

Registrar

Registered Number: 2672194

HINT (A COMPANY LIMITED BY GUARANTEE)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 1998



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1998

CONTENTS	Page
Company Details	3
Directors' Report	4-5
Statement of Directors' Responsibilities	6
Auditors' Report	7
Income and Expenditure Account	8
Balance Sheet	9
Notes to the Financial Statements	10-13

COMPANY NUMBER:	2672194
DIRECTORS:	J.R.W. Packman C.P. McKay K. Caston C. Shields
SECRETARY:	C.P. McKay
REGISTERED OFFICE:	51 Glasshouse Street, Nottingham
AUDITORS:	Kendrew & Co. Chartered Accountants, Rainworth
BANKERS:	Lloyds Bank Plc

Registered Charity Number

1007702

A handwritten signature in black ink, appearing to read 'C.P. McKay', is written over the printed name 'C.P. McKay' in the Directors list.

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 1998

The Directors present their Report together with the Financial Statements for the year ended 31st March 1998.

PRINCIPAL ACTIVITIES

The income and expenditure account for the year is set out on page 8.

The principal activity of the company is the provision of a range of counselling, recreational, legal and educational services for all young people between the ages of twelve and twenty five living in the Nottingham area.

The target group are young people with specific health needs and those who are most at risk, who have limited access to, or use of, existing services, etc., young homeless, young disabled, young mothers and young unemployed.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company again suffered severe financial difficulties during the year and were kept open by 3 one off grants of £17,000 each from Nottingham City Council, Nottingham Health Authority and the Nottinghamshire County Council. Current funding is matching expenditure. The Annual Report is available from the registered office.

MEMBERSHIP

There are currently 3 members as follows:

Dr. C. Hopton
C. P. McKay
J. R. W. Packman

FIXED ASSETS

Movements are shown in the notes attached to the Financial Statements.

DIRECTORS

The following persons have served as Directors of the Company during the year:-

C.P. McKay
The Hon. J. Taylor (ceased 31/7/98)
J.R.W. Packman
D.R. Tully (ceased 31/7/98)
R.C. Shelton (ceased)
K. Caston
C. Shields

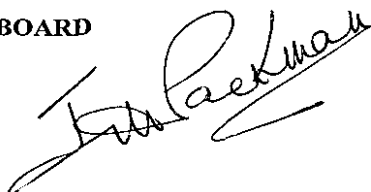
AUDITORS

Following the resignation of Coopers and Lybrand on 7th January 1998, Kendrew & Co. were appointed as auditors to the Company. A resolution to reappoint Kendrew & Co. will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

J. R. W. Packman

31st July 1999



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements 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 profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 1998. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The application of the going concern principal assumes that the directors will successfully conclude their current negotiations for future funding. This assumption is referred to in more detail in note 2.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

J. R. W. Packman
Director:

AUDITORS' REPORT TO THE MEMBERS OF HINT (A COMPANY LIMITED BY GUARANTEE)

We have audited the Financial Statements on pages 7 to 13.

Respective Responsibilities of Directors and Auditors

As described on page 5 the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those Statements 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 Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, 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 Financial Statements 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 the information in the Financial Statements.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation.

The financial statements have been prepared on a going concern basis and the validity of which is dependent upon the successful conclusion of the directors' current negotiations for future funding for the company.

The financial statements do not include any adjustments that would result from the company being unable to continue trading and failure to obtain future funding. Details of the circumstances relating to this fundamental uncertainty are described in note 2. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1998 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Kendrew & Co.
Chartered Accountants and Registered Auditors
Rainworth

17 August 1999

STATEMENT OF FINANCIAL ACTIVITIES**FOR THE YEAR ENDED 31ST MARCH 1998**

INCOMING RESOURCES	General Funds £	Restricted Funds £	1998 Total Funds £	1997 Total Funds £
Grants receivable				
Local authorities (note 14)	186,803		186,803	129,147
Other (note 16)	58,717		58,717	37,500
Services in Kind	20,000		20,000	20,000
Health authority contract	33,200		33,200	32,532
Café takings	4,399		4,399	5,787
Room rentals and miscellaneous sales	1,739		1,739	2,973
Sundry donations and gifts	4,725		4,725	3,932
Interest received	1,428		1,428	1,415
Student placement income	2,725		2,725	-
Total Incoming Resources	313,736	-	313,736	233,286
RESOURCES EXPENDED				
Direct charitable expenditure	217,341	25,888	243,229	249,832
Fund raising	180		180	400
Management and administration	45,529		45,529	47,409
Total Resources Expended	263,050	25,888	288,938	297,641
Net Incoming/(Outgoing) Resources before transfers	50,686	(25,888)	24,798	(64,355)
Transfer between funds	-	-	-	-
Net Movement in Funds	50,686	(25,888)	24,798	(64,355)
Fund Balances brought forward at 1 April 1997	(31,277)	356,035	324,758	389,113
Fund Balances at 31 March 1998	19,409	330,147	349,556	324,758

There are no recognised gains and losses in 1998 or 1997 other than the result for the year.

The Notes attached form part of these Financial Statements.

BALANCE SHEET AT 31ST MARCH 1998

	Notes	£ 1998	£ 1997
FIXED ASSETS			
Tangible Assets	7	359,525	387,666
CURRENT ASSETS			
Debtors	8	8,200	4,100
Cash at Bank and in Hand		<u>35,779</u>	<u>10,316</u>
		43,979	14,416
CREDITORS:			
Amounts falling due within one year	9	<u>8,933</u>	<u>29,023</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>35,046</u>	<u>(14,607)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		394,571	373,059
CREDITORS:			
Amounts falling due after one year	11	<u>45,015</u>	<u>48,301</u>
NET ASSETS		<u>349,556</u>	<u>324,758</u>
CAPITAL AND RESERVES			
Designated Funds	12	330,147	356,035
General Fund		<u>19,409</u>	<u>(31,277)</u>
		349,556	324,758

The Notes attached form part of these Financial Statements

APPROVED BY THE BOARD ON 30 JULY 1999 AND SIGNED ON ITS BEHALF BY:

J. R. W. Packman

Director



C. P. McKay

Director



NOTES TO THE FINANCIAL STATEMENTS

1. STATUS

Hint is a company limited by guarantee, not having a share capital, exempt from the requirement to use the word "limited" and registered as a charity. The liability of each member under the guarantee is limited to £1.

2. ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention.

The Financial Statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

Sufficient funding has been secured to continue operating until March 2000. The company is negotiating for future funding from various statutory and other organisations, although the outcome of these negotiations is uncertain. However, the directors are confident that they will secure further funding which will enable the company to meet its liabilities as they fall due.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and to provide for further liabilities that might arise.

Whilst the directors are presently uncertain as to the outcome of the matters set out above, they believe that it is appropriate for the financial statements to be prepared on a going concern basis.

(c) Cash Flow Statement

These Financial Statements comply with Financial Reporting Standard No. 1 Cash Flow Statements. The company is exempt from the requirement to produce a cash flow statement as it is entitled to the exemptions available in Sections 246 to 249 of the Companies Act 1985 relating to small companies.

(d) Tangible Fixed Assets and Depreciation

The cost of fixed asset is their purchase cost, together with any incidental expenses of acquisition.

Tangible Fixed Assets are shown at cost less accumulated depreciation. Depreciation is provided on Tangible Fixed Assets at rates calculated to write off the cost of each asset over its expected useful life, on a straight line basis, at the following annual rates:-

Fixtures and Fittings	-	15%
Leasehold Improvements	-	5%

NOTES TO THE FINANCIAL STATEMENTS

(e) Grants Receivable

Grants that relate to specific capital expenditure are treated as restricted funds. The funds are reduced each year by an amount equal to the depreciation of relevant assets.

Grants that relate to revenue expenditure are taken to the income and expenditure account to the extent that they relate to the period covered by these accounts. Grants received in relation to future accounting periods are treated as deferred income and are credited to the income and expenditure account for the relevant period.

The company receives a proportion of its grant income in the form of services (rather than in cash). These services are recognised as grant income in kind, and the corresponding cost is recognised as an element of staff-related expenditure.

3. NET OPERATING EXPENSES	<u>1998</u>	<u>1997</u> £
Net operating expenses are made up as follows:-		
Staff Costs (Note 4)	196,108	193,671
Auditors' Remuneration	800	1,100
Other Operating Expenses	60,531	69,923
Depreciation of Tangible Fixed Assets	3,064	3,492
Debt Charges	2,547	3,567
	<u>263,050</u>	<u>271,753</u>

4. DIRECTORS AND EMPLOYEE INFORMATION

The average weekly number of persons (excluding Directors) employed by the Company during the year, are as follows:-

		<u>1998</u>	<u>1997</u>
Administration and Finance	full-time	1	1
Administration and Finance	part-time	1	1
Service Provision	full-time	6	6
Service Provision	part time	8	8
Service Provision (services in kind)	part-time	1	1

The average number of directors who served during the year was 5 (1997 - 6)

Employment costs - all employees including executive directors:

	<u>1998</u>	<u>1997</u>
Wages and Salaries	161,705	158,761
Social Security Costs	12,337	12,464
Pension Costs	2,066	2,446
Notional remuneration in respect of services in kind	20,000	20,000
	<u>196,108</u>	<u>193,671</u>

The directors received no emoluments during the year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

On loans repayable after 5 years, not by instalments	<u>2,547</u>	<u>3,567</u>
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NOTES TO THE FINANCIAL STATEMENTS

6. TAXATION

No provision has been made for taxation as the company was established for charitable purposes and as such benefits from the exemption from taxation relating to charities.

7. TANGIBLE FIXED ASSETS

<u>Cost</u>	Fixtures and Fittings £	Leasehold Improvements £	Total £
At 1st April 1997	40,023	458,305	498,328
Additions	811	-	811
At 31st March 1998	40,834	458,305	499,139
<u>Depreciation</u>			
At 1st April 1997	22,664	87,998	110,662
Charge for the Year	5,870	23,082	28,952
At 31st March 1998	28,534	111,080	139,614
<u>Net Book Value</u>			
At 31st March 1998	12,300	347,225	359,525
At 31st March 1997	17,359	370,307	387,666

8. DEBTORS

Amounts falling due within one Year:

Prepayments and Accrued Income
Grants Receivable

1998 £	1997 £
-	900
8,200	3,200
8,200	4,100

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Accruals and Other Creditors
Revenue Grants not yet expended (note 10)

1998 £	1997 £
8,933	19,741
-	9,282
8,933	29,023

NOTES TO THE FINANCIAL STATEMENTS

10. REVENUE GRANTS NOT YET EXPENDED	1998	1997
	£	£
Tudor Trust	-	4,200
Notts. County Council - Social Services	-	5,082
	-	9,282
11. LOANS - NOTTS. COUNTY COUNCIL	1998	1997
	£	£
Repayable within two to five years	20,000	20,000
Repayable after more than five years	25,015	28,301
	45,015	48,301

The loans will be repaid by instalments to be specified on dates to be agreed, but not earlier than 1st April 1998.

12. RESTRICTED FUNDS	1998	1997
As explained in note 2, grants received that relate to capital expenditure are treated as restricted funds. The following grants have been received since the formation of the company:	£	£
Nottingham City Challenge	120,000	120,000
Nottinghamshire County Council	107,752	107,752
Notts. FHSA	53,575	53,575
Urban Programme	100,000	100,000
District Health Authority	11,000	11,000
Drug Prevention Department	15,560	15,560
Joint Finance	25,000	25,000
	432,887	432,887
Nottinghamshire County Council (re creche)	16,000	16,000
Nottingham Dispensary	3,500	3,500
Safer Cities	5,000	5,000
The Platinum Trust	950	950
The Prince's Trust	750	750
Dame Agnes Mellers Lads Club	500	500
	459,587	459,587

The amount shown in the Balance Sheet is made up as follows:

Total grants received to date	459,587	459,587
Less: depreciation charged to date	(129,440)	(103,552)
	330,147	356,035

NOTES TO THE FINANCIAL STATEMENTS

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	29,378	330,147	359,525
Current Assets	43,979		43,979
Current Liabilities	(8,933)		(8,933)
Other Liabilities	(45,015)		(45,015)
	<u>19,409</u>	<u>330,147</u>	<u>349,556</u>

14. REVENUE GRANTS RECEIVED

	<u>1998</u> £	<u>1997</u> £
Nottinghamshire County Council	114,150	102,470
Nottingham City Challenge	-	21,600
Notts. County Council Social Services HIV / AIDS	5,082	5,077
Dept. of Environment/Joint	9,807	-
Dept. of Environment/Resettlement	15,002	-
Nottingham City Council - Outreach	8,762	-
Nottingham City Council	17,000	-
Nottingham Health Authority	17,000	-
	<u>186,803</u>	<u>129,147</u>

15. SERVICE PROVISION

	<u>1998</u> £	<u>1997</u> £
Contract Payments Received - Nottingham Health Authority	33,200	32,532

16. FUNDRAISING AND APPEALS

	<u>1998</u> £	<u>1997</u> £
Tudor Trust (welfare rights)	4,200	7,000
Crisis (welfare rights)	-	7,000
Children in Need (under 18's worker)	19,517	18,500
Boots Charitable Trust	-	5,000
Lottery	35,000	-
	<u>58,717</u>	<u>37,500</u>

17. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided for in the Financial Statements

Nil NIL

Capital expenditure that has been authorised but not yet contracted for

Nil Nil