

St Catherine's Hospice Limited

(A CHARITABLE COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)

FINANCIAL STATEMENTS

for the year ended 31 March 1996



St Catherine's Hospice Limited

OFFICERS AND PROFESSIONAL ADVISERS

COUNCIL OF MANAGEMENT

Mrs R Cowley, CBE
Dr M Toynbee
R A S Ames
Cllr Mrs L Banyard
I Barnard
L S Beamish
D Booth
A Jones
P G Lusher
Cllr W Knighton
Mrs S H McKenzie, MBE
R Main
Cllr D W Murdoch
Mrs B Palmer
Dr J H Pendered, MBE
Mrs Y Terry

Ex Officio member of Council:
Dr J N Mount - Chief Executive

SECRETARY

S J Yates

COMPANY REGISTERED NUMBER

1525404 (England and Wales)

REGISTERED CHARITY NUMBER

281362

REGISTERED OFFICE

Malthouse Road
Southgate
Crawley
West Sussex

AUDITORS

Baker Tilly
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex

St Catherine's Hospice Limited

OFFICERS AND PROFESSIONAL ADVISERS

BANKERS

Barclays Bank Plc
90-92 High Street
Crawley
West Sussex

SOLICITORS

Rawlison and Butler
15 Carfax
Horsham
West Sussex

INVESTMENT ADVISORS

Kleinwort Benson Investment Management Limited
P O Box 191
10 Fenchurch Street
London

St Catherine's Hospice Limited

REPORT OF THE COUNCIL OF MANAGEMENT

The Council of Management submits its report and the financial statements of St Catherine's Hospice Limited for the year ended 31 March 1996.

PRINCIPAL ACTIVITIES

The Hospice is a company limited by guarantee and registered as a charity under the Charities Act 1960.

The principal activity of the company is that of a Hospice caring for the terminally ill.

In addition there is a subsidiary company, St Catherine's Hospice Trading (Sussex) Limited which raises additional funds for the Hospice.

REVIEW OF THE BUSINESS

After a number of lean years, the Trustees are pleased to report an overall surplus for the year of £114,086, which comes out better than budget by £93,769. This excellent result has arisen through prudent financial management following the resetting of budgets last October. The gross income for the financial year ending 31 March 1996 was £1,970,706 exceeding budgeted income by £71,979 mainly as the result of increased legacy income.

The Trustees would like to thank the Chief Executive, his team and the staff for developing sound financial systems both for monitoring income and expenditure and in ensuring rigorous financial control of resources.

West Sussex District Health Authority and East Surrey Health Authority provide important financial support for the provision of palliative care services in their areas. West Sussex Health Authority funding amounted to £324,214, which includes income support and represents 17% of our total income. AIDS funding was enhanced during the year by £5,936 making a total of £22,936. East Surrey Health Authority funding amounted to £70,000. Despite this relatively low percentage of total income from the health authorities there are signs that service developments for next year will bring with them some additional funding.

Although the net profit from the new trading company, £177,778 was slightly down on last year, we are encouraged by the progress which our new Retail Development Manager has made towards increasing growth in our six shops which sell donated goods.

The Trustees would like to thank all our volunteers both in the shops and throughout the Hospice for their dedication and commitment in helping us to provide high quality specialist palliative care to the communities of Mid Sussex and South East Surrey.

RESULTS

The General Fund Operating Account shows a surplus for the year of £114,086 and this has been transferred to the General Operating Fund.

MARKET VALUE OF LAND AND BUILDINGS

Freehold land was donated to the Hospice and valued at £60,000 by the Management Committee in December 1983. All other freehold land and buildings are included in the financial statements at cost or open market value if lower. In the opinion of the Council, the open market value of the freehold land and buildings are not less than the amounts shown in the financial statements.

The long lease of the adjoining land to the Hospice was granted at nil cost, and no value has been attributed to it in the financial statements.

St Catherine's Hospice Limited

REPORT OF THE COUNCIL OF MANAGEMENT

COUNCIL OF MANAGEMENT

The members who all served in an honorary capacity during the year were as follows:

Mrs R Cowley, CBE	Chairman
Dr M Toynbee	Vice Chairman
I Barnard, FCCA	Hon Treasurer
R A S Ames	
L Beamish, FCCA	
Cllr Mrs L Banyard	Appointed 18 July 1995
D Booth	Appointed 22 January 1996
A Jones	
Cllr W Knighton	Representing Mid Sussex District Council
P G Lusher	
Mrs S H McKenzie, MBE	Chairman of Friends of St Catherine's Hospice Limited
R Main	Appointed 22 January 1996
Cllr D W Murdoch	Representing Crawley Borough Council
Cllr Mrs B Palmer	Representing Horsham District Council
Dr J H Pendered, MBE	
Mrs Y Terry	
Miss M M Marks	Resigned 17 October 1995

Dr J N Mount, Chief Executive of the Hospice serves as an ex-officio member of Council

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



Mrs R Cowley, CBE
Chairman

22 May 1996

St Catherine's Hospice Limited

COUNCIL OF MANAGEMENT'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the Council of Management 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 Council of Management are required to:

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

The Council of Management 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF ST CATHERINE'S HOSPICE LIMITED

We have audited the financial statements on pages 7 to 21.

Respective responsibilities of directors and auditors

As described on page 5 the company's Council of Management 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

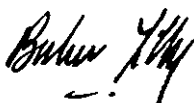
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council of Management 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 at 31 March 1996 and of the surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled for the year ended 31 March 1996 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.



BAKER TILLY

Registered Auditor
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

22 May 1996

St Catherine's Hospice Limited
GENERAL FUND OPERATING ACCOUNT
for the year ended 31 March 1996

	<i>Notes</i>	1996 £	1995 £
INCOME	1	1,970,706	1,881,500
Operating costs		1,697,687	1,687,424
Gross surplus		273,019	194,076
Other operating expenses (net)	2	213,092	263,738
OPERATING SURPLUS/(DEFICIT)		59,927	(69,662)
Exceptional item	3	(7,205)	-
Investment income	4	21,605	21,212
Interest payable	5	(12,760)	(15,927)
Gain/(loss) on investments	8	52,519	(30,792)
SURPLUS/(DEFICIT) ON OPERATING ACCOUNT TRANSFERRED/(MET FROM) TO GENERAL FUND	16	114,086	(95,169)

The operating surplus for the year arises from the Hospice's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the General Fund Operating Account.

Gains and losses arising from transactions within the Restricted Funds have been dealt with in their respective Income and Expenditure accounts, note 16.

St Catherine's Hospice Limited

BALANCE SHEET

31 March 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	9	1,841,885	1,897,427
Investments	10	291,435	206,207
		<u>2,133,320</u>	<u>2,103,634</u>
CURRENT ASSETS			
Investments	11	448,206	408,965
Debtors	12	118,502	90,357
Restricted funds - deposits at bank		35,971	43,572
Cash at bank and in hand		43,683	-
		<u>646,362</u>	<u>542,894</u>
CREDITORS			
Bank overdraft	13	-	55,886
Other amounts falling due within one year	13	167,310	142,753
		<u></u>	<u></u>
NET CURRENT ASSETS		<u>479,052</u>	<u>344,255</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,612,372</u>	<u>2,447,889</u>
CREDITORS			
Amounts falling due after more than one year	14	(101,362)	(119,714)
PROVISION FOR LIABILITIES AND CHARGES	15	-	(9,609)
TOTAL ASSETS LESS LIABILITIES		<u>2,511,010</u>	<u>2,318,566</u>
CAPITAL AND RESERVES			
General fund	16	2,194,397	2,056,214
Restricted funds	17	316,613	262,352
		<u>2,511,010</u>	<u>2,318,566</u>

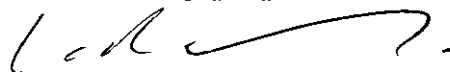
Approved by the Council of Management on 22 May 1996



MRS R COWLEY

Chairman

I BARNARD



Honorary Treasurer

St Catherine's Hospice Limited

CASH FLOW STATEMENT

for the year ended 31 March 1996

	Notes	1996 £	1995 £
NET CASH FLOW FROM OPERATING ACTIVITIES	21	183,258	90,435
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid on bank overdraft and other loans		(12,760)	(12,812)
Hire purchase interest		-	(3,115)
Income from listed investments		21,605	20,615
Bank interest received		-	597
Restricted funds - interest received		823	1,658
Net cash flow from returns on investments and servicing of finance		192,926	97,378
INVESTING ACTIVITIES			
Sale of fixed assets		-	(14,943)
Purchase of listed investments		(160,140)	(93,171)
Sale of listed investments		111,703	10,321
Purchase of fixed assets		(38,585)	(9,330)
Net cash outflow from investing activities		(87,022)	(107,123)
Net cash inflow/(outflow)before financing		105,904	(9,745)
FINANCING			
Mortgage repaid		(18,352)	(17,611)
Hire purchase repaid		(1,519)	(3,603)
Increase in balance due from other group company		(10,759)	(1,109)
INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS		75,274	(32,068)

St Catherine's Hospice Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

DONATED ASSETS

Tangible assets donated to the Hospice are recorded at the original estimate of their value to the company.

TANGIBLE FIXED ASSETS

Fixed assets other than donated assets are stated at historical cost or open market value if lower.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	2% and 20% per annum on cost
Equipment	12.5% and 33.33% per annum on cost
Motor vehicles	25% per annum on cost

TAXATION

The company has been granted charitable status and is therefore not liable to corporation tax.

LEASED ASSETS AND OBLIGATIONS

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the general fund operating account in equal annual amounts over the periods of the leases.

PENSIONS CONTRIBUTIONS

Retirement benefits to certain employees are provided by defined contribution schemes which are funded by contributions from the company. Payments are made to insurance companies and these are charged against income of the year in which they become payable.

Some clinical staff are members of the National Health Services scheme and contributions are determined by the government actuary. Payments are charged against income as they become payable.

INCOME

Income from fund raising is recognised in the accounting records and shown in these financial statements when it is received and is net of related expenditure.

Grant income is credited to the General Fund Operating account in the accounting period to which it relates.

Credit for other income including legacies, donations and investment income is taken when received.

INVESTMENTS

Investments are stated at the lower of market value and cost or market value on the date of donation.

St Catherine's Hospice Limited

ACCOUNTING POLICIES

SUBSIDIARY UNDERTAKING

St Catherine's Hospice Trading (Sussex) Limited is a subsidiary undertaking and operates shops selling donated goods. A summary of the results for the year to 31 March 1996 is included in note 19 to these financial statements.

The company has taken advantage of the exemption conferred by section 248, Companies Act 1985 from the requirement to prepare group accounts.

REPAIRS PROVISION

Provision is made in equal annual instalments for major repairs carried out on a cyclical basis, such provision being included in the accounts under provisions for liabilities and charges.

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

		1996 £	1995 £
1	INCOME		
	The income of the Hospice comprises:		
	Donations, grants and gifts received	1,597,812	1,478,330
	Friends	241,388	280,717
	Patients' contributions	25,929	39,155
	Covenanted gifts	100,890	83,199
	Net realised investment gains	4,687	99
		<u>1,970,706</u>	<u>1,881,500</u>

		1996 £	1995 £
2	OTHER OPERATING EXPENSES (NET)		
	Administration expenses	97,529	169,536
	Fund raising expenses	108,597	90,263
	Publicity expenses	6,966	3,939
		<u>213,092</u>	<u>263,738</u>

		1996 £	1995 £
3	EXCEPTIONAL ITEM		
	Adjustment to valuation of fixed assets	7,205	-
		<u>7,205</u>	<u>-</u>

During the year a full review of all fixed assets was undertaken, resulting in re assessments of the book value of various items. The net effect of this is shown above. The effect on the balance sheet value of fixed assets is shown in the note 9.

		1996 £	1995 £
4	INVESTMENT INCOME		
	Income from investments		
	Listed	21,605	20,615
	Interest received	-	597
		<u>21,605</u>	<u>21,212</u>

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

5	INTEREST PAYABLE	1996 £	1995 £
	On bank loans, overdrafts and other loans repayable within 5 years:		
	Finance leases and hire purchase contracts	-	3,115
	Mortgage interest	12,760	12,812
		<u>12,760</u>	<u>15,927</u>

6	SURPLUS/(DEFICIT) ON OPERATING ACCOUNT	1996 £	1995 £
	Operating surplus is stated after charging/(crediting):		
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year:		
	owned assets	86,922	92,132
	leased assets	-	9,462
	Operating lease rentals:		
	equipment	19,936	26,632
	Auditors' remuneration	3,100	3,100
	Profit on disposal of fixed assets	-	4,940
		<u></u>	<u></u>

7	EMPLOYEES	1996 No.	1995 No.
	The average weekly number of persons employed by the company during the year was:		
	Fund raising	3	4
	Administrative	6	6
	Nursing staff	45	50
	Ancillary staff	13	13
	Medical staff	6	5
	Chaplaincy/Counselling	2	2
		<u>75</u>	<u>80</u>

The Hospice employs a significant number of staff on a part time basis. The average numbers of staff shown above are calculated to show the full time equivalent staff numbers.

	1996 £	1995 £
Staff costs for the above persons:		
Wages and salaries	1,348,042	1,323,500
Social security costs	108,038	102,492
Other pension costs	47,168	46,026
	<u>1,503,248</u>	<u>1,472,018</u>

No emoluments were paid during the year to members of the Council of Management (1995 : £Nil)

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

8	GAIN/(LOSS) ON INVESTMENTS			1996 £	1995 £
	Adjustment to book value of current asset investments to bring them to their market value at 31 March 1996			52,519	(30,792)
				<u> </u>	<u> </u>
9	TANGIBLE FIXED ASSETS				
		<i>Freehold land and buildings</i>	<i>Equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
		£	£	£	£
	Cost or valuation				
	1 April 1995	2,170,820	319,032	29,076	2,518,928
	Adjustment (Note 3)	(68,999)	(86,475)	4,424	(151,050)
	Additions	-	38,585	-	38,585
	31 March 1996	<u>2,101,821</u>	<u>271,142</u>	<u>33,500</u>	<u>2,406,463</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Depreciation				
	1 April 1995	327,575	276,189	17,737	621,501
	Adjustments (Note 3)	1,937	(150,594)	4,812	(143,845)
	Charged in the year	50,621	29,044	7,257	86,922
	31 March 1996	<u>380,133</u>	<u>154,639</u>	<u>29,806</u>	<u>564,578</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Net book value				
	31 March 1996	<u>1,721,688</u>	<u>116,503</u>	<u>3,694</u>	<u>1,841,885</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	31 March 1995	1,843,245	42,843	11,339	1,897,427

Freehold land was donated to the Hospice and valued at £60,000 by the Management Committee in December 1983. All other freehold land and buildings are included in the financial statements at lower of cost and open market value. In the opinion of the Council, the open market value of the freehold land and buildings are not less than the stated value. The long lease of the adjoining land to the Hospice was granted at nil cost, and no value has been attributed to it in the financial statements.

The net book value of fixed assets includes £Nil (1995 : £10,279) in respect of assets held under finance leases and hire purchase contracts.

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

10	FIXED ASSETS INVESTMENTS	<i>Subsidiary undertakings</i> £	<i>Listed investments</i> £	<i>Total</i> £
	Cost or market value			
	1 April 1995	2	206,205	206,207
	Additions	-	84,936	84,936
	Disposals	-	(35,228)	(35,228)
	31 March 1996	2	255,913	255,915
	Provision for unrealised gain	-	35,520	35,520
	Cost or market value			
	31 March 1996	2	291,433	291,435
	31 March 1995	2	206,205	206,207
11	INVESTMENTS HELD AS CURRENT ASSETS	<i>Listed investments</i> £	<i>Cash deposits</i> £	<i>Total</i> £
	Cost or market value			
	1 April 1995	383,045	25,920	408,965
	Additions	75,204	-	75,204
	Disposals	(76,475)	-	(76,475)
	Net cash movement	4,687	(16,694)	(12,007)
	31 March 1996	386,461	9,226	395,687
	Provision for unrealised gain	52,519	-	52,519
	Market value:			
	31 March 1996	438,980	9,226	448,206
	31 March 1995	383,045	25,920	408,965

The investments are managed by independent investment managers.

12	DEBTORS	1996 £	1995 £
	Other debtors	81,121	68,743
	Prepayments and accrued income	22,607	17,599
	Amount owed by subsidiary undertaking	14,774	4,015
		118,502	90,357

St Catherine's Hospice Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 1996

13	CREDITORS	1996	1995
	Amounts falling due within one year	£	£
	Bank overdraft	-	55,886
	Obligations under finance leases	-	1,519
	Taxation and social security costs	36,786	35,303
	Trade and other creditors	102,924	78,331
	Mortgage	27,600	27,600
		<u>167,310</u>	<u>198,639</u>

The mortgage is secured by a charge over freehold shop premises in Horley and bears interest at 2% above Lloyds Bank base rate.

14	CREDITORS	1996	1995
	Amounts falling due in more than one year	£	£
	Interest free loan	30,000	30,000
	Mortgage (see note 13)	71,362	89,714
		<u>101,362</u>	<u>119,714</u>

The interest free loan of £30,000 was made by Horsham District Council. The loan which is secured on the freehold land was renewed during the year and is due for repayment on 31 March 1999.

15	PROVISIONS FOR LIABILITIES AND CHARGES	£
	REPAIRS PROVISION	
	1 April 1995	9,609
	Charged to General Fund Operating Account	7,073
	Used during the period	(16,682)
	31 March 1996	<u>-</u>

16 GENERAL FUND

Hospice Operating Account

General Fund

	1996	1995
	£	£
1 April 1995	2,056,214	2,151,383
Transfer from operating account	114,086	(95,169)
Transfer from Standby Generator Appeal	24,097	-
31 March 1996	<u>2,194,397</u>	<u>2,056,214</u>

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

17 RESTRICTED FUNDS

FOUNDATION FUND

During the period to 31 March 1994, the Hospice launched the Foundation Fund the purpose of which is to hold investments as fixed assets that will generate income for use by the Hospice in General Fund activities.

	1996 £	1995 £
Income and expenditure account		
Donations and covenants	41,228	122,598
Interest on deposit accounts	657	1,337
Net realised investment gains	2,222	-
Transfer from investments	11,115	6,476
Unrealised investment gain/(loss)	35,520	(15,388)
	<u>90,742</u>	<u>115,023</u>
Operating costs	12,550	51,738
Excess of income over expenditure	<u>78,192</u>	<u>63,285</u>
Accumulated reserves		
Balance at 1 April 1995	238,421	175,136
Transfer from income and expenditure account	78,192	63,285
Balance at 31 March 1996	<u>316,613</u>	<u>238,421</u>
Balance sheet		
Fixed assets		
Investments at market value	303,713	222,119
Current assets		
Cash at bank	23,679	19,099
Debtors	3,140	977
	<u>330,532</u>	<u>242,195</u>
Current liabilities		
Creditors	(13,919)	(3,774)
	<u>316,613</u>	<u>238,421</u>
Financed by		
Accumulated reserves	<u>316,613</u>	<u>238,421</u>

The unrealised investment gain represents the difference between the market value and book value of investments as at 31 March 1996.

No separate statement of Recognised Gains and Losses has been presented as all such gains and losses arising from transactions within the Fund have been dealt with in the Income and Expenditure Account.

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

17 RESTRICTED FUNDS (continued)

STANDBY GENERATOR APPEAL

The Standby Generator Appeal was established to purchase a generator to guarantee the electricity supply of the Hospice in the event of a breakdown in normal supplies. The generator was installed in April 1995 at a total cost of £24,787, paid for substantially by the appeal. The appeal fund has now been closed.

	1996 £	1995 £
Income and expenditure account		
Donations and covenants	-	10,000
Interest on deposit accounts	166	321
	<u>166</u>	<u>10,321</u>
Accumulated reserves		
1 April 1995	23,931	13,610
Transfer from income and expenditure account	166	10,321
Transfer to General Fund	(24,097)	-
	<u>-</u>	<u>23,931</u>
31 March 1996		
Balance sheet		
Current assets		
Cash at bank	-	23,931
	<u>-</u>	<u>23,931</u>
Financed by		
Accumulated reserves	-	23,931
	<u>-</u>	<u>23,931</u>
Total accumulated reserves in restricted funds	<u>316,613</u>	<u>262,352</u>

18 MEMBERS OF THE HOSPICE

There are 87 members of the company who are required to contribute £1 each in event of the company being wound up.

St Catherine's Hospice Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 1996

19 ST CATHERINE'S HOSPICE TRADING (SUSSEX) LTD

St Catherine's Hospice Trading (Sussex) Limited operates shops selling donated goods.

The issued ordinary share capital is owned by St Catherine's Hospice Limited and profits are transferred to the parent company under deed of covenant.

PROFIT AND LOSS ACCOUNT for the year ended 31 March 1996	1996 £	1995 £
Sales	399,690	370,670
Cost of sales	44,488	43,865
	<u>355,202</u>	<u>326,805</u>
Other operating expenses	177,424	143,708
	<u>177,778</u>	<u>183,097</u>
Operating profit		
Deed of covenant	177,778	183,097
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
BALANCE SHEET as at 31 March 1996		
Fixed assets	9,287	12,359
	<u>9,287</u>	<u>12,359</u>
Current assets		
Debtors	19,113	14,896
Cash	16,062	9,893
	<u>35,175</u>	<u>24,789</u>
Creditors		
Amounts falling due within one year	(44,460)	(37,146)
	<u>(44,460)</u>	<u>(37,146)</u>
NET CURRENT LIABILITIES	(9,285)	(12,357)
	<u>(9,285)</u>	<u>(12,357)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	2	2
	<u><u>2</u></u>	<u><u>2</u></u>
CAPITAL AND RESERVES		
Called up share capital	2	2
	<u><u>2</u></u>	<u><u>2</u></u>

St Catherine's Hospice Limited
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	1996	1995
	£	£
20 HIRE PURCHASE AND OPERATING LEASE COMMITMENTS		
Obligations under finance leases and hire purchase contracts		
Minimum lease payments payable within one year	-	1,519
Finance charges allocated to future periods	-	(272)
	<u>-</u>	<u>1,247</u>
Operating lease commitments		
At 31 March 1996 the company was committed to making the following payments during the next year in respect of operating leases:		
	1996	1995
	£	£
Leases which expire within 1 year	14,303	-
within 2 - 5 years	14,173	57,702
	<u>28,476</u>	<u>57,702</u>
21 CASH FLOWS	1996	1995
	£	£
a. Reconciliation of operating surplus to net cash inflow from operating activities		
Surplus/(deficit)		
General fund	59,927	(69,662)
Restricted funds	42,015	87,336
Depreciation	86,922	101,594
Profit on sale of fixed assets	-	4,940
Profit on sale of investments	(4,687)	(99)
(Decrease)/increase in provision for repairs	(9,609)	4,226
Donated investments	-	(1,202)
Increase in debtors	(17,386)	(28,906)
Increase/(decrease) in creditors	26,076	(7,792)
	<u>183,258</u>	<u>90,435</u>
b. Analysis of changes in cash and cash equivalents during the year		
Balance at 1 April 1995	13,606	45,674
Net cash inflow/(outflow)	75,274	(32,068)
Balance at 31 March 1996	<u>88,880</u>	<u>13,606</u>

St Catherine's Hospice Limited
 NOTES TO THE FINANCIAL STATEMENTS
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21 CASH FLOW (continued)

c Analysis of balances of cash and cash equivalents as shown in the balance sheet

	1996 £	1995 £	<i>Change in period</i>
Deposits at bank - restricted funds	35,971	43,572	(7,601)
Bank overdraft	43,683	(55,886)	99,569
Cash held as current asset investments	9,226	25,920	(16,694)
	<u>88,880</u>	<u>13,606</u>	<u>75,274</u>