

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 2002**



THE FAMILY HOLIDAY ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

The Council	K Graham (Chairman)
	A Rice (Vice Chair)
	P Cushing
	P Isbell
	M Osamor
	I Reynolds
	R Liddiard (Treasurer)
Charity number	800262
Company number	2301337
Principal address	16 Mortimer Street London W1N 7RD
Registered office	16 Mortimer Street London W1N 7RD
Auditors	Carter Backer Winter Highgate Hill London N19 5UU
Bankers	Barclays Bank Plc 99 Hatton Garden London EC1N 8DN
	Cafcash 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 - 15

THE FAMILY HOLIDAY ASSOCIATION

THE COUNCIL'S REPORT FOR THE YEAR ENDED 31 AUGUST 2002

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 2002. The financial statements have been prepared in accordance with the accounting policies set out on pages 9 and 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 work of the Family Holiday Association is set against a background where in 1999/2000 there were some 13.3 million people living in poverty in the UK and where child poverty is still three times higher than it was 20 years ago.

Recent research involving 310 GPs provided an overwhelming endorsement of the benefits of holidays. According to the report, the vast majority of GPs said that holidays are beneficial in alleviating the symptoms that stem from poverty, isolation, lack of family/community support, stress at work and living in an unsafe neighbourhood. It is the belief of the FHA that access to holidays should form an integral part of an overall framework of support for families in need.

The FHA believes in offering families a choice of holidays and encouraging the family to become involved in the choice and organising of the break. In order to avoid the danger of stigmatisation family identity is protected at all times.

The FHA believes that in most cases the interest of the child is advanced by the strengthening of family bonds through a family holiday.

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 in this objective by having a loyal and committed office staff ably supported by a team of volunteers. Use is made of the most up-to-date technology.

Review of activities

The principal activity of the FHA during the year continued to be that of providing holidays for disadvantaged families, and the charity was able to assist directly over 900 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.

The appointment of John McDonald as Director at the beginning of the year was quickly followed by a strategic review of the charity's activities that led to a restating of the organisation's vision, mission and objectives.

THE FAMILY HOLIDAY ASSOCIATION

THE COUNCIL'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

The objectives of the charity were stated as being:

- To increase the number of families that gain access to holidays.
- To research and promote the value of holidays for families experiencing disadvantage.
- To increase awareness of the scale and scope of the problem of lack of access to holidays.

As part of this process the charity is looking to develop a wider portfolio of projects, each aimed at meeting one or more of the objectives and all focused on delivering the FHA's mission.

The Family Breaks Project is a good example of the charity refocusing its work. Time was taken to reconsider the best way to implement this Community Fund supported programme of group holidays for particularly disadvantaged families. The national charity HomeStart was recruited as a partner and the programme was reconstructed around a logical framework model with an external evaluation to be carried out by the Thomas Coram Institute.

Another major issue the charity realised it had to address was the need to provide families with school-age children the option of access to holidays during school holiday periods. Council made the decision to purchase static caravans at popular sites around the country that could provide economical accommodation during these normally expensive peak-season periods. An appeal for funds to the charity's supporters produced over £100,000, enough to buy five caravans. The first two caravans, to be used primarily by families with children of appropriate school age, will be on site at Butlins Skegness from Spring 2003.

Existing partnerships have been strengthened, like the one with the trade union, Unison, which provides joint funding of holidays for out-of-work Unison members and their families.

The FHA wishes to make efficient use of the donations it receives and it is helped in doing so by having a loyal and committed staff ably supported by a team of volunteers.

The Council would like to thank long-standing member Denis Ross, who stood down at the last AGM, 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 has been strengthened by the recent appointment of a programme and policy manager, Thea Joldersma; the start 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)

J Muller (Company Secretary)

(Resigned 8 October 2002)

P Cushing

P Isbell

M Osamor

D Ross

(Resigned 17 June 2002)

I Reynolds

R Liddiard (Treasurer)

Review of financial position

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

THE FAMILY HOLIDAY ASSOCIATION

THE COUNCIL'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

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 £285,243, an increase from £276,862 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.

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: 19 March 2003

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.

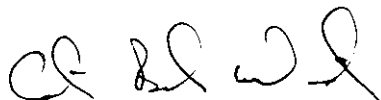
Basis of opinion

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 2002 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
Highgate Hill
London
N19 5UU

Dated: 14th April 2003

THE FAMILY HOLIDAY ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2002

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2002 £	Total 2001 £
Incoming resources						
Donations and gifts		706,961	86,086	-	793,047	947,431
Grants receivable		10,004	88,000	-	98,004	105,361
Investment income		-	-	2,450	2,450	24,448
Interest receivable		5,786	1,493	369	7,648	-
Total incoming resources		722,751	175,579	2,819	901,149	1,077,240
Resources expended						
Direct charitable expenditure:						
Costs in furtherance of activities	3	316,298	69,308	-	385,606	644,942
Salary costs		90,779	4,614	-	95,393	91,732
Support costs		149,439	-	-	149,439	141,744
Other expenditure:						
Fundraising and publicity		64,206	-	-	64,206	167,498
Management and administration		80,168	598	-	80,766	99,949
Total resources expended	4	700,890	74,520	-	775,410	1,145,865
Net incoming resources before transfers		21,861	101,059	2,819	125,739	(68,625)
Transfers between funds		2,819	10,000	(12,819)	-	-
Net incoming/(outgoing) resources		24,680	111,059	(10,000)	125,739	(68,625)
Realised gains on investment assets		-	-	-	-	(98)
Unrealised gains on investment assets		-	(1,221)	(6,300)	(7,521)	(9,472)
Net movement in funds		24,680	109,838	(16,300)	118,218	(78,195)
Fund balances at 1 September 2001		214,612	53,969	62,250	330,831	409,026
Fund balances at 31 August 2002		239,292	163,807	45,950	449,049	330,831

THE FAMILY HOLIDAY ASSOCIATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2002

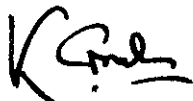
	Year ended 31 August 2002 £	Year ended 31 August 2001 £
Gross income from charitable operations	898,330	1,074,308
Total income	898,330	1,074,308
Total expenditure	775,410	1,145,865
Net income/(expenditure) for the year before transfers and investment asset disposals	122,920	(71,557)
Transfer from endowment funds	2,819	2,932
Net income/(expenditure) before investment asset disposals	125,739	(68,625)
Loss on disposal of fixed asset investments	-	(98)
Net income/(expenditure) for the year	125,739	(68,723)

THE FAMILY HOLIDAY ASSOCIATION

BALANCE SHEET AS AT 31 AUGUST 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	7	24,388		21,937	
Investments	8	66,627		52,250	
		<u>91,015</u>		<u>74,187</u>	
Current assets					
Debtors	9	42,413		52,280	
Cash at bank and in hand		339,391		302,469	
		<u>381,804</u>		<u>354,749</u>	
Creditors: amounts falling due within one year	10	(23,770)		(98,105)	
Net current assets		<u>358,034</u>		<u>256,644</u>	
Total assets less current liabilities		<u>449,049</u>		<u>330,831</u>	
Capital funds					
Endowment funds		45,950		62,250	
Income funds					
Restricted funds		163,807		53,969	
Unrestricted funds:					
Other charitable funds		239,292		214,612	
		<u>449,049</u>		<u>330,831</u>	

The accounts were approved by the Council on 19 March 2003



K Graham (Chairman)
Member of Council



A Rice (Vice Chair)
Member of Council

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2002

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 & Furniture	15% pa reducing balance

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 year in accordance with SSAP 24.

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

1 Accounting Policies

(continued)

1.9 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. It included the sum of £10,000 donated in the name of the 'Jackson Lewis Memorial Trust Fund', and held as part of the bank balances. However, at the request of the donor, it has now been earmarked towards purchase of a caravan and is therefore included in 'Restricted Funds.'

Restricted Funds (see Note 2)

These are funds subject to restrictive conditions imposed by donors or by the declared purpose in appeals literature. They comprise grants from the Community Fund of the National Lottery Charities Board designated for special projects, and funds raised for the Charity's caravan appeal.

1.10 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

	Time 2 Care £	Caravan Appeal £	National Lottery Grants £	Total £
Incoming resources				
Donations and grants received	1,914	84,172	88,000	174,086
Interest receivable	1,493	-	-	1,493
Total incoming resources	3,407	84,172	88,000	175,579
Resources expended				
Grants payable	49,033	-	20,275	69,308
Support costs, overheads and other expenditure	5,212	-	-	5,212
Total resources expended	54,245	-	20,275	74,520
Net incoming resources	(50,838)	84,172	67,725	101,059

The excess of Time2Care grants paid over incoming resources was covered by funds brought forward from the previous year.

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

3 Grants payable

	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
Grants (to families and children)	316,298	69,308	385,606	644,942
	<u>316,298</u>	<u>69,308</u>	<u>385,606</u>	<u>644,942</u>

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2002 £	Total 2001 £
Costs of generating funds:					
Fundraising and publicity	-	-	64,206	64,206	167,498
Charitable expenditure:					
Grants payable	-	-	385,606	385,606	644,942
Costs in furtherance of objects	95,393	-	-	95,393	91,732
Support costs:					
Salaries and National Insurance	145,016	-	-	145,016	137,798
Overhead costs	-	4,423	-	4,423	3,946
	-	-	-	-	-
Management and administration	-	-	80,766	80,766	99,949
	<u>240,409</u>	<u>4,423</u>	<u>466,372</u>	<u>711,204</u>	<u>978,367</u>
	<u>240,409</u>	<u>4,423</u>	<u>530,578</u>	<u>775,410</u>	<u>1,145,865</u>

Management and administration costs includes payments to the auditors of £2,482.50 (2001- £2,820) for audit fees .

5 The Council

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

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2002 Number	2001 Number
Grants administration	4	3
Publicity and fund raising	2	1
Administration	1	1
	<u>7</u>	<u>5</u>

Employment costs

	2002 £	2001 £
Wages and salaries	213,758	186,665
Social security costs	17,336	16,908
Other pension costs	9,315	5,983
	<u>240,409</u>	<u>209,556</u>

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

	2002 Number	2001 Number
Between £50,000 and £59,999	<u>1</u>	<u>-</u>

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

7 Tangible fixed assets

	Short Leasehold Property £	Office Equipment £	Total £
Cost			
At 1 September 2001	2,536	56,922	59,458
Additions	-	6,875	6,875
At 31 August 2002	2,536	63,797	66,333
Depreciation			
At 1 September 2001	1,523	35,999	37,522
Charge for the year	254	4,169	4,423
At 31 August 2002	1,777	40,168	41,945
Net book value			
At 31 August 2002	759	23,629	24,388
At 31 August 2001	1,013	20,924	21,937

8 Fixed asset investments

Quoted Investments

	£
Market value at 1 September 2001	52,250
Acquisitions at cost (note)	21,898
Change in value in the year	(7,521)
Market value at 31 August 2002	66,627

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

Historical cost:

At 31 August 2002	63,521
At 31 August 2001	41,623

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

9 Debtors	2002 £	2001 £
Other debtors	36,272	37,577
Prepayments and accrued income	6,141	14,703
	<u>42,413</u>	<u>52,280</u>

10 Creditors: amounts falling due within one year	2002 £	2001 £
Trade creditors	15,616	68,804
Taxes and social security costs	4,134	4,807
Accruals	4,020	24,494
	<u>23,770</u>	<u>98,105</u>

11 Pension costs

The charity 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 £9,315 (2001- £5,983).

THE FAMILY HOLIDAY ASSOCIATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

12 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31 August 2002 are represented by:				
Tangible fixed assets	24,388	-	-	24,388
Investments	-	20,677	45,950	66,627
Current assets	238,674	143,130	-	381,804
Creditors: amounts falling due within one year	(23,770)	-	-	(23,770)
	<u>239,292</u>	<u>163,807</u>	<u>45,950</u>	<u>449,049</u>
Unrealised gains included above:				
On investments (see below)	-	(1,221)	4,327	3,106
	<u>-</u>	<u>(1,221)</u>	<u>4,327</u>	<u>3,106</u>
Reconciliation of movements in unrealised gains on investment assets				
Unrealised gains at 1 September 2001	-	-	10,627	10,627
Net gains on revaluations in year	-	(1,221)	(6,300)	(7,521)
Unrealised gains at 31 August 2002	<u>-</u>	<u>(1,221)</u>	<u>4,327</u>	<u>3,106</u>

13 Commitments under operating leases

At 31 August 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2002	2001
	£	£
Expiry date:		
Between two and five years	<u>30,000</u>	<u>30,000</u>