

ROSE ROAD RETAIL LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
5 APRIL 1996



ROSE ROAD RETAIL LIMITED

REPORT OF THE DIRECTORS

FOR THE PERIOD ENDED 5 APRIL 1996

The directors present their first annual report together with the audited financial statements of the company for the period ended 5 April 1996.

INCORPORATION

The company was incorporated on 22 September 1995 and commenced trading on 1 December 1995.

ISSUE OF SHARES

One ordinary share of £1 was issued at par upon incorporation.

PRINCIPAL ACTIVITY

The company is principally engaged in operating a charity shop.

DIRECTORS

The directors who served the company during the period and their interest in the issued share capital of the company at the beginning and end of the period were:

	Shareholding	
	<u>22.9.95</u> *	<u>5.4.96</u>
A B Reid	-	-
A J McDougal	-	-

* or date of appointment

DIRECTORS RESPONSIBILITIES

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 of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make adjustments 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 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.

AUDITORS

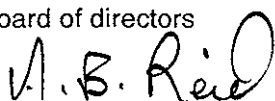
Messrs Burnett Swayne, Chartered Accountants were appointed auditors during the period and have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

EXEMPTIONS

The directors have taken advantage in the preparation of their report of the exemptions applicable to small companies.

Signed on behalf of the board of directors

A B REID - Director



Approved by the board on 15 May 1996

SOUTHAMPTON

REPORT OF THE AUDITORS TO THE MEMBERS OF

ROSE ROAD RETAIL LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF 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.

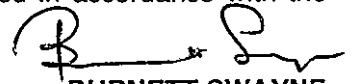
BASIS OF OPINION

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 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 5 April 1996, and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


BURNETT SWAYNE
Chartered Accountants
& Registered Auditors

SOUTHAMPTON

15 May 1996

ROSE ROAD RETAIL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 5 APRIL 1996

	NOTE	£
TURNOVER	1	17,125
Less:		
COST OF SALES		<u>2,166</u>
GROSS PROFIT		14,959
Administrative expenses		<u>13,832</u>
OPERATING PROFIT	4	1,127
Taxation		<u>611</u>
RETAINED PROFIT FOR THE PERIOD		<u><u>516</u></u>

All of the company's operations commenced during the period and are classed as continuing.

A statement of movements on reserves is shown in note 10 to the financial statements.

The company had no recognised gains or losses other than the profit for the period.

ROSE ROAD RETAIL LIMITED

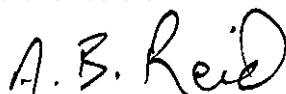
BALANCE SHEET AS AT 5 APRIL 1996

	NOTE	£	£
FIXED ASSETS			
Tangible	5		2,500
CURRENT ASSETS			
Stock	6	2,240	
Debtors	7	3,691	
Cash at bank and in hand		<u>3,248</u>	
		9,179	
CREDITORS: amounts due within one year	8	<u>11,162</u>	
NET CURRENT (LIABILITIES)			(<u>1,983</u>)
NET ASSETS			<u><u>517</u></u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	9		1
Profit and loss account			<u>516</u>
			<u><u>517</u></u>

In preparing these financial statements, advantage has been taken of special exemptions applicable to small companies provided by Part I of Schedule 8 to the Companies Act 1985. In the opinion of the directors, the company is entitled to those exemptions as a small company.

Signed on behalf of the board of directors.

A B REID - DIRECTOR



Approved by the board on 15 May 1996

ROSE ROAD RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 5 APRIL 1996

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the amount of goods sold and services provided (net of value added tax).

Stock

Stock is valued at the lower of cost or net realisable value

Depreciation

Tangible fixed assets are depreciated on the reducing balance basis at the rate of 25% per annum.

Deferred taxation

Provision is made for taxation which has been deferred because of the difference between the depreciation provided in the financial statements and the corresponding allowance for taxation purposes.

Cash Flow

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemptions under FRS 1 not to prepare a cashflow statement.

2 PARENT COMPANY

The company is a wholly owned subsidiary undertaking of The Rose Road Association, which is limited by guarantee. The Rose Road Association is incorporated in England.

3 DIRECTORS' REMUNERATION

None of the directors received any remuneration from the company during the period under review.

4 OPERATING PROFIT

This is stated after charging:-

	£
Auditors' remuneration	900
Depreciation	109
	<u>109</u>

5 TANGIBLE FIXED ASSETS

	Motor Vehicle
COST	£
Additions	<u>2,609</u>
As at 5 April 1996	<u>2,609</u>

AGGREGATE DEPRECIATION

Charge for year	<u>109</u>
As at 5 April 1996	<u>109</u>

NET BOOK VALUE

As at 5 April 1996	<u>2,500</u>
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ROSE ROAD RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 5 APRIL 1996

6	STOCK	£
	Goods for resale	<u>2,240</u>
7	DEBTORS	£
	Other debtors	<u>3,691</u>
8	CREDITORS: amounts falling due within one year	£
	Trade creditors	6,359
	Other creditors	1,960
	Corporation tax payable	611
	Other taxes and social security	52
	Amounts owed to group undertaking	<u>2,180</u>
		<u>11,162</u>
9	SHARE CAPITAL	£
	Authorised: 100 ordinary shares of £1 each	<u>100</u>
	Allotted, issued as fully paid 1 ordinary shares of £1 each	<u>1</u>
10	RESERVES	Profit & Loss Account
		£
	Profit for the period	<u>516</u>
	As at 5 April 1996	<u>516</u>
11	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	
	Profit for the final period	516
	Issue of shares	<u>1</u>
	Shareholders' funds 5 April 1996	<u>517</u>
12	LEASES	
	Commitments under operating leases to pay rentals during the year following the year of these financial statements are given below, analysed according to the period in which each lease expires.	
	Land and buildings	£
	Leases expiring after five years	<u>13,000</u>

FOR THE INFORMATION OF
THE DIRECTORS ONLY

ROSE ROAD RETAIL LIMITED

TRADING AND REVENUE ACCOUNT

FOR THE PERIOD ENDED 5 APRIL 1996

	£	£
SALES		17,125
Less:		
COST OF SALES		<u>2,166</u>
GROSS PROFIT		14,959
House to house collection boxes income		<u>18</u>
		14,977
Less:		
OVERHEAD EXPENSES		
Volunteers	1,822	
Rent, rates and service	3,612	
Repairs and maintenance	3,811	
Insurance	282	
Heat & light	377	
Telephone	225	
Professional fees	2,124	
Audit and accountancy	900	
Bank charges	33	
Sundries	375	
Depreciation	109	
Formation expenses	<u>180</u>	
		<u>13,850</u>
PROFIT FOR THE PERIOD		<u><u>1,127</u></u>