



# British Parachute Association Limited

BPA offices, Wharf Way, Glen Parva, Leicester LE2 9TF

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skydive@bpa.org.uk www.bpa.org.uk

## Accounts 2010-2011

### BRITISH PARACHUTE ASSOCIATION LIMITED

(A Company Limited By Guarantee and not having a Share Capital under the Companies Act 2006)

Company Registration No. 875429 (England and Wales)

### REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

#### COMPANY INFORMATION

##### Directors

A Busby  
P Applegate  
R Head  
A Bond  
S Saunders  
J Page  
P Moore  
I Marshall  
C Poxon  
Ms E Stoodley  
K Brady  
M Soulsby

##### Secretary

J D Gretton

##### Company number

875429

##### Registered office

5 Wharf Way  
Glen Parva  
Leicester  
LE2 9TF

##### Auditors

HW, Chartered Accountants  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

##### Business Address

5 Wharf Way  
Glen Parva  
Leicester  
LE2 9TF

#### COUNCIL

##### Chairman

M Soulsby

##### Vice Chairman

C Poxon

##### Treasurer

Mrs D Carter

##### Other Members

P Applegate  
A Busby (Appointed 22/01/2010)  
I Marshall  
Ms E Stoodley  
R Head  
S Saunders  
A Bond  
J Page (Appointed 22/01/2010)  
K Brady  
P Moore  
A Scott (Resigned 22/01/2010)  
C Beattie (Resigned 22/01/2010)  
P Ledden (Resigned 22/01/2010)  
J Smyth (Resigned 22/01/2010)  
J Horne (Resigned 22/01/2010)

#### PRINCIPAL ACTIVITIES AND REVIEW OF THE YEAR

The principal activity of the Association continues to be that of the promotion and encouragement of sport parachuting and maintenance of safety standards.

There has been an increase in membership subscriptions of some £16,000 but a fall in income from training. Expenditure has been broadly similar to last year. The exceptions are costs relating to the website, which had undergone a major revamp, competitions, where the timing of events affects costs, and the magazine where the move to Archant has both increased advertising revenue and reduced costs.

Overall this has resulted in a surplus of £121,661 (2010 - £69,563) to be carried forward.

#### AUDITORS

A resolution proposing that HW, Chartered Accountants be reappointed as auditors of the Association will be put at the Annual General Meeting.

#### STATEMENT OF COUNCIL'S RESPONSIBILITIES

The council is responsible for preparing the council's report and the accounts in accordance with applicable law and regulations.

Company law requires the council to prepare accounts for each financial year. Under that law the council have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the council must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing these accounts, 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 Association will continue in business.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the accounts comply with the Companies Act 2006. The Council is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### STATEMENT OF DISCLOSURE TO AUDITORS

So far as the council is aware, there is no relevant audit information of which the Association's auditors are unaware. Additionally, the council have taken all the necessary steps that they ought to have taken as a council in order to make themselves aware of all relevant audit information and to establish that the Association's auditors are aware of that information.

The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Council:

D Carter  
**Treasurer**  
2 September 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH PARACHUTE ASSOCIATION LIMITED**

We have audited the accounts of the British Parachute Association Limited for the year ended 30 June 2011 set out on pages 2 to 4. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditors' 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 Association and the Association's members as a body corporate, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF COUNCIL AND AUDITORS**

As explained more fully in the council's responsibilities statement set out on page 1, the council is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE ACCOUNTS**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the council; and the overall presentation of the accounts.

**OPINION ON ACCOUNTS**

In our opinion, the accounts:

- Give a true and fair view of the state of the Association's affairs as at 30 June 2011 and of its surplus for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Council's Report for the financial year for which the accounts are prepared is consistent with the accounts.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The accounts are not in agreement with the accounting records and returns; or
- Certain disclosures of remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The council were not entitled to prepare the accounts and the Council's Report in accordance with the small companies regime.

S Butler (Senior Statutory Auditor)  
For and on behalf of HW, Chartered Accountants 2 September 2011

Chartered Accountants  
Statutory Auditor  
Sterling House  
97 Lichfield Street  
Tamworth  
Staffordshire  
B79 7QF

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2011**

	Note	£	2011 £	£	2010 £
<b>INCOME</b>					
Members' subscriptions					
• Full			579,353		563,380
• Temporary			2,985		3,541
Sales of manuals, safety information, badges			2,211		1,992
Magazine subscriptions			760		2,191
Magazine advertising revenue			66,143		56,719
Starter magazine advertising revenue			10,059		9,950
Calendar advertising revenue			4,550		3,714
Club affiliation			4,640		4,640
Instructor training					
• Courses			11,986		14,134
• Administration			9,925		15,917
Other income			13,062		12,203
Interest receivable	3		877		1,641
Credit card commission receivable			1,622		1,795
Display team administration			1,402		1,899
Website advertising revenue			3,349		6,388
Magazine website advertising revenue			-		34
<b>TOTAL INCOME</b>			<b>712,924</b>		<b>700,138</b>
<b>INSURANCE</b>					
Insurance received			1,019,077		1,042,320
Insurance paid			1,021,707		1,047,312
			<u>2,630</u>		<u>4,992</u>
<b>EXPENDITURE</b>					
Operating costs	4		135,327		144,190
Staff costs	5		238,910		230,446
Website costs			19,803		5,516
IPC conference			2,733		3,013
Manuals, safety information and badges			1,220		659
Magazine			111,600		130,850
BPA calendar costs			4,950		5,676
Starter magazine			11,397		15,215
Miscellaneous meetings			2,557		4,917
			<u>528,497</u>		<u>540,482</u>
<b>SURPLUS INCOME OVER EXPENDITURE</b>			<b>181,797</b>		<b>154,664</b>
<b>EXPENDITURE CONTINUED:</b>					
Safety			7,955		8,168
Instructor training			15,126		20,583
Development			883		521
Competitions			36,172		55,829
			<u>60,136</u>		<u>85,101</u>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>			<b>121,661</b>		<b>69,563</b>

Movements on the accumulated fund are set out on page 3.

The Association has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the result for the year and its historical cost equivalent.

There were no discontinued operations.

**BALANCE SHEET  
AS AT 30 JUNE 2010**

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Tangible Assets	6		54,002		58,658
Investments at cost	7		566,000		566,000
			<u>620,002</u>		<u>624,658</u>
<b>CURRENT ASSETS</b>					
Stock		1,826		2,490	
Debtors	8	128,582		139,150	
Cash at bank and in hand	9	1,477,405		1,369,784	
		<u>1,607,813</u>		<u>1,511,424</u>	
<b>CREDITORS</b> - amounts falling due within one year					
	10	790,496		820,424	
<b>NET CURRENT ASSETS</b>			<u>817,317</u>		<u>691,000</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,437,319</u>		<u>1,315,658</u>
<b>ACCUMULATED FUND</b>					
Balance at 1 July 2010			1,315,658		1,246,095
Surplus for the year			121,661		69,563
Balance at 30 June 2011			<u>1,437,319</u>		<u>1,315,658</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Council for issue on 2 September 2011 and signed on its behalf by:

M Soulsby - **Chairman**

D Carter - **Treasurer**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

**1. ACCOUNTING POLICIES**

1.1. The accounts are prepared under the historical cost convention modified by the revaluation of freehold property, and in accordance with applicable Accounting Standards. On the adoption of FRS15 the Association followed the transitional provisions to retain the book value of its land and buildings which were revalued in 1996 but do not adopt a policy of revaluation in the future. This value is retained subject to the requirement to test assets for impairment in accordance with FRS11. In order for these financial statements to retain a true and fair view departures have been made from prescribed formats for the Income and Expenditure Account.

1.2. Depreciation is charged on the cost of tangible fixed assets net of grants received, so as to write them off over their estimated useful lives in equal instalments at the following annual rates:

Freehold property	2% on cost
Office fixtures	20% on cost
Exhibition equipment	25% on cost
Training equipment	20% on cost
Office equipment	25% on cost

1.3. All leases are 'operating leases' and the relevant annual rentals are charged wholly to the income and expenditure account.

1.4. Stocks are valued at the lower of cost and net realisable value.

1.5. Annual membership subscriptions are brought into account on an accruals basis, whilst temporary memberships are brought into account only when received. The accruals concept is also applied to the insurance premium which is incorporated into each membership regardless of type.

1.6. Corporation tax is provided for at current rates of tax on taxable investment income.

1.7. The pension scheme is a defined contribution scheme and payments are charged to the income and expenditure account when paid.

**2. OPERATING SURPLUS**

	2011 £	2010 £
Operating surplus is stated after charging:		
Audit fees	3,010	2,815
Depreciation	4,657	4,834
Operating lease rentals	3,620	2,086

**3. INTEREST RECEIVABLE**

	2011 £	2010 £
Gross interest received	688	1,990
Less: Provision for Corporation Tax at 21% (2010 - 21%)	189	(349)
	<u>877</u>	<u>1,641</u>

**4. OPERATING COSTS**

	2011 £	2010 £
Rates, heat and light	9,202	10,284
Depreciation of fixed assets	4,657	4,834
Staff and council expenses	7,811	5,388
Postage	9,133	9,172
Telephone and fax	2,911	2,797
Printing and stationery	13,904	14,707
General expenses	4,530	6,708
Hire of office equipment - operating leases	3,620	2,086
Audit fee	3,010	2,815
Insurance	3,872	4,629
Legal and professional	-	250
Subscriptions	16,429	20,552
Bank charges	2,677	2,738
Credit card commissions	5,455	4,982
Bad and doubtful debts	-	(1,179)
General meetings	7,672	9,257
Repairs and renewals	7,474	10,436
Office cleaning	2,632	1,177
Election of Council	-	3,977
CAA approval charge	27,017	26,749
EASA consultancy	3,321	1,831
	<u>135,327</u>	<u>144,190</u>

**5. STAFF COSTS**

	2011 £	2010 £
Wages and salaries	208,149	199,959
Social security costs	20,657	19,708
Pension contributions	6,441	6,306
Health insurance	3,663	4,473
	<u>238,910</u>	<u>230,446</u>

The average number of persons employed by the Association during the year was:

Officers and administration	<u>9</u>	<u>9</u>
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## 6. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Office Fixtures & Equipment £	Competitions, Training & Exhibition Equipment £	Total £
<b>COST OR VALUATION:</b>				
At 1 July 2010	69,965	90,516	26,876	187,357
Additions	-	-	-	-
At 30 June 2011	<u>69,965</u>	<u>90,516</u>	<u>26,876</u>	<u>187,357</u>
Being:				
Improvements	2,965	90,516	26,876	120,357
Valuation - 1996	<u>67,000</u>	-	-	<u>67,000</u>
DEPRECIATION				
At 1 July 2010	17,813	85,259	25,627	128,699
Charge for the year	1,399	2,841	417	4,657
At 30 June 2011	<u>19,212</u>	<u>88,100</u>	<u>26,044</u>	<u>133,356</u>
NET BOOK VALUE:				
At 30 June 2011	50,753	2,416	833	54,002
At 30 June 2010	<u>52,152</u>	<u>5,257</u>	<u>1,249</u>	<u>58,658</u>

The original cost of freehold land and buildings was £78,000.

The transitional rules of FRS15 are being adopted. The freehold land and buildings were valued at estimated market value by the Council at 30 June 1996 on the basis of continuing use.

The book amount of the property has been tested for impairment in accordance with FRS11 and there is no indication that any impairment may have occurred.

## 7. INVESTMENTS

The Association has purchased units in five investment bonds at a total cost of £566,000 (2010 - £566,000). These investments are for terms of 3 to 5 years.

At the Balance Sheet date the units were valued at a total of £587,176 (2010 - £579,249). This represents a current valuation only and not a surrender value if the units were sold at the Balance Sheet date, as there would be costs associated with a disposal before maturity. It is the intention of the Association that these investments are held until maturity thus avoiding any costs associated with early redemption. Any appreciation in the value of these investments will be taken to the Income and Expenditure Account upon realisation.

## 8. DEBTORS

	2011 £	2010 £
Trade debtors	96,685	113,625
Other debtors	2,519	1,807
Prepayments and Accrued Income	29,378	23,718
	<u>128,582</u>	<u>139,150</u>

## 9. CASH - at bank and in hand

	2011 £	2010 £
HSBC account balance	1,477,322	1,369,675
Petty cash account	82	109
-	-	-
	<u>1,477,404</u>	<u>1,369,784</u>

## 10. CREDITORS - amounts falling due within one year

	2011 £	2010 £
Trade creditors	10,366	14,848
Corporation tax	632	1,239
Taxation and social security	5,795	5,512
Other creditors	233,231	247,902
British Team Fund	17,593	17,384
Accruals	392,627	405,798
Subscriptions in advance	118,840	117,355
Dropzone defence fund	10,287	8,676
Airkix fund	31	1,036
Bingo Lotto fund	1,094	674
-	-	-
	<u>790,496</u>	<u>820,424</u>

## 11. LEASING COMMITMENTS

Annual commitments under non-cancelable operating leases are:

	2011 £	2010 £
Office equipment		
Operating leases which expire:		
Within one year	1,781	-
In the second to fifth year	2,045	3,655
-	-	-
	<u>3,826</u>	<u>3,655</u>

## 15. LIMITATION BY GUARANTEE

The Association is limited by guarantee. Each member has guaranteed a maximum of £1.

## 13. RELATED PARTY TRANSACTIONS

Mr K Brady was appointed as a director in the year. He is also a director of Skydive Strathallan Ltd, a customer of British Parachute Association Ltd. Sales of £19,955 (2010 - £24,462) were made to the company during the year. At the year end the balance owed by Skydive Strathallan Ltd was £Nil (2010 - £2,235).

## 14. PENSIONS

The Association operates a defined contribution pension scheme. The assets of the scheme are held in a separate trustee administered fund. At the Balance Sheet date contributions of £761 (2010 - £748) were outstanding.

## 15. NON AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.