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EAST HERTS HOSPICE SHOPS LIMITED

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DIRECTORS: R Owen (Chairman)
P A Last

SECRETARY: J W Davies

REGISTERED OFFICE: Isabel Wing
Douglas Tilbe House
Hall Grove
Welwyn Garden City
Herts
AL7 4PH

REGISTERED NUMBER: 2417607

AUDITORS: Neville Russell
246 Bishopsgate
LONDON
EC2M 4PB

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 1994.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 financial statements comply with the Companies Act 1985. 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.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be the sale of donated "good as new" articles for the ultimate benefit of the Hospice Care Service for East Hertfordshire, a registered charity.

The company has continued to operate successfully throughout the year at its shops in Bishops Stortford, Cheshunt, Hertford and Welwyn Garden City.

During the year the company generated profits before taxation of £115,533. This enables the company to distribute £85,500 under deed of covenant to the Hospice Care Service, which together with the income tax recoverable of £28,500, increases hospice funds by £114,000.

The Directors consider that the state of the company's affairs is highly satisfactory.

DIRECTORS

The directors set out below have held office during the whole of the period from 1 April 1993 to the date of this report unless otherwise stated.

Director's name

R W Owen (appointed 7 October 1994) *[Signature]*
H McIntosh (resigned 7 October 1994) *[Signature]*
K D Pearce (resigned 7 October 1994) (resigned 4 July 1994) *[Signature]*
P A Last
H M Duke (resigned 21 October 1994)
K M Warne (resigned 17 October 1994)
P Martin (resigned 25 March 1994) *[Signature]*
B E Bennett (appointed 3 December 1993 and resigned 12 November 1994) *[Signature]*
R M Sullivan (appointed 25 March 1994 and resigned 21 October 1994)

The company is limited by guarantee.

DIRECTORS' REPORT (continued)

AUDITORS

Neville Russell have been appointed as auditors by the directors and confirmation of the appointment will be requested at the forthcoming annual general meeting.

Advantage has been taken in the preparation of the directors' report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985. In the directors' opinion the company is entitled to those exemptions having met the qualifications for a small company specified in sections 246 and 247 of the Companies Act 1985.

Approved by the board on 15 December 1994
and signed on its behalf by

JW Davies

J W Davies
Secretary

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

EAST HERTS HOSPICE SHOPS LIMITED

We report on the financial statements on pages 6 to 10 which have been prepared following the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 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, except that the scope of our work was limited as explained below.

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 our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient, reliable and relevant evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because all of the company's recorded turnover comprises cash sales and there was no system of control over such sales on which we could rely for the purpose of our audit. There were no satisfactory audit procedures that we could adopt to confirm that cash sales were properly recorded.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning cash sales, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1994 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

EAST HERTS HOSPICE SHOPS LIMITED (continued)

Qualified opinion arising from limitation in audit scope (continued)

In respect alone of the limitation on our work relating to cash sales:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

Neville Russell

NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors

246 Bishopsgate
LONDON EC2M 4PB

15 December 1994

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 1994

	Notes	1994 £	1993 £
TURNOVER	1	273,780	189,078
COST OF BOUGHT IN GOODS		(19,011)	(9,186)
GROSS PROFIT		254,769	179,892
Net operating expenses		(139,591)	(108,205)
OPERATING PROFIT		115,178	71,687
Other interest receivable and similar income		473	1,474
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	115,651	73,161
COVENANTED PAYMENTS	7	(114,000)	(72,815)
		1,651	346
TAX ON PROFIT ON ORDINARY ACTIVITIES		(280)	(346)
RETAINED PROFIT ON ORDINARY ACTIVITIES FOR THE YEAR	8	1,371	-

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

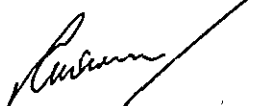
BALANCE SHEET

At 31 March 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Tangible assets	4	28,773	37,091
CURRENT ASSETS			
Stocks		6,000	3,999
Debtors	5	13,313	10,833
Cash at bank and in hand		32,657	23,343
		51,970	38,175
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(79,372)	(75,265)
NET CURRENT LIABILITIES		(27,402)	(37,091)
NET ASSETS		1,371	-
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account		1,371	-
	9	1,371	-

Advantage is taken of the exemptions conferred by Parts I and II of Schedule 8 to the Companies Act 1985. In the directors' opinion, the company is entitled to these exemptions having met the qualifications for a small company specified in sections 246 and 247 of the Companies Act 1985.

Approved by the board on 15 December 1994
and signed on its behalf by



R Owen, Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1994

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover represents amounts received, excluding value added tax, in respect of the sale of goods to customers.

(c) Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives at the following rates:

Leasehold property (over the period of the lease)

Cheshunt	£417 per annum
Welwyn Garden City	£3,864 per annum

Fixtures, Fittings and Furniture

25% based on the written down value

(d) Stocks and work-in-progress

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	1994 £	1993 £
Depreciation of owned tangible fixed assets	10,564	11,912
Audit Fee	-	-

3. DIRECTORS

None of the directors receive remuneration for their services to the Company.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 1994 (continued)

4. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures Fittings £	Total £
COST			
At 1 April 1993	25,000	42,359	67,359
Additions	-	2,246	2,246
At 31 March 1994	25,000	44,605	69,605
ACCUMULATED DEPRECIATION			
At 1 April 1993	10,800	19,468	30,268
Charge for the year	4,281	6,283	10,564
At 31 March 1994	15,081	25,751	40,832
NET BOOK VALUE			
At 31 March 1994	£9,919	£18,854	£28,773
At 31 March 1993	£14,200	£22,891	£37,091

5. DEBTORS

	1994 £	1993 £
Other debtors	13,313	10,833

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994 £	1993 £
Taxation	28,575	18,551
Other taxes and social security	-	877
Accruals	770	1,310
Covenanted payments	50,027	54,527
	£79,372	£75,265

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 1994 (continued)

7. COVENANTED PAYMENTS

Under a deed of covenant dated 14 February 1990 the company has undertaken to make annual payments equal to its taxable profits for each year less income tax at the appropriate rate.

	1994 £	1993 £
Amount payable for the year ended		
31 March 1992	2	13,202
31 March 1993 (gross £72,815)	54,525	54,525
31 March 1994 (gross £114,000)	85,500	-
	140,027	67,727
Less net amounts paid		
	90,000	13,200
Balance due in respect of current year (note 6)		
	£50,027	£54,527

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Profit & Loss Account £	Total Shareholders' Funds £
Balance at 1 April 1992	-	-
Profit for the year	-	-
Balance at 31 March 1993	-	-
Profit for the year	1,371	1,371
Balance at 31 March 1994		
	£1,371	£1,371

9. SHARE CAPITAL

The Company is limited by guarantee and has no share capital.

EAST HERTS HOSPICE SHOPS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

For the year ended 31 March 1994

	1994						
	Registered office £	Cheshunt £	Welwyn Garden City £	Bishops Stortford £	Hertford £	Total £	1993 Total £
SALES							
Sale of bought in goods	4,812	833	10,037	7,100	6,321	29,103	
Cost of bought in sales	3,143	545	6,556	4,638	4,129	19,011	
Bought in contribution	1,669	288	3,481	2,462	2,192	10,092	
Sales of donated goods	-	38,963	104,158	47,725	53,831	244,677	
Total contribution	1,669	39,251	107,639	50,187	56,023	254,769	179,892
EXPENSES							
Wages	-	11,370	13,782	11,817	11,510	48,479	28,926
Rent	-	7,867	23,233	20,082	12,690	63,872	51,380
Other costs	-	3,642	5,023	4,101	3,910	16,676	15,987
Depreciation	-	1,988	5,435	1,571	1,570	10,564	11,912
Total costs	-	24,867	47,473	37,571	29,680	139,591	108,205
Net contribution	1,669	14,384	60,166	12,616	26,343	115,178	71,687
Interest received						473	1,474
Profit before taxation						115,651	73,161
COVENANTED PAYMENTS						(114,000)	(72,815)
						1,651	346
Taxation						(280)	(346)
PROFIT AFTER TAXATION						£1,371	-

This page does not form part of the audited financial statements.