

COMPANY REGISTRATION NUMBER 3166320

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2003**

Charity Number 1055651



**CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS**

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**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

CONTENTS	PAGE
Legal and administration information	1
Report of the management committee	2
Independent auditors' report	5
Statement of financial activities	7
Summary statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10
The following pages do not form part of the financial statements	
Detailed statement of financial activities	21

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATION INFORMATION

The members of the committee	Mr K A Hitchings (Chairman) Dr A R R Telford Mrs C M Darlaston Mr H Atkinson Mr J A Guy Mr M W Harris Mr J C Drury (Finance) Mr D Andrewartha (Stroud District Council)
Project manager	Mr R Littleford
Company secretary	Dr. A R R Telford
Registered office	Kingshill House Kingshill Lane Dursley Glos. GL11 4BZ
Auditors	Tomlinson Harris Chartered Accountants & Registered Auditors Prospect House 5 May Lane Dursley Gloucestershire GL11 4JH
Bankers	Lloyds TSB Bank plc. Rowcroft Stroud Glos. GL5 3BG CCLA Investment Management Ltd St. Alphage House, 2 Fore Street, London, EC2Y 5AQ
Solicitors	Goldinghams 10 Long Street Wotton-under-Edge Glos GL12 7ER

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 MARCH 2003

Members of the Management Committee, with the exception of the nominated representative of Stroud District Council, who are also Directors for the purpose of Company Law and Trustees for the purpose of Charity Law, who served during the year and up to the date of this report, are set out on page 1.

SIGNIFICANT INFORMATION

The Company is limited by guarantee and is registered as a charity with the Charity Commission. The affairs of the Company are governed by its memorandum and articles of association. The liability of the Members in the event of the Company being wound up is limited to a sum not exceeding £1.

Kingshill House Limited has an agreement with Stroud District Council to convert the property, Kingshill House for use as a Community Arts Centre. The objective is to provide a centre accessible by the whole community, such that any prevailing barriers to enjoyment of and participation in education, arts community activities are minimised and eventually removed.

DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS DURING THE YEAR

The company exists to advance the education of the public in the arts and other leisure and recreational activities, through the provision of a centre known as Kingshill House. The directors intend that the centre should be the leading cultural provider and promoter in the Dursley area.

This has been a year of consolidation. In the absence of significant capital grants, no major building works have been undertaken.

Usage of the house has continued to grow and we have benefited from the transfer of many Stroud College classes from Dursley Education Centre to Kingshill House. These classes now provide a significant funding stream which can be used to develop the facilities of the house. The house continues to be the focus for activities of the Dursley Operatic and Dramatic Society and Cotswold Vale Talking Newspapers.

During the year the company experienced two fires to the outbuildings of Kingshill House. Both fires are subject to insurance claims. The first involved the old coach-house, previously used for storage. It is hoped that this building will be restored to provide a new workshop facility. The likely cost of reinstatement will be in the region of £32,000. Negotiations with the insurance company and with the planning authorities are continuing. The second fire was in the garages, previously let to a customer for the storage of old vehicles. The insurance company has authorised reinstatement work costing £6,450. This work will be undertaken when additional security measures, including the erection of a steel fence, have been completed by Stroud District Council.

As a result of the fires noted above, the company experienced difficulty in obtaining satisfactory insurance cover when the existing policy became due for renewal in May 2003. The property cover was included in the overall property notice maintained by Stroud District Council, and it was decided that the other elements of the required cover would remain with the existing company. The directors are satisfied that adequate levels of cover have been achieved sufficient to allow the company to maintain its planned level of activities.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE MANAGEMENT COMMITTEE *(continued)*

YEAR ENDED 31 MARCH 2003

FINANCIAL ACTIVITIES AND AFFAIRS

A net surplus of £8,400 was revealed for the year under review.

The directors of Kingshill House Limited look forward to a secure future for the company. Agreement has been reached with Stroud District Council to provide funding to support administration costs at a level of £20,000 for 2003/2004.

RESULTS

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

The company benefits from services provided, on a voluntary basis, by members of the board of directors in addition to their duties as directors. No monetary value is placed upon these services, but without them the operation of the company would be difficult. The company is also grateful to the work of other volunteers, particularly in relation to the management of the property, and in the organisation of certain events.

RISK MANAGEMENT

In the light of the Charities Statement of Recommended Practice, issued in October 2000, the Council of Management has carried out a review of the major strategic, business and operational risks to which the company is exposed. Systems are being established to mitigate those risks and procedures are being implemented to minimise any potential impact on the company, should they materialise.

THE MANAGEMENT COMMITTEE

The Management Committee who served the charity during the period were as follows:

Mr K A Hitchings (Chairman)
Dr A R R Telford
Mrs C M Darlaston
Mr H Atkinson
Mr J A Guy
Mr M W Harris
Mr J C Drury (Finance)
Mr D Andrewartha (Stroud District Council)

RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE

Company law requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE MANAGEMENT COMMITTEE *(continued)*

YEAR ENDED 31 MARCH 2003

RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE' *(continued)*

In preparing those financial statements, the Management Committee are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The Management Committee must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Management Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Management Committee 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.

AUDITORS

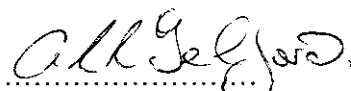
A resolution to re-appoint Tomlinson Harris as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small activities.

Registered office:
Kingshill House
Kingshill Lane
Dursley
Glos.
GL11 4BZ

Signed on behalf of the Management Committee


.....
DR A R R TELFORD
Secretary

Approved by the Management Committee on 29 September 2003

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

YEAR ENDED 31 MARCH 2003

We have audited the financial statements on pages 7 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE AND THE AUDITORS

The responsibilities of the members of the Management Committee (who also act as Directors, for the charitable activities of the company, with the exception of the representative from Stroud District Council,) for preparing the Report of the Management Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Management Committee' responsibilities on pages 3 to 4.

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 Report of the Management Committee is not consistent with the financial statements, if the charity 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 Management Committee' remuneration and transactions with the charity is not disclosed.

We read the Report of the Management Committee and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT 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 in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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.

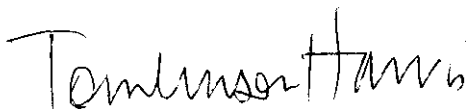
**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS *(continued)*

YEAR ENDED 31 MARCH 2003

OPINION

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 March 2003 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.



Prospect House
5 May Lane
Dursley
Gloucestershire
GL11 4JH

.....
TOMLINSON HARRIS
Chartered Accountants
& Registered Auditors

8th October 2003

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2003

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
INCOMING RESOURCES					
Donations	2	336	—	336	5,777
Gifts	3	250	1,026	1,276	280
Grants receivable	4	26,000	—	26,000	28,500
Charitable trading income	5	23,152	—	23,152	24,729
UK interest receivable	6	385	—	385	66
Management charges		—	—	—	500
TOTAL INCOMING RESOURCES		50,123	1,026	51,149	59,852
RESOURCES EXPENDED					
Charitable expenditure:					
Costs in furtherance of charitable objects	7	10,133	1,120	11,253	10,891
Management and administration	8	31,496	—	31,496	34,747
TOTAL RESOURCES EXPENDED	9	41,629	1,120	42,749	45,638
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
	10	8,494	(94)	8,400	14,214
Transfer between funds		3,302	(3,302)	—	—
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR		11,796	(3,396)	8,400	14,214
Balances brought forward		11,426	3,396	14,822	608
Balances carried forward		23,222	—	23,222	14,822

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 10 to 19 form part of these financial statements.

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2003

	Note	2003 £	2002 £
INCOME		50,764	59,786
TOTAL EXPENDITURE	9	42,749	45,639
OPERATING SURPLUS		8,015	14,147
Interest receivable and similar income	6	385	67
NET RETAINED SURPLUS FOR THE FINANCIAL YEAR		8,400	14,214

All of the activities of the charity are classed as continuing.

The notes on pages 10 to 19 form part of these financial statements.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 MARCH 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	11	4,292	2,553
Investments	12	1	1
		<u>4,293</u>	<u>2,554</u>
CURRENT ASSETS			
Debtors	13	7,517	3,428
Cash at bank and in hand		<u>18,592</u>	<u>17,145</u>
		26,109	20,573
CREDITORS: Amounts falling due within one year	14	<u>(5,700)</u>	<u>(6,525)</u>
NET CURRENT ASSETS		20,409	14,048
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,702</u>	<u>16,602</u>
CREDITORS: Amounts falling due after more than one year	15	<u>(1,480)</u>	<u>(1,780)</u>
NET ASSETS		<u>23,222</u>	<u>14,822</u>
FUNDS			
Restricted	18	—	3,396
Unrestricted	19	<u>23,222</u>	<u>11,426</u>
TOTAL FUNDS		<u>23,222</u>	<u>14,822</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the members of the committee on the 29.9.03 and are signed on their behalf by:


K A HITCHINGS (CHAIRMAN)
Member of the Committee

The notes on pages 10 to 19 form part of these financial statements.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985.

Consolidation

In the opinion of the members of the committee, the charity and its subsidiary undertakings comprise a small group. The charity has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

The directors do not consider the cost of preparing consolidated accounts justifiable and note 9 provides adequate details relating to the nature of the trading subsidiary.

Cash flow statement

The Management Committee have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Grants

Revenue grants are credited to the income and expenditure account as received.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 20% straight line
Equipment	- 20% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Income

Donations are accounted for when received by the company. Other income is accounted for on an accruals basis as far as it is prudent to do so.

Voluntary income

The company benefits from work carried out by volunteers. No monetary value is placed on this although the benefit to the company has been considerable.

Statement of financial activities

In preparing the statement of financial activities, the committee of management has attributed the costs between direct charitable expenditure and management and administration.

Taxation

As a registered charity, the company benefits from rates relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

2. DONATIONS

	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
General Donations	336	-	336	2,021
Dursley Operatic & Dramatic Society	-	-	-	3,756
	<u>336</u>	<u>-</u>	<u>336</u>	<u>5,777</u>

3. GIFTS

	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
Gifts	<u>250</u>	<u>1,026</u>	<u>1,276</u>	<u>280</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

4. GRANTS RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
Stroud District Council - Youth Theatre	-	-	-	2,000
Stroud District Council - Administration	25,000	-	25,000	25,000
Stroud College	-	-	-	500
Cam Parish Council	1,000	-	1,000	1,000
	<u>26,000</u>	<u>-</u>	<u>26,000</u>	<u>28,500</u>

5. CHARITABLE TRADING INCOME

	2003 £	2002 £
Room hire	20,123	12,903
Cottage rent	2,161	4,738
Bar sales	-	2,342
Fundraising and other income	868	4,746
	<u>23,152</u>	<u>24,729</u>

6. UK INTEREST RECEIVABLE

	2003 £	2002 £
Bank interest receivable	<u>385</u>	<u>66</u>

7. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
Provision of charitable services:				
Wages and salaries	8,850	-	8,850	2,498
General repairs	-	1,120	1,120	-
Function costs	1,283	-	1,283	4,423
Bar purchases	-	-	-	1,620
Arts revels and youth theatre	-	-	-	2,350
	<u>10,133</u>	<u>1,120</u>	<u>11,253</u>	<u>10,891</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

7. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS *(continued)*

Analysis of provision of charitable services:

	Staff costs	Other costs	Total 2003	Total 2002
	£	£	£	£
Wages and salaries	8,850	-	8,850	2,498
General repairs	-	1,120	1,120	-
Function costs	-	1,283	1,283	4,423
Bar purchases	-	-	-	1,620
Arts revels and youth theatre	-	-	-	2,350
	<u>8,850</u>	<u>2,403</u>	<u>11,253</u>	<u>10,891</u>

8. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
Salaries	3,558	-	3,558	3,785
Office costs	26,202	-	26,202	29,612
Accountancy	-	-	-	450
Audit fees	1,200	-	1,200	900
Professional fees	536	-	536	-
	<u>31,496</u>	<u>-</u>	<u>31,496</u>	<u>34,747</u>

9. TOTAL RESOURCES EXPENDED

	Staff costs	Depreciation	Other costs	Total Funds 2003	Total Funds 2002
	£	£	£	£	£
Direct charitable expenditure	8,850	-	2,403	11,253	10,891
Management and administration	3,558	1,734	26,204	31,496	34,747
	<u>12,408</u>	<u>1,734</u>	<u>28,607</u>	<u>42,749</u>	<u>45,638</u>

The aggregate payroll costs were:

	2003	2002
	£	£
Wages and salaries	12,174	6,283
Social security costs	234	-
	<u>12,408</u>	<u>6,283</u>

No remuneration is paid to the Committee of Management. The project director and project manager have continued to provide services free of charge

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

9. TOTAL RESOURCES EXPENDED *(continued)*

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2003	2002
	No	No
Administrative/direct charitable staff costs	<u>2</u>	<u>1</u>

(Five members of staff calculated as two full time equivalents.)

	2003	2002
	£	£
Other costs:		
Premises	24,169	35,561
Legal and professional	1,736	1,350
Other	2,702	1,445
	<u>28,607</u>	<u>38,356</u>

10. OPERATING SURPLUS

Operating surplus is stated after charging:

	2003	2002
	£	£
Depreciation	1,734	999
Auditors' fees	<u>1,200</u>	<u>900</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

11. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
COST	
At 1 April 2002	8,543
Additions	3,473
At 31 March 2003	<u><u>12,016</u></u>
DEPRECIATION	
At 1 April 2002	5,990
Charge for the year	1,734
At 31 March 2003	<u><u>7,724</u></u>
NET BOOK VALUE	
At 31 March 2003	<u><u>4,292</u></u>
At 31 March 2002	<u><u>2,553</u></u>

12. INVESTMENTS

Movement in market value

	2003 £	2002 £
Market value at 1 April 2002	1	-
Acquisitions at cost	-	1
Market value at 31 March 2003	<u><u>1</u></u>	<u><u>1</u></u>
Historical cost at 31 March 2003	<u><u>1</u></u>	<u><u>1</u></u>

Analysis of investments at 31 March 2003 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
Other				
UK group undertaking -				
Brought forward	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>-</u></u>	<u><u>1</u></u>	<u><u>1</u></u>

continued ...

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

12. INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the following company, registered in Great Britain:-

Name	Nature of Business	Aggregate capital and reserves	
Kingshill House Leisure Limited	Leisure Club	2003	2002
		£	£
		(786)	(460)

13. DEBTORS

	2003	2002
	£	£
Trade debtors	3,120	1,313
Amounts owed by group undertakings	1,120	1,270
Other debtors	2,319	750
Prepayments	958	95
	<u>7,517</u>	<u>3,428</u>

14. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
PAYE and social security	—	66
Other creditors	5,700	6,459
	<u>5,700</u>	<u>6,525</u>

15. CREDITORS: Amounts falling due after more than one year

	2003	2002
	£	£
Other creditors	<u>1,480</u>	<u>1,780</u>

The loans from Friends of Kingshill House bear no interest charges and are repayable by annual instalments over 10 years. In return for the interest free loan "Friends" will receive free membership of Kingshill House and all the benefits that are attached to this.

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

16. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	2003	2002
	£	£
Amounts repayable:		
In one year or less or on demand	300	300
In more than one year but not more than two years	300	300
In more than two years but not more than five years	900	900
In more than five years	280	580
	<u>1,780</u>	<u>2,080</u>

The above liabilities comprise of loans from Friends of Kingshill House.

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2003 the charity had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 1 year	491	491
Within 2 to 5 years	491	982
	<u>982</u>	<u>1,473</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

18. RESTRICTED FUNDS

	Balance at 1 Apr 2002 £	Movement in resources:		Balance at 31 Mar 2003 £
		Incoming £	Outgoing & Transfers £	
Youth theatre	3,396	—	(3,396)	—
Chair restoration	—	1,026	(1,026)	—
	<u>3,396</u>	<u>1,026</u>	<u>(4,422)</u>	<u>—</u>

The youth theatre fund represents grants from Stroud District Council to cover the costs of staging productions by the junior Dursley Operatic & Dramatic Society and workshops to develop acting techniques. These funds were expended by the company and the amount of the restricted fund has now been transferred to the general fund.

The chair restoration fund is specifically to restore chairs originally donated by Stroud District Council. Individuals have donated £100 per chair under the Gift Aid Scheme.

19. ANALYSIS OF NET ASSETS IN UNRESTRICTED FUNDS

	Tangible fixed assets	Other net assets	Total
	£	£	£
Unrestricted funds	<u>4,294</u>	<u>19,328</u>	<u>23,222</u>

20. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of costs and charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

21. KINGSHILL HOUSE

Kingshill House is occupied by the company under a lease from Stroud District Council dated 18 October 1999. The term is 25 years, the initial rent is £5 per annum and will be reviewed after 5 years and every 5 years thereafter. The lease requires that the company be responsible for the repair and maintenance of Kingshill House, and to carry out work as outlined in Capital Commitments.

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

22. CAPITAL COMMITMENTS

The lease from Stroud District Council requires the company to carry out works to the property with an estimated cost of approximately £80,000.

The total projected building works are expected to amount to approximately £340,000. To date in excess of £200,000 has been incurred. The balance of the required work and other projected works will be authorised as and when funding becomes available.

As at 31 March 2003 the company was committed to the replacement of a wooden fire escape with a steel one at a cost of approximately £1,600 (2002: £1,600).

23. RELATED PARTY

There were no commercial transactions during the year under review with the subsidiary Kingshill House Leisure Limited.

At March 2003 debtors of £1,120 (2002: £1,270), and no creditors (2002: nil), were included in the accounts in respect of the subsidiary company.