SC221007

The Hillock

Report and Financial Statements

Year Ended

31 August 2004

BDO Stoy Hayward
Chartered Accountants

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The Hillock

Annual report and financial statements for the year ended 31 August 2004

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Members of Council

Alex McKie
Olive McKie

Secretary and registered office

Olive McKie, The Hillock, Caldwell, Uplawmoor, East Renfrewshire, G78 4AX

Company number

221007

Scottish Charity number

SC031902

Auditors

BDO Stoy Hayward LLP, 64 Dalblair Road, Ayr, KA7 1UH

Bankers

Bank of Scotland, 112 Main Street, Barrhead, G78 1RD

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Report of the Members of Council for the year ended 31 August 2004

The members present their report together with the financial statements for the period ended 31 August 2004. The financial statements comply with current statutory requirements and with the requirements of the charity's Memorandum and Articles of Association.

Organisation

The company was incorporated on 9 July 2001 as a company limited by guarantee and commenced operating on 1 September 2001.

It is a registered Scottish charity, charity number SC031902, and is governed by its Memorandum and Articles of Association. The rules governing the appointment and removal of members are also set out in this document.

The principal address of the charity together with other administrative information is set out on the contents page.

Results

The income and expenditure statement is set out on page 4 and shows the deficit for the year.

The charity is not permitted to pay dividends under the terms of its Memorandum and Articles of Association.

Principal activities and trading review.

The company's principal activity is to provide and operate an alcoholism treatment centre.

The Hillock is a privately-owned alcoholism treatment centre, which gives its attention to no more than 5 clients at a time. Emphasis is based upon treating clients as individuals. Private bedrooms are offered, along with a communal lounge, dining room and reading room. An indoor, heated swimming pool is available in the grounds.

The following treatments are provided;

- Safe, painless withdrawal from alcohol using prescribed medication.
- Rest, comfort and good food.
- Peace to relax, in a stress free countryside environment.
- Individual therapy by experienced counsellors.
- Group therapy in regular meetings with members, and on-going care with telephone contact and correspondence.
- Back-up programme which lasts for a year.

During its third year of operation, the Hillock has continued to help a wide range of people to live happy and healthy lives without alcohol.

Reserves policy

The Members of Council have established a policy whereby the unrestricted funds held by the charity should be between 3 and 6 months of the resources expended, which equates to between £13,585 and £27,175 in general funds. At this level, the members feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding.

At the year end, general reserves, which are negative, do not reach this target level. However, since the year end, there has been a significant increase in the operations of the charity, and funds have increased to an acceptable level.

Members of Council

The Members of Council are directors of the company for the purposes of company law. The members of the company during the year were:-

Alex McKie
Olive McKie

No member had any beneficial interest in the company.

The company is limited by guarantee and therefore has no share capital. 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 or she is a member or within one year after ceasing to be a member for payment of the debts and liabilities of the company contracted before cessation of membership and of the costs, charges and expenses of winding up for the adjustment of the rights of the contributors amongst themselves, such amounts as may be required not exceeding £1.

Members' responsibilities

Company law requires the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the members are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The financial statements were approved by Members of Council on 12/5/05

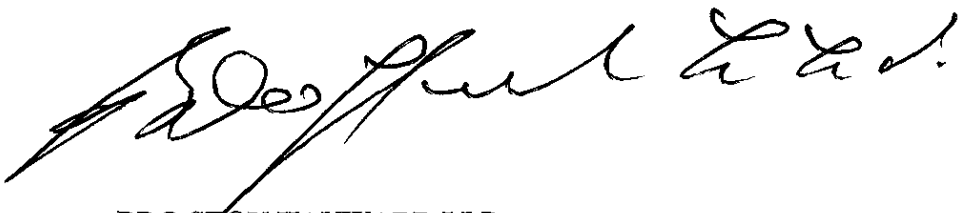
Olive McKie
Secretary O. McKie

The Hillock

Accountants' Report on the Unaudited Financial Statements

To the members of The Hillock

As described in the members report you are responsible for the preparation of the financial statements for the period ended 31 August 2004, set out on pages 4 to 10 and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



BDO STOY HAYWARD LLP
Chartered Accountants
Ayr

Date .....

The Hillock

Summary Income and Expenditure Statement for the year ended 31 August 2004

	Note	2004	2003 £
Gross income from continuing operations	2	**48,139**	51,094
Direct expenditure		**17,407**	32,129
		30,732	18,965
Administrative expenditure		**36,940**	24,901
Net deficit before interest receivable	5	**(6,208)**	(5,936)
Interest receivable	6	**52**	50
Net deficit before taxation		**(6,156)**	(5,886)
Taxation on surplus/(deficit) on ordinary activities	7	**-**	-
Net deficit for the year		**(6,156)**	(5,886)

The summary income and expenditure account is derived from the statement of financial activities on page 5, which, together with the notes to the accounts on pages 7 to 10 provides full information on the movements during the year on all the funds of the company.

All amounts relate to continuing activities.

The notes on pages 7 to 10 form part of these financial statements.

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Statement of Financial Activities for the year ended 31 August 2004

	Unrestricted Funds 2004 £	Unrestricted Funds 2003 £
Incoming resources:		
Donations, gifts and similar incoming resources	**37,825**	40,070
Income tax refunded	**10,314**	11,024
Investment income	**52**	50
Total incoming resources	**48,191**	51,144
Resources expended:		
Direct charitable expenditure:		
-Food, provisions and cleaning	**10,985**	10,859
-Counselling services	**1,310**	-
-Wages and NIC	**5,112**	21,270
-Expenditure relating to the provision of an alcoholic treatment centre	**23,750**	15,071
Total direct charitable expenditure	**41,157**	47,200
Other expenditure:		
Management and administration	**13,190**	9,830
Total resources expended	**54,347**	57,030
Net outgoing resources	**(6,156)**	(5,886)
Funds brought forward 1 September 2003	**3,248**	9,134
Funds carried forward 31 August 2004	**(2,908)**	3,248

The notes on pages 7 to 10 form part of these financial statements.

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Balance sheet at 31 August 2004

	Note	2004 £	2004 £	2003 £
Fixed assets				
Tangible assets	8		4,555	4,603
Current assets				
Cash at bank and in hand		5,368		1,875
Debtors	9	5,937		1,622
		11,305		3,497
Creditors: amounts falling due within one year	10	18,768		4,852
Net current liabilities			(7,463)	(1,355)
Net (liabilities)/assets			(2,908)	3,248
Fund Balances				
Unrestricted funds	11		(2,908)	3,248

For the year ended 31 August 2004, the company was entitled to exemption under section 249A (1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B (2).

The directors acknowledge their responsibility for:

i) Ensuring the company keeps accounting records which comply with section 221; and

ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Members of Council on 12/5/05 and signed on its behalf by:

..... Member

..... Member

The notes on pages 7 to 10 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and the charity's Memorandum and Articles of Association. They have also been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued October 2000). The following principal accounting policies have been consistently applied:

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. The annual depreciation rates are as follows:

Computer Equipment	- over 4 years straight line
Property Improvements	- over 10 years straight line
Other Equipment	- 25% reducing balance

Donations

Donations are credited to the income and expenditure statement in the year of receipt, unless the terms of the gift specify otherwise.

Tax status

The company has been established with the Inland Revenue as a charity and, subject to all its income being applied for charitable purposes, is exempt from corporation tax.

Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Unrestricted funds

Unrestricted funds are gifts and donations receivable for the objects of the charity without further specified purpose and are available as general funds.

2 Gross income from continuing operations

	Unrestricted 2004 £	Unrestricted 2003 £
Income tax refunded	10,314	11,024
General donations and gifts	37,825	40,070
	48,139	51,094

3 Employees

	2004 £	2003 £
Staff costs (including directors) consist of:		
Wages and salaries	4,689	19,999
Social security costs	423	1,271
Total staff costs	5,112	21,270

4 Members

Details of amounts paid to members are as analysed at note 3.

5 Operating surplus/ (deficit)

	2004 £	2003 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	1,023	847
Accounting services	1,905	1,902

6 Interest receivable

	2004 £	2003 £
Bank interest receivable	32	50
Other interest receivable	20	-
	52	50

7 Taxation

As a result of the company's taxation status, as indicated in the accounting policies (note 1), no liability to tax arises on the year's results.

8 Tangible assets

	Property Improvements £	Computer Equipment £	Other Equipment £	Total £
Cost				
At 1 September 2003	3,912	742	1,077	5,731
Additions	-	-	975	975
At 31 August 2004	**3,912**	**742**	**2,052**	**6,706**
Depreciation				
At 1 September 2003	542	316	270	1,128
Provided for in period	391	186	446	1,023
At 31 August 2004	**933**	**502**	**716**	**2,151**
Net Book Value				
At 31 August 2004	**2,979**	**240**	**1,336**	**4,555**
At 31 August 2003	3,370	426	807	4,603

9 Debtors

	2004 £	2003 £
Prepayments and accrued income	5,937	1,622

10 Creditors: Amounts falling due within one year

	2004 £	2003 £
Directors' loan account	**16,411**	1,565
Accrued charges	**2,357**	2,950
Social security & other taxes	-	337
	18,768	4,852

11 Fund Balances

	2004 £	2003 £
Balance 1 September 2003	3,248	9,134
Deficit for the year	(6,156)	(5,886)
Balance 31 August 2004	(2,908)	3,248

12 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as members of council believe the company is a 'small entity' as defined under Section 247 of the Companies Act 1985.

13 Related party transactions

During the year, Alex McKie, a director, charged rent of £12,000 (2003: £Nil) to the company. At 31 August 2004, there was £Nil outstanding to the director in relation to this transaction.