

Charity Registration No. 800262

Company Registration No. 2301337 (England and Wales)

**THE FAMILY HOLIDAY ASSOCIATION
THE COUNCIL'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2005**

THE FAMILY HOLIDAY ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

The Council	K Graham (Chairman) A Rice (Vice Chair & Co Sec) R Liddiard (Treasurer) (Deceased 10 March 2006) P Cushing P Isbell I Reynolds M Osamor K Wallen A Caplin J Smith M Nicol
Secretary	A G Rice
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 Enterprise House 21 Buckle Street London E1 8NN
Bankers	Barclays Bank Plc 99 Hatton Garden London EC1N 8DN Caf Bank Limited Kings Hill West Malling Kent ME19 4TA

THE FAMILY HOLIDAY ASSOCIATION

CONTENTS

	Page
The Council's report	1 - 3
Statement of the Council's responsibilities	4
Auditors' report	5
Statement of financial activities	6
Summary income and expenditure account	7
Balance sheet	8
Notes to the accounts	9 - 14

THE FAMILY HOLIDAY ASSOCIATION

THE COUNCIL'S REPORT FOR THE YEAR ENDED 31 AUGUST 2005

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 2005 . The financial statements have been prepared in accordance with the accounting policies set out on page 9 and comply with applicable law and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in February 2005.

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 FHA 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 this 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 and the charity was able to assist directly 1200 families in this way. 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 had 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 continued to subject 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 is continuing to prove of benefit to our work.

THE FAMILY HOLIDAY ASSOCIATION

THE COUNCIL'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2005

Despite the difficult financial environment we are pleased with the Family Holiday Association's progress over the past 12 months and with the efforts of our dedicated staff led by our Director, John McDonald. Our committed council of trustees backs them up and we continue to enjoy the support of our founders Pat and Joan Laurance and our president Lady Mary Mumford DCVO.

It is with great sadness, however, that we have to record the death after a long illness of Roger Liddiard, trustee and treasurer of the FHA for the past six years. Roger passed away peacefully at home only a few days before we went to print and we are still coming to terms with losing him. Our deepest condolences go out to Tess, his wife, and his children.

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) (Deceased 10 March 2006)
P Cushing
P Isbell
I Reynolds
M Osamor
K Wallen
A Caplin
J Smith
M Nicol

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. In 2002 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 suggested that reserves of between £400,000 and £775,000 were needed. Whilst reserves have fallen below the parameters set, pressure on Charitable donations throughout the sector has not allowed us to increase them any further at this stage, and they stand at £351,495 (2004 - £405,193).

THE FAMILY HOLIDAY ASSOCIATION

THE COUNCIL'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2005

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.

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: 24 March 2006

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 14 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

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Carter Backer Winter
Chartered Accountants
Registered Auditor
Enterprise House
21 Buckle Street
London
E1 8NN

Dated: 24 March 2006

THE FAMILY HOLIDAY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2005

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2005 £	Total 2004 £
Incoming resources						
Donations and gifts		734,420	-	10,922	745,342	769,891
Legacies receivable		12,681	-	-	12,681	70,689
Millenium Fund Grant		-	-	-	-	-
Grants receivable		7,148	-	-	7,148	1,508
Investment income		-	-	3,143	3,143	3,550
Interest receivable		4,756	-	-	4,756	7,581
Total incoming resources		759,005	-	14,065	773,070	853,219
Resources expended						
Direct charitable expenditure:						
Costs in furtherance of activities	2	361,668	-	-	361,668	371,676
Salary costs		118,979	-	-	118,979	135,333
Support costs		85,556	-	-	85,556	97,129
Other expenditure:						
Fundraising and publicity		181,352	-	-	181,352	195,001
Management and administration		94,319	-	-	94,319	105,280
Total resources expended	3	841,874	-	-	841,874	904,419
Net (outgoing)/incoming resources before transfers		(82,869)	-	14,065	(68,804)	(51,200)
Transfers between funds		3,143	-	(3,143)	-	-
Net (outgoing)/incoming resources		(79,726)	-	10,922	(68,804)	(51,200)
Realised gains/(losses) on investment assets		-	-	2,224	2,224	(364)
Unrealised gains/(losses) on investment assets		-	-	12,881	12,881	5,177
Net movement in funds		(79,726)	-	26,027	(53,699)	(46,387)
Fund balances at 1 September 2004		331,824	-	73,370	405,194	451,580
Fund balances at 31 August 2005		252,098	-	99,397	351,495	405,193

THE FAMILY HOLIDAY ASSOCIATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2005

	2005 £	2004 £
Gross income from charitable operations	759,005	849,669
Total income	<u>759,005</u>	<u>849,669</u>
Total expenditure	<u>841,874</u>	<u>904,419</u>
Net expenditure for the year before transfers and investment asset disposals	(82,869)	(54,750)
Transfer (to)/from endowment funds	3,143	(16,899)
Net expenditure before investment asset disposals	<u>(79,726)</u>	<u>(71,649)</u>
Loss on disposal of fixed asset investments	-	-
Net expenditure for the year	<u><u>(79,726)</u></u>	<u><u>(71,649)</u></u>

THE FAMILY HOLIDAY ASSOCIATION

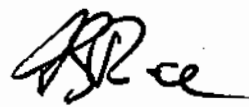
BALANCE SHEET AS AT 31 AUGUST 2005

	Notes	2005		2004	
		£	£	£	£
Fixed assets					
Tangible assets	6	163,391		185,456	
Investments	7	84,214		63,286	
		<u>247,605</u>		<u>248,742</u>	
Current assets					
Debtors	8	22,002		23,068	
Cash at bank and in hand		98,148		150,912	
		<u>120,150</u>		<u>173,980</u>	
Creditors: amounts falling due within one year	9	<u>(16,260)</u>		<u>(17,529)</u>	
Net current assets		<u>103,890</u>		<u>156,451</u>	
Total assets less current liabilities		<u>351,495</u>		<u>405,193</u>	
Capital funds					
Endowment funds		99,397		73,370	
Income funds					
Unrestricted funds		252,098		331,823	
		<u>351,495</u>		<u>405,193</u>	

The accounts were approved by the Board on 24 March 2006



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 YEAR ENDED 31 AUGUST 2005

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention.

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 advertising, PR services, insurance, and holiday booking services, it is not considered possible to value these. However, Council has incorporated as donations, the estimated value of annual report printing and certain specific donated holidays and travel arrangements. 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 (which are all UK based) 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 year in accordance with FRS17.

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.

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2005

1 Accounting Policies

(continued)

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 Grants payable

	2005 £	2004 £
Grants (to families and children)	361,668	371,676
	<u>361,668</u>	<u>371,676</u>

3 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2005 £	Total 2004 £
Costs of generating funds:					
Fundraising and publicity	118,848	-	62,504	181,352	195,001
Charitable expenditure:					
Grants payable	-	-	361,668	361,668	371,676
Costs in furtherance of objects	118,979	-	-	118,979	135,333
Support costs:					
Salaries and National Insurance	47,083	-	-	47,083	37,024
Overhead costs	-	23,110	15,363	38,473	60,105
	-	-	-	-	-
Management and administration	-	-	94,319	94,319	105,280
	<u>166,063</u>	<u>23,110</u>	<u>471,349</u>	<u>660,522</u>	<u>709,418</u>
	<u>284,911</u>	<u>23,110</u>	<u>533,853</u>	<u>841,874</u>	<u>904,419</u>

Management and administration costs includes payments to the auditors of £2937.50 (2004- £2,937.50) for audit fees .

Salary costs relating to fund-raising activities have been re-allocated to that heading on page 6.

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2005

4 The Council

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

5 Employees

Number of employees

The average monthly number of employees during the year was:

	2005 Number	2004 Number
Grants administration	4	4
Publicity and fund raising	3	3
Administration	2	2
	<u>9</u>	<u>9</u>

Employment costs

	2005 £	2004 £
Wages and salaries	250,298	271,298
Social security costs	25,646	24,747
Other pension costs	8,967	7,377
	<u>284,911</u>	<u>303,422</u>

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

	2005 Number	2004 Number
Between £50,000 and £59,999	<u>1</u>	<u>1</u>

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2005

6 Tangible fixed assets

	Short Leasehold Property £	Caravans £	Office Equipment £	Total £
Cost				
At 1 September 2004	2,536	161,140	99,662	263,338
Additions	-	-	1,045	1,045
At 31 August 2005	2,536	161,140	100,707	264,383
Depreciation				
At 1 September 2004	2,283	19,838	55,761	77,882
Charge for the year	253	16,114	6,743	23,110
At 31 August 2005	2,536	35,952	62,504	100,992
Net book value				
At 31 August 2005	-	125,188	38,203	163,391
At 31 August 2004	253	141,302	43,901	185,456

7 Fixed asset investments

Quoted Investments

	£
Market value at 1 September 2004	63,286
Disposals	(4,113)
	59,173
Shares donated (at market value at date of gift)	10,922
Change in value in the year	14,119
Market value at 31 August 2005	84,214
Historical cost:	
At 31 August 2005	64,566
At 31 August 2004	56,519

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2005

8 Debtors	2005	2004
	£	£
Other debtors	15,925	15,009
Prepayments and accrued income	6,077	8,059
	<u>22,002</u>	<u>23,068</u>
9 Creditors: amounts falling due within one year	2005	2004
	£	£
Trade creditors	5,832	4,083
Taxes and social security costs	7,490	6,785
Accruals	2,938	6,661
	<u>16,260</u>	<u>17,529</u>

10 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 £8,967 (2004- £7,377).

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2005

11 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31 August 2005 are represented by:				
Tangible fixed assets	163,391	-	-	163,391
Investments	-	-	84,214	84,214
Current assets	105,359	-	14,791	120,150
Creditors: amounts falling due within one year	(16,260)	-	-	(16,260)
	<u>252,490</u>	<u>-</u>	<u>99,005</u>	<u>351,495</u>
Unrealised gains included above:				
On investments (see below)	-	-	19,648	19,648
	<u>-</u>	<u>-</u>	<u>19,648</u>	<u>19,648</u>
Reconciliation of movements in unrealised gains on investment assets				
Unrealised gains at 1 September 2004	-	-	6,767	6,767
In respect of disposals in year	-	-	985	985
Net gains on revaluations in year	-	-	11,896	11,896
Unrealised gains at 31 August 2005	<u>-</u>	<u>-</u>	<u>19,648</u>	<u>19,648</u>

12 Commitments under operating leases

At 31 August 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2005 £	2004 £
Expiry date:		
Between two and five years	-	35,250
	<u>-</u>	<u>35,250</u>