

KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2006



Charity Number 1055651



**CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS**

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**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

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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 D Andrewartha (Stroud District Council) Dr C Staddon Mr R J Littleford Mrs G Littleford Mrs K White
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Project manager	Mr R Littleford
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Company secretary	Dr A R R Telford
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Registered office	Kingshill House Kingshill Lane Dursley Gloucestershire GL11 4BZ
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Bankers	Lloyds TSB Bank plc. 12 Rowcroft Stroud Gloucestershire GL5 3BD
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	CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ
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Solicitors	Goldinghams Hollis House May Lane Dursley Gloucestershire GL11 4JN
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KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE MANAGEMENT COMMITTEE

YEAR ENDED 31 MARCH 2006

The Management Committee, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31 March 2006.

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.

Phase III of the building project has been completed and preliminary planning for Phases IV and V, which relate to external works, has commenced. Detailed planning awaits the identification of suitable sources of income. An "Awards for All" grant has been used to provide CCTV coverage of the Reception Hall, access control to the House during periods of single occupancy and signage in the grounds. There has been no progress with identifying a use for the Coach House; again funding to provide essential services in the Coach House has proved limiting. We have developed a working relationship with the cottage tenants who are acting as useful keyholders for the House.

The cottage chimney has been lined, enabling a woodburning stove to be installed to supplement the heating in the cottage.

The arts programme is continuing to develop with visual arts workshops being particularly well supported. A new venture, initiated in 2005/06, has been to open the Oldridge Bar on occasional Friday evenings, with informal entertainment. The more formal, ticketed, events have also been successful overall; we are continuing to monitor attendances to identify the more popular events. Daytime and evening usage of the House continues to grow with a number of local bodies using the premises for training.

The directors look forward to a new year, encouraged by the success of last year. It is our intent to seek further grant funding to finance external works and to support the artistic programme.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE MANAGEMENT COMMITTEE *(continued)*

YEAR ENDED 31 MARCH 2006

FINANCIAL ACTIVITIES AND AFFAIRS

A net surplus of £11,607 was revealed for the year under review.

The three year funding agreement with Stroud District Council continues to provide a degree of stability which enables us to focus on developing the facilities and usage of the House. A business plan has been developed and will form the foundation for future growth of the business. Successful grant applications will enable the company to continue making improvements to the property. 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 D Andrewartha	(Stroud District Council)	
Dr C Staddon		
Mr R J Littleford		
Mrs G Littleford		
Mrs K White		
Mr J C Drury	(Finance)	(Retired 12 September 2005)
Mr A Cheshire		(Retired 11 July 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.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE MANAGEMENT COMMITTEE *(continued)*

YEAR ENDED 31 MARCH 2006

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.

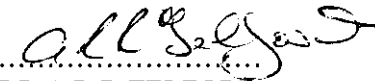
The Management Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Management Committee are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 16.10.06

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF
KINGSHILL HOUSE LIMITED**

YEAR ENDED 31 MARCH 2006

I report on the unaudited accounts of the charity for the year ended 31 March 2006 set out on pages 7 to 19.

**RESPECTIVE RESPONSIBILITIES OF THE COMMITTEE OF MANAGEMENT AND THE
INDEPENDENT EXAMINER**

As the charity's Committee of Management you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 does not apply and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 43(3)(a) of the Charities Act 1993);
- follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the Charities Act 1993); and
- state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the general directions given by the Charities Commissioners. An independent examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Committee of Management concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

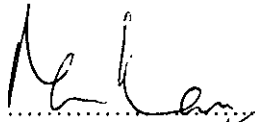
**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF
KINGSHILL HOUSE LIMITED *(continued)***

YEAR ENDED 31 MARCH 2006

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- (a) to keep accounting records in accordance with section 41 of the Act; and
 - (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



N M Kingston, FCA

BURTON SWEET
Chartered Accountants

29 September 2006
Date

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2006

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
INCOMING RESOURCES					
Voluntary income	2	21,731	60,727	82,458	148,051
Investment income	3	29,402	—	29,402	24,219
Activities for generating funds	4	7,560	—	7,560	4,687
Other incoming resources	5	—	—	—	10,289
TOTAL INCOMING RESOURCES		58,693	60,727	119,420	187,246
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	6	5,940	—	5,940	4,677
Other resources expended	7				
Staff costs		16,453	—	16,453	15,686
Depreciation and other costs		28,560	48,055	76,615	158,803
Governance costs	8	8,805	—	8,805	8,231
TOTAL RESOURCES EXPENDED	9	59,758	48,055	107,813	187,397
NET (OUTGOING)/INCOM ING RESOURCES FOR THE YEAR					
	10	(1,065)	12,672	11,607	(151)
Balances brought forward		25,379	—	25,379	25,530
Balances carried forward		24,314	12,672	36,986	25,379

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 11 to 19 form part of these financial statements.

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2006

	Note	2006 £	2005 £
INCOME		119,420	186,615
TOTAL EXPENDITURE	9	<u>107,813</u>	<u>187,396</u>
OPERATING SURPLUS/(DEFICIENCY)	10	11,607	(781)
Interest receivable and similar income	5	<u>—</u>	<u>631</u>
NET RETAINED SURPLUS/(DEFICIENCY) FOR THE FINANCIAL YEAR		<u>11,607</u>	<u>(150)</u>

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

The notes on pages 11 to 19 form part of these financial statements.

KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 MARCH 2006

	Note	2006 £	£	2005 £	£
FIXED ASSETS					
Tangible assets	11		4,607		7,038
Investments	12		1		1
			<u>4,608</u>		<u>7,039</u>
CURRENT ASSETS					
Debtors	13	12,626		40,349	
Cash at bank and in hand		<u>29,976</u>		<u>30,660</u>	
		42,602		71,009	
CREDITORS: Amounts falling due within one year	14	<u>(9,644)</u>		<u>(51,789)</u>	
NET CURRENT ASSETS			32,958		19,220
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>37,566</u>		<u>26,259</u>
CREDITORS: Amounts falling due after more than one year	15		(580)		(880)
NET ASSETS			<u>36,986</u>		<u>25,379</u>
FUNDS					
Restricted	18		12,672		—
Unrestricted	19		<u>24,314</u>		<u>25,379</u>
TOTAL FUNDS			<u>36,986</u>		<u>25,379</u>

The Balance sheet continues on the following page.
The notes on pages 11 to 19 form part of these financial statements.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

BALANCE SHEET *(continued)*

31 MARCH 2006

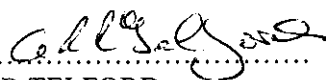
The Management Committee are satisfied that the charity is entitled to exemption from the provisions of the Charities Act 1993 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The Management Committee acknowledge their responsibilities for:

- (i) ensuring that the charity keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its surplus or deficiency for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Charities Act 1993.

These financial statements were approved by the members of the committee on the 16.0.06 and are signed on their behalf by:

.....
DR A R R TELFORD
Chairman

The notes on pages 11 to 19 form part of these financial statements.

KINGSHILL HOUSE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

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 2005) and the Charities Act 1993.

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 Charities Act 1993 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
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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 2006

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. VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
General Donations	456	-	456	2,245
Gifts	275	-	275	250
Stroud District Council - Building Work Grant	-	57,877	57,877	124,556
Stroud District Council - Administration Grant	20,000	-	20,000	20,000
Cam Parish Council - Grant	1,000	-	1,000	1,000
Awards for All	-	2,850	2,850	-
	<u>21,731</u>	<u>60,727</u>	<u>82,458</u>	<u>148,051</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

3. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Interest receivable	1,026	-	1,026	631
Room Hire	24,176	-	24,176	19,585
Cottage Rent	4,200	-	4,200	4,003
	<u>29,402</u>	<u>-</u>	<u>29,402</u>	<u>24,219</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Fundraising and other income	<u>7,560</u>	<u>-</u>	<u>7,560</u>	<u>4,687</u>

5. OTHER INCOMING RESOURCES

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Insurance claim	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,289</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Fundraising costs	<u>5,940</u>	<u>-</u>	<u>5,940</u>	<u>4,677</u>

7. OTHER RESOURCES EXPENDED

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Provision of charitable services:				
Wages and salaries	16,453	-	16,453	15,686
Insurance	3,362	-	3,362	2,631
Rent and water rates	1,513	-	1,513	1,371
Light and heat	4,177	-	4,177	3,728
Sundry expenses	1,523	-	1,523	717
Property and general repairs	12,680	48,055	60,735	145,223
Telephone, stationery and advertising	2,501	-	2,501	2,020
Bank charges	373	-	373	351
Depreciation	2,431	-	2,431	2,762
	<u>45,013</u>	<u>48,055</u>	<u>93,068</u>	<u>174,489</u>

KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

7. OTHER RESOURCES EXPENDED *(continued)*

Analysis of provision of charitable services:

	Staff costs £	Depreciation £	Other costs £	Total 2006 £	Total 2005 £
Wages and salaries	16,453	-	-	16,453	15,686
Insurance	-	-	3,362	3,362	2,631
Rent and water rates	-	-	1,513	1,513	1,371
Light and heat	-	-	4,177	4,177	3,728
Sundry expenses	-	-	1,523	1,523	717
Property and general repairs	-	-	60,735	60,735	145,223
Telephone, stationery and advertising	-	-	2,501	2,501	2,020
Bank charges	-	-	373	373	351
Depreciation	-	2,431	-	2,431	2,762
	<u>16,453</u>	<u>2,431</u>	<u>74,184</u>	<u>93,068</u>	<u>174,489</u>

8. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Salaries	6,366	-	6,366	5,736
Office costs	89	-	89	-
Accountancy	2,350	-	2,350	1,100
Audit fees	-	-	-	1,200
Professional fees	-	-	-	195
	<u>8,805</u>	<u>-</u>	<u>8,805</u>	<u>8,231</u>

9. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total Funds 2006 £	Total Funds 2005 £
Direct charitable expenditure	16,453	2,431	74,184	93,068	174,489
Costs of generating voluntary income	-	-	5,940	5,940	4,677
Management and administration	6,366	-	2,439	8,805	8,231
	<u>22,819</u>	<u>2,431</u>	<u>82,563</u>	<u>107,813</u>	<u>187,397</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

9. TOTAL RESOURCES EXPENDED *(continued)*

The aggregate payroll costs were:

	2006	2005
	£	£
Wages and salaries	22,144	21,002
Social security costs	675	420
	<u>22,819</u>	<u>21,422</u>

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

Particulars of employees:

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

	2006	2005
	No	No
Administrative/direct charitable staff costs	<u>2</u>	<u>2</u>

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

	2006	2005
	£	£
Other costs:		
Premises	80,124	160,718
Legal and professional	2,350	2,495
Other	89	—
	<u>82,563</u>	<u>163,213</u>

10. OPERATING SURPLUS/DEFICIT

Operating surplus/deficit is stated after charging:

	2006	2005
	£	£
Amortisation	2,431	2,762
Auditors' fees	<u>—</u>	<u>1,200</u>

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

11. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
COST	
At 1 April 2005 and 31 March 2006	<u>18,498</u>
DEPRECIATION	
At 1 April 2005	11,460
Charge for the year	<u>2,431</u>
At 31 March 2006	<u>13,891</u>
NET BOOK VALUE	
At 31 March 2006	<u>4,607</u>
At 31 March 2005	<u>7,038</u>

12. INVESTMENTS

Movement in market value

	2006 £	2005 £
Market value at 1 April 2005	<u>1</u>	<u>1</u>
Market value at 31 March 2006	<u>1</u>	<u>1</u>
Historical cost at 31 March 2006	<u>1</u>	<u>1</u>

Analysis of investments at 31 March 2006 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Listed investments				
UK group undertaking -				
Brought forward	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</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
	Aggregate capital and reserves
	2005 2004
	£ £
	(991) (971)

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

13. DEBTORS

	2006	2005
	£	£
Trade debtors	3,772	1,438
Amounts owed by group undertakings	4,884	2,038
Other debtors	3,450	34,803
Prepayments	520	2,070
	<u>12,626</u>	<u>40,349</u>

14. CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
PAYE and social security	358	170
Other creditors	9,286	51,619
	<u>9,644</u>	<u>51,789</u>

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

	2006	2005
	£	£
Other creditors	<u>580</u>	<u>880</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.

16. CREDITORS - CAPITAL INSTRUMENTS

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

	2006	2005
	£	£
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	280	580
	<u>880</u>	<u>1,180</u>

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

KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2006 the charity had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings	
	2006	2005
	£	£
Operating leases which expire:		
Within 1 year	<u>-</u>	<u>344</u>

18. RESTRICTED FUNDS

	Movement in resources:		
	Incoming	Outgoing	Balance at 31 Mar 2006
House Security	2,850	(1,956)	894
Building works	57,877	(46,099)	11,778
	<u>60,727</u>	<u>(48,055)</u>	<u>12,672</u>

Restricted funds represent specific grants from Stroud District Council for building works to Kingshill House.

19. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Tangible fixed assets	Investments	Other net assets	Total
	£	£	£	£
House Security	-	-	894	894
Building works	-	-	11,778	11,778
	<u>-</u>	<u>-</u>	<u>12,672</u>	<u>12,672</u>
Unrestricted funds	4,607	1	19,706	24,314
	<u>4,607</u>	<u>1</u>	<u>32,378</u>	<u>36,986</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.

**KINGSHILL HOUSE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

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 2006 debtors of £4,884 (2005: £2,038), and no creditors (2005: nil), were included in the accounts in respect of the subsidiary company.