

COMPANY NUMBER 3105165

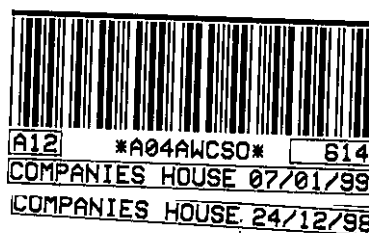
ROSE ROAD RETAIL LIMITED

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

5 APRIL 1998



ROSE ROAD RETAIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 5 APRIL 1998

The directors present their report together with the audited financial statements for the year ended 5 April 1998.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of operating charity shops, selling both donated and purchased goods. Details of the trading activity are given in note 2 to the financial statements.

DIRECTORS

The directors, none of whom is beneficially interested in the shares of the company, who served during the year were as follows:

Mr A.J. McDougal
Mrs P. Beveridge

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 for that year. 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
- 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.

CHARITABLE CONTRIBUTIONS

During the year the company made charitable contributions under Gift Aid to The Rose Road Association amounting to £6,493.


AUDITORS

The auditors, Burnett Swayne, Chartered Accountants, have indicated their willingness to continue in office and a resolution proposing their reappointment will be put to the forthcoming Annual General Meeting.

ACCOUNTING PROVISIONS

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

Signed on behalf of the board of directors

 H. ASPINALL - SECRETARY

Approved by the board on 1 July 1998



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'AUDITORS' REPORT TO THE SHAREHOLDERS OF

ROSE ROAD RETAIL LIMITED

FOR THE YEAR ENDED 5 APRIL 1998

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 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 the 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 5 April 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

A handwritten signature in dark ink, appearing to be "B. Swayne", written over a horizontal line.

BURNETT SWAYNE

SOUTHAMPTON

30 July 1998

Chartered Accountants
and Registered Auditors

ROSE ROAD RETAIL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 5 APRIL 1998

	<u>NOTE</u>	<u>1997</u>	<u>1998</u>
		£	£
TURNOVER		83,444	67,300
Cost of sales		15,802	19,168
GROSS PROFIT		<u>67,642</u>	<u>48,132</u>
Administrative expenses		53,498	38,378
Other operating income		(224)	(152)
OPERATING PROFIT	3	<u>14,368</u>	<u>9,906</u>
Tax on profit on ordinary activities		-	(4)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>14,368</u>	<u>9,910</u>
GROSS GIFT AID		6,493	-
RETAINED PROFIT FOR THE FINANCIAL YEAR	9	<u><u>7,875</u></u>	<u><u>9,910</u></u>

Turnover and profit for the year are derived wholly from continuing operations.

The company had no recognised gains or losses other than the profit shown above.

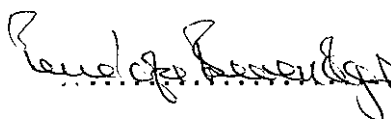
ROSE ROAD RETAIL LIMITED

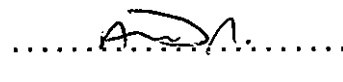
BALANCE SHEET AS AT 5 APRIL 1998

	<u>NOTE</u>		<u>1997</u>
		£	£
FIXED ASSETS			
Tangible assets	4		1,408
			1,876
CURRENT ASSETS			
Stocks	5	2,931	2,638
Debtors	6	5,123	7,144
Cash at bank and in hand		13,241	3,445
		<hr/>	<hr/>
		21,295	13,227
CREDITORS:			
Amounts falling due within one year	7	4,401	4,676
		<hr/>	<hr/>
NET CURRENT ASSETS			16,894
			<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			18,302
			<hr/>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account	9	18,301	10,426
		<hr/>	<hr/>
Shareholders' funds - Equity interests	10	18,302	10,427
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors

 **P. BEVERIDGE**
Director

 **A.J. McDOUGAL**
Director

Approved by the board on 1 July 1998

ROSE ROAD RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 1998

1 ACCOUNTING POLICIES

Accounting Convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover is the amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Motor vehicles - 25% per annum reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value.

Operating Leases

Operating lease payments for rented premises are charged to the Profit and Loss Account on a straight-line basis over the lease term.

2 TURNOVER

The turnover and operating profit for the year were derived from the company's principal activity of selling purchased and donated goods through charity shops in the UK. Turnover and gross profit are analysed as follows:-

	<u>Donated</u> <u>goods</u> <u>1998</u> £	<u>Purchased</u> <u>goods</u> <u>1998</u> £	<u>Total</u> <u>1998</u> £	<u>Total</u> <u>1997</u> £
Sales	62,646	20,798	83,444	67,300
Purchases	-	15,802	15,802	19,168
Total	62,646	4,996	67,642	48,132

3 OPERATING PROFIT

The operating profit is stated after charging :

	<u>1998</u> £	<u>1997</u> £
Operating lease rentals	13,000	13,000
Auditors' remuneration	1,100	1,000
Depreciation - owned assets	468	624
Directors' remuneration including pensions	-	-

ROSE ROAD RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 1998

4	TANGIBLE FIXED ASSETS	PLANT MACHINERY AND OTHER	
	COST	£	
	At 6 April 1997	2,609	
	At 5 April 1998	2,609	
	DEPRECIATION		
	At 6 April 1997	733	
	Charge for year	468	
	At 5 April 1998	1,201	
	NET BOOK VALUE		
	At 5 April 1998	1,408	
	At 5 April 1997	1,876	
5	STOCKS	1998 £	1997 £
	Resale goods	2,931	2,638
6	DEBTORS	1998 £	1997 £
	Amounts owed by parent undertaking	871	-
	Other debtors	4,252	7,144
		5,123	7,144
7	CREDITORS: amounts falling due within one year	1998 £	1997 £
	Trade creditors	1,807	1,084
	Amount owed to parent undertaking	-	2,567
	Other taxation and social security	1,494	25
	Other creditors	1,100	1,000
		4,401	4,676
8	SHARE CAPITAL	AUTHORISED 1998 No.	
		1997 No.	
	Ordinary shares of £1 each	100	100
		ALLOTTED, CALLED UP AND FULLY PAID 1998 £	
		1997 £	
		1	1

ROSE ROAD RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 1998

9 RESERVES

	<u>PROFIT AND LOSS ACCOUNT</u> £
At 6 April 1997	10,426
Profit for the year	7,875
At 5 April 1998	<u>18,301</u>

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1998</u> £	<u>1997</u> £
Profit for the financial year	14,368	9,910
Gross Gift Aid	(6,493)	-
Increase in shareholders' funds	<u>7,875</u>	<u>9,910</u>
Opening shareholders' funds	10,427	517
Closing shareholders' funds	<u>18,302</u>	<u>10,427</u>

11 OPERATING LEASE COMMITMENTS

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	<u>LAND AND BUILDINGS</u> <u>1998</u> £	<u>LAND AND BUILDINGS</u> <u>1997</u> £
Leases expiring: After five years	<u>13,000</u>	<u>13,000</u>

12 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is The Rose Road Association, a registered charity and a company limited by guarantee not having a share capital.

13 RELATED PARTY TRANSACTIONS

The company is controlled by its parent undertaking, The Rose Road Association as detailed in note 12.

The company has been charged management charges by The Rose Road Association totalling £3,795 (1997: £2,820), and has made a Gift Aid donation of £6,493 (1997: £nil). At 5 April 1998, the company was owed £871 by The Rose Road Association (1997: creditor £2,567).