

Registered Charity No: 1084194
Company No: 3685423

HESTERS WAY PARTNERSHIP LIMITED
(COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005



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HESTERS WAY PARTNERSHIP LIMITED

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HESTERS WAY PARTNERSHIP LIMITED

Legal and Administrative Information

Trustees		Organisation	Capacity
S Bradfield	Resigned 13/07/04	Business in the Community/ The Princes Trust	Regional Commercial Manager
J Higgs	Resigned 11/05/04	Personal capacity	Development Director
R Godfrey		St Marks Community Association	Administrator
B Thomson		Hesters Way Neighbourhood Project	Community Project Co- ordinator
A Bowron		Bromford Housing Group	Development Director
R McNally		GCHQ	Community Relations
F Beattie		Local resident	Resident
J Webster	Resigned 13/07/04	Centre for Change	Director/Consultant
Cllr A Cameron	Resigned 13/07/04 Reappointed 17/01/05	Gloucestershire C C	Councillor
A Chong	Resigned 21/07/04	Cheltenham Kingsmead School	Deputy Head
Cllr P Thornton		Cheltenham Borough Council	Councillor
J Magee (Chair)		Gloucestershire Housing Assoc	Community Investment Manager
L Young		SACS Resident Association	Chair
P D Smith	Appointed 17/01/05	Hesters Way Community Resource Centre	Reverend
C Moon	Appointed 17/01/05	Cheltenham Kingsmead School	Head Teacher
Secretary	J Webster (Resigned 13/07/04) H C Bailey (Appointed 13/07/04)		
Registered Office and Principal Address	Hesters Way Community Resource Centre Cassin Drive Cheltenham Glos GL51 7SU		
Registered Auditors	Horwath Clark Whitehill LLP Chartered Accountants Carrick House Lypiatt Road Cheltenham Glos GL50 2QJ		
Bankers	Lloyds TSB plc 130 High Street Cheltenham Glos GL50 1EW		

HESTERS WAY PARTNERSHIP LIMITED

Trustees' Report for the year ended 31 March 2005

The Trustees, who are the directors of Hesters Way Partnership Limited, which is a charitable company, present their report together with the audited financial statements for the year ended 31 March 2005.

Constitution

Hesters Way Partnership Limited was incorporated on 17 December 1998, as a company limited by guarantee and registered as a charity with the Charity Commission on 20 December 2000.

Objects

The objects are to pursue any charitable purpose for the benefit of the inhabitants of the Hesters Way area in the Borough of Cheltenham, without distinction on the grounds of gender, race, religious, political or other opinions. In particular the relief of poverty and the advancement of education and training, the preservation and enhancement of the environment, the preservation and protection of physical and mental health, and the provision of leisure and community facilities in the interests of social welfare.

Activities and achievements during the year

The construction of the Community Resource Centre situated in Princess Elizabeth Way was completed during 2003. The main activity of the Charity has been to let the Centre to the Hesters Way Neighbourhood Project. The Charity is in the process of administering and raising funds for the construction of another Community Resource Centre serving the Springfield, Arle Farm, Cavendish Park and Springbank (SACS) region.

Reserves policy

The charity has adopted a policy that it intends to build up unrestricted funds to approximately half of its annual expenditure.

The unrestricted reserves carried forward at the year end, which along with the expected future rental income, are considered sufficient to meet the current day to day running costs of the Charity.

The restricted reserves carried forward at the year end primarily represent the premises from which the Charity operates.

Trustees' responsibilities

The Trustees are required by law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity as at the end of the financial year and of the surplus or deficit of the Charity for that year.

The Trustees confirm that suitable accounting policies have been used and applied consistently and that reasonable prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2005. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

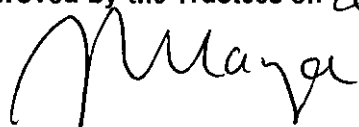
The Trustees are responsible for keeping proper accounting records, for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment. The auditors, Andorran Ltd will also be proposed for appointment.

The report of the trustees has been prepared in accordance with the special provision of part VII of the Companies Act 1985 relating to small companies.

Approved by the Trustees on 20/6/05 and signed on their behalf by:-



Chairman

Independent Auditor's Report to the Trustees of Hesters Way Partnership Limited

We have audited the financial statements of Hesters Way Partnership Limited, for the year ended 31 March 2005 on pages 4 to 10 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the charity's trustees, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the trustees, for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 information in the financial statements.


UNQUALIFIED OPINION

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2005 and of the incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

Cheltenham

20 June 2005

Horwath Clark Whiteliv LLP


HESTERS WAY PARTNERSHIP LIMITED

**Statement of Financial Activities
For the year ended 31 March 2005**

	Notes	Unrestricted General £	Restricted Funds £	2005 £	2004 £
INCOMING RESOURCES					
Grants received		2,500	985	3,485	-
Donations	3	15,000	-	15,000	15,000
Investment income	4	445	-	445	574
Other Income	5	<u>80,000</u>	-	<u>80,000</u>	<u>75,068</u>
Total incoming resources		<u>97,945</u>	<u>985</u>	<u>98,930</u>	<u>90,642</u>
RESOURCES EXPENDED					
Charitable expenditure:					
Grants payable		48,520	-	48,520	44,500
Management and Administration		<u>44,128</u>	<u>32,650</u>	<u>76,778</u>	<u>67,437</u>
Total Resources expended	6	<u>92,648</u>	<u>32,650</u>	<u>125,298</u>	<u>111,937</u>
Net (outgoing)/incoming resources before transfers		5,297	(31,665)	(26,368)	(21,295)
Gross transfers between funds		-	-	-	-
Net movement in funds		5,297	(31,665)	(26,368)	(21,295)
Balances brought forward at 1 April 2004		<u>29,867</u>	<u>1,887,200</u>	<u>1,917,067</u>	<u>1,938,362</u>
Balances carried forward at 31 March 2005		<u>35,164</u>	<u>1,855,535</u>	<u>1,890,699</u>	<u>1,917,067</u>

All amounts relate to continuing operations.

The notes on pages 6 to 10 form part of these financial statements

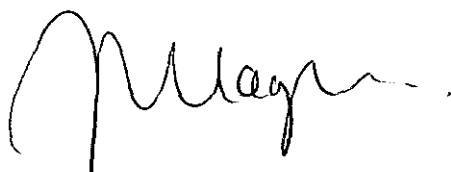
HESTERS WAY PARTNERSHIP LIMITED

**Balance Sheet
As at 31 March 2005**

	Notes	£	31 March 2005 £	31 March 2004 £
Fixed Assets				
Tangible fixed assets	12		1,854,550	1,887,200
Current Assets				
Debtors	13	38,337		29,217
Cash at bank and in hand		<u>29,390</u>		<u>48,419</u>
		67,727		77,636
Creditors: amounts falling due within one year	14	<u>(31,578)</u>		<u>(47,769)</u>
Net Current Assets			<u>36,149</u>	<u>29,867</u>
Net Assets			<u>1,890,699</u>	<u>1,917,067</u>
Funds				
Unrestricted	15	35,164		29,867
Restricted	16	<u>1,855,535</u>		<u>1,887,200</u>
		<u>1,890,699</u>		<u>1,917,067</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements on pages 4 to 10 were approved by the Board of Trustees on 20/6/05 and were signed on its behalf by:



Chairman

The notes on pages 6 to 10 form part of these financial statements

**Notes to the Financial Statements
For the year ended 31 March 2005**

1. ACCOUNTING POLICIES

Basis of Accounting

- a. The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and follow the recommendations in the Statement of Recommended Practice: Accounting by Charities, published in October 2000.
- b. Grants received, comprises grants received in the year. Interest and donations are taken to income on a received basis.
- c. Tangible fixed assets, which cost in excess of £1,000, are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write them off over their estimated useful working lives as follows:

Freehold buildings - 2% Straight line
- d. Expenditure is accounted for on the accruals basis. The costs incurred in the general running of the charity, are all those costs incurred by the charitable company, which are not directly attributable to the charitable objects of the Charity and have been included within management and administration.
- e. The financial statements do not include a cash flow statement because the Charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.
- f. Gifts in kind are valued at the open market value at the date of transfer. Where the gift is an asset which is to be used by the charity, the asset is capitalised within fixed assets.

2. TAXATION

No provision for taxation, other than value added taxation, has been made in these financial statements because the registered charity, is exempt from taxation.

3. DONATIONS

	2005 £	2004 £
Donations	<u>15,000</u>	<u>15,000</u>

4. INVESTMENT INCOME

	2005 £	2004 £
Bank Interest Receivable	<u>445</u>	<u>574</u>

HESTERS WAY PARTNERSHIP LIMITED

Notes to the Financial Statements (continued)
For the year ended 31 March 2005

5. OTHER INCOME

	2005 £	2004 £
Other	-	68
Rents receivable from Hesters Way Neighbourhood Project	<u>80,000</u>	<u>75,000</u>
	<u>80,000</u>	<u>75,068</u>

6. ANALYSIS OF MANAGEMENT AND ADMINISTRATION EXPENDITURE

	2005 £	2004 £
Grants Payable (see note 9)	48,520	44,500
Depreciation	32,650	33,228
Staff employment costs	27,329	17,963
Staff travel expenses	26	34
Legal and professional	228	15
Subscriptions	52	30
Postage and stationery	582	642
Bank charges	74	32
Sundry expenses, including room hire	985	1,363
Rent, rates and service charges	3,265	3,041
Auditors' remuneration	2,745	2,325
Auditors' remuneration non-audit	400	245
Insurances	2,311	2,432
Minor office equipment not capitalised	2,009	621
Irrecoverable VAT	4,122	5,909
Bank and loan Interest	-	7
	<u>125,298</u>	<u>111,937</u>

7. PURCHASE OF INSURANCE

In 2005 £378 (2004 £378) was spent by the charity on public liability insurance to protect the charity from loss arising from the neglect or defaults of its trustees or employees.

8. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Total £
Other Expenditure			
Management and administration costs	<u>27,355</u>	<u>97,943</u>	<u>125,298</u>

HESTERS WAY PARTNERSHIP LIMITED

**Notes to the Financial Statements (continued)
For the year ended 31 March 2005**

9. GRANTS PAYABLE	2005 £	2004 £
Hesters Way Neighbourhood Project	42,500	42,500
Video Diary Project	2,500	-
Community Funding	<u>1,020</u>	<u>-</u>
	46,020	42,500
Community Funding projects	<u>2,500</u>	<u>2,000</u>
	<u>48,520</u>	<u>44,500</u>

10. NET (OUTGOING)/INCOMING RESOURCES FOR THE FINANCIAL YEAR

	2005 £	2004 £
Net incoming resources are stated after charging:		
Auditors' Remuneration	2,745	2,325
Auditors' Remuneration Non-audit	<u>400</u>	<u>245</u>

Neither the Trustees who are the directors, nor any persons connected with them received any remuneration during the year or the preceding period.

11. STAFF NUMBERS AND COSTS

The average number of persons employed by the charity during the year, analysed by category, was as follows:-

	2005	2004
Management and administration	<u>2</u>	<u>1</u>

The aggregate payroll costs were as follows:-

	2005 £	2004 £
Wage costs recharged by Gloucestershire County Council for Hesters Way Partnership Limited staff	<u>27,355</u>	<u>17,997</u>

HESTERS WAY PARTNERSHIP LIMITED

Notes to the Financial Statements (continued)
For the year ended 31 March 2005

12. TANGIBLE FIXED ASSETS

	Freehold buildings £
Cost	
At 1 April 2004	1,952,498
Additions	-
At 31 March 2005	<u>1,952,498</u>
Depreciation	
At 1 April 2004	65,298
Charge for the year	32,650
At 31 March 2005	<u>97,948</u>
Net book value at 31 March 2005	<u>1,854,550</u>
31 March 2004	<u>1,887,200</u>

13. DEBTORS

	2005 £	2004 £
Trade debtors re Hesters Way Neighbourhood Project rent	23,500	18,750
VAT repayable	-	10,467
Accrued income re SACS project	7,578	-
Prepaid expenses re SACS project	<u>7,259</u>	<u>-</u>
	<u>38,337</u>	<u>29,217</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors re Hesters Way Neighbourhood Project	10,775	11,229
VAT payable	6,273	-
Accruals	2,500	36,540
Deferred income re SACS project	<u>12,030</u>	<u>-</u>
	<u>31,578</u>	<u>47,769</u>

Notes to the Financial Statements (continued)
For the year ended 31 March 2005

15. UNRESTRICTED FUNDS

	General Fund £
Balance at 1 April 2004	29,867
Net incoming resources before transfers	5,297
Transfer from Restricted funds	-
Balance at 31 March 2005	<u>35,164</u>

General Fund

This is an unrestricted fund from which all the management and administrative expenses of the charity are met.

16. RESTRICTED FUNDS

	Fixed Asset Fund £	Other Funds £	Total Restricted Funds £
At 1 April 2004	1,887,200	-	1,887,200
Net outgoing resources in the year before transfers	(32,650)	985	(31,665)
Transfer to General funds	-	-	-
At 31 March 2005	<u>1,854,550</u>	<u>985</u>	<u>1,855,535</u>

Fixed Asset Fund

This represents the net book value of the building. The only transaction in future will be depreciation.

Other Funds

This represents funds received from Cheltenham Art Gallery & Museum towards a Lifelong Learning Fund.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Current Assets £	Current Liabilities £	Total £
Restricted Fund	1,854,550	985	-	1,855,535
Unrestricted funds	-	<u>66,742</u>	<u>(31,578)</u>	<u>35,164</u>
Total	<u>1,854,550</u>	<u>67,727</u>	<u>(31,578)</u>	<u>1,890,699</u>