

Phab Limited

(A company limited by guarantee)

Registered Company No. 1598587

Registered Charity No. 283931

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED

31st MARCH 2011



Phab Limited
Trustees' Report and Consolidated Financial Statements
Year ended 31 March 2011

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Phab Limited
Trustee's Report
Year ended 31 March 2011

Legal and Administrative Information

Working Name Phab

Constitution Phab Limited is a company limited by guarantee (no.1598587) incorporated in England and Wales on 19 November 1981 and a registered charity (no.283931). Its governing document is the Memorandum and Articles of Association.

Objects To promote and encourage people of all abilities to come together on equal terms to achieve complete inclusion within the wider community.

Patron The Rt. Hon. The Earl of Snowdon, GCVO

President Ed Stewart

Vice Presidents

Sir Peter Baldwin, KCB (died May 2010)	Rolf Harris, CBE, AM
Mrs. Margaret Benson	Michael Hollingsworth, FRGS
Tim Boswell, MP	Lady Jean Mackenzie, CBE
Robert Brook, CBE	Lord Morris of Manchester, AO, QSO
Hon. James Butler	Sir Bert Massie, CBE
Richard Cooper	Sir Gerard Peat, KCVO
John B W Corless, OBE	Dave Prowse, MBE
Anthony Engel	Sir Cliff Richard, OBE
Francis H G Farmer	Sir Hugh Rossi
Michael Fitt, OBE, MI Hort, DMS, MI Mgt.	Sir John Smith, QPM
Princess George Galitzine	Ashley Stephenson, LVO, MI Hort.
Ronald P Hancock, FBIBA, ACII	John M Taylor

Board of Trustees

John W E Leach, Chairman (resigned 7.9.2011)	Philip R Ford
Geoffrey Chivers, Treasurer	Alain F Paver
John B W Corless, OBE, Deputy Chairman	Rosalind M J Probert
Lawrence Dunseath (appointed 29.4.2010)	Fred Smith
Anthony Earl (resigned 29.4.2010)	William W Thompson

For the purposes of the Companies Act 2006, the Board of Trustees is regarded as the Board of Directors of the company.

Election of Trustees Trustees are elected by members at the Annual General Meeting. One third retires annually. The retiring trustees are required to be those who have served the longest. As trustees are appointed 'en bloc' at the AGM, those chosen to retire are selected by lots. The retiring trustees, presuming they are eligible, may put themselves forward for re-appointment. Additionally, the Board may make appointments from time to time to fill vacancies. The Board meets four times a year, and it is their responsibility to review strategy and operational performance, to set budgets and approve operating plans. They receive regular briefings on current topics.

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Trustee's Report
Year ended 31 March 2011

Legal and Administrative Information (continued)

Management The Board currently delegates certain functions to two sub-committees, Finance and Club Support. Membership is as below. (* Denotes staff in attendance). The minutes of both committees are submitted to a full Board Meeting for approval. The decisions taken or actions agreed are implemented by the principal officers where appropriate.

Finance Committee John Leach, Chairman (resigned 7.9.11); Geoff Chivers, Treasurer;
John Corless OBE, Deputy Chairman; Lawrence Dunseath (appointed 29.4.10);
Anthony Earl (resigned 29.4.10);
Martin Holdsworth*; Anne Joyce*; Elizabeth Daniel*.

The Finance Committee meets monthly to monitor the current and ongoing financial position. It also deals with statutory matters and reviews the risk position. The membership of the committee is such that it is effectively quorate as a Board Meeting. It is therefore able to take any urgent decisions which cannot wait for a full Board Meeting.

Club Support Committee

This committee, consisting of the Regional Committee Chairmen (who are all directors) has met four times (ahead of the quarterly Board meetings) in the year ended 31.3.2011. The Chief Officer, Deputy Chief Officer and Regional Workers attend. Its purpose is to review ongoing support to clubs and agree ways in which this support can be enhanced and developed throughout the regions.

Regional Committees

Each region meets regularly at different venues within the regions, enabling as many members to attend as possible. Club members and leaders are invited to the meetings which are chaired by the regional Chairmen.

These meetings are not sub-committees of the Board. However, the minutes of the Regional meetings are submitted to a Board Meeting for information. In addition to its own charitable activities, Phab is the affiliating body for the national network of Phab clubs, many of which are independent registered charities.

Subsidiary

John Corless holds one ordinary share in Phab UK Enterprises Ltd as nominee for Phab Limited. No other trustee has any interest in any shares of any group company.

Principal Officers

Martin Holdsworth, MIOD - Chief Officer, Director of Finance & Company Secretary
Anne Joyce - Deputy Chief Officer & Operations Manager

Principal Professional Advisors:

Bankers: CAF Bank Limited, Kings Hill, West Malling, Kent ME19 4TA
National Westminster Bank plc, Tavistock House, Tavistock Square, London WC1H 9XA

Solicitors: Leach Rawlence & Hart, 53 Chatsworth Road, Croydon CR9 1LE

Auditors: Kingston Smith LLP, Chartered Accountants
Devonshire House, 60 Goswell Road, London EC1M 7AD

Registered Office: Summit House, Wandle Road, Croydon CR0 1DF
(This is also the Principal Office of Phab)

Websites: www.phab.org.uk and www.phabkids.co.uk

Phab Limited
Trustee's Report
Year ended 31 March 2011

The Board of Trustees of Phab (the "charity") presents its annual report and the audited consolidated financial statements for the year ended 31st March 2011.

Objects

To promote and encourage people of all abilities to come together on equal terms to achieve complete inclusion within the wider community.

On a day by day basis, the trustees consider that the objects are met in a variety of ways, summarised here and detailed in the Review of Activities on subsequent pages:

Phab supports....a network of around 200 clubs throughout England & Wales for all age ranges, offering activities and holidays which members can share and enjoy together

Phab promotes....and encourages the self confidence and independence of young people of all abilities through a range of diverse projects

Phab funds....special short breaks - inclusive experiences for disabled and non-disabled children and young people to share in a full range of adventurous outdoor activities at fully accessible activity centres offering specialist tuition

Phab provides....specially equipped and fully accessible holiday units at an award winning beach site in Dorset at affordable rates

Phab organises....national and regional events for club members and supporters to enjoy together and to promote the Phab philosophy of inclusion

Phab distributes....useful, accessible information via regular newsletters and Phab website

Management and Trustees

The following is further to the structural and management information shown on pages 1 and 2.

Selection and induction of Trustees

Each region of Phab elects its own chairman. The trustees and senior officers are always on the alert for suitable potential trustees with the right mix of skills to enhance the Board. The Board considers any nominations to serve as trustees and interviews candidates. Co-option onto the Board is permissible at any time. Each trustee on joining the Board is provided with a copy of the latest published accounts which detail the operational framework and financial position. They also receive the Charity Commission publication CC3 - "The Essential Trustee - What you need to know".

Training

During the year various externally organised courses have been attended by trustees and staff. Staff members have also given training to summer project volunteers on Safeguarding, Health & Safety, and Disability Equality. Trustees and staff also subscribe to relevant industry and professional publications to keep abreast of developments in charity law and practice.

Review of Significant Activities, showing how we achieved our objectives

National Events

Paul Hope and Louis Goldberg Awards

An awards ceremony is held each year to recognise outstanding achievement in fulfilling Phab's aim. Volunteers are nominated by their clubs and a number of awards are made in memory of Paul Hope (Phab's Training & Club Services Director until his untimely death in 1996) and Louis Goldberg (a former President of Sussex Phab). The Paul Hope and Louis Goldberg trophies are presented to the winners, together with bursaries to benefit the winners' clubs. The most recent ceremonies in May 2010 and May 2011 have been held at the House of Lords, hosted by Lord Morris of Manchester.

Phab Limited
Trustee's Report
Year ended 31 March 2011

Willie Booth Award

In September 2010, a fund was set up in memory of the late Rev Prebendary, Willie Booth CVO. The scheme will offer travel bursaries to enable individuals with disabilities to access travel in order to compete in events such as Special Olympics, Paralympics or sponsored events. Three grants were made in Spring 2011 and the recipients attended the House of Lords reception in May 2011.

Carol Concert at St James's Church in London's Piccadilly

A Carol Concert in aid of Phab was held on 15th December 2010 with music and carols performed by the London Orpheus Choir under the baton of James Gaddarn. The trustees are most grateful to the celebrity readers – Lionel Blair, Annette Crosbie OBE, Belinda Owusu, David Proud and Richard Wilson OBE - who gave generously of their time to this event, which promotes Phab's work to a London audience.

Heartbeat Hike

The 2010 Heartbeat Hike was held in Hyde Park on Sunday 6 June 2010 with over 600 Phab club members attending from all parts of the country. Ed Stewart, our Phab President Deputy Lord Mayor of Westminster and the Mayor of Kensington & Chelsea were at the official opening before Phab members and supporters set off for the sponsored walk around the Serpentine. Later at the bandstand, there was an afternoon of outstanding musical acts and entertainment creating an enjoyable carnival atmosphere. The 2011 Hike took place on 5 June 2011. The idea of the Heartbeat Hike began in 1978 when Jimmy Savile said, "Everyone's got a heartbeat even if they can't walk".

Mobility Roadshow, Peterborough

To further promote the work of Phab, in June 2010 a stand was taken at the Mobility Roadshow, an exhibition of lifestyle products and services for disabled/older people, their carers and families. Staff and volunteers from the Midlands region talked to many people who were interested in supporting or becoming members of Phab or in establishing new clubs. In 2011 a Phab stand was taken at the same event in Peterborough.

Waterside Holiday Park, Weymouth (Golden Jubilee Appeal)

Acquired following a successful Golden Jubilee Appeal during 2007/8, our two fully accessible units at Waterside Holiday Park in Weymouth, continue to be fully occupied during the summer season. A high proportion of the weeks have been taken up by Phab groups, who benefit from a reduced rental charge. The excellent sports and entertainment facilities, which are fully accessible, have been much praised by Phab members and visitors.

Regional Events

During the year many other events, at both regional and club level, were organised around the country.

In April 2010, 120 members from Phab clubs in the South West attended a full weekend programme of workshops and social activities at a regional conference in Torquay. Members took the opportunity to learn new skills, renew friendships and have fun.

Also in April, Hounslow Phab hosted an Arts and Crafts Day of practical workshops for the South East region's clubs, attended by over 80 children and adults. This is now a popular annual fixture and was repeated in February 2011.

The Midlands held a Fun Day in May 2010 at Wicksteed Park, Kettering, attended by nearly 300 Phab members who enjoyed the fairground rides, boating and other attractions. A mini-marquee with Phab literature and club stalls ensured that the charity was able to promote its work to the wider public. In September 2010 a similar event, including a sponsored walk, was held at Ferry Meadows Country Park, Peterborough, and was well attended by many of the clubs in the region.

In June, a Phab Welsh Festival of Sport was well attended by many of the clubs in Wales, who enjoyed a wide range of sporting activities including swimming, boccia, darts and pool. This was repeated to great success in June 2011.

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Trustee's Report
Year ended 31 March 2011

Accessible group holidays are an important feature of Phab clubs and around 300 children and adults from the Midlands region enjoyed a weekend at Butlins, Skegness in October 2010 which will be repeated in 2011.

Phab Inclusive Projects

Phab's inclusive projects are in great demand and the Charity held six separate residential weeks during the summer of 2010 benefiting over 170 participants.

Integrated Living Experiences were held for young people aged between 9 and 16 at Bendrigg Lodge in the Lake District, Dukes Barn on the Chatsworth Estate in Derbyshire and Avon Tyrrell in the New Forest. These projects enable young people with a range of disabilities to spend a week together with their able bodied peers at an accessible centre and to be involved in a host of challenging activities. Each project provides a safe, supportive environment which promotes self-confidence, encourages young people to explore their horizons, make new friends and improve their quality of life.

A Skills for Independence project was held at Dukes Barn, Derbyshire designed for young people aged approximately 16-23. The outdoor activities included a spectacular new ropes and assault course, with a wheelchair accessible section designed to test the skills of a wheelchair user to the limit. Problem solving activities demanded a high level of team work and communication.

Phab again teamed up with the Jubilee Sailing Trust, sending a group of 10 with mixed abilities aged between 17 and 60 to join a crew of 40 on Tenacious, the largest of the wooden tall ships to be built in the UK for over 100 years. The ship is fully accessible for people with disabilities and everyone is expected to take part in all aspect of sailing the ship. The 7-day voyage in August 2010 took them across the Channel providing a challenging, sociable experience for all participants.

Aiming High

Phab has been working very closely with a number of Local Authorities under the "Aiming High for Disabled Children" initiative. A new club in Pimlico, in partnership with Westminster City Council opened in February 2010 and another in partnership with Croydon Council in April 2010. Both have continued throughout 2010 and funding was renewed for 2011. We also provided residential short breaks to some children from other local authorities during the summer of 2010.

Fundraising

The trustees wish to thank the many trusts, companies and individuals who have provided funds, or given freely of their time and expertise, in support of Phab. Small raffles and public collections by volunteers continue to contribute useful income.

Phab continues to benefit from the commitment of many individuals who take part in marathon-type events held all over the world. In April 2010, 211 runners (in 2009: 222) completed the Virgin London Marathon and helped to contribute to the over £460,000 raised from all marathon-type events shown in note 3 of the attached accounts. Although considerable costs arise, particularly with the purchase of the Golden Bonds and associated advertising costs, overall Phab achieves a good return on these events, the aim is to achieve a surplus of over £150,000 from marathon-type operations each year, which provides a significant contribution to our general fund. The final surplus for the 2011 Marathon is expected to exceed this budget. We continue to encourage more runners to support us in this way in the future.

These accounts incorporate sponsorship monies actually received by the financial year end. Further amounts received later have not been accrued in these accounts, as receipt was not guaranteed as at 31 March 2011. Event costs incurred before 31 March 2011 relating to future events which had not yet taken place at the year end, but which had to be paid for in advance, are included as costs in these accounts, and not as prepayments. As mentioned in note 10 to the attached accounts, the marathon-type events are handled by the subsidiary company. Therefore the costs of promoting and participating in these events are shown as Fundraising Trading Costs in the financial statements.

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Trustee's Report
Year ended 31 March 2011

Volunteers

The trustees of Phab are extremely grateful to the hundreds of volunteers throughout the country who support Phab in so many different ways, whether at local clubs, at national level, or at various fundraising events and charitable activities. The trustees are unable to put a monetary value on this vital support.

Regions

Regional Committees have continued to meet regularly and to organise various localised events. Some regions have also produced their own newsletters to improve local communications.

Other Activities

- Phab continues to act as an umbrella organisation for the network of around 200 clubs. A wide range of support is provided, including advice and assistance in complying with the law.
- The (loose leaf) Phab Pack remains a useful reference tool. Any of its nearly 150 pages can also be downloaded from our website.
- The programme of direct grants and the enhancement of local fundraising efforts, continues to add vitality to the work of Phab at all levels.
- Phab continues to develop both internal and external communications. During the year, two editions of KIT (Keeping in Touch) magazine were produced for all clubs and other interested parties.
- The new website launched last year is regularly updated and improved.
- Much effort continues to be spent ensuring compliance with our statutory obligations, including Criminal Records Bureau checks and implementation of Phab's Safeguarding policy.

Financial Review - Results for the Year

The total incoming resources for the year amounted to £964,715 (2010: £895,825) against expenditure of £917,216 (2010: £888,200) leading to an increase in total funds. A further allocation was made to designated funds of £47,000 to cover the repair cost to the roof next year leaving a real net surplus of £499 after allowing for this future cost. Accumulated funds as at 31 March 2011 amounted to £579,706. Bank balances held in long-term accounts have remained in excess of the balance of restricted funds. We had anticipated a budget deficit, so are encouraged by this result. The increase in income 8% is mainly due to more summer projects. Total expenditure has increased by 3% from 2010, but this includes an increase of 41% in the grants we have paid to clubs, and a 13% increase in our marathon-type event costs. We continue to be encouraged that our income has been passed on to our members through the range of services that we provide. We anticipate that 2011/12 will be a difficult year, in view of the on-going economic situation. The trustees are aware of the need to maintain levels of reserves to cope with a possible fall in income. The finance committee regularly reviews the financial situation.

Related Parties

The company has a subsidiary undertaking, Phab UK Enterprises Limited, which is involved in operating Phab's Telesales (Raffle Support) operation, the Aiming High projects and the trading activities etc. connected with the London Marathon and other similar large and small events. The company's results for the year are shown in note 10 to the financial statements.

Fixed Assets

Information relating to changes in tangible assets is given in note 9 to the financial statements. Phab owns its own building in Croydon, from which all central operations are directed. The Trustees consider that the current market value of the building is in excess of book value, but no formal valuation is required since there is no intention to dispose of the building, as it is needed for continuing operations. Surplus office space in our ground floor continues to be let to a local charity, Croydon Hearing Resource Centre.

Phab Limited
Trustee's Report
Year ended 31 March 2011

Grant Making

No grants are awarded from the general fund to individuals or outside organisations. The regional committees consider applications from Phab clubs for grants from the general fund. There have been some grants to individuals from restricted funds, in accordance with the donors' wishes.

Reserves

The reserves of the charity are made up of Unrestricted Funds, Restricted Funds and Endowment Funds. The Board's policy continues to be to progressively increase reserves to the lower of either £330,000 or six month's unrestricted consolidated expenditure. The Trustees consider six months to be an appropriate period for outstanding liabilities to be met and ensure orderly winding down of the charity if necessary. The attached financial statements show that the charity has unrestricted free reserves of £176,925 (total unrestricted funds less designated and funds that represented by Fixed Assets), therefore the Trustees continue to seek ways to increase the free reserves in the future. There are no reserves held in the subsidiary company.

Investment Policy

The Board's investment powers are subject to such conditions and consents as may for the time being be imposed by law. The policy of the Board is to hold all cash surpluses on bank deposit or other similar secure and readily accessible accounts.

Risk Review

The Board has a continuous process of risk assessment, maintains a risk register and is aware that for Phab, risk is not just a financial matter but covers 5 headings: Governance and Management, Operational, Financial, Environmental and External, Compliance.

The Board considers that the areas where the impact of risk could be highest are:

- loss of key staff
- competition from other similar organisations
- abuse of vulnerable persons
- computer crash
- change of relationship with fundraisers leading to a fall in income
- change of local authority funding structure for Aiming High projects

Systems are updated as necessary to mitigate identified risks. Internal risks are minimised by the use of procedures for authorisation of all transactions and projects and to ensure consistent delivery of all operational matters. The processes are periodically reviewed to verify their value. There are procedures covering compliance with health and safety of staff and volunteers. Criminal Records Bureau (CRB) checks are conducted for all staff and volunteers. Staff undertake appropriate training courses in order to keep up to date with changes in legislation and practice. The Board is not aware of any major sources of income being withdrawn, nor of any missed opportunities of a fundraising nature or any other.

Post Balance Sheet Events

The charity did not receive the strongly anticipated grant of £47,500 from BBC Children in Need. The charity also lost the services of both its fundraiser and accountant.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

Plans and Key objectives for the future

The Strategic Plan for Phab covering the period 2008-2011 remains in place to guide our growth and development. The Key Objectives and Key Performance Indicators are regularly reviewed. These include

Phab Limited
Trustee's Report
Year ended 31 March 2011

the continuation of our existing work but also cover new projects for increased services, activities and fundraising opportunities. Some of the strategies require specific funding for staff resources. We continue to seek suitable grants. Phab will continue to pursue measures to ensure its financial stability, with a diversity of sources of income, and robust control and management of expenditure. We are delighted that a part-time Midlands Development Worker appointed in the summer of 2010, has been successful.

Charities and Public Benefit

The trustees confirm that they comply with their duty to have regard to the Charity Commission guidance on public benefit in exercising their power and duties, and deciding what activities the charity should undertake. As can be seen in this report, and within the Objects on page 3, the charity has charitable purposes or 'aims' that continue to be, and are carried out for the public benefit. The trustees also believe that the opportunity to benefit is not unduly restricted, that people in poverty are not excluded, that there is no detriment or harm arising from carrying out Phab's aims, and that any private benefits received, other than as a beneficiary, are incidental.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Phab Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

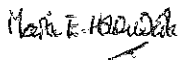
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

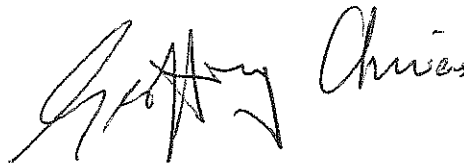
In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By Order of the Trustees



Martin Holdsworth, MIOd
Company Secretary



Geoffrey Chivers, CTA FRPSL
Treasurer

Date: *September 20th 2011*

Independent auditor's report to the members of Phab Limited Year ended 31 March 2011

We have audited the group and parent financial statements of Phab Limited for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company'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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Phab Limited
Year ended 31 March 2011

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

V. J. S. J. S. LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

21 October 2011

Devonshire House
60 Goswell Road
London
EC1M 7AD

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

Consolidated Statement of Financial Activities for the year ended 31 March 2011
including Income and Expenditure account

	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Fund	Funds	Funds
Note	2011	2011	2011	2011	2010
	£	£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	246,966	18,000	0	264,966	258,628
Activities for generating funds	494,134	0	0	494,134	491,714
Investment income	17,596	0	0	17,596	19,591
Incoming resources from charitable activities					
	148,309	39,650	0	187,959	125,816
Other incoming resources	60	0	0	60	76
Total incoming resources	907,065	57,650	0	964,715	895,825
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	54,747	0	0	54,747	51,920
Fundraising trading; cost of goods sold and other costs	271,258	0	0	271,258	240,693
Charitable activities	502,016	69,546	6,363	577,925	582,168
Governance costs	13,286	0	0	13,286	13,419
Total resources expended	841,307	69,546	6,363	917,216	888,200
Net incoming/(outgoing) resources (net income/(expenditure) for the year) before transfers					
	65,758	(11,896)	(6,363)	47,499	7,625
Transfers					
Gross transfers between funds	(1,092)	1,092	-	-	-
Net incoming/(outgoing) resources (net income/(expenditure)) for the year before other recognised gains & losses					
	64,666	(10,804)	(6,363)	47,499	7,625
Other recognised gains/losses					
	-	-	-	-	-
Net movement in charity funds for the year	64,666	(10,804)	(6,363)	47,499	7,625
Funds brought forward at 1 April 2010	332,958	127,989	71,260	532,207	524,582
Funds carried forward at 31 March 2011	£397,624	£117,185	£64,897	£579,706	£532,207

All gains and losses in both years arise from continuing operations and are recognised in the Statement of Financial Activities

The notes on pages 14 to 22 form part of these accounts

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

Consolidated Balance Sheet as at 31 March 2011

	Note	2011 £	2011 £	2010 £	2010 £
Fixed Assets					
Tangible assets	9		195,218		205,172
Current Assets					
Stocks		3,215		1,367	
Debtors	11	22,020		11,035	
Cash at bank and in hand		411,469		417,177	
		<u>436,704</u>		<u>429,579</u>	
Liabilities					
Creditors falling due within one year	12	<u>(52,216)</u>		<u>(102,544)</u>	
Net Current Assets			<u>384,488</u>		<u>327,035</u>
Net Assets			<u>£579,706</u>		<u>£532,207</u>

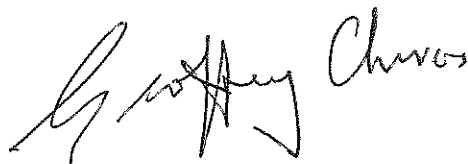
The Funds of the charity

Unrestricted funds			307,246		360,840
Designated funds	14		90,378		43,378
Restricted funds	13		117,185		127,989
Endowment fund	15		64,897		71,260
Total Charity Funds	18		<u>£579,706</u>		<u>£532,207</u>

These financial statements were approved by the Board of Trustees on

(Date) September 20th 2011 and were signed on its behalf by:

Geoffrey Chivers
Treasurer



The notes on pages 14 to 22 form part of these accounts
Company number 1598587

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

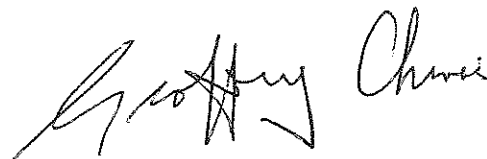
Charity Balance Sheet as at 31 March 2011

	Note	2011 £	2011 £	2010 £	2010 £
Fixed Assets					
Tangible assets	9	195,218		205,172	
Investments	10	<u>100</u>		<u>100</u>	
			195,318		205,272
Current Assets					
Stocks		3,215		1,367	
Debtors	11	24,501		10,585	
Cash at bank and in hand		<u>394,388</u>		<u>410,938</u>	
		422,104		422,890	
Liabilities					
Creditors falling due within one year	12	<u>(37,716)</u>		<u>(95,955)</u>	
Net Current Assets			<u>384,388</u>		<u>326,935</u>
Net Assets			<u>£579,706</u>		<u>£532,207</u>
Funds					
Unrestricted funds			307,246		360,840
Designated funds	14		90,378		43,378
Restricted funds	13		117,185		127,989
Endowment fund	15		<u>64,897</u>		<u>71,260</u>
Total Funds	18		<u>£579,706</u>		<u>£532,207</u>

These financial statements were approved by the Board of Trustees

on (date) September 20th 2011 and were signed on its behalf by:

Geoffrey Chivers
Treasurer



The notes on pages 14 to 22 form part of these accounts

Company number 1598587

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

1. Status

Phab Limited is a company limited by guarantee and has no share capital. In the event of a winding-up each person that is either a member at that date or ceased to be a member within one year is liable to contribute a sum not exceeding £10 towards the liabilities of the company. For these purposes, the trustees are the members of the company. The company is a registered charity.

2. Accounting Policies

The following accounting policies, which are unchanged from the previous year, have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of Preparation

The financial statements have been prepared under the historical cost accounting rules as modified by the revaluation of fixed asset investments and in accordance with the Companies Act 2006 and applicable UK Accounting Standards, and the format of the accounts complies with the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005. The SORP sets out recommendations on the way in which a charity group should report annually on the resources entrusted to it and the activities it undertakes. Accordingly, the presentation of income and expenditure in these financial statements has been adapted from that prescribed in the Companies Act 2006 to better reflect the special nature of the company's activities.

Basis of Consolidation

The consolidated financial statements include the financial statements of the charity and its wholly owned subsidiary for the year ended 31 March 2011. Phab has no other subsidiary companies. The accounts of independent local Phab charities are not included. In accordance with s408(4) of the Companies Act 2006 and paragraph 397 of the SORP, a separate statement of financial activities dealing with the results of the charity has not been presented. The turnover, results and net assets of the subsidiary are shown in note 10. All surpluses and deficits for the year have been included in the funds of the charity.

Fund Accounting

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Restricted Funds – Donations and grants which are earmarked by the donor for specific purposes are recorded as restricted funds and may be utilised only in accordance with the specific purposes.

Endowment Fund - The endowment fund represents monies given to buy the leasehold holiday units in celebration of Phab's Golden Jubilee. The fund reduces in line with the annual amortisation charge. This is an expendable endowment and funds are held on trust to be retained for the benefit of the charity as a capital fund. Amortisation is charged against this fund, but the running costs of the units are charged against the General Fund.

Designated Funds - The designated fund represents monies put aside for the repair to roof and other capital projects in relation to the building.

Unrestricted Funds - Unrestricted funds are those which are expendable at the discretion of the trustees in furtherance of the objects of the charity. These resources arise from the accumulated surpluses and deficits on general charitable activities.

Income Recognition

All incoming resources becoming available to the charity are recognised in the Statement of Financial Activities as soon as it is prudent and practicable to do so. In particular, legacies are accounted for when the value of the legacy is capable of determination and the charity's entitlement to it is reasonably certain. Income from commercial trading activities is recognised as earned. Investment income is recognised on a receivable basis.

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

Volunteers and donated services

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report. Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

Resources Expended

All expenditure is accounted for on an accruals basis. Liabilities are recognised where a legal or constructive obligation to make a transfer of economic benefits arises as a result of a past event.

Cost of generating funds comprises the costs incurred in inducing others to make voluntary contributions to the charity and the external operating costs of the subsidiary company, including those incurred in trading activities that raise funds. Charitable expenditure comprises all expenditure relating to the objects of the charity, including both the direct costs and support costs relating to these activities and projects.

Governance Costs comprises compliance with constitutional and statutory requirements.

Pension Costs

The charity operates a defined contribution pension scheme for senior employees. The funds of the scheme are administered by the Pensions Trust. Contributions to the scheme are charged against the results of the year for which they are payable. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

Tangible Fixed Assets, Depreciation and Amortisation

Tangible fixed assets are stated at historic cost less accumulated depreciation or amortisation. Depreciation and amortisation are provided to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Freehold buildings	2%
Leasehold holiday units	over the life of the lease
Building alterations	2% to 25%
Office equipment	20% to 25%
Computer equipment	33%

Only items in excess of £500 are capitalised.

Stock

Stock consists of badges, stickers, prints, Christmas cards, clothing for resale and fund raising kits. It is stated at the lower of cost and net realisable value.

Investments

Investments are stated in the balance sheet at their market value as at the balance sheet date. Investments in subsidiaries are included at cost. All movements in value arising from investment changes or revaluation are recognised in the consolidated statement of financial activities. Realised gains or losses on investments are calculated as the difference between the disposal proceeds and the market value at the beginning of the year or on acquisition if later. Unrealised gains or losses are derived from the movement in market values during the year.

Value Added Tax

Phab Limited is not registered for VAT, therefore Phab is unable to reclaim the VAT it suffers. The irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Operating leases

Rental charges are charged on a straight-line basis over the terms of the lease.

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

Grants payable

Grants payable are made in furtherance of the charitable objects of Phab Limited. No grants are made to individuals from general funds.

3 Incoming Resources

Voluntary income

	<i>Group</i>		<i>Charity</i>	
	2011	2010	2011	2010
	£	£	£	£
Public collections	27,185	23,076	27,185	23,076
Other donations	236,281	221,861	218,281	221,861
Gift Aid Receipt from Phab UK Enterprises	-	-	216,747	237,541
Legacies	1,500	13,691	1,500	13,691
	264,966	258,628	463,713	496,169

Activities for generating funds

This income is from the following trading activities:	2011	2010
	£	£
Marathon-type and other 'active' events	461,409	452,786
Raffles	22,177	24,358
Affiliation fees from Phab clubs	4,165	4,215
Other income	6,383	10,355
	494,134	491,714

Investment Income

All the group's investment income arises from interest-bearing deposit and reserve accounts in the UK.

<i>Incoming resources from charitable activities</i>	2011	2010
This income is from the following activities:	£	£
Independent Living Experiences, Jubilee Sailing Trust, Skills for Independence	92,857	61,123
Regional Conferences	39,409	27,564
Waterside Holiday Units rental	19,385	20,504
Local authority Aiming High funding	34,205	12,618
Other income	2,103	4,007
	187,959	125,816

Included in total income for 2010/2011 were large donations from the following supporters:

	£
The Souter Charitable Trust, towards the ILX at Bendrigg	
The Alice Ellen Cooper Dean Charitable Foundation, for the SW Worker	3,000
The Eveson Charitable Trust for the Midlands Development Worker	5,000
Anonymous	5,000
Leathersellers Trust, for ILXs	5,000
The Sylvia Adams Trust	10,000
CHK Charities Limited, for the Midlands Development Worker	10,000
The Garfield Weston Foundation	10,000
The Grand Charity, for ILXs	10,000
BBC Children in Need, for ILXs	47,515

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

4 Resources expended in the year ended 31.3.2011

	Staff Costs	Deprec'n £	Other Costs £	Total £	2010
<i>Cost of generating funds</i>					
<i>Generating voluntary income:</i>					
Trading expenditure	6,071	-	265,187	271,258	240,693
Fundraising and publicity	35,423	-	19,324	54,747	51,920
	41,494	-	284,511	326,005	292,613
<i>Charitable Activities</i>					
Services to Phab Clubs	198,124	6,363	173,887	378,374	440,487
Grants payable to Phab Clubs	-	-	199,551	199,551	141,681
<i>Governance Costs</i>	-	-	13,286	13,286	13,419
	198,124	6,363	386,724	591,211	595,587
<i>Total resources expended</i>	239,618	6,363	671,235	917,216	888,200

Grants were paid in the year to 150 Phab groups from general funds, and to 4 Phab groups and 10 individuals from restricted funds.

Included above is auditor's remuneration of £9,000 (2010: £9,000) for the charity, inclusive of VAT. Depreciation on owned assets was £3,592 (2010: £4,226), and on assets held under finance leases was £6,363 (2010: £6,362).

5 Governance costs

	2011 £	2010 £
Auditor's remuneration - audit services inclusive of VAT	11,699	11,895
Governance and professional support for trustees	1,587	1,524
	13,286	13,419

6 Directors, staff numbers and costs

The aggregate payroll costs were as follows:

	2011 £	2010 £
Wages and salaries	211,101	202,809
Social security costs	17,757	16,586
Other pension costs	10,760	10,483
	239,618	229,878

No employee earned over £60,000 in the year, nor in the previous financial year.

The average number of persons (full-time equivalent) employed by the group during the year was 8 (2010 – 8).

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

7 Operating Lease Commitments

	2011	2010
	£	£
Between 2 to 5 years	581	557
	581	557
	581	557

8 Taxation

The company is entitled to exemption from taxation under s505(1) ICTA 1988 as a result of its charitable status. The taxable profits of the charity's subsidiary undertaking are gifted to the charity and are hence not taxed.

9 Tangible Fixed Assets

	Freehold Property £	Leasehold Property £	Office Equipment £	Computer Equipment £	TOTAL £
Group					
<i>Cost</i>					
At beginning of year	185,251	83,985	1,068	4,062	274,366
Additions	-	-	-	-	-
At end of year	185,251	83,985	1,068	4,062	274,366
<i>Depreciation and Amortisation</i>					
At beginning of year	51,339	12,724	1,068	4,062	69,193
Charge for year	3,592	6,363	-	-	9,955
At end of year	54,931	19,086	1,068	4,062	79,148
<i>Net Book Value</i>					
At 31st March 2011	130,320	64,900	-	-	195,218
<i>At 31st March 2010</i>	133,912	71,261	-	-	205,173
Charity					
<i>Cost</i>					
At beginning of year	185,251	83,985	1,368	4,062	274,666
Additions	-	-	-	-	-
At end of year	185,251	83,985	1,368	4,062	274,666
<i>Depreciation and Amortisation</i>					
At beginning of year	51,339	12,724	1,368	4,062	69,493
Charge for year	3,592	6,363	-	-	9,955
At end of year	54,931	19,086	1,068	4,062	79,148
<i>Net Book Value</i>					
At 31st March 2011	130,320	64,899	-	-	195,218
<i>At 31st March 2010</i>	133,912	71,261	-	-	205,173

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

10 Fixed Asset Investments

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Shares in subsidiary undertaking at cost	-	-	100	100

Subsidiary undertaking

The charity's investment in its subsidiary company consists of 100 ordinary shares of £1 each. The subsidiary undertaking, Phab UK Enterprises Limited, which is wholly owned, is registered in England and Wales. It is used for non-charitable activities to raise funds for the charity. Phab UK Enterprises Limited is involved in producing magazines for the group, for operating the group's telesales operations, for contracts with local authorities, and for handling all the marathon-type events for Phab. Phab UK Enterprises Limited gifts its taxable profits to Phab. Audited accounts have been prepared and will be filed with the Registrar of Companies in due course. A summary of its trading results and net assets is shown below. The subsidiary does not hold any fixed assets.

	2011	2010
	£	£
<i>Turnover</i>	519,118	491,587
<i>External costs</i>		
Cost of sales	(293,823)	(245,458)
Distribution costs	(2,101)	(2,480)
Administrative expenses	(3,417)	(3,108)
	(299,341)	(251,046)
<i>Profit before intercompany charges</i>	219,777	240,541
<i>Total income passed to the charity</i>		
Intercompany management fee	3,000	3,000
Gift aided payment to Phab Limited	216,777	237,541
	219,777	240,541
<i>Retained profit for the year</i>	-	-
<i>Retained profit brought forward</i>	-	-
<i>Retained profit carried forward</i>	-	-
<i>Net assets at 31st March 2011</i>	100	100

11 Debtors

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Due within one year				
Other debtors	22,020	11,035	17,007	10,585
Intercompany balance	-	-	7,494	-
	22,020	11,035	24,501	10,585

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

12 Creditors: Amounts falling due within one year

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Intercompany balance	-	-	-	10,511
Taxation and social security	5,896	5,040	5,896	5,040
Other creditors	46,320	97,502	31,820	80,404
	52,216	102,542	37,716	95,955

13 Restricted Funds

Name	Balance 1.4.2010	Incoming	Outgoing	Transfer	Balance 31.3.2011
	£	£	£	£	£
EETPU Centenary Fund	30,425	-	(3,883)	-	26,542
Lancashire Fund	6,062	-	(1,500)	-	4,562
Summit House Project Fund	9,553	-	-	-	9,553
North Development Fund (Yorkshire)	1,987	-	(2,698)	711	-
Development worker - London	33,616	-	(14,779)	-	18,837
Development worker – Midlands	20,000	15,000	(11,630)	-	23,370
Development worker – South West	-	3,000	(3,074)	74	-
Wales legacy	8,150	-	(411)	-	7,739
Westminster Playground Fund	2,000	-	-	-	2,000
Willie Booth Fund	11,119	-	(1,050)	-	10,069
Bendrigg Project 11-13 March 2011	-	5,134	(5,441)	307	-
Aiming High – Croydon	5,301	21,811	(15,088)	-	12,024
Aiming High - Westminster	(224)	12,705	(9,992)	-	2,489
	127,989	57,650	(69,546)	1,092	117,185

EETPU Centenary Fund consists of donations received which are to be used to provide grants to private individuals and organisations with electrical trade union connections to assist disabled young people.

Lancashire Fund represents funds donated for the provision of bursaries to people in Lancashire. One grant was made from this fund during the year.

Summit House Project Fund represents donations received in response to an appeal for funds to install a wheelchair personnel lift, and make other improvements at Summit House in order to make the building more accessible to people with disabilities.

The North Development Fund (Yorkshire) comprises monies raised to employ a development worker in Yorkshire. The fund was used to contribute towards salaries in West Yorkshire. The overspent fund has been covered by a transfer from the general fund.

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

The three Regional Development worker posts were financed in advance of the postholders being appointed. The overspent South West fund and North Development fund have been covered by transfers from the general fund. The SW role ceased in mid-2010 as there was no funding available.

The Wales legacy arose from the receipt of a legacy from the estate of the late Mr Warren Bernard Bowen, on behalf of the former Phab Wales Limited, which we are using for the direct benefit of the Welsh clubs. This benefit has been in the form of direct cash grants to the individual clubs for specific charitable projects and events.

The Westminster Playground Fund was set up by a transfer agreed by the Trustees, in recognition of donations made towards the establishment of a playground for disabled children on the Millbank redevelopment site in London.

The Willie Booth Fund was set up by a transfer agreed by the Trustees, in anticipation of gifts in memory of a former Vice President, who died in June 2009. The aim of the fund was to buy a minibus, initially for use by the Phab club at Westminster School. The trustees and the school have now agreed that it can be used for providing transport bursaries to enable disabled people to travel to special events.

The Aiming High funds were started in the year ended 31.3.2010 with local authority funding channelled through the subsidiary company to start up clubs in Croydon and Pimlico. There are 2 year funding contracts in place with these local authorities. Both contracts have been extended beyond 1.4.2011.

Bendrigg Project 11-13 March 2011 was funded jointly with May Trust and Bailey Thomas to promote outdoor activities.

14 Designated funds

Name	Balance 1.4.2010 £	Incoming £	Outgoing £	Transfer £	Balance 31.3.2011 £
Roof repair fund	-	-	-	47,000	47,000
Former club funds	43,378	-	-	-	43,378
	<u>43,378</u>	<u>-</u>	<u>-</u>	<u>47,000</u>	<u>90,378</u>

The roof repair fund was established to pay for a major repair to the roof at Summit House next year.

The former club funds represent funds that have been earmarked for regions where the clubs in the region have since closed down.

15 Endowment Fund

This fund was set up to represent the purchase price of the two leasehold holiday units at Waterside Park. The cost is shown in note 9 above. Amortisation is set against the original balance of the fund.

16 Connected Charities

Phab provides support and services to a network of around 185 independent Phab Clubs and county and regional organisations.

17 Contingent Liabilities

The company is party to a guarantee in favour of the National Westminster Bank plc in respect of borrowings by the company and its subsidiary Phab UK Enterprises Limited. At 31 March 2011 these borrowings stood at £Nil (2010 - £Nil).

Phab Limited
Year ended 31 March 2011
Notes to the financial statements

18 Analysis of group net assets between fund balances

Fund balances are represented by:	At 31st March 2011				At 31st March 2010			
	U Funds £	R Funds £	E Fund £	Total £	U Funds £	R Funds £	E Fund £	Total £
Tangible fixed assets	130,321	-	64,897	195,218	133,912	-	71,260	205,172
Cash at bank and in hand	294,284	117,185	-	411,469	289,188	127,989	-	417,177
Other net current liabilities	(26,981)	-	-	(26,981)	(90,142)	-	-	(90,142)
	397,624	117,185	64,897	579,706	332,958	127,989	71,260	532,207

19 Transactions with Trustees and Related Parties

No trustee received any emoluments (2010: nil). Expenses reimbursed to 7 trustees during the year were £5,357 (2010: £5,036 to 9 trustees). These expenses were incurred for travel and expenditure on the charity's behalf. There are no other related party transactions to report.

Professional fees of £411 were paid to Messrs Leach Rawlence and Hart, Solicitors relating to a change of title holder for Phab North Kirklees. This was reimbursed to Phab by Phab North Kirklees. John Leach is the Senior Partner of this firm of solicitors.

Two trustees received grant funding from the EETPU restricted fund, in their capacity as club members. They were Alain Paver £450 and Ros Probert £275.