Charity No: SCO31902

SC22051

The Hillock

Report and Unaudited Financial Statements

Year Ended

31 August 2007

BDO

BDO Stoy Hayward
Chartered Accountants

THURSDAY
SVDV9228
SCT 07/08/2008 643
COMPANIES HOUSE

The Hillock

Annual report and financial statements for the year ended 31 August 2007

Contents

Page:

1	Report of the Members of Council
4	Accountants report
5	Statement of Financial Activities
6	Balance sheet
7	Notes forming part of the financial statements

Members of Council

Alex McKie
Olive McKie

Secretary and registered office

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

Company number

SC221007

Scottish Charity number

SC031902

Accountants

BDO Stoy Hayward LLP, 4 Atlantic Quay, 70 York Street, Glasgow G2 8JX

Bankers

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

The Hillock

Report of the Members of Council for the year ended 31 August 2007

The members present their report together with the financial statements for the year ended 31 August 2007.

The principal address of the charity together with other administrative information is set out on the contents page and forms part of the members report

Structure, governance and management

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.

Results

The income and expenditure statement is set out on page 5 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.

Objectives and Activities

The charity's aim is to provide a service in order to reduce alcohol, drug or solvent related harm and to provide rest, recovery and rehabilitation through assessment, counselling, group work, education, day centres, therapeutic workshops, community handyman schemes and alternative leisure activities.

The Hillock is a small 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 and a fitness centre are available in the grounds

The main objectives and activities of the charity continue to focus on the rehabilitation of people with alcohol problems. The following activities were undertaken to meet these objectives;

- 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 who have experienced similar problems.
  Group therapy in regular meetings with members, and on-going care with telephone contact and correspondence.
  Back up programme which lasts for as long as required.

Achievements and performance

The main charitable activity is the provision of a tranquil environment where people can escape to try and overcome their alcohol addiction. Therapy is provided to assist in the process and also a back up programme which lasts for as long as required

The charity has yet again had another successful year with more than 75% of patients treated recovering from their alcohol addiction

During the year the charity had to temporarily shut down as a result of an inspection from the Care Commission An extensive project is now under way to ensure that the charity is fully compliant with the Care Commission with a view to the charity reopening in the new financial year.

Financial review

As a result of the charity being closed for part of the year voluntary income has significantly reduced as has the related expenditure.

In the past the Members of Council had established a policy whereby the unrestricted funds held by the charity should be between 3 and 6 months of the resources expended Due to the success of the charity it has always managed to hold reserves well in excess of this amount. This has allowed the charity to continue even with a significant drop in funding

Plans for Future Periods

The charity is currently working on achieving Care Commission approval with a view to reopening the charity. This involves significant capital expenditure and the reserves which have been built up in the past are being used towards this It is hoped that Care Commission approval will be received in the very near future.

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.

Recruitment and appointment of Trustees

Due to the nature of alcohol rehabilitation the trustees are required to have significant skills and experience in this area. As a result the charity find it difficult to recruit trustees with the requisite skills Going forward when the charity reopens with the approval of the Care Commission the current trustees will be actively looking to take on additional trustees who have the necessary skills in this area

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 and the Statement of Recommended Practice· Accounting and Reporting by Charities (Revised 2005) 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.

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

By order of the board

Olive McKie

Olive McKie
Secretary

28 July 2008

The Hillock

Accountants' report for the year ended 31 August 2007

In accordance with the letter of engagement dated 9 June 2004, we have compiled the financial statements of The Hillock for the year ended 31 August 2007 on pages 5 to 11 from the accounting records and information and explanations you have given us

Our report has been prepared under the terms of our engagement with The Hillock and for no other purpose No person is entitled to rely on this report other than The Hillock, or any person expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants of Scotland and have complied with ethical guidance laid down by the Institute.

You have approved the financial statements and have acknowledged your responsibility for them, for the appropriateness of the accounting basis and for providing all information and explanations necessary for their compilation

We have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the financial statements

BDO STOY HAYWARD LLP
Chartered Accountants
Glasgow

28 July 2008

The Hillock

Statement of Financial Activities for the year ended 31 August 2007

	Note	Unrestricted Funds 2007 £	Unrestricted Funds 2006 £
Incoming resources:			
Incoming resources from generated funds			
Voluntary income	3	**91,281**	181,925
Investment income		**1,452**	1,348
Total incoming resources		**92,733**	183,273
Resources expended			
Cost of charitable activities	4	**93,365**	110,909
Governance costs	5	**3,925**	3,190
Total resources expended		**97,290**	121,894
Net movement in funds	15	**(4,557)**	61,379
Total funds brought forward	15	**116,172**	54,793
Total funds carried forward	15	**111,615**	116,172

The notes on pages 8 to 12 form part of these financial statements.

The Hillock

Balance sheet at 31 August 2007

	Note	2007 £	2007 £	2006 £
Fixed assets				
Tangible assets	12		14,772	16,522
Current assets				
Cash at bank and in hand		100,148		115,987
Debtors	13	100		20,640
		100,248		136,627
Creditors: amounts falling due within one year	14	3,405		36,977
Net current assets			96,843	99,650
Net assets			111,615	116,172
Fund Balances				
Unrestricted funds	15		111,615	116,172

For the year ended 31 August 2007 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 members 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 surplus or deficit 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.

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

The financial statements were approved by the Members of Council and authorised for issue on 10 June 2008

..... Member

..... Member

The notes on pages 8 to 12 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 (Revised 2005). 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

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.

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.

Designated funds

Designated funds are unrestricted funds earmarked by the Members of Council for a particular purpose.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

- Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities in the year of receipt, unless the terms of the gift specify otherwise.
- Investment income is included when receivable

1 **Accounting policies (continued)**

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity

2 **Gross income from continuing activities**

Gross income arises solely within the UK.

3 **Voluntary income**

	2007 £	2006 £
Income tax refunded	8,510	26,698
General donations and gifts	82,771	155,227
	91,281	181,925

4 **Costs of charitable activites**

	2007 £	2006 £
Costs directly allocated to activities		
Food, provisions and cleaning	11,067	16,343
Counselling services	1,600	1,384
Wages and NIC	22,323	12,414
Travelling expenses	12,900	28,945
Rent, rates and insurance	24,842	24,876
Heat and light	4,862	5,905
Advertising and promotion	5,645	7,795
Support costs allocated to activities		
Telephone	823	1,306
Repairs and renewals	4,314	12,278
Postage and stationery	456	934
Depreciation	3,229	3,057
General expenses	1,264	3,417
Bank charges	40	50
	93,365	110,909

5 Governance costs

	2007	2006
	£	£
Accountancy fees	3,925	3,190

6 Employees

	2007	2006
	£	£
Staff costs (including directors) consist of:		
Wages and salaries	20,796	11,075
Social security costs	1,527	1,339
Total staff costs	22,323	12,414

No employee received emoluments of more than £60,000 The average number of employees (including directors) during the year was 4 (2006 4).

The charity does not operate any pension scheme for its employees.

7 Director's remuneration

No director received any emoluments or were reimbursed any expenses in the current or preceding financial year.

8 Members remuneration and related party transactions

During the year the charity paid rent to Alex McKie of £21,000 (2006 £21,000) The rent paid was based on normal market rates There were no amounts outstanding at the end of the year.

9 Operating surplus

	2007	2006
	£	£
This is arrived at after charging:		
Depreciation of tangible fixed assets	3,229	3,057
Accounting services	3,925	3,190
Hire of other assets – operating leases	21,000	21,000

10 Interest receivable

	2007	2006
	£	£
Bank interest receivable	1,452	1,348

11 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

12 Tangible assets

	Tenants property Improvements	Computer Equipment	Other Equipment	Total
	£	£	£	£
Cost				
At 1 September 2006	14,921	1,544	6,464	22,929
Additions		-	1,478	1,478
At 31 August 2007	14,921	1,544	7,942	24,407
Depreciation				
At 1 September 2006	2,926	944	2,537	6,407
Provided for in period	1,492	386	1,351	3,229
At 31 August 2007	4,418	1,330	3,888	9,636
Net Book Value				
At 31 August 2007	10,503	215	4,054	14,772
At 31 August 2006	11,995	600	3,927	16,522

13 Debtors

	2007	2006
	£	£
Prepayments and accrued income	100	20,640

14 Creditors: Amounts falling due within one year

	2007	2006
	£	£
Directors' loan account	-	33,836
Accrued charges	3,405	3,141
	3,405	36,977

15 Fund Balances

	2007 £	2006 £
Balance 1 September 2006	116,172	54,793
(Deficit)/surplus for the year	(4,557)	61,379
Balance 31 August 2007	111,615	116,172

Included in the above unrestricted reserves is £50,000 of designated funds These funds have been designated for the refurbishment of the charity premises to comply with the Care Commission

16 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

17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	2007 Land and Buildings £	2006 Land and buildings £
Operating leases which expire:		
Within one year	21,000	21,000