

Notes to the financial statements

1. Accounting Policies

{a} Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The group financial statements consolidate those of the holding company, the British Sub-Aqua Club, and its wholly owned subsidiary, BSAC International Limited.

In accordance with the exemption granted by Section 230 of the Companies Act 1985, no separate income and expenditure account is presented for the parent company. The surplus for the company was £81,262.

The financial statements have been prepared on a going concern basis.

{b} Subscriptions

Subscriptions received in advance of performance are reflected as an obligation in the balance sheet and released to the profit and loss account over the period to which the subscription relates.

{c} Tangible Fixed Assets

Long leasehold properties are stated at cost or valuation where relevant.

All other fixed assets are stated at cost.

All long leasehold properties are externally valued at least every five years subsequent to acquisition. In the period between external valuations Council review the value of the properties. Any impairment in the value of a long leasehold property is recognised in the income and expenditure account.

Computer Equipment:	25% straight line
Motor Vehicles:	25% reducing balance
Fixtures & Fittings:	15-33% straight line

{d} Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

{e} Foreign Currency Translation

Foreign currency assets and liabilities are translated at the rate of exchange ruling at the balance sheet date and any gain or loss arising on exchange is included in the income and expenditure account. Income and expenditure transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of receipt or payment.

{f} Leased Assets

Rentals paid under operating leases are charged to the profit and loss account when incurred.

Notes to the financial statements continued

{g} Development Costs

Research and development expenses are charged to the income and expenditure account in the year in which they are incurred.

{h} Pension Contributions

The group operates a defined contributions pension scheme. Contributions payable are charged to the income and expenditure account in the year to which they relate.

{i} Campaign Sponsorship & Grant Funding

Income is accounted for within the income & expenditure account in the year of receipt.

2. The Status of the Company and BSAC Branches

The company is limited by guarantee without share capital. The Council members control the activities of the Company. Under the terms of the Memorandum and Articles of Association the liability of the members is limited and every member undertakes to contribute to the assets of the Company in the event of a winding up an amount not greater than £1.

As at 31 December 2007, there were 35,125 members (2006: 34,351).

3. Operating Surplus

The following items have been charged/(credited) in calculating the operating surplus:

	2007 Group £	2007 Company £	2006 Group £	2006 Company £
Auditor's remuneration	12,000	9,000	12,000	9,000
Directors emoluments	-	-	-	-
Depreciation	14,332	14,332	19,859	19,859
Profit on disposal of fixed assets	<u>(720)</u>	<u>(720)</u>	<u>(171)</u>	<u>(171)</u>

Notes to the financial statements continued

4. Staff Costs

	2007 Group £	2007 Company £	2006 Group £	2006 Company £
Salaries	490,986	490,986	452,724	452,724
Social security costs	48,028	48,028	44,969	44,969
Pension costs	16,578	16,578	14,191	14,191
	<u>555,592</u>	<u>555,592</u>	<u>511,884</u>	<u>511,884</u>

The average number of employees of the group during the year was 22 (2006: 21).

The Members of Council, as directors, did not receive any remuneration for their services in that elected capacity, except reimbursed expenses as detailed in note 15.

5. Taxation

	2007 Group £	2007 Company £	2006 Group £	2006 Company £
UK Corporation Tax:				
Current year provision	7,341	4,271	11,043	5,304
Total overseas tax	-	-	878	878
Relief for overseas tax	-	-	(878)	(878)
	<u>7,341</u>	<u>4,271</u>	<u>11,043</u>	<u>5,304</u>

Notes to the financial statements continued

6. Tangible Fixed Assets

	Long Leasehold Premises £	Computer Equipment £	Motor Vehicles £	Fixtures & Fittings £	Total £
Cost or valuation					
At 1 January 2007	400,000	84,633	6,500	165,482	656,615
Additions	-	6,920	-	12,191	19,111
Disposals	-	(868)	-	-	-
At 31 December 2007	<u>400,000</u>	<u>90,685</u>	<u>6,500</u>	<u>177,673</u>	<u>675,726</u>
Depreciation					
At 1 January 2007	-	68,037	4,063	152,539	224,639
Charge for the year	-	9,255	1,625	3,452	14,332
Eliminated on disposals	-	(868)	-	-	-
At 31 December 2007	<u>-</u>	<u>76,424</u>	<u>5,688</u>	<u>155,991</u>	<u>238,971</u>
Net book value					
At 31 December 2007	<u>400,000</u>	<u>14,261</u>	<u>812</u>	<u>21,682</u>	<u>436,755</u>
At 31 December 2006	<u>400,000</u>	<u>16,596</u>	<u>2,437</u>	<u>12,943</u>	<u>431,976</u>

A grant of £125,000 was received from the English Sports Council in 1991 and was netted off against the initial purchase price of the long leasehold property. The grant is deemed by the English Sports Council to be amortised over 21 years. In the event of the long leasehold property being sold, any unamortised element of the £125,000 grant would become repayable to the Sports Council. The contingent liability at 31 December 2007 is £27,284 (2006: £33,236).

The long leasehold property was valued by Beresford Adams Commercial on 2nd December 2003 on an open market basis as office accommodation at £400,000.

The historical cost of this property at the balance sheet date is £362,588.

The property is subject to a leasehold period of 125 years and was initially purchased in 1989. The lease will expire in 2114.

Notes to the financial statements continued

7. Investments

	Group £	Company £
At 1 January & 31 December 2007:		
Shares in subsidiary undertakings	-	2
Unlisted investments at cost	8	8
	8	10

The unlisted investment at 31 December 2007 is 15% of the ordinary share capital of Telford's Quay Management Company Limited.

The investment in subsidiary undertakings at 31 December 2007 represents 100% of the ordinary issued share capital of BSAC International Limited.

8. Debtors - Amounts falling due within one year

	2007 Group £	2007 Company £	2006 Group £	2006 Company £
Trade debtors	3,287	1,319	10,719	9,010
VAT	37,164	37,164	16,002	16,002
Prepayments	72,496	72,496	62,958	62,958
Accrued income	35,153	20,849	28,216	14,036
Due from subsidiary undertaking	-	69,861	-	17,688
	148,100	201,689	117,895	119,694

Notes to the financial statements continued

9. Creditors

Amounts falling due within one year

	2007 Group £	2007 Company £	2006 Group £	2006 Company £
Bank overdraft	27,698	27,698	29,154	29,154
Trade creditors	190,133	190,133	147,863	147,613
Due to subsidiary undertaking	-	-	-	-
Corporation tax	7,341	4,271	10,165	4,426
Taxation & social security	32,202	32,202	17,715	17,715
General accruals	20,366	16,616	12,000	9,000
Deferred course income	12,113	12,113	16,032	16,032
Deferred membership income	478,980	478,980	465,253	465,253
Deferred school fees	2,574	2,574	8,456	-
	<u>771,407</u>	<u>764,587</u>	<u>706,638</u>	<u>689,193</u>

Included in taxation & social security are pension contributions outstanding of £0 (2006: £0).

Secured debts

The following secured debts are included within creditors:

	2007 Group £	2007 Company £	2006 Group £	2006 Company £
Bank overdraft	27,698	27,698	29,154	29,154
	<u>27,698</u>	<u>27,698</u>	<u>29,154</u>	<u>29,154</u>

The bank facilities are secured by a debenture over the assets of the group.

Notes to the financial statements continued

10. Income & expenditure reserve

	Note	2007 Group £	2007 Company £
Accumulated Fund			
As at 1 January 2007		33,266	(77,228)
Retained surplus/(deficit) for year		14,860	81,262
Surplus carried forward		<u>48,126</u>	<u>4,034</u>

An interim dividend for £80,000 was declared in the year from BSAC International Limited to British Sub-Aqua Club.

11. Reconciliation of Movements in Members' Funds

	2007 Group £	2007 Company £	2006 Group £	2006 Company £
Opening Members' funds	146,929	36,435	115,281	28,257
Surplus/(deficit) for the financial year	14,860	81,262	31,648	8,178
Closing Members' funds	<u>161,789</u>	<u>117,697</u>	<u>146,929</u>	<u>36,435</u>

12. Operating Lease Commitments

The following payments are committed to be paid:

	2007 Group £	2007 Company £	2006 Group £	2006 Company £
Expiring:				
Within one year	-	-	5,977	5,977
Between two & five years	31,007	31,007	2,160	2,160
Total lease commitments	<u>31,007</u>	<u>31,007</u>	<u>8,137</u>	<u>8,137</u>

13. Revaluation Reserve

	Group £	Company £
Revaluation reserve brought forward	113,663	113,663
Revaluation reserve increase/(decrease)	-	-
Revaluation reserve carried forward	<u>113,663</u>	<u>113,663</u>

Notes to the financial statements continued

14. Guarantees and Financial Commitments

At the year end the company has a contractual commitment with regard to the publication of Dive Magazine. The terms of the contract provide for its termination with nine months notice in writing by either party. Should such notice not be given a contractual payment by the company would be due of £122,040 (2006:£117,450).

15. Details of Directors' and Vice Presidents' Expenses

The directors had no beneficial interest in the share capital of the company.

This note details the individual Directors' net expenses for the financial year of 2007 during the time served as a Director of BSAC and BSAC International Limited as appropriate. It also details individual Vice Presidents' expenses.

As some, if not most, are also involved in other activities and hold other positions as a volunteer, on behalf of the club, the total value is not directly attributable to Council business alone.

Name	Amount	Name	Amount
	£		£
M D Allen	585	E Haynes	1,865
M F G Allen	3,660	R Healey	2,503
Dr J Betts	-	I A N Irvine	-
E F Crook	897	K McDonald	-
D S Dixon	1,515	A J H Marshall	1,440
D Ellerby	3,843	A Moll	3,253
E Farrell	1,028	D Quilliam	79
S Gribben	5,311	A Reed	1,291
H Gould	-	A Robinson	413
A Hall	1,663	R Sharp	1,211
P Harrison	-	M K Todd	398