

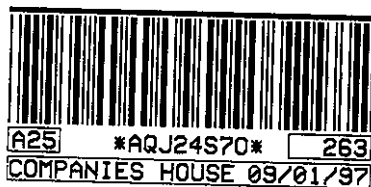
COMPANY NUMBER: 541304

SOLDEN HILL HOUSE LIMITED

REPORT AND ACCOUNTS

YEAR TO 31ST MARCH 1996

REGISTERED CHARITY NUMBER: 228037



**SOLDEN HILL HOUSE LIMITED****DIRECTORS' REPORT - YEAR TO 31ST MARCH 1996**

<b>DIRECTORS</b>	R.S. Hann	R.C. Peach
	Sir M.J.S. Clapham, K.B.E.	Mrs. D.E. Burton
	Mrs. K.J. Field	Mrs. B. Buchanan-Wollaston
	Mrs. I.J. Baker	M. Havelock-Allan QC
	Mrs. M. Hogg	

**SECRETARY** Mrs. D.E. Thomas

**REGISTERED OFFICE** Solden Hill House, Byfield, Daventry, Northants

The directors present their report together with the accounts for the year to 31st March 1996.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was the administration of a residential home for mentally handicapped adults in need of special care and training based on the principles of Rudolf Steiner.

The directors consider that the company's financial position at the end of the year is satisfactory.

**DIVIDENDS AND APPROPRIATIONS**

In accordance with the company's Memorandum of Association, no dividend can be paid to the members of the company.

The excess of income over expenditure for the year of £7706 has been transferred to the General Building and Refurbishment Fund.

**FIXED ASSETS**

The movement in the tangible fixed assets are shown in note 4 on the accounts.

The directors are of the opinion that the current open market value of the company's freehold land and buildings shown in the Balance Sheet at a cost of £955293 is in excess of cost.

**DIRECTORS AND INTEREST IN SHARES**

The directors retiring by rotation are Mrs. D. Burton, Mrs. K.J. Field and Mrs. B. Buchanan-Wollaston who being eligible, offer themselves for re-election.

The interests of the directors, and their families, in the called up share capital of the company were as follows:

	Ordinary shares of £1 each	
	At 31/3/96	At 1/4/95
R.S. Hann	1	1
R.C. Peach	1	1
Sir M.J.S. Clapham, K.B.E.	1	1
Mrs. D.E. Burton	1	1
Mrs. K.J. Field	1	1
Mrs. B. Buchanan-Wollaston	1	1
Mrs. I.J. Baker	1	1
M. Havelock-Allan QC	1	1
Mrs. M. Hogg	1	1

**SOLDEN HILL HOUSE LIMITED****DIRECTORS' REPORT - YEAR TO 31ST MARCH 1996 (CONTINUED)****DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the income and expenditure of the company for that year. In preparing those accounts, the directors are required to:

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

The directors are responsible for maintaining 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 accounts comply with the Companies Act. 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.

**TAX STATUS**


The company is a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

**AUDITORS**

Messrs. Whitley, Stimpson and Partners have expressed their willingness to continue in office and accordingly a resolution will be proposed under Section 384 Companies Act 1985 at the next Annual General Meeting of the company in order to re-appoint them as auditors for a further term of office.

13th December 1996\_

By order of the board



Mrs. D.E. Thomas [Secretary]

## AUDITORS' REPORT TO THE SHAREHOLDERS OF SOLDEN HILL HOUSE LIMITED

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### BASIS OF OPINION

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company'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 accounts 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 accounts.

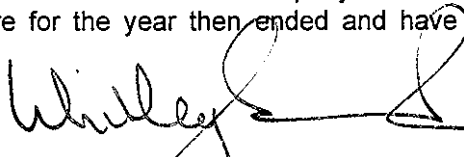
### QUALIFIED OPINION ARISING FROM DISAGREEMENT CONCERNING ACCOUNTING TREATMENTS

As disclosed within the accounts there is a departure from the Companies Act 1985 in that where there is an excess of income over expenditure for a year it has been credited to the General Building and Refurbishment Reserve instead of the Income and Expenditure Reserve. The accumulated effect of this on the Balance Sheet Reserves would be that the Income and Expenditure Account would be £(42654) whilst the other Reserves would be stated as £1288561. In addition as disclosed in note 3 to the accounts income and expenditure relative to specific funds is allocated directly to other reserves and is not shown in the company's income and expenditure account. This is a departure from the Companies Act 1985. The net movement to other reserves in the year is £210718.

No depreciation has been provided on the Freehold Property shown in the Balance Sheet. This results in non-compliance with Statement of Standard Accounting Practice No. 12. If this standard had been followed depreciation for the year on the freehold property would be charged at £19106 with similar adjustments to the result for the year and to the net assets.

Except for failure to apply the provisions of SSAP 12, regarding Freehold Property, for the transfer of the result for the year to a capital reserve, and for the allocation of income and expenditure directly to other reserves, in our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1996 and of its excess of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

13th December 1996

  
**Whitley, Stimpson and Partners,**  
Chartered Accountants and Registered Auditor,  
Penrose House,  
67 Hightown Road,  
BANBURY, Oxon.

**SOLDEN HILL HOUSE LIMITED****INCOME AND EXPENDITURE ACCOUNT - YEAR TO 31ST MARCH 1996**

	Note	£	1996 £	£	1995 £
TURNOVER			613338		593151
ADMINISTRATIVE EXPENSES			605624		570067
			<hr/>		<hr/>
			7714		23084
INTEREST PAYABLE	1		8		4
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR TRANSFERRED TO THE GENERAL BUILDING AND REFURBISHMENT FUND	3A		<hr/>		<hr/>
			£7706		£23080
			<hr/>		<hr/>

All of the company's operations are classed as continuing.

**STATEMENT OF THE TOTAL RECOGNISED GAINS AND LOSSES - YEAR TO 31ST MARCH 1996**

	Note	1996 £	1995 £
Movement in other reserves			
- Funds : Income	3A	209707	25858
Excess income for year	3A	7706	23080
Expenditure	3A	(152584)	(21799)
		<hr/>	<hr/>
		64829	27139
- Reserves : Funds employed	3B	145889	2519
		<hr/>	<hr/>
Total gains recognised since the last annual report		£210718	£29658
		<hr/>	<hr/>

**SOLDEN HILL HOUSE LIMITED****BALANCE SHEET AS AT 31ST MARCH 1996**

	Note	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible assets	4	1064311	919428
<b>CURRENT ASSETS</b>			
Stocks	5	3200	5790
Debtors	7	37082	40149
Cash at bank and in hand		196410	117457
		<u>236692</u>	<u>163396</u>
<b>CREDITORS</b> amounts falling due within one year	8	55082	47621
		<u>181610</u>	<u>115775</u>
<b>NET CURRENT ASSETS</b>		<u>£1245921</u>	<u>£1035203</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	14	14
Income and expenditure account	2	(144508)	(144508)
Other reserves	3	1390415	1179697
		<u>12</u>	<u>12</u>
Total called up share capital and reserves	12	£1245921	£1035203

We hereby approve these accounts on behalf of the board of directors on 13th December 1996.

D.E. Burton.  
Mrs. D.E. Burton (Director)

## **SOLDEN HILL HOUSE LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES - YEAR TO 31ST MARCH 1996**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts:-

**BASIS OF ACCOUNTING** The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the principles of Statement of Recommended Practice Number 2 - "Accounting by Charities" issued by the Accounting Standards Committee in May 1988 for the year to 31st March 1996. The company will adopt the recommendations contained within the revised Statement of Recommended Practice "Accounting by Charities" commission in October 1995.

#### **TREATMENT OF ANNUAL SURPLUSES**

The excess of income over expenditure for the year is transferred to the General Building and Refurbishment Reserve.

#### **TREATMENT OF CAPITAL EXPENDITURE**

With effect from 1st April 1993 the policy previously laid down by the Social Service Guidelines no longer applies.

Capital expenditure under those guidelines was charged to the profit and loss account and credited to the Capital Replacement Reserve. This reserve will now remain constant, and capital expenditure will be treated in the normal way.

**TURNOVER** represents the total amount invoiced in the year for the Board and Tuition fees chargeable for each pupil and amounts received from local authorities.

**EXPENDITURE** All expenditure in these accounts includes Value Added Tax where applicable.

**DEPRECIATION** is charged on a straight line basis in order to write off the cost of each asset over its estimated useful life at the following rates:

Furniture and equipment	10% per annum
Motor vehicles	25% per annum

**STOCKS** are stated at the lower of cost and net realisable value.

**TAXATION** As a Registered Charity the company is generally exempt from corporation tax but not from Value Added Tax. Irrecoverable VAT is included in the cost of those items to which it relates.

**PENSIONS** The company operates a defined contribution pension scheme in respect of those employees who have opted to join the scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The cost of contributions is charged to the profit and loss account in the year in respect of which they become payable.

**SOLDEN HILL HOUSE LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST MARCH 1996****1. RESULTS FOR THE YEAR:**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Stated after charging		
Interest payable on bank overdraft	8	4
Depreciation	25858	25283
Auditors' remuneration	1000	1000
Directors' remuneration	-	-
	<hr/>	<hr/>
and after crediting		
Profit on disposal of fixed assets	5327	1800
	<hr/>	<hr/>

The surplus of income over expenditure for the year of £7706 has been credited to the General Building and Refurbishment Reserve.

**2. INCOME AND EXPENDITURE ACCOUNT**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Accumulated expenditure brought forward		
and carried forward	(144508)	(144508)
	<hr/>	<hr/>



**SOLDEN HILL HOUSE LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST MARCH 1996 (CONTINUED)****3. OTHER RESERVES**

	1996 £	1995 £
At 1st April 1995	1179697	1150039
Funds - Income (see A below)	217413	88952
Funds - Expenditure (see A below)	(152584)	(61813)
Reserves - Funds employed (see B below)	145889	2519

At 31st March 1996	1390415	1179697
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A. FUNDS	General Building & Refurbishment £	Weavery £	Innes House Extension £	Miscell- aneous £	Total £
At 1/4/95	98491	729	44745	221	144186
<b>Add: Income:</b>					
Fund raising events	-	-	5329	-	5329
Deeds of Covenant	147	-	1727	-	1874
Donations	-	-	191496	700	192196
Interest receivable	4810	-	5498	-	10308
	4957	-	204050	700	209707
Excess income for year	7706	-	-	-	7706
	12663	-	204050	700	217413
<b>Less: Expenditure:</b>					
Cost of fixed assets	-	-	143987	215	144202
Cost of building work	5434	-	600	-	6034
Miscellaneous expenses	469	213	960	706	2348
	5903	213	145547	921	152584
At 31/3/96	105251	516	103248	-	209015

B. RESERVES	Balance at 1/4/95 £	Funds Employed £	Balance at 31/3/96 £
General building and refurbishment	161769	1302	163071
Weavery	1179	-	1179
Innes House extension	-	144587	144587
Giles House	72396	-	72396
New building	427117	-	427117
Pottery	14544	-	14544
Capital replacement	358506	-	358506
	1035511	145889	1181400

**SOLDEN HILL HOUSE LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST MARCH 1996 (CONTINUED)****4. TANGIBLE ASSETS**

<b>Cost</b>	<b>Freehold Property £</b>	<b>Furniture &amp; Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
At 1st April 1995	822708	179557	41002	1043267
Additions	132585	19372	23729	175686
Disposals	-	(50)	(19580)	(19630)
	<hr/>			
At 31st March 1996	955293	198879	45151	1199323
	<hr/>			
<b>Depreciation</b>				
At 1st April 1995	-	100218	23621	123839
Charge for the year	-	16970	8888	25858
Disposals	-	-	(14685)	(14685)
	<hr/>			
At 31st March 1996	-	117188	17824	135012
	<hr/>			
<b>Net Book Value</b>				
At 1st April 1995	822708	79339	17381	919428
	<hr/>			
At 31st March 1996	955293	81691	27327	1064311
	<hr/>			

**SOLDEN HILL HOUSE LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST MARCH 1996 (CONTINUED)****5. STOCKS**

	1996 £	1995 £
Comprise the following		
Finished stocks and consumable stores	3200	5790
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**6. CAPITAL COMMITMENTS**

At 31st March 1996 the company had authorised and contracted commitments for future capital expenditure amounting to £135595 (1995 £Nil).

**7. DEBTORS**

	1996 £	1995 £
Comprise the following		
Fees receivable	28245	29459
Other debtors	5029	5998
Prepayments	3808	4692
	<hr/>	<hr/>
	37082	40149
	<hr/>	<hr/>

Included within debtors is an amount of £3118 (1995: £3118) which is due after more than one year.

**8. CREDITORS: amounts falling due within one year**

	1996 £	1995 £
Comprise the following		
Bank overdraft	1500	-
Pocket money/allowances received in advance	12475	6607
Fees in advance	3312	4822
Taxation and social security	12154	11536
Loan - court of protection	-	900
Other creditors	20381	18759
Accruals	5260	4997
	<hr/>	<hr/>
	55082	47621
	<hr/>	<hr/>

**SOLDEN HILL HOUSE LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST MARCH 1996 (CONTINUED)****9. CONTINGENT LIABILITIES**

At 31st March 1996 the company had no contingent liabilities (1995 £Nil).

**10. CALLED UP SHARE CAPITAL**

	1996 £	1995 £
Authorised: 100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Issued: 14 ordinary shares of £1 each fully paid	14	14
	<hr/>	<hr/>

**11. STAFF NUMBERS AND COSTS**

The average number of persons employed by the company (including directors) during the year was 42 (1995 40). Although the directors are employees of the company, in order to confirm with the Charity Commissions rules and regulations, they are not allowed nor do they receive any remuneration from the company.

The aggregate payroll costs of these persons were as follows

	1996 £	1995 £
Wages and salaries	354843	324119
Social security costs	27338	26386
Other pension costs	9939	9439
	<hr/>	<hr/>
	392120	359944
	<hr/>	<hr/>

**12. RECONCILIATION OF MOVEMENTS IN TOTAL CALLED UP SHARE CAPITAL AND RESERVES**

	1996 £	1995 £
Opening called up share capital and reserves	1035203	1005545
Net movements on other reserves (note 3)	210718	29658
	<hr/>	<hr/>
Closing called up share capital and reserves	£1245921	£1035203
	<hr/>	<hr/>