

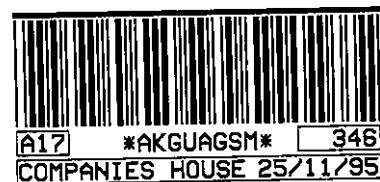
1525404

ST CATHERINE'S HOSPICE LIMITED  
(A CHARITABLE COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL)

FINANCIAL STATEMENTS

31 MARCH 1995

Baker Tilly  
Chartered Accountants  
12 Gleneagles Court  
Brighton Road  
Crawley  
West Sussex  
RH10 6AD



OFFICERS AND PROFESSIONAL ADVISORS

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COUNCIL OF MANAGEMENT

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

SECRETARY

S J Yates

REGISTERED OFFICE

Malthouse Road  
Southgate  
Crawley  
West Sussex

COMPANY REGISTERED NUMBER

1525404

REGISTERED CHARITY NUMBER

281362

AUDITORS

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

OFFICERS AND PROFESSIONAL ADVISORS

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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

REPORT OF THE COUNCIL OF MANAGEMENT

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The Council of Management submits its report and the financial statements of St Catherine's Hospice for the year ended 31 March 1995.

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

Gross Income for the twelve months was £1,881,500 and reflected a fall of approximately 11% in income when compared to the previous twelve months. Clearly, for many of our donors the recession is still not over and this has made the task of generating income harder for our fundraisers.

The continuing maintenance of strict budgetary control ensured that increases in expenditure were minimal during the year and less than 1% compared against the previous twelve months.

Despite reduced income the high quality of patient care remained unaffected.

Funding received from NHS central funding for services delivered to Mid Sussex and East Surrey Health Authorities for the period amounted to £262,583. Although this was a 3.5% increase on the previous year, it only represented 14% of our total income.

Our trading subsidiary, in its first full year of trading, achieved a net profit of £183,097. There are currently six shops, staffed by volunteers, selling donated goods and the continuing development of the trading company is seen as one of the major planks of our income generation strategy.

The Trustees wish to commend all staff and volunteers for their dedication to making St Catherine's what it is today and their commitment to build upon this in the future.

RESULTS

The General Fund Operating Account shows a deficit for the year of £95,169 and this has been met from the General Operating Fund.

FIXED ASSETS

The significant changes in fixed assets during the year are explained in note 8 to the financial statements.

REPORT OF THE COUNCIL OF MANAGEMENT

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## 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. 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.

## COUNCIL OF MANAGEMENT

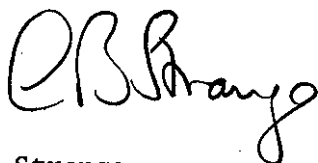
The members who all served in an honorary capacity during the year were as follows:

C B Strange	- Acting Chairman of the Council (appointed 25 July 1994)
P G Lusher	- Vice Chairman
I Barnard, FCCA	- Hon Treasurer
L Beamish, FCCA	
R A S Ames	
Mrs M Churchill	
Mrs R Cowley, CBE	
Cllr D W Murdoch	- Representing Crawley Borough Council
A Jones	
Cllr W Knighton	- Representing Mid-Sussex District Council
Dr M Toynbee	- Chairman of Management Board
Mrs S H McKenzie, MBE	- Chairman of Friends of St Catherine's Hospice Limited
Miss M M Marks	
Cllr Mrs B Palmer	- Representing Horsham District Council
Dr J H Pendered, MBE	
Mrs Y Terry	- appointed 6 June 1994
Mrs P Talbot	- Resigned 13 February 1995
R Taylor	- Resigned 24 October 1994
T J Ebdon	- Resigned 25 July 1994

## 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 council



C B Strange

Chairman

19 June 1995

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

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Company law requires the Council of Management to prepare financial statements for each financial period 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 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 page 7 to 22.

**Respective responsibilities of the Council of Management 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 statement 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 1995 and of the deficit 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 1995 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

19 June 1995

GENERAL FUND OPERATING ACCOUNT  
for the year ended 31 March 1995

	Notes	Year to 31 March 1995	15 months to 31 March 1994
INCOME	1	1,881,500	2,612,460
Operating costs		1,687,424	2,102,260
Gross surplus		194,076	510,200
Other operating expenses (net)	2	263,738	345,884
OPERATING (DEFICIT)/SURPLUS		( 69,662)	164,316
Investment income	3	21,212	25,136
		( 48,450)	189,452
Interest payable	4	15,927	21,625
Exceptional loss	7	30,792	127,014
(DEFICIT)/SURPLUS ON OPERATING ACCOUNT (MET FROM)/TRANSFERRED TO GENERAL FUND	15	£ ( 95,169)	£ 40,813

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

No separate statement of Recognised Gains and Losses has been presented as all such gains and losses arising from General Fund transactions 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.

## BALANCE SHEET

31 March 1995

	Notes	31 March 1995	31 March 1994
<b>FIXED ASSETS</b>			
Tangible assets	8	1,897,427	1,989,535
Investments	9	206,207	161,875
		<u>2,103,634</u>	<u>2,151,410</u>
<b>CURRENT ASSETS</b>			
Investments	10	408,965	424,084
Debtors	11	90,357	60,342
Restricted funds - deposits at bank		43,572	44,641
		<u>542,894</u>	<u>529,067</u>
<b>CREDITORS</b>			
Bank overdraft	12	55,886	33,645
Other amounts falling due within one year	12	142,753	162,748
		<u>344,255</u>	<u>332,674</u>
<b>NET CURRENT ASSETS</b>			
		<u>2,447,889</u>	<u>2,484,084</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(119,714)	(138,572)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
	14	( 9,609)	( 5,383)
		<u>£ 2,318,566</u>	<u>£ 2,340,129</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
General fund	15	2,056,214	2,151,383
Restricted funds	16	262,352	188,746
		<u>£ 2,318,566</u>	<u>£ 2,340,129</u>

Approved by the Council of Management on 19 June 1995

C B STRANGE

CHAIRMAN

I BARNARD

HONORARY TREASURER

CASH FLOW STATEMENT  
for the year ended 31 March 1995

	Notes	Year to 31 March 1995	15 months to 31 March 1994
NET CASH FLOW FROM OPERATING ACTIVITIES	20	90,435	53,191
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid on bank overdraft and other loans		( 12,812)	( 17,841)
Hire purchase interest		( 3,115)	( 3,784)
Income from listed investments		20,615	20,912
Bank interest received		597	4,224
Restricted funds - interest received		1,658	6,736
Net cash flow after returns on investments and servicing of finance		97,378	63,438
INVESTING ACTIVITIES			
Sale of fixed assets		( 14,943)	( 16,547)
Purchase of listed investments		( 93,171)	( 722,655)
Sale of listed investments		10,321	499,075
Purchase of fixed assets		( 9,330)	-
Net cash outflow from investing activities		( 107,123)	( 240,127)
Net cash outflow before financing		( 9,745)	( 176,689)
FINANCING			
Mortgage repaid		( 17,611)	( 13,198)
Hire purchase repaid		( 3,603)	( 6,711)
Payments received from group companies		-	6,385
Loans made to other group companies		( 1,109)	-
DECREASE IN CASH AND CASH EQUIVALENTS		£( 32,068)	£( 190,213)

## ACCOUNTING POLICIES

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### 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.

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% 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.

### PENSION 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 the 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.

#### ACCOUNTING POLICIES

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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.

#### 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 1995 is included in note 18 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.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

	Year to 31 March 1995	15 Months to 13 March 1994
1. INCOME		
The income of the Hospice comprises:		
Donations, grants and gifts received	1,478,330	2,061,951
Friends	280,717	323,374
Patients' contributions	39,155	55,630
Covenanted gifts	83,199	92,516
Net realised investment gains	99	78,989
	<u>£ 1,881,500</u>	<u>£ 2,612,460</u>
2. OTHER OPERATING EXPENSES (NET)		
Administration expenses	169,536	189,796
Fund raising expenses	90,263	147,505
Publicity expenses	3,939	8,583
	<u>£ 263,738</u>	<u>£ 345,884</u>
3. INVESTMENT INCOME		
Income from investments:		
Listed	20,615	20,912
Interest received	597	4,224
	<u>£ 21,212</u>	<u>£ 25,136</u>
4. INTEREST PAYABLE		
On bank loans, overdrafts and other loans wholly repayable within 5 years:		
Finance leases and hire purchase contracts	3,115	3,784
Bank overdraft	12,812	17,841
	<u>£ 15,927</u>	<u>£ 21,625</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

	Year to 31 March 1995	15 Months to 31 March 1994
5. DEFICIT ON OPERATING ACCOUNT		
Operating deficit is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year:		
owned assets	92,132	109,821
leased assets	9,462	16,950
Operating lease rentals:		
Equipment	26,632	36,766
Auditors' remuneration	3,100	3,000
Profit on disposal of fixed assets	4,940	-
	<u>          </u>	<u>          </u>
6. EMPLOYEES		
The average number of persons employed by the company at the end of the period was:		
Fund raising	4	4
Administrative	6	6
Nursing staff	50	51
Ancillary staff	13	13
Medical staff	5	4
Chaplaincy/Counselling	2	2
	<u>80</u>	<u>80</u>
Staff costs for the above persons:		
Wages and salaries	1,323,500	1,634,391
Social security costs	102,492	145,133
Other pension costs	46,026	51,050
	<u>£ 1,472,018</u>	<u>£ 1,830,574</u>

No emoluments were paid during the period to members of the Council of Management (1994: £Nil).

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

	Year to 31 March 1995	15 Months to 31 March 1994		
7. EXCEPTIONAL LOSS				
Realised loss:				
Cost of investment	-	90,100		
Net book value of assets transferred to St Catherine's Hospice Limited	-	( 9,400)		
Cost of investment written off	-	80,700		
Unrealised loss:				
Amounts written off current asset investments to bring them to their market value at 31 March 1995	30,792	46,314		
	<u>£ 30,792</u>	<u>£ 127,014</u>		
8. TANGIBLE FIXED ASSETS				
	Freehold Land and Buildings £	Equipment £	Motor Vehicles £	TOTAL £
Cost:				
1 April 1994	2,170,820	312,926	54,237	2,537,983
Additions	-	6,106	3,224	9,330
Disposals	-	-	( 28,385)	( 28,385)
31 March 1995	2,170,820	319,032	29,076	2,518,928
Depreciation:				
1 April 1994	276,755	234,877	36,816	548,448
Charged in the year	50,820	41,312	9,462	101,594
Disposals	-	-	( 28,541)	( 28,541)
31 March 1995	372,575	276,189	17,737	621,501
Net book value:				
31 March 1995	1,843,245	42,843	11,339	£1,897,427
31 March 1994	1,894,065	78,049	17,421	£1,989,535

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. 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 £10,279 (1994 - £19,070) in respect of assets held under finance leases and hire purchase contracts.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

## 9. FIXED ASSETS INVESTMENTS

	Subsidiary Undertakings	Listed Investments	Total
Cost or market value:			
1 April 1994	2	153,433	153,433
Additions	-	77,180	77,180
Disposals	-	( 9,020)	( 9,020)
31 March 1995	2	221,593	221,595
Provision for unrealised loss	-	( 15,388)	( 15,388)
Cost or market value:			
31 March 1995	£ 2	£ 206,205	£ 206,207
31 March 1994	£ 2	£ 161,873	£ 161,875

St Catherine's Hospice Trading (Sussex) Ltd was incorporated on 1 June 1993 and St Catherine's Hospice Limited holds 100% of the issued share capital.

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

## 10. INVESTMENTS HELD AS CURRENT ASSETS

	Listed Investments	Cash Deposits	TOTAL
Cost or market value:			
1 April 1994	397,845	34,678	432,523
Donations	1,020	-	1,020
Disposals	( 1,020)	-	( 1,020)
Net cash movement	15,992	( 8,758)	7,234
31 March 1995	413,837	25,920	439,757
Provision for unrealised loss	( 30,792)	-	( 30,792)
Market value:			
31 March 1995	£ 383,045	£ 25,920	£ 408,965
31 March 1994	£ 389,406	£ 34,678	£ 424,084

The investments are managed by independent investment managers.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

	1995	1994
11. DEBTORS		
Other debtors	68,743	36,038
Prepayments and accrued income	17,599	17,238
Amount owed by subsidiary undertaking	4,015	7,066
	<u>£ 90,357</u>	<u>£ 60,342</u>
12. CREDITORS		
Amounts falling due within one year:		
Bank overdraft	55,886	33,645
Obligations under finance leases	1,519	13,722
Taxation and social security costs	35,303	34,758
Trade and other creditors	78,331	86,668
Mortgage	27,600	27,600
	<u>£ 198,639</u>	<u>£ 196,393</u>

The bank overdraft is secured by a charge on the freehold land.

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

13. CREDITORS		
Amounts falling due after more than one year:		
Obligations under finance leases	-	1,247
Interest free loan	30,000	30,000
Mortgage (see note 12)	89,714	107,325
	<u>£ 119,714</u>	<u>£ 138,572</u>

The interest free loan of £30,000 was made by Horsham District Council. The loan which is secured on the freehold land is due for repayment on 31 March 1996.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

## 14. PROVISIONS FOR LIABILITIES AND CHARGES

## REPAIRS PROVISION

1 April 1994	5,383
Charged to General Fund Operating Account	14,723
Used during the period	( 10,497)

31 March 1995	£ 9,609
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## 15. GENERAL AND CAPITAL FUND

	Hospice Operating Accounts			
	General Fund		Capital Fund	
	1995	1994	1995	1994
1 April 1994	2,151,383	1,972,322	-	136,233
Transfer from operating account	( 95,169)	40,813	-	-
Transfer from Traveller Fund	-	2,015	-	-
Transfer from Capital Fund	-	136,233		(136,233)
31 March 1995	£2,056,214	£2,151,383	£ -	£ -

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

16. 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.

	Year to 31 March 1995	15 Months 31 March 1994
Income and Expenditure Account		
Donations and covenants	122,598	17,146
Interest on deposit accounts	1,337	1,581
Net realised investment gains	-	7,595
Transfer from investments	6,476	-
Unrealised investment loss	( 15,388)	( 20,722)
	<u>115,023</u>	<u>5,600</u>
Operating costs	51,738	7,448
	<u>51,738</u>	<u>7,448</u>
Excess of income over expenditure	£ 63,285	£( 1,848)
Accumulated reserves	<u>63,285</u>	<u>( 1,848)</u>
Balance at 1 April 1994	175,136	-
Transfer from income and expenditure account	63,285	( 1,848)
Transfer from New Horizons Appeal	-	176,984
Balance at 31 March 1995	£ 238,421	£ 175,136
Balance Sheet		
Fixed Assets		
Investments at market value	222,119	161,873
Current Assets		
Cash at bank	19,099	28,126
Debtors	977	3,534
	<u>242,195</u>	<u>193,533</u>
Current liabilities		
Creditors	( 3,774)	( 18,397)
	<u>£ 238,421</u>	<u>£ 175,136</u>
Financed by		
Accumulated Reserves	£ 238,421	£ 175,136

The unrealised investment loss represents the difference between the market value and book value of investments as at 31 March 1995.

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.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

## 16. 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 estimated cost of the generator is £25,000.

	Year to 31 March 1995	15 months to 31 March 1994
Income and Expenditure Account		
Donations and covenants	10,000	-
Interest on deposit accounts	321	434
	<u>£ 10,321</u>	<u>£ 434</u>
Accumulated Reserves		
1 April 1994	13,610	13,176
Transfer from income and expenditure account	10,321	434
	<u>£ 23,931</u>	<u>£ 13,610</u>
31 March 1995	<u>£ 23,931</u>	<u>£ 13,610</u>
Balance sheet		
Current Assets		
Cash at bank	<u>£ 23,931</u>	<u>£ 13,610</u>
Financed by		
Accumulated Reserves	<u>£ 23,931</u>	<u>£ 13,610</u>
Total accumulated reserves in restricted funds.	<u>£ 262,352</u>	<u>£ 188,746</u>

## 17. 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.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

## 18. ST CATHERINE'S HOSPICE TRADING (SUSSEX) LTD

St Catherine's Hospice Trading (Sussex) Limited commenced trading in June 1993. The company 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.

	Year to 31 March 1995	9 months to 31 March 1994
PROFIT AND LOSS ACCOUNT for the year ended 31 March 1995		
Sales	370,670	232,470
Cost of sales	43,865	53,853
	<u>326,805</u>	<u>178,617</u>
Other operating expenses	143,708	113,316
	<u>183,097</u>	<u>65,301</u>
Operating profit		
Interest paid	-	1,949
	<u>183,097</u>	<u>63,352</u>
Deed of Covenant	183,097	63,352
	<u>£ -</u>	<u>£ -</u>
BALANCE SHEET as at 31 March 1995		
Fixed assets	12,359	16,475
Current Assets		
Debtors	14,896	10,377
Cash	9,893	9,302
	<u>24,789</u>	<u>19,679</u>
Creditors		
Amounts falling due within one year	( 37,146)	( 36,152)
NET CURRENT LIABILITIES	<u>( 12,357)</u>	<u>( 16,473)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>£ 2</u>	<u>£ 2</u>
CAPITAL AND RESERVES		
Called up share capital	<u>£ 2</u>	<u>£ 2</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

## 19. HIRE PURCHASE AND OPERATING LEASE COMMITMENTS

	1995	1994
Obligations under finance leases and hire purchase contracts		
Minimum lease payments payable within one year	1,519	14,627
Within two to five years	-	1,519
	<u>1,519</u>	<u>16,146</u>
Finance charges allocated to future periods	( 272)	(1,177)
	<u>£ 1,247</u>	<u>£ 14,969</u>

## Operating lease commitments

At 31 March 1995 the company was committed to making the following payments during the next year in respect of operating leases:-

Leases which expire within 1 year	-	2,700
within 2-5 years	57,702	25,032
	<u>£ 57,702</u>	<u>£ 27,732</u>

## 20. CASH FLOWS

## a. Reconciliation of operating surplus to net cash inflow from operating activities

## (Deficit)/Surplus:

General fund	( 69,662)	164,316
Restricted funds	87,336	38,122
Depreciation	101,594	126,771
Profit on sale of fixed assets	4,940	-
Profit on sale of investments	( 99)	( 78,989)
Increase/(decrease) in provision for repairs	4,226	( 28,200)
Donated investments	( 1,202)	( 142,158)
(Increase)/decrease in debtors	( 28,906)	895
Decrease in creditors	( 7,792)	( 27,566)
	<u>£ 90,435</u>	<u>£ 53,191</u>

## b. Analysis of changes in cash and cash equivalents during the period

Balance at 1 April 1994	45,674	235,887
Net cash outflow	( 32,068)	( 190,213)
Balance at 31 March 1995	<u>£ 13,606</u>	<u>£ 45,674</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1995

## 20. CASH FLOWS (CONTINUED)

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

	1995	1994	Change in period
Deposits at bank - restricted funds	43,572	44,641	( 1,069)
Bank overdraft	( 55,886)	( 33,645)	(22,241)
Cash held as current asset investments	25,920	34,678	( 8,758)
	<u>13,606</u>	<u>45,674</u>	<u>£(32,068)</u>