

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

SPRINGHILL HOSPICE (SERVICES) LIMITED

COMPANY REGISTRATION NUMBER 2802521

We have audited the Financial Statements of Springhill Hospice (Services) Limited for the year ended 31 March 2002 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. These Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the Accounting Policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities, the Company's Directors are responsible for the preparation of Financial Statements in accordance with applicable law and United Kingdom Accounting Standards. 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 Directors' Report is not consistent with the Financial Statements, if the company 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

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 the 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 information in the Financial Statements.

OPINION

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date: 4 September 2002



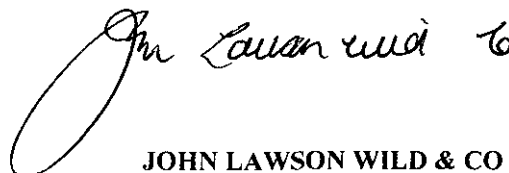
REPORT OF THE AUDITORS TO THE DIRECTORS OF

SPRINGHILL HOSPICE (SERVICES) LIMITED

We have audited the Financial Statements of all group companies for the year ended 31 March 2002.

In our opinion the group qualifies as a medium sized group for the year to 31 March 2002 and hence is exempt from the requirements to prepare group accounts.

Date : 4 September 2002



JOHN LAWSON WILD & CO

Chartered Accountants

Registered Auditors

Cloth Hall, 150 Drake Street, Rochdale, OL16 1PX



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SPRINGHILL HOSPICE (SERVICES) LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the Financial Statements for the year ended 31 March 2002.

Principal Activity and Business Review

The principal activity of the Company is the sale of donated goods to raise funds for Springhill Hospice (Rochdale). During the year the Company traded successfully contributing £218578 (2001 – £165520) to Hospice funds. The Directors consider the state of the Company's affairs to be satisfactory. In the current year the Directors expect a similar amount of income to be generated.

Results

The profit for the year amounts to £218578 (2001 – £165520), after a taxation charge of £1013 (2001 – £851). The whole of the profit was covenanted to Springhill Hospice (Rochdale) Hence no dividends can be paid.

Fixed Assets

Details of fixed asset movement are to be found in the notes to the accounts.

Directors

The Directors who served during the year were as follows:

M. J. Geoghegan	S. Barton
J. S. Ratcliffe	P.B. Dixon
J. F. Dafforne	D. Swire
J. K. Davies	

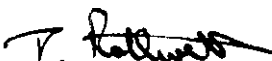
No Directors held shares in the Company.

Auditors

At the Annual General Meeting, the Auditors, Messrs John Lawson Wild & Co. will be proposed for re-appointment in accordance with Section 384 (1) of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board on 4 September 2002


T. ROTHWELL

SECRETARY

SPRINGHILL HOSPICE (SERVICES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

<u>2001</u> £		<u>NOTES</u>	<u>2002</u> £
309228	TURNOVER	2 & 4	343873
144053	NET OPERATING EXPENSES	5	124604
165175	PROFIT ON ORDINARY ACTIVITIES		219269
1196	BANK INTEREST RECEIVED		765
166371	PROFIT BEFORE TAXATION		220034
851	TAXATION	2, 7 & 14	1456
165520	PROFIT FOR THE FINANCIAL YEAR		218578
165520	GIFT AID AND DEED OF COVENANT TO SPRINGHILL HOSPICE (ROCHDALE)		218578
-	RETAINED PROFITS FOR THE YEAR		-

The notes on pages 5 to 8 form part of these accounts

There were no gains or losses other than those recognised in the Profit and Loss Account

There were no acquisitions or discontinued operations during the current or preceding years.

SPRINGHILL HOSPICE (SERVICES) LIMITED

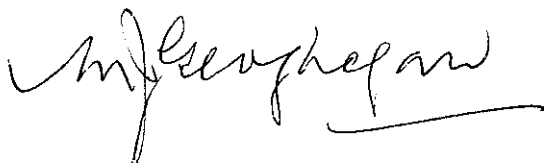
BALANCE SHEET AS AT 31 MARCH 2002

£	2001		NOTES	£	2002	£
		FIXED ASSETS				
5823		Tangible Fixed Assets	2 & 8			-
2		Shares in Group Undertaking	15			2
		CURRENT ASSETS				
	1275	Stock	2 & 9	714		
	188	Debtors (Amounts falling due within one year)	10	736		
	2500	Prepayments	10	-		
	41836	Cash at Bank		33660		
	17	Cash in Hand		17		
	<u>45816</u>			<u>35127</u>		
	51541	CREDITORS (Amounts falling due within one year) 11		<u>35029</u>		
(5725)		NET CURRENT ASSETS/(LIABILITIES)				98
<u>100</u>		TOTAL ASSETS LESS CURRENT LIABILITIES				<u>100</u>
		CAPITAL AND RESERVES				
100		Called up Share Capital	3			100
-		Profit and Loss Account				-
<u>100</u>						<u>100</u>

The notes on pages 5 to 8 form part of these accounts

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 the Financial Reporting Standard for Smaller Entities.

By order of the Board on 4 September 2002



M. J. GEOGHEGAN

DIRECTOR

SPRINGHILL HOSPICE (SERVICES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

1. DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare Financial Statements for each financial year that 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 year. In preparing those Financial Statements, the Directors are required to;

- i) Select suitable accounting policies and then apply them consistently.
- ii) Make judgements and estimates that are reasonable and prudent.
- iii) Prepare the Financial Statements on a 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.

2. ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements are prepared under the provisions of the Financial Reporting Standard for Smaller Entities, on the historical cost basis of Accounting and on the going concern basis.

The accounts refer to the Company only as the company is a small company and hence exempt from preparing group accounts.

The Company has taken advantage of the exemption afforded to small companies by Financial Reporting Standard 1, and has not prepared a Cash Flow Statement.

Fixed Assets

Fixed Assets are stated in the Balance Sheet at cost less depreciation where applicable.

The Directors have decided to write off Improvements to Leasehold Buildings over the three years to 2002.

Stock

Stock is as valued by the Directors and at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Provision is made at the current rate for taxation in respect of all material timing differences. Previously no provision was made, but as there are no timing differences there is no effect on profits for the year.

Turnover

Turnover represents the value of goods supplied to customers during the year less returns and net of Value Added Tax.

Pension Premiums

Defined Contribution Scheme Premiums are charged to the Profit and Loss Account in the period in which they are paid.

3. SHARE CAPITAL

	<u>2002</u>	<u>2001</u>
	£	£
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

SPRINGHILL HOSPICE (SERVICES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company. The whole of the turnover is attributable to the United Kingdom.

5. NET OPERATING EXPENSES

	<u>2002</u>	<u>2001</u>
	£	£
Change in Stocks	561	(284)
Raw materials and Consumables	12717	12561
Staff Costs (Note 6)	64561	94548
Other Operating Charges	46765	37228
	<u>124604</u>	<u>144053</u>

Other operating charges are stated after charging :-

Auditors' Remuneration	<u>890</u>	<u>850</u>
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6. STAFF COSTS

	<u>2002</u>	<u>2001</u>
	£	£
Wages and Salaries	35668	31995
Directors' Remuneration	24725	54447
Social Security Costs	4168	6656
Pension Contributions to Defined Contribution Schemes	—	1450
	<u>64561</u>	<u>94548</u>

Pension contributions of £ nil were outstanding at the year end.

Total Directors' Emoluments during the year all paid in connection with management were as follows :-

	<u>2002</u>	<u>2001</u>
	£	£
Salaries	24725	54447
Pension Contributions to Defined Contribution Schemes	—	846
	<u>24725</u>	<u>55293</u>

No pension premiums were paid by the company to money purchase schemes on behalf of any director in 2001/02.

7. TAXATION

	<u>2002</u>	<u>2001</u>
	£	£
U.K. Corporation Tax @ 15% re prior year	443	—
U.K. Corporation Tax @ 10% (2000 – 15%) on taxable profits for the year	1013	851
	<u>1456</u>	<u>851</u>

The Company is a close Company as defined by S.414 of the Income and Corporation Taxes Act 1988.

SPRINGHILL HOSPICE (SERVICES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

8. TANGIBLE FIXED ASSETS

	Improvements to Leasehold Buildings	Shop Fixtures and Fittings	Total
	£	£	£
<u>COST</u>			
As at 1.4.01	21068	12534	33602
As at 31.3.02	21068	12534	33602
<u>DEPRECIATION</u>			
As at 1.4.01	15245	12534	27779
Charge for the year	5823	—	5823
As at 31.3.02	21068	12534	33602
<u>NET BOOK VALUE</u>			
As at 31.3.02	—	—	—
As at 31.3.01	5823	—	5823

9. STOCKS

	<u>2002</u> £	<u>2001</u> £
Purchased Goods	714	1275

10. DEBTORS AND PREPAYMENTS

	<u>2002</u> £	<u>2001</u> £
NWH Promotions Ltd.	—	2500
VAT	736	188
	736	2688

11. CREDITORS (Amounts falling due within one year)

	<u>2002</u> £	<u>2001</u> £
Springhill Hospice (Rochdale)	23578	30523
General Creditors	8173	18067
Accruals	2265	2100
Taxation	1013	851
	35029	51541

SPRINGHILL HOSPICE (SERVICES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

12. DEFERRED TAXATION

No provision is made for deferred taxation, as there are no timing differences.

13. MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2002</u> £	<u>2001</u> £
Issue of Share Capital	100	100
Retained Profit for the Year	—	—
Balance Carried Forward	<u>100</u>	<u>100</u>

14. HOLDING COMPANY

The whole of the issued share capital is owned by Springhill Hospice (Rochdale) which is registered in England and Wales.

15. SHARES IN GROUP UNDERTAKING

The Company owns 2 £1 ordinary shares in Springhill Hospice (Lottery) Ltd. representing 100% of the issued share capital.

Springhill Hospice (Lottery) Ltd. runs a lottery to raise funds for the main Hospice and is registered in England and Wales. Springhill Hospice (Lottery) Ltd had net assets of £2 (2001 – £2) at the year end and made a profit of £83456 (2001 – £80555) for the year, the whole of which is covenanted to Springhill Hospice (Rochdale). Springhill Hospice (Lottery) Ltd owed £8812 (2001 – £10556) to Springhill Hospice (Rochdale) at the year end.