003 by a similar amount.

Management expenses increased in 2003 because of the costs of upgrading the charity's computer networks.

5 The Council

None of the the Council (or any persons connected with them) received any remuneration during the period.

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

6 Employees

Number of employees

The average monthly number of employees during the period was:

	2003	2002
	Number	Number
Grants administration	4	4
Publicity and fund raising	2	2
Administration	2	2
	<hr/> 8 <hr/>	<hr/> 8 <hr/>

Employment costs

	2003	2002
	£	£
Wages and salaries	257,179	213,758
Social security costs	21,269	17,336
Other pension costs	10,551	9,315
	<hr/> 288,999 <hr/>	<hr/> 240,409 <hr/>

The number of employees whose annual emoluments were £50,000 or more were:

	2003	2002
	Number	Number
Between £50,000 and £59,999	<hr/> 1 <hr/>	<hr/> 1 <hr/>

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

7 Tangible fixed assets

	Short Leasehold Property £	Caravans £	Office Equipment £	Total £
Cost				
At 1 September 2002	2,536	-	63,797	66,333
Additions	-	37,240	28,680	65,920
At 31 August 2003	2,536	37,240	92,477	132,253
Depreciation				
At 1 September 2002	1,777	-	40,168	41,945
Charge for the period	253	3,724	7,846	11,823
At 31 August 2003	2,030	3,724	48,014	53,768
Net book value				
At 31 August 2003	506	33,516	44,463	78,485
At 31 August 2002	759	-	23,629	24,388

8 Fixed asset investments

Quoted Investments

	£
Market value at 1 September 2002	66,627
Disposals at opening book value	(2,619)
Change in value in the period	(549)
Market value at 31 August 2003	63,459

Note: This represents the value of shares donated to the charity .

Historical cost:

At 31 August 2003	61,037
At 31 August 2002	63,521

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

9 Debtors	2003	2002
	£	£
Other debtors	6,765	36,272
Prepayments and accrued income	7,412	6,141
	<hr/>	<hr/>
	14,177	42,413
	<hr/> <hr/>	<hr/> <hr/>

10 Creditors: amounts falling due within one year	2003	2002
	£	£
Trade creditors	16,200	15,616
Taxes and social security costs	6,126	4,134
Accruals	2,824	4,020
	<hr/>	<hr/>
	25,150	23,770
	<hr/> <hr/>	<hr/> <hr/>

11 Pension costs

The company contributes to defined contribution pension schemes for qualifying employees. The assets of these schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds in the year and amounted to £10,551 (2002 - £9,315).

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2003

12 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Fund balances at 31 August 2003 are represented by:				
Tangible fixed assets	44,969	33,516	-	78,485
Investments	-	15,351	48,108	63,459
Current assets	260,064	74,722	-	334,786
Creditors: amounts falling due within one year	(25,150)	-	-	(25,150)
	<u>279,884</u>	<u>123,588</u>	<u>48,108</u>	<u>451,580</u>
Unrealised gains included above:				
On investments (see below)	-	(6,547)	8,969	2,422
	<u>-</u>	<u>(6,547)</u>	<u>8,969</u>	<u>2,422</u>
Reconciliation of movements in unrealised gains on investment assets				
Unrealised gains at 1 September 2002	-	-	2,971	2,971
Net gains on revaluations in period	-	(6,547)	5,998	(549)
	<u>-</u>	<u>(6,547)</u>	<u>5,998</u>	<u>(549)</u>
Unrealised gains at 31 August 2003	<u>-</u>	<u>(6,547)</u>	<u>8,969</u>	<u>2,422</u>

13 Commitments under operating leases

At 31 August 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
Between two and five years	<u>35,250</u>	<u>35,250</u>