

Charity number: 1071422  
Company number: 03445246

**Constitution Hill Limited**  
**(A company limited by guarantee)**  
**Trustees' report and financial statements**  
**for the year ended 31 March 2006**

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**Constitution Hill Limited**  
**(A company limited by guarantee)**

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**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Legal and administrative information**

**Charity number** 1071422

**Company registration number** 03445246

**Business address** Cliff Railway House  
Cliff Terrace  
Aberystwyth  
Ceredigion  
SY23 2DN

**Registered office** Cliff Terrace  
Aberystwyth  
Ceredigion  
SY23 2DN  
01686 623336

<b>Text Switch</b>	Mona Morris M.B.E Pamela Marsden Richard Lewis Ray Ricketts Mark Strong Carl Williams David Rowland Rees-Evans	Chair Company Secretary
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**Secretary** P.Marsden

**Accountants** Francis Gray  
57 North Parade  
Aberystwyth  
Ceredigion  
SY23 2JN

**Bankers** Nat West Bank  
  
Alliance-Leicester

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Report of the Management Committee**  
**for the year ended 31 March 2006**

The Management Committee presents their report and the financial statements for the year ended 31 March 2006. The trustees, who are also directors for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

**Structure, governance and management**

The company is managed by the Management Committee who are elected by the members at the Annual General Meeting of the Company. The Management Committee may at any time co-opt up to three persons to the Management Committee. Members of the Management Committee are also appointed as Directors of the Company. The Management Committee meet regularly to manage its affairs. The charity employs a manager to operate the Cliff Railway.

**Objectives and activities**

*Charitable objects*

The Charity's object and its principal activity is to advance the education of the public through conservation of the Aberystwyth Cliff Railway for the public benefit and through the encouragement of voluntary work in support of the Aberystwyth Cliff Railway.

*Day to day operations*

The site is leased from Ceredigion County Council for 99 years from July 1998 at a peppercorn rent. The lease consists of the top and bottom station with a track on which a funicular railway runs, and the land at the summit on which a Camera Obscura and cafe is built.

*Co-operation with other charities*

It is an objective of the charity to co-operate with other charities, voluntary bodies and statutory authorities operating in furtherance of the objects or similar charitable purposes and to exchange information and advice with them.

**Achievements and performance**

The company has continued site improvements with the support of the European Rural Development Fund objective one programme. In particular the refurbished cafe has commenced trading successfully. Up until November 2005 the trading activity of the cafe was conducted directly by the charity. Following advice from H.M.Revenue & Customs however the cafe trade has been conducted through a subsidiary Company Constitution Hill Trading Ltd thereafter. It is anticipated that the profits of the trading subsidiary will be gifted to the charity as trade becomes established.

**Financial review**

*Deficiency of funds*

The general fund has a deficit of £91,395 at 31 March 2006. This represents a deterioration compared to the previous year due to there being net outgoing resources for the year of £34,070. It is anticipated that this situation will improve during the next year given that the facilities were much improved during the year and have been attracting larger volumes of visitors. In particular the cafe has been trading throughout the year and regular functions have been held.

*Reserves*

The charity's policy is to hold at least 3 months' running costs in reserve. This policy will not be achieved until the deficit on the general fund has been cleared.

*Governance and internal control*

The trustees continue to monitor the risks to which the charity is exposed. These risks are constantly under review and systems improved to mitigate their possible effects on the charity.

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Report of the Management Committee**  
**for the year ended 31 March 2006**

*Future developments*

The facilities continue to be improved. Future developments include Victorian gardens, bandstand , pathways and new amenities for families.

**Statement of trustees' responsibilities**

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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


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

The Management Committee recommend that Francis Gray remain in office until further notice.

**Small company provisions**

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

On behalf of the board



P.Marsden  
**Secretary**

26 January 2007

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Accountants' report to the trustees on the unaudited financial statements of Constitution Hill Limited.**

We report on the financial statements of Constitution Hill Limited for the year ended 31 March 2006 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of the trustees and auditors**

As described in the statement of trustees' responsibilities the company's trustees (who also act as directors for the charitable activities of Constitution Hill Limited) are responsible for the preparation of the accounts, and Management Committee consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

**Basis of opinion**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

**Opinion**

In our opinion:

- (a) the accounts are in agreement with those accounting records kept by the company under Section 221 of the Companies Act 1985.
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from audit of the accounts for the year specified in Section 249A(4) of the Act as modified by Section 249A(5), and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemptions specified in Section 249B(1)(a) to (f) of the Act.

**Francis Gray**  
**Chartered Accountants**  
**& Registered Auditors**



**57 North Parade**  
**Aberystwyth**  
**Ceredigion**  
**SY23 2JN**

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating the income and expenditure account)**

**For the year ended 31 March 2006**

	Notes	Unrestricted funds £	Restricted funds £	2006 Total £	2005 Total £
<b>Incoming resources</b>					
Incoming resources from generating funds:					
Voluntary income	2	5,843	-	5,843	30,000
Activities for generating funds	3	161,335	-	161,335	62,664
Investment income	4	606	-	606	1,452
<b>Total incoming resources</b>		<u>167,784</u>	<u>-</u>	<u>167,784</u>	<u>94,116</u>
<b>Resources expended</b>					
Costs of generating funds:					
Cost of generating voluntary income	6	2,286	-	2,286	3,000
Fundraising trading:					
cost of goods sold and other costs	7	112,453	-	112,453	47,111
Charitable activities	8	68,709	-	68,709	44,141
Governance costs	10	19,036	-	19,036	7,799
<b>Total resources expended</b>		<u>202,484</u>	<u>-</u>	<u>202,484</u>	<u>102,051</u>
<b>Net incoming/(outgoing) resources before transfers</b>					
		(34,700)	-	(34,700)	(7,935)
Transfer between funds - Unrestricted		74,032	-	74,032	64,331
Transfer between funds - Restricted		-	(74,032)	(74,032)	(64,331)
<b>Net movement in funds/Net income/(expenditure) for the year</b>		39,332	(74,032)	(34,700)	(7,935)
<b>Net incoming/(outgoing) resources for the year / Net income/(expenditure) for the year</b>		39,332	(74,032)	(34,700)	(7,935)
Total funds brought forward		288,719	109,333	398,052	405,987
<b>Total funds carried forward</b>		<u>328,051</u>	<u>35,301</u>	<u>363,352</u>	<u>398,052</u>

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 8 to 18 form an integral part of these financial statements.

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Balance sheet**  
**as at 31 March 2006**

	Notes	£	2006 £	£	2005 £
<b>Fixed assets</b>					
Tangible fixed assets	14		409,275		331,267
Fixed asset investments	15		15,453		-
			<u>424,728</u>		<u>331,267</u>
<b>Current assets</b>					
Debtors	16	2,496		26,375	
Bank and cash		9,530		58,372	
		<u>12,026</u>		<u>84,747</u>	
<b>Creditors: amounts falling due within one year</b>	17	(15,503)		(17,962)	
<b>Net current (liabilities)/assets</b>			<u>(3,477)</u>		<u>66,785</u>
<b>Total assets less current liabilities</b>			421,251		398,052
<b>Creditors: amounts falling due after more than one year</b>	18		(57,899)		-
<b>Net assets</b>			<u>363,352</u>		<u>398,052</u>
<b>Funds</b>	19				
Restricted income funds			35,301		109,333
Unrestricted income funds			328,051		288,719
<b>Total funds</b>			<u>363,352</u>		<u>398,052</u>

The trustees statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 8 to 18 form an integral part of these financial statements.



**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Balance sheet (continued)**

**statements required by Section 249B(4)**  
**for the year ended 31 March 2006**

In approving these financial statements as Management Committee of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 March 2006 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board on 26 January 2007 and signed on its behalf by



**Pamela Marsden**  
**Secretary**

**The notes on pages 8 to 18 form an integral part of these financial statements.**

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2006**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

**1.1. Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice' issued in March 2005 (SORP 2005) and the Companies Act 1985.

**1.2. Cashflow**

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small charity.

**1.3. 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 gifts and is included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers has not been included.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

**1.4. Resources expended**

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

Resources expended are recognised in the year in which they are incurred.

*Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.*

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2006**

**1.5. Tangible fixed assets and depreciation**

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

Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	25% reducing balance

Every member of the Charity has undertaken to contribute such amount as may be required (not exceeding £10) to the Charity's assets should it be wound up while he or she is a member or within one year after ceasing to be a member. If the Charity is wound up or dissolved, its surplus assets will be given or transferred to a similar charity with objects similar to those of this Charity.

**2. Voluntary income**

	Unrestricted funds £	2006 Total £	2005 Total £
Llankelly	-	-	30,000
Grant Income	5,843	5,843	-
	<u>5,843</u>	<u>5,843</u>	<u>30,000</u>

**3. Activities for generating funds**

	Unrestricted funds £	2006 Total £	2005 Total £
Ticket sales	93,177	93,177	47,592
Cafe revenue	68,158	68,158	-
Insurance proceeds re lost sales	-	-	15,072
	<u>161,335</u>	<u>161,335</u>	<u>62,664</u>

**4. Investment income**

	Unrestricted funds £	2006 Total £	2005 Total £
Deposit interest	606	606	1,452
	<u>606</u>	<u>606</u>	<u>1,452</u>

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2006**

**5. Trading subsidiaries**

The charity controls the company listed below by virtue of holding a controlling interest in the equity share capital: -

Name of subsidiary	Country of incorporation	% of equity share capital held
Constitution Hill Trading Limited	England & Wales	100

The trading subsidiary was incorporated on 15 November 2005 and, has since that date, operated the cafe at the summit site which is open to the general public.

In accordance with SORP 2005 consolidated accounts are not being prepared. Any future profits of the subsidiary that are gifted to the charity will be reflected in the accounts of Constitution Hill Ltd. Indeed in the period of trade from Incorporation to the charity's year end (31 March 2006) it has been necessary for the charity to advance money to the subsidiary to help fund it's initial working capital requirements and help meet payroll costs.

The subsidiary is valued in the accounts at £2 being the original nominal value of shares issued and acquired. The amount due from the subsidiary at the year end amounting to £15,451 is shown in note 15 to the accounts.

**6. Cost of generating voluntary income**

	Unrestricted funds £	2006 Total £	2005 Total £
Support costs	2,286	2,286	3,000
	<u>2,286</u>	<u>2,286</u>	<u>3,000</u>

**7. Fundraising trading**

	Unrestricted funds £	2006 Total £	2005 Total £
Cafe	70,283	70,283	1,944
Cliff Railway	42,170	42,170	45,167
	<u>112,453</u>	<u>112,453</u>	<u>47,111</u>

**Constitution Hill Limited**  
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**Notes to the financial statements**  
**for the year ended 31 March 2006**

**8. Costs of charitable activities - by fund type**

	Unrestricted funds £	2006 Total £	2005 Total £
Cliff Railway	49,860	49,860	40,489
Cafe	18,849	18,849	3,652
	<u>68,709</u>	<u>68,709</u>	<u>44,141</u>

**9. Costs of charitable activities - by activity**

	Activities undertaken directly £	Support costs £	2006 Total £	2005 Total £
Cliff Railway	20,288	29,572	49,860	40,489
Cafe	11,457	7,392	18,849	3,652
	<u>31,745</u>	<u>36,964</u>	<u>68,709</u>	<u>44,141</u>

**Analysis of activities undertaken directly**

	Cliff Railway £	Cafe £	2006 Total £	2005 Total £
Employers NIC	5,190	1,298	6,488	
Repairs & maintenance	10,329	2,582	12,911	6,749
General expenses	1,603	400	2,003	45
Advertising	812	812	1,624	4,394
Depreciation	2,354	6,365	8,719	5,328
	<u>20,288</u>	<u>11,457</u>	<u>31,745</u>	<u>16,516</u>

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2006**

**10. Governance costs**

	Unrestricted funds £	2006 Total £	2005 Total £
Administration salary allocation	4,000	4,000	3,500
Industrial tribunal cost	7,000	7,000	-
Rates allocation	269	269	64
Light & heat allocation	529	529	427
Insurance allocation	1,604	1,604	1,216
Accountancy fees	2,310	2,310	1,790
Legal & professional fees	1,144	1,144	-
Communication and IT allocation	63	63	47
Computer costs allocation	75	75	48
Bank interest	255	255	683
Bank charges	1,787	1,787	24
	<u>19,036</u>	<u>19,036</u>	<u>7,799</u>

**Constitution Hill Limited**  
(A company limited by guarantee)

**Notes to the financial statements**  
**for the year ended 31 March 2006**

**11. Analysis of support costs**

	Cost of generating voluntary income £	Cliff Railway operation £	Cafe operation £	Governance costs £	2006 Total £	2005 Total £
Administration salary allocation	2,000	11,292	2,823	4,000	20,115	17,906
Industrial tribunal cost	-	-	-	7,000	7,000	-
Rates and water	-	1,934	483	269	2,686	641
Light and heat	-	3,807	952	529	5,288	4,270
Insurance	-	11,550	2,887	1,604	16,041	12,162
Office costs	-	989	247	-	1,236	853
Accountancy fees	-	-	-	2,310	2,310	1,790
Legal and professional fees	286	-	-	1,144	1,430	-
Communication and information technology	-	-	-	63	63	47
Computer costs	-	-	-	75	75	48
Interest payable and similar charges	-	-	-	2,042	2,042	707
	<u>2,286</u>	<u>29,572</u>	<u>7,392</u>	<u>19,036</u>	<u>58,286</u>	<u>38,424</u>

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2006**

**12. Employees**

<b>Employment costs</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	91,993	58,075
Social security costs	6,755	4,998
	<u>98,748</u>	<u>63,073</u>

No employee received emoluments of more than £60,000 (2005 : None).

**Number of employees**

The average monthly numbers of employees (including the Management Committee) during the year, calculated on the basis of full time equivalents, was as follows:

	<b>2006</b>	<b>2005</b>
	<b>Number</b>	<b>Number</b>
Full time	4	3
Seasonal	6	3
	<u>10</u>	<u>6</u>

No remuneration was paid to the trustees in the year. Neither were any expenses reimbursed to trustees during the year.

**13. Taxation**

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.



**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2006**

<b>14. Tangible fixed assets</b>	<b>Short leasehold property £</b>	<b>Long leasehold property £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2005	262,671	75,535	90,212	428,418
Additions	74,032	-	12,695	86,727
At 31 March 2006	<u>336,703</u>	<u>75,535</u>	<u>102,907</u>	<u>515,145</u>
<b>Depreciation</b>				
At 1 April 2005	7,564	5,341	84,246	97,151
Charge for the year	3,291	763	4,665	8,719
At 31 March 2006	<u>10,855</u>	<u>6,104</u>	<u>88,911</u>	<u>105,870</u>
<b>Net book values</b>				
At 31 March 2006	<u>325,848</u>	<u>69,431</u>	<u>13,996</u>	<u>409,275</u>
At 31 March 2005	<u>255,107</u>	<u>70,194</u>	<u>5,966</u>	<u>331,267</u>

Included in assets are two railway stations and the railway bogies which are Grade 2 listed.

<b>15. Fixed asset investments</b>	<b>Subsidiary undertakings shares £</b>	<b>Subsidiary undertakings loans £</b>	<b>Total £</b>
<b>Valuation</b>			
Additions	2	15,451	15,453
At 31 March 2006	<u>2</u>	<u>15,451</u>	<u>15,453</u>

<b>16. Debtors</b>	<b>2006 £</b>	<b>2005 £</b>
Other debtors	<u>2,496</u>	<u>26,375</u>

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2006**

**17. Creditors: amounts falling due within one year**

	2006 £	2005 £
Loans	-	2,801
loan repayable in less than one year	6,500	-
Taxes and social security creditor	4,710	4,977
Other creditors	1,442	787
Accruals and deferred income	2,851	9,397
	<u>15,503</u>	<u>17,962</u>

**18. Creditors: amounts falling due after more than one year**

	2006 £	2005 £
Bank loan	<u>57,899</u>	<u>-</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 17)	6,500	2,801
Repayable between one and two years	6,500	-
Repayable between two and five years	19,500	-
Repayable in five years or more	31,899	-
	<u>64,399</u>	<u>2,801</u>
Repayable in five years or more:		
Bank loan	<u>31,899</u>	<u>-</u>
	<u>31,899</u>	<u>-</u>

**19. Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2006 as represented by:			
Tangible fixed assets	409,275	-	409,275
Current assets	(81,851)	109,333	27,482
Current liabilities	15,503	-	(15,503)
Long-term liabilities	(57,899)	-	(57,899)
	<u>254,022</u>	<u>109,333</u>	<u>363,355</u>

**Constitution Hill Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2006**

20. Unrestricted funds	At 2005 £	Incoming resources £	Outgoing resources £	Transfers £	At 2006 £
General Fund	(56,695)	167,784	(202,484)	-	(91,395)
Fixed Asset Reserve	336,242	-	-	74,032	410,274
Site regeneration project	9,172	-	-	-	9,172
	<u>288,719</u>	<u>167,784</u>	<u>(202,484)</u>	<u>74,032</u>	<u>328,051</u>

**Purposes of unrestricted funds**

General day to day activities of the charity

Core costs of the charity

21. Restricted funds	At 1 April 2005 £	Transfers £	At 31 March 2006 £
Site Fund	106,716	(74,032)	32,684
Gardens	2,617	-	2,617
	<u>109,333</u>	<u>(74,032)</u>	<u>35,301</u>

**Purposes of restricted funds**

The Site Fund funds the regeneration of the Constitution Hill site.

The Garden Fund is used towards the planting work on the Constitution Hill site.

**Transfers**

£74,032 transferred to the fixed asset fund represents the cost of improvements to the leasehold property.

**22. Company limited by guarantee**

*Constitution Hill Limited is a company limited by guarantee and accordingly does not have a share capital.*

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.