

REGISTRAR

COMPANY REGISTRATION NUMBER: 541304

CHARITY REGISTRATION NUMBER: 228037

SOLDEN HILL HOUSE LIMITED

REPORT AND ACCOUNTS

YEAR TO 31ST MARCH 1997



**SOLDEN HILL HOUSE LIMITED**

**COMPANY INFORMATION - YEAR TO 31ST MARCH 1997**

**COMPANY REGISTRATION NUMBER** : 541304

**CHARITY REGISTRATION NUMBER** : 228037

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

**DIRECTORS** : R.S. Hann  
R.C. Peach (resigned 8th September 1996)  
Sir M.J.S. Clapham, K.B.E.  
(resigned 17th January 1997)  
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

**BANKERS** : Lloyds Bank Plc,  
12 High Street,  
Banbury,  
Oxon.

**AUDITORS** : Whitley, Stimpson and Partners,  
Penrose House,  
67 Hightown Road.  
Banbury,  
Oxon.

**SOLICITORS** : Shoosmiths and Harrison,  
52/54 The Green,  
Banbury,  
Oxon.

## **SOLDEN HILL HOUSE LIMITED**

### **DIRECTORS' REPORT - YEAR TO 31ST MARCH 1997**

The directors present their report together with the accounts for the year to 31st March 1997.

#### **INTRODUCTION**

The company is a limited company registered under the Companies Act 1985. The activities of the company are governed by its memorandum of association and articles of association.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

In accordance with the company's memorandum of association, the objects of the company are to carry on educational and other charitable work, and relieve the mentally handicapped from the disabilities attendant upon their handicap particularly by the application of the principles of Rudolf Steiner.

These objects are met by the establishment of residential homes in Byfield where the company's charitable activities are carried out.

There have been no material changes in the policies adopted by the company in order to further its objectives since the last annual report. None of the company directors are full time employees of the company. The management structure of the company consists of full time employees being the principal, two managers, an assistant manager and the company secretary.

During the year the company furnished both Grace House and the Innes House extension in order to further its charitable objectives.

The financial transactions during the year and the company's financial position at the year end are shown in these accounts on pages 5 to 12. These accounts have been prepared in order to comply with the Companies Act 1985, the Statement of Recommended Practice "Accounting by Charities" issued by the Charity Commissioners, and the company's memorandum of association and articles of association.

The company's assets are available and adequate to fulfill the objectives of the charity.

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

#### **DIVIDENDS**

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

#### **FIXED ASSETS**

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 £1093216 is in excess of that cost.

**SOLDEN HILL HOUSE LIMITED****DIRECTORS' REPORT - YEAR TO 31ST MARCH 1997 (CONTINUED)****DIRECTORS AND INTEREST IN SHARES**

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 31/3/97	At 1/4/96
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

**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.

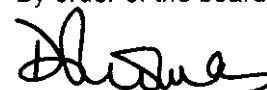
**TAX STATUS**

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 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.

By order of the board



20th January 1998  
Date

Mrs. D.E. Thomas (Secretary)

## **AUDITORS' REPORT TO THE MEMBERS OF SOLDEN HILL HOUSE LIMITED**

We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

As described on page 3 the company's directors are responsible for the preparation of the 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.

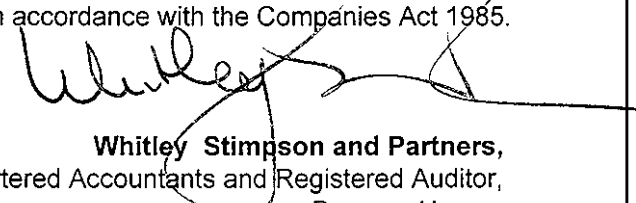
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. 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 TREATMENT**

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 £21864 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, in our opinion the accounts give a true and fair view of the state of the charitable company's affairs as at 31st March 1997 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.

20th January 1998  
Date



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

**SOLDEN HILL HOUSE LIMITED****STATEMENT OF FINANCIAL - ACTIVITIES YEAR TO 31ST MARCH 1997**

		Unrestricted Funds	Restricted Funds	Total Funds 1997	Total Funds 1996
		£	£	£	£
<b>Note</b>					
<b>Income and Expenditure</b>					
<b>Incoming Resources</b>					
Fees receivable		616732	-	616732	613338
Fund raising events		6632	-	6632	5329
Deeds of covenant		2425	-	2425	1874
Donations		-	29109	29109	192196
Interest received		830	2935	3765	10308
		<hr/>	<hr/>	<hr/>	<hr/>
Total Incoming Resources		626619	32044	658663	823045
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Resources Expended</b>					
Direct charitable expenditure	2	610698	834	611532	579572
Fund raising events		940	-	940	-
Administrative expenses		29023	-	29023	26060
Repairs to properties		42434	-	42434	6695
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		683095	834	683929	612327
		<hr/>	<hr/>	<hr/>	<hr/>
Net (Outgoing)/Incoming Resources for the year	1	(56476)	31210	(25266)	210718
Balances brought forward		493443	752464	1245907	1035189
		<hr/>	<hr/>	<hr/>	<hr/>
Balances carried forward	13	436967	783674	1220641	1245907
		<hr/>	<hr/>	<hr/>	<hr/>

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

There were no recognised gains or losses other than the net (outgoing)/incoming resources for the year.

**SOLDEN HILL HOUSE LIMITED****BALANCE SHEET AS AT 31ST MARCH 1997**

	Note	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	4	1195178	1064311
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Stocks	6	6794	3200
Debtors	7	37723	37082
Cash at bank and in hand		31455	196410
		<hr/>	<hr/>
		75972	236692
<b>CREDITORS: amounts falling due within one year</b>	8	45495	55082
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		30477	181610
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1225655	1245921
		<hr/>	<hr/>
<b>CREDITORS: amounts falling due after more than one year</b>	9	5000	-
		<hr/>	<hr/>
		1220655	1245921
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	14	14
Reserves		1220641	1245907
		<hr/>	<hr/>
Total called up share capital and reserves	14	1220655	1245921
		<hr/>	<hr/>

We hereby approve these accounts on behalf of the board of directors on 20th January 1998.



Mrs. D.E. Burton (Director)

## **SOLDEN HILL HOUSE LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES - YEAR TO 31ST MARCH 1997**

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 in accordance with the provisions of the Companies Act 1985, the Statement of Recommended Practice "Accounting by Charities" and applicable accounting standards. Where necessary the headings laid down in the Companies Act have been adapted to meet the special activities of the Charity.

**FEES RECEIVABLE** represents the total amount invoiced in the year for the board and tuition fees chargeable for each resident and amounts received from local authorities.

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

Freehold property	0% per annum
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 1997****1. RESULTS FOR THE YEAR**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Stated after charging		
Interest payable on bank overdraft	9	8
Depreciation	29463	25858
Auditors' remuneration	1000	1000
Directors' remuneration	-	-
	<hr/>	<hr/>
and after crediting		
Profit on disposal of fixed assets	-	5327
	<hr/>	<hr/>

**2. DIRECT CHARITABLE EXPENDITURE**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 1997 £</b>	<b>Total 1996 £</b>
Staff costs	423289	-	423289	392120
Residents' expenses	103737	-	103737	110601
Property expenses	55043	-	55043	56320
Depreciation, etc.	28629	834	29463	20531
	<hr/>	<hr/>	<hr/>	<hr/>
	610698	834	611532	579572
	<hr/>	<hr/>	<hr/>	<hr/>

**3. STAFF NUMBERS AND COSTS**

The average number of persons employed by the company (including directors) during the year was 46 (1996 42).

The aggregate payroll costs of these persons were as follows

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Wages and salaries	381444	354843
Social security costs	31206	27338
Other pension costs	10639	9939
	<hr/>	<hr/>
	423289	392120
	<hr/>	<hr/>

Although the directors are employees of the company, in order to conform with the Charity Commissioners' rules and regulations, they are not allowed to receive any remuneration from the company.

**SOLDEN HILL HOUSE LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST MARCH 1997 (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 1996	955293	198879	45151	1199323
Additions	137923	22407	-	160330
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1997	1093216	221286	45151	1359653
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1st April 1996	-	117188	17824	135012
Charge for the year	-	18176	11287	29463
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1997	-	135364	29111	164475
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
At 1st April 1996	955293	81691	27327	1064311
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1997	1093216	85922	16040	1195178
	<hr/>	<hr/>	<hr/>	<hr/>

**5. CAPITAL COMMITMENTS**

At 31st March 1997 the company had authorised and contracted commitments for future capital expenditure amounting to £Nil (1996 £135595).

**6. STOCKS**

	<b>1997 £</b>	<b>1996 £</b>
Comprise the following		
Finished stocks and consumable stores	6794	3200
	<hr/>	<hr/>

**SOLDEN HILL HOUSE LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST MARCH 1997 (CONTINUED)****7. DEBTORS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Comprise the following		
Fees receivable	26625	28245
Other debtors	7467	5029
Prepayments	3631	3808
	<hr/>	<hr/>
	37723	37082
	<hr/>	<hr/>

Included within debtors is an amount of £3118 (1996 £3118) which is due after more than one year.

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

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Comprise the following		
Bank overdraft	-	1500
Pocket money/allowances received in advance	10798	12475
Fees in advance	-	3312
Taxation and social security	11339	12154
Other creditors	17190	20381
Accruals	6168	5260
	<hr/>	<hr/>
	45495	55082
	<hr/>	<hr/>

**9. CREDITORS - amounts falling due after more than one year**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Unsecured interest free loan from individuals	5000	-
	<hr/>	<hr/>

The amount of £5000 owing falls due between two and five years.

**10. CONTINGENT LIABILITIES**

At 31st March 1997 the company had no contingent liabilities (1996 £Nil).

**11. CALLED UP SHARE CAPITAL**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Authorised: 100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Issued: 14 ordinary shares of £1 each fully paid	14	14
	<hr/>	<hr/>

**SOLDEN HILL HOUSE LIMITED****NOTES ON THE ACCOUNTS - YEAR TO 31ST MARCH 1997 (CONTINUED)****12. RESTRICTED FUNDS**

	Balance at 1st April 1996 £	Incoming Resources £	Outgoing Resources £	Balance at 31st March 1997 £
Apps House fund	416389	-	-	416389
Giles House fund	72396	-	-	72396
Innes House fund	247835	32044	(834)	279045
Pottery fund	14544	-	-	14544
Weavery fund	1300	-	-	1300
	<hr/>	<hr/>	<hr/>	<hr/>
	752464	32044	(834)	783674
	<hr/>	<hr/>	<hr/>	<hr/>

The 'New Building Fund 1986/87' (Apps House fund) was set up in 1986 by way of donations specifically for the building and furnishing of a new residential block to house 11 residents, thus enabling the greater use of single accommodation in both main houses. The new house was called Apps House.

The Giles House fund was set up in 1991 as the result of donations in memory of a deceased resident, at the request of his family. The aim of the project was to renovate the old (disused) pottery for use as a three-bedroomed staff house.

The Innes House fund was set up in 1994 to receive donations for the extension of Flora Innes House following an appeal to parents and friends. The extension provided single accommodation for all residents in the house. The fund also provided for the purchase of a house in Farebrother Close to provide temporary accommodation for those residents who were displaced while work was in progress at Innes House. The future aim of the house will be to provide semi-independent residential accommodation for a small group.

The Pottery fund was set up in 1991 as the result of a donation. A new pottery was set up in the lower level of Apps House to provide a permanent workshop for the use of Solden's residents.

The Weavery Fund was set up in 1992 with a donation from the parents of one of Solden's residents to provide equipment for the weavery.

**SOLDEN HILL HOUSE LIMITED****NOTES ON THE ACCOUNTS – YEAR TO 31ST MARCH 1997 (CONTINUED)****13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Tangible Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Long Term Creditor £</b>	<b>Net Assets £</b>
<b>Restricted funds</b>				
Apps House fund	416389	-	-	416389
Giles House fund	72396	-	-	72396
Innes House fund	279045	-	-	279045
Pottery fund	14544	-	-	14544
Weavery fund	1300	-	-	1300
	<hr/>	<hr/>	<hr/>	<hr/>
	783674	-	-	783674
<b>Unrestricted funds</b>	411504	30463	(5000)	436967
	<hr/>	<hr/>	<hr/>	<hr/>
	1195178	30463	(5000)	1220641
	<hr/>	<hr/>	<hr/>	<hr/>

**14. TOTAL CALLED UP SHARE CAPITAL AND RESERVES**

	<b>1997 £</b>	<b>1996 £</b>
Opening called up share capital and reserves	1245921	1035203
Net(outgoing)/incoming resources for the year	(25266)	210718
	<hr/>	<hr/>
Closing called up share capital and reserves	1220655	1245921
	<hr/>	<hr/>