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 2004 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.

This report is made solely to the company's members, 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 company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date: 6 July 2004

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 2004.

In our opinion the group qualifies as a medium sized group for the year to 31 March 2004 and hence is exempt from the requirements to prepare group accounts.

Date : 6 July 2004

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 2004.

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 £242547 (2003 – £241659) 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 £242547 (2003 – £241659), after a taxation charge of £NIL (2003 – £NIL).
The whole of the profit was covenanted to Springhill Hospice (Rochdale) Limited. 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
J. S. Ratcliffe
J. F. Dafforne
J. K. Davies
S. Barton
P.B. Dixon (retired 9 July 2003)
D. Swire

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 6 July 2004

T. ROTHWELL SECRETARY

SPRINGHILL HOSPICE (SERVICES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	NOTES	2004 £	2003 £
TURNOVER	2 & 4	388743	370140
NET OPERATING EXPENSES	5	146527	128701
PROFIT ON ORDINARY ACTIVITIES		242216	241439
BANK INTEREST RECEIVED		331	220
PROFIT BEFORE TAXATION		242547	241659
TAXATION	2, 7 & 12	–	–
PROFIT FOR THE FINANCIAL YEAR		242547	241659
GIFT AID AND DEED OF COVENANT TO SPRINGHILL HOSPICE (ROCHDALE) LTD		(242547)	(241659)
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 2004

	NOTES	2004 £	2004 £	2003 £
FIXED ASSETS				
Tangible Fixed Assets	2 & 8		–	–
Shares in Group Undertaking	15		2	2
CURRENT ASSETS				
Stock	2 &9	1430		3285
Debtors (Amounts falling due within one year)	10	832		193
Cash at Bank		36938		29639
		39200		33117
CREDITORS (Amounts falling due within one year)	11	39102		33019
NET CURRENT ASSETS			98	98
TOTAL ASSETS LESS CURRENT LIABILITIES			100	100
CAPITAL AND RESERVES				
Called up Share Capital	3		100	100
Profit and Loss Account			–	–
			100	100

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 (effective June 2002).

Approved by the Board on 6 July 2004

M. J. GEOGHEGAN DIRECTOR

SPRINGHILL HOSPICE (SERVICES) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

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.

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.

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

3. SHARE CAPITAL

	2004 £	2003 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

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

	2004 £	2003 £
Change in Stocks	1855	(2571)
Raw materials and Consumables	10589	17359
Staff Costs (Note 6)	94100	79982
Other Operating Charges	39983	33931
	146527	128701

Other operating charges are stated after charging :-

Auditors' Remuneration	2375	2350

6. STAFF COSTS

	2004 £	2003 £
Wages and Salaries	58121	46816
Directors' Remuneration	28786	27705
Social Security Costs	7193	5461
	94100	79982

Pension contributions of £NIL were outstanding at the year end (2003 - £645).

Total Directors' Emoluments during the year all paid in connection with management were as follows :-	2004 £	2003 £
Salaries	28786	27705

7. TAXATION

	2004 £	2003 £
U.K. Corporation Tax on profits for the year	-	-

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

8. TANGIBLE FIXED ASSETS

	Improvements to Leasehold Buildings	Shop Fixtures and Fittings	Total
	£	£	£
COST			
As at 01.04.03	21068	12534	33602
As at 31.03.04	21068	12534	33602
DEPRECIATION			
As at 01.04.03	21068	12534	33602
As at 31.03.04	21068	12534	33602
NET BOOK VALUE			
As at 31.03.04	–	–	–
As at 31.03.03	–	–	–

9. STOCKS

	2004	2003
	£	£
Purchased Goods	1430	3285

10. DEBTORS AND PREPAYMENTS

	2004	2003
	£	£
VAT	357	193
Other Debtors	475	–
	832	193

11. CREDITORS (Amounts falling due within one year)

	2004	2003
	£	£
Springhill Hospice (Rochdale) Ltd	27547	21659
General Creditors	8640	9030
Accruals	2915	2330
	39102	33019

12. DEFERRED TAXATION

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

13. MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Issue of Share Capital	100	100
Retained Profit for the Year	–	–
Balance Carried Forward	100	100

14. HOLDING COMPANY

The whole of the issued share capital is owned by Springhill Hospice (Rochdale) Ltd. 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 (2003 – £2) at the year end and made a profit of £71430 (2003 – £80116) for the year, the whole of which is covenanted to Springhill Hospice (Rochdale) Ltd. Springhill Hospice (Lottery) Ltd owed £11507 (2003 – £20191) to Springhill Hospice (Rochdale) Ltd at the year end.