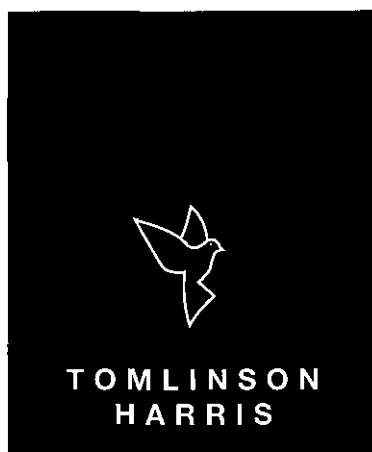


**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2005**

Charity Number 1055651



**CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS**



PROSPECT HOUSE
5 MAY LANE
DURSELY
GLOUCESTERSHIRE
GL11 4JH

TEL: 01453 542483
FAX: 01453 544272
E-MAIL: accounts@tomlinsonharris.co.uk

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

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KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATION INFORMATION

The members of the committee Dr A R R Telford (Secretary & Chairman)
Mrs C M Darlaston
Mr J C Drury (Finance)
Mr D Andrewartha (Stroud District Council)
Dr C Staddon
Mr A Cheshire
Mr R J Littleford
Mrs G Littleford
Mrs K White

Project manager Mr R Littleford

Company secretary Dr A R R Telford

Registered office Kingshill House
Kingshill Lane
Dursley
Gloucestershire
GL11 4BZ

Auditors Tomlinson Harris
Chartered Accountants
& Registered Auditors
Prospect House
5 May Lane
Dursley
Gloucestershire
GL11 4JH

Bankers Lloyds TSB Bank plc.
12 Rowcroft
Stroud
Gloucestershire
GL5 3BD

CCLA Investment Management Ltd
80 Cheapside
London
EC2V 6DZ

Solicitors Goldinghams
Hollis House
May Lane
Dursley
Gloucestershire
GL11 4JN

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 MARCH 2005

The Management Committee, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 March 2005.

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 year has seen the virtual completion of Phase III of the building project. The Art Studio and Lift were completed and the Lounge Bar was finally completed in May 2005. A number of minor tasks are currently being swept into the completion of Phase III. The garages damaged by fire are all now in use, generating income for the House but the future of the Coach House is still under consideration with some market research being undertaken to establish demand for workshop facilities. New tenants are in residence in the cottage and we look forward to a fruitful relationship with them in the future.

The Arts programme is continuing to develop. The programme in 2004/05 was successful and indicated areas for further development. Following the sudden departure of our Arts Manager, Jill Franks has stepped into the breach and is developing the programme for 2005/06.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE MANAGEMENT COMMITTEE *(continued)*

YEAR ENDED 31 MARCH 2005

FINANCIAL ACTIVITIES AND AFFAIRS

A net deficit of £150 was revealed for the year under review.

The three year funding agreement with Stroud District Council provides a degree of stability which enables us to focus on developing the facilities and usage of the House. Stroud District Council has also provided significant capital funding to allow completion of Phase III and further capital funding will enable essential external works to be completed in 2005/06. A business plan has been developed and will form the foundation for future growth of the business. A successful grant application will enable the security of the entrance area to be enhanced shortly. We are currently planning further grant applications.

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 Management Committee 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:

Dr A R R Telford (Secretary & Chairman)
Mrs C M Darlaston
Mr J C Drury (Finance)
Mr D Andrewartha (Stroud District Council)
Dr C Staddon
Mr A Cheshire
Mr R J Littleford (Appointed 1 July 2004)
Mrs G Littleford (Appointed 1 July 2004)
Mrs K White (Appointed 18 October 2004)
Mr J A Guy (Retired 14 June 2004)
Mr M W Harris (Retired 2 August 2004)

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE MANAGEMENT COMMITTEE *(continued)*

YEAR ENDED 31 MARCH 2005

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.

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

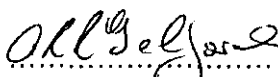
A resolution to re-appoint Tomlinson Harris as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Kingshill House
Kingshill Lane
Dursley
Gloucestershire
GL11 4BZ

Signed on behalf of the Management Committee


.....
DR A R R TELFORD
Secretary

Approved by the Management Committee on 10 October 2005

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KINGSHILL HOUSE LIMITED**

YEAR ENDED 31 MARCH 2005

We have audited the financial statements on pages 7 to 18 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 Management Committee (who also act as Directors for the charitable activities of the company) of the charity 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.

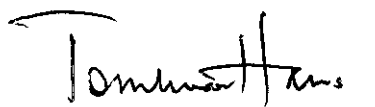
**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KINGSHILL HOUSE LIMITED *(continued)***

YEAR ENDED 31 MARCH 2005

OPINION

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 March 2005 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.


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

Prospect House
5 May Lane
Dursley
Gloucestershire
GL11 4JH

13 October 2005

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
INCOMING RESOURCES					
Donations	2	1,285	960	2,245	391
Gifts	3	250	—	250	250
Grants receivable	4	21,052	124,504	145,556	21,000
Charitable trading income	5	38,564	—	38,564	26,964
UK interest receivable	6	631	—	631	565
TOTAL INCOMING RESOURCES		61,782	125,464	187,246	49,170
RESOURCES EXPENDED					
Charitable expenditure:					
Costs in furtherance of charitable objects	7				
Staff costs		15,686	—	15,686	12,329
Depreciation and other costs		4,677	—	4,677	3,749
Management and administration	8	41,569	125,464	167,033	30,784
TOTAL RESOURCES EXPENDED	9	61,932	125,464	187,396	46,862
NET (OUTGOING)/INCOM ING RESOURCES FOR THE YEAR					
	10	(150)	—	(150)	2,308
Balances brought forward		25,530	—	25,530	23,222
Balances carried forward		25,380	—	25,380	25,530

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 18 form part of these financial statements.

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
INCOME		186,615	48,605
TOTAL EXPENDITURE	9	187,396	46,862
OPERATING (DEFICIENCY)/SURPLUS	10	(781)	1,743
Interest receivable and similar income	6	631	565
NET (DEFICIENCY)/RETAINED SURPLUS FOR THE FINANCIAL YEAR		(150)	2,308

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

The notes on pages 10 to 18 form part of these financial statements.

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

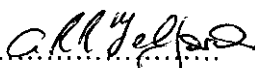
BALANCE SHEET

31 MARCH 2005

	Note	2005 £	£	2004 £	£
FIXED ASSETS					
Tangible assets	11		7,038		6,455
Investments	12		1		1
			<u>7,039</u>		<u>6,456</u>
CURRENT ASSETS					
Debtors	13	40,349		5,153	
Cash at bank and in hand		<u>30,660</u>		<u>20,696</u>	
		71,009		25,849	
CREDITORS: Amounts falling due within one year	14	<u>(51,789)</u>		<u>(5,595)</u>	
NET CURRENT ASSETS			19,220		20,254
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>26,259</u>		<u>26,710</u>
CREDITORS: Amounts falling due after more than one year	15		(880)		(1,180)
NET ASSETS			<u>25,379</u>		<u>25,530</u>
FUNDS					
Restricted	18		—		—
Unrestricted	19		<u>25,379</u>		<u>25,530</u>
TOTAL FUNDS			<u>25,379</u>		<u>25,530</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 10 Oct 05 and are signed on their behalf by:

..... 
DR A R R TELFORD
Chairman

The notes on pages 10 to 18 form part of these financial statements.

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

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
-----------------------	---------------------

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 2005

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 management committee 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 2005	Total Funds 2004
	£	£	£	£
General Donations	<u>1,285</u>	<u>960</u>	<u>2,245</u>	<u>391</u>

3. GIFTS

	Unrestricted Funds	Restricted Funds	Total Funds 2005	Total Funds 2004
	£	£	£	£
Gifts	<u>250</u>	<u>-</u>	<u>250</u>	<u>250</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

4. GRANTS RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Stroud District Council - Building Work	52	124,504	124,556	-
Stroud District Council - Administration	20,000	-	20,000	20,000
Cam Parish Council	1,000	-	1,000	1,000
	<u>21,052</u>	<u>124,504</u>	<u>145,556</u>	<u>21,000</u>

5. CHARITABLE TRADING INCOME

	2005 £	2004 £
Room hire	19,585	19,755
Cottage rent	4,003	3,515
Insurance claim	10,289	-
Fundraising and other income	4,687	3,694
	<u>38,564</u>	<u>26,964</u>

6. UK INTEREST RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Bank interest receivable	<u>631</u>	<u>-</u>	<u>631</u>	<u>565</u>

7. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Provision of charitable services:				
Wages and salaries	15,686	-	15,686	12,329
General repairs	-	-	-	648
Function costs	4,677	-	4,677	3,101
	<u>20,363</u>	<u>-</u>	<u>20,363</u>	<u>16,078</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

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

Analysis of provision of charitable services:

	Staff costs £	Other costs £	Total 2005 £	Total 2004 £
Wages and salaries	15,686	-	15,686	12,329
General repairs	-	-	-	648
Function costs	-	4,677	4,677	3,101
	<u>15,686</u>	<u>4,677</u>	<u>20,363</u>	<u>16,078</u>

8. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Salaries	5,736	-	5,736	4,725
Office costs	33,336	125,464	158,800	24,391
Accountancy	1,100	-	1,100	-
Audit fees	1,200	-	1,200	1,200
Professional fees	197	-	197	468
	<u>41,569</u>	<u>125,464</u>	<u>167,033</u>	<u>30,784</u>

9. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total Funds 2005 £	Total Funds 2004 £
Direct charitable expenditure	15,686	-	4,677	20,363	16,078
Management and administration	5,736	2,762	158,536	167,034	30,784
	<u>21,422</u>	<u>2,762</u>	<u>163,213</u>	<u>187,397</u>	<u>46,862</u>

The aggregate payroll costs were:

	2005 £	2004 £
Wages and salaries	21,002	16,814
Social security costs	420	240
	<u>21,422</u>	<u>17,054</u>

No remuneration is paid to the Management Committee. 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 2005

9. TOTAL RESOURCES EXPENDED *(continued)*

Particulars of employees:

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

	2005	2004
	No	No
Administrative/direct charitable staff costs	<u>2</u>	<u>2</u>

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

	2005	2004
	£	£
Other costs:		
Premises	158,172	20,915
Legal and professional	2,497	1,668
Other	2,544	4,625
	<u>163,213</u>	<u>27,208</u>

10. OPERATING DEFICIT/SURPLUS

Operating deficit/surplus is stated after charging:

	2005	2004
	£	£
Depreciation	2,762	2,600
Auditors' fees	<u>1,200</u>	<u>1,200</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

11. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
COST	
At 1 April 2004	16,779
Additions	3,345
Disposals	<u>(1,626)</u>
At 31 March 2005	<u>18,498</u>
DEPRECIATION	
At 1 April 2004	10,324
Charge for the year	2,762
On disposals	<u>(1,626)</u>
At 31 March 2005	<u>11,460</u>
NET BOOK VALUE	
At 31 March 2005	<u>7,038</u>
At 31 March 2004	<u>6,455</u>

12. INVESTMENTS

Movement in market value

	2005 £	2004 £
Market value at 1 April 2004	<u>1</u>	<u>1</u>
Market value at 31 March 2005	<u><u>1</u></u>	<u><u>1</u></u>
Historical cost at 31 March 2005	<u>1</u>	<u>1</u>

Analysis of investments at 31 March 2005 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Listed investments				
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>

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

Name	Nature of Business
Kingshill House Leisure Limited	Leisure Club

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

12. INVESTMENTS *(continued)*

Aggregate capital and reserves	
2005	2004
£	£
(991)	(971)

13. DEBTORS

	2005	2004
	£	£
Trade debtors	1,438	2,620
Amounts owed by group undertakings	2,038	1,404
Other debtors	34,803	571
Prepayments	2,070	558
	<u>40,349</u>	<u>5,153</u>

14. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
PAYE and social security	5,778	654
Other creditors	46,011	4,941
	<u>51,789</u>	<u>5,595</u>

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

	2005	2004
	£	£
Other creditors	<u>880</u>	<u>1,180</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" receive free membership of Kingshill House and all the benefits that are attached to this.

YEAR ENDED 31 MARCH 2005

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

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.

22. CAPITAL COMMITMENTS

The wooden fire escape has now been removed and Kingshill House no longer has a commitment to replacing it with another fire escape as Gloucestershire County Council's Fire Safety Officer considers it is not necessary.

The Phase 3 specific works were carried out during 2004/05 amounting to approximately £150,000.

Funding for Phase 4, amounting to £50,000 is being sought for capital external work either in 2005/06 or 2006/07.

23. RELATED PARTY

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

At 31st March 2005 debtors of £2,038 (2004: £1,404), and no creditors (2004: nil), were included in the accounts in respect of the subsidiary company.