

The Elizabeth Foundation
(a company limited by guarantee)
Report and Group Accounts

31 March 1998



The Elizabeth Foundation
(a company limited by guarantee)

Registered No. 1960980

SECRETARY

Mr B Mitchell

AUDITORS

Ernst & Young
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

BANKERS

Lloyds Bank plc
38 London Road
North End
Portsmouth
PO2 0LR

SOLICITORS

Large & Gibson
266 Havant Road
Drayton
Portsmouth
PO6 1PA

REGISTERED OFFICE

Wessex House
19 Threefield Lane
Southampton
SO14 3QB

The Elizabeth Foundation
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COUNCIL OF MANAGEMENT REPORT

The council members present their report and group accounts for the year ended 31 March 1998.

The Foundation has also produced a separate Trustees' Annual Report giving the information required under the Charities Act 1993 and the Statement of Recommended Practice of accounting for charities. This report is available from The Elizabeth Foundation, Southwick Hill Road, Cosham, Portsmouth, Hampshire PO6 3LL.

RESULTS

The group surplus for the year amounts to £341,275 and is added to reserves; this includes £234,884 received into a restricted reserve (i.e. the funds are not currently available to be freely used).

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Elizabeth Foundation is registered as a charity under the Charities Act 1960. The principal activities of the group consist of the promotion and advancement of the education and physical and social welfare of hearing impaired children and adults.

COUNCIL MEMBERS

The council members during the year were as follows:

Mr J Walter (Chairman)
Mr D K Metherell
Mr B Mitchell
Mr L Higgins
Mr P Arden
Mr R I M Wootton

YEAR 2000 COMPLIANCE

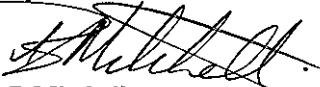
As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operations of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



B Mitchell
Secretary

26/1/99

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STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES IN RESPECT OF
THE ACCOUNTS

Charity Law requires the council members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of its group and of the surplus or deficit of the group for that period. In preparing those accounts, the council members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company, and group and to enable them to ensure that the accounts comply with applicable law and generally accepted accounting practice. They are also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the members of The Elizabeth Foundation

We have audited the accounts on pages 5 to 18 which have been prepared under the historical cost convention as modified by the revaluation of investments and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors (who also act as trustees for the charitable activities of The Elizabeth Foundation) are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

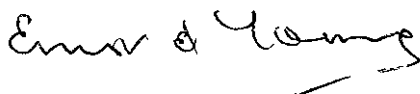
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the charitable company and of its group as at 31 March 1998 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read 'Ernst & Young', with a horizontal line underneath.

Ernst & Young
Registered Auditor
Southampton

29 January 1999

The Elizabeth Foundation
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GROUP STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 1998

Note	Income and expenditure account £	Designated Funds £	Capital Reserve £	Restricted Funds £	Total 1998 £	Total 1997 £
INCOMING RESOURCES						
Donations and gifts	70,001	-	-	-	70,001	51,740
Legacies	115,124	-	-	-	115,124	450,500
Fund-raising activities	27,324	-	-	-	27,324	38,422
Grants	44,176	-	-	257,282	301,458	71,414
Investment income	14,269	-	-	-	14,269	4,297
Audiology services	33,068	-	-	-	33,068	23,076
Bank interest	7,634	-	-	-	7,634	3,841
Other income	3,504	-	-	-	3,504	2,800
Net (expenditure)/ income of trading subsidiary	4 (1,266)	-	-	-	(1,266)	780
Dividend and recoverable ACT due from subsidiary	1,250	-	-	-	1,250	-
Total incoming resources	315,084	-	-	257,282	572,366	646,870
RESOURCES EXPENDED						
Direct charitable expenditure	2 116,857	-	-	16,198	133,055	104,059
Fund-raising and publicity	2 35,108	-	-	6,200	41,308	50,821
Management and administration	2 126,180	-	-	-	126,180	89,924
Total resources expended	278,145	-	-	22,398	300,543	244,804
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR	36,939	-	-	234,884	271,823	402,066
OTHER RECOGNISED GAINS AND LOSSES						
Gains/(losses) on investments						
Realised	8,957	-	-	-	8,957	(568)
Unrealised	60,495	-	-	-	60,495	139
NET MOVEMENT IN FUNDS FOR THE YEAR	106,391	-	-	234,884	341,275	401,637
Balance brought forward	82,744	528,344	5,604	442,500	1,059,192	657,555
Balances at 31 March 1998	189,135	528,344	5,604	677,384	1,400,467	1,059,192

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BALANCE SHEETS
at 31 March 1998

		1998	Group 1997	Charity Company 1998	Charity Company 1997
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	5	882,442	609,458	880,353	607,042
Investments	15	429,042	288,395	429,044	288,397
		<u>1,311,484</u>	<u>897,853</u>	<u>1,309,397</u>	<u>895,439</u>
CURRENT ASSETS					
Stocks	6	1,950	1,842	960	1,450
Debtors	7	11,720	10,592	15,279	12,051
Cash at bank and in hand	8	100,324	157,555	96,003	153,677
		<u>113,994</u>	<u>169,989</u>	<u>112,242</u>	<u>167,178</u>
CREDITORS: amounts falling due within one year	9	25,011	8,650	22,485	6,005
NET CURRENT ASSETS		<u>88,983</u>	<u>161,339</u>	<u>89,757</u>	<u>161,173</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,400,467</u>	<u>1,059,192</u>	<u>1,399,154</u>	<u>1,056,612</u>
RESERVES					
Restricted funds:					
Lottery grant	13	234,884	-	234,884	-
Legacy reserve	13	442,500	442,500	442,500	442,500
Capital reserve	13	5,604	5,604	5,604	5,604
Unrestricted Funds:					
Designated fund; Portsmouth					
Resource Centres	13	528,344	528,344	528,344	528,344
Income and expenditure account	13	189,135	82,744	187,822	80,164
		<u>1,400,467</u>	<u>1,059,192</u>	<u>1,399,154</u>	<u>1,056,612</u>

J Walter

J Walter

-

Chairman

26/1/99

D K Metherell

D K Metherell

-

Treasurer

26/1/99

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GROUP STATEMENT OF CASH FLOWS
for the year ended 31 March 1998

	<i>Notes</i>	<i>1998</i> £	<i>1997</i> £
NET CASH INFLOW FROM OPERATING ACTIVITIES	3	321,887	407,547
INVESTING ACTIVITIES			
Payments to acquire investments		(230,103)	(294,158)
Payments to acquire tangible fixed assets		(307,923)	(38,733)
Proceeds from sale of investments		158,908	5,333
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(379,118)	(327,558)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(57,231)	79,989
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	8	(57,231)	79,989

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NOTES TO THE ACCOUNTS
at 31 March 1998

I. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of investment properties, and with reference to the Statement of Recommended Practice (SORP) for accounting for charities.

Basis of consolidation

The group accounts consolidate the accounts of The Elizabeth Foundation and its subsidiary EF Enterprise (Portsmouth) Ltd, for the year ending 31 March, in accordance with the SORP for Charities. The net income from trading activities of EF Enterprise (Portsmouth) Ltd is shown in note 4 of the accounts and included in the Group Statement of Financial Activities and its cash flows included in the Group Statement of Cash Flows.

Cash flow statement

Although the group qualifies for the exemptions provided under Financial Report Standard No. 1 as a small company and group and need not present a cash flow statement, the council members have decided to include a statement in the accounts.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Long Leasehold Buildings	-	over 50 years
Short Leasehold Shop	-	over term of the lease
School equipment	-	over 5 years
Medical equipment	-	over 3 to 5 years
Office equipment	-	over 4 to 5 years
Computer equipment	-	over 4 to 5 years
Motor vehicles	-	25% on written down value
Fixtures and fittings (shop)	-	over 5 years

Grants and donations

The charitable company derives a proportion of its income from fund raising activities and voluntary donations which are fully controlled only when entered into the accounting records. The council members have provided assurances that all the company's financial transactions have been appropriately reflected in the accounting records.

Stocks

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

Pensions

The company makes payments to individual employees' private pension schemes up to a maximum of 5% of employees' contributions.

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NOTES TO THE ACCOUNTS
at 31 March 1998

2. ANALYSIS OF RESOURCES EXPENDED

	<i>Income and expenditure account £</i>	<i>Restricted Funds £</i>	<i>1998 Total £</i>	<i>1997 Total £</i>
DIRECT CHARITABLE EXPENDITURE				
Provision of Education/Support:				
Nursery	75,502	16,198	91,700	66,549
Correspondence course	10,382	-	10,382	9,853
Family Centre counselling	13,646	-	13,646	10,620
Referral costs	(35)	-	(35)	1,656
Audiology services	17,362	-	17,362	15,381
	<u>116,857</u>	<u>16,198</u>	<u>133,055</u>	<u>104,059</u>
FUND-RAISING AND PUBLICITY				
Collections (include donations and legacies)	12,673	-	12,673	17,481
Events	13,872	-	13,872	16,988
Publications	1,514	-	1,514	5,721
Grant applications	472	6,200	6,672	8,174
Public relations	6,577	-	6,577	2,457
	<u>35,108</u>	<u>6,200</u>	<u>41,308</u>	<u>50,821</u>
MANAGEMENT AND ADMINISTRATION				
Salaries and office costs	111,361	-	111,361	71,718
Legal and professional fees	1,728	-	1,728	194
Financial advice	-	-	-	3,681
Auditors fees	3,819	-	3,819	3,793
Vehicle costs	1,626	-	1,626	4,601
Travelling costs	2,582	-	2,582	5,817
Bank interest and charges	5,064	-	5,064	120
	<u>126,180</u>	<u>-</u>	<u>126,180</u>	<u>89,924</u>

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NOTES TO THE ACCOUNTS
at 31 March 1998

2. ANALYSIS OF RESOURCES EXPENDED CONTINUED

ANALYSIS OF RESOURCES EXPENDED

	<i>Staff costs</i>	<i>Depreciation</i>	<i>Other</i>	<i>1998 Total</i>	<i>1997 Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Direct charitable	104,805	22,811	5,439	133,055	104,059
Fund-raising and publicity	13,649	-	27,659	41,308	50,821
Management and administration	52,506	11,801	61,873	126,180	89,924
	<u>170,960</u>	<u>34,612</u>	<u>94,971</u>	<u>300,543</u>	<u>244,804</u>

	<i>1998 £</i>	<i>1997 £</i>
Staff costs:		
Wages and salaries	152,440	126,497
Social security costs	12,957	10,620
Pension contributions	5,563	-
	<u>170,960</u>	<u>137,117</u>
Salary costs recharged to: Deaf Youth Club	-	(60)
Salary cost charge	<u>170,960</u>	<u>137,057</u>

The average weekly number of employees during the year was 13 (1997: 12)

	<i>1998 £</i>	<i>1997 £</i>
Other costs:		
Premises	28,131	21,859
Consumables	4,730	3,190
Vehicles	1,626	3,844
Other	60,484	49,649
	<u>94,971</u>	<u>78,542</u>

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NOTES TO THE ACCOUNTS
at 31 March 1998

3. NET MOVEMENT IN FUNDS

(a) This is stated after charging:	1998 £	1997 £
Auditors' remuneration	3,100	2,900
Council Members remuneration	-	-
Depreciation of owned fixed assets	34,939	29,696

(b) Reconciliation of changes in resources to net cash inflow from operating activities:

	1998 £	1997 £
Changes in resources before revaluations	271,823	402,066
Depreciation	34,939	29,696
Decrease/(increase) in debtors	(1,128)	4,459
(Decrease)/increase in creditors	16,361	(27,703)
Increase in stock	(108)	(971)
Net cash inflow from operating activities	321,887	407,547

4. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The charity has one trading subsidiary which is incorporated in the UK. EF Enterprise (Portsmouth) Limited operates charity shops and sales, and carries out mailing administration. A summary of its trading results is shown below, and audited accounts have been filed with the Registrar of Companies.

	<i>EF Enterprise (Portsmouth) Limited</i>	
	1998 £	1997 £
Turnover	12,554	21,563
Cost of sales	4,602	8,226
Gross Profit	7,952	13,337
Administration	8,221	11,800
(Loss)/profit on ordinary activities before taxation	(269)	1,537
Taxation on (loss)/profit on ordinary activities	(3)	757
Dividend payable	1,000	-
Retained in subsidiary	(1,266)	780

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NOTES TO THE ACCOUNTS
at 31 March 1998

5. TANGIBLE FIXED ASSETS

	Freehold property Bradford	Leasehold property Portsmouth Resource Centres	Motor vehicles	School and Medical equipment	Fixtures, fittings and office equipment	Company Total	Shop and fittings	Group Total
	£	£	£	£	£	£	£	£
Cost:								
At 1 April 1997	-	622,936	18,375	76,544	53,311	771,166	5,105	776,271
Additions	53,678	232,368	-	5,144	16,733	307,923	-	307,923
Disposals	-	-	(1,375)	(2,542)	(10,102)	(14,019)	(651)	(14,670)
At 31 March 1998	53,678	855,304	17,000	79,146	59,942	1,065,070	4,454	1,069,524
Depreciation:								
At 1 April 1997	-	70,513	4,674	53,901	35,036	164,124	2,689	166,813
Provided during the year	45	13,464	3,425	8,379	9,299	34,612	327	34,939
Relating to disposals	-	-	(1,375)	(2,542)	(10,102)	(14,019)	(651)	(14,670)
At 31 March 1998	45	83,977	6,724	59,738	34,233	184,717	2,365	187,082
Net book value:								
At 31 March 1998	53,633	771,322	10,276	19,408	25,709	880,353	2,089	882,442
At 1 April 1997	-	552,423	13,701	22,643	18,275	607,042	2,416	609,458

The value of long leasehold buildings (Portsmouth Resource Centres) has been estimated for insurance purposes by the council members at £960,000 (1997: £877,278). This figure, in the opinion of the council members, closely reflects the commercial value.

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NOTES TO THE ACCOUNTS
at 31 March 1998

5. TANGIBLE FIXED ASSETS (continued)

The net book value at 31 March 1998 represents fixed assets used for:

	<i>Motor vehicles</i>	<i>School and medical equipment</i>	<i>Fixtures, and fittings and office equipment</i>	<i>Family Centre</i>	<i>Early Detection and Music Centre</i>	<i>Shop and fittings</i>	<i>Freehold property Bradford</i>	<i>Total</i>
	£	£	£	£	£	£	£	£
Direct charitable purposes:								
Nursery	10,276	19,408	-	-	-	-	-	29,684
Family Centre	-	-	-	324,837	-	-	-	324,837
Early Detection Centre	-	-	-	-	446,490	-	-	446,490
	10,276	19,408	-	324,837	446,490	-	-	801,011
Other purposes:								
Management, administration and fund raising of the Charity	-	-	7,124	-	-	-	53,633	60,757
Charity shops and sales	-	-	18,585	-	-	2,089	-	20,674
	-	-	25,709	-	-	2,089	53,633	81,431
Total	10,276	19,408	25,709	324,837	446,490	2,089	53,633	882,442

6. STOCKS

	<i>1998</i>	<i>Group 1997</i>	<i>1998</i>	<i>Company 1997</i>
	£	£	£	£
Goods for resale	990	392	-	-
Stationery and office consumables	960	1,450	960	1,450
	1,950	1,842	960	1,450

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NOTES TO THE ACCOUNTS
at 31 March 1998

7. DEBTORS

	1998	Group 1997	1998	Company 1997
	£	£	£	£
Trade debtors	5,323	-	5,323	-
Due from subsidiary undertaking (note 15)	-	-	3,234	2,098
Prepayments and accrued income	5,862	9,916	5,187	9,277
Other debtors	285	676	285	676
Dividend due from subsidiary	-	-	1,000	-
ACT recoverable on dividend	250	-	250	-
	<u>11,720</u>	<u>10,592</u>	<u>15,279</u>	<u>12,051</u>

8. CASH AT BANK

	1998 £	Group 1997 £
Interest bearing accounts	84,754	140,525
Cash in hand and in transit	100	100
Cash with investors	11,149	13,052
Current accounts	4,321	3,878
	<u>100,324</u>	<u>157,555</u>
Increase/(decrease) in cash	(57,231)	79,989
Cash at 1 April 1997	157,555	77,566
	<u>100,324</u>	<u>157,555</u>

9. CREDITORS amounts falling due within one year

	1998	Group 1997	1998	Company 1997
	£	£	£	£
Trade and other creditors	17,408	2,918	17,408	2,918
Accruals	7,606	5,296	5,077	3,087
Taxation and social security	(3)	436	-	-
	<u>25,011</u>	<u>8,650</u>	<u>22,485</u>	<u>6,005</u>

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NOTES TO THE ACCOUNTS
at 31 March 1998

10. LIMITATION OF LIABILITY BY GUARANTEE OF CHARITABLE COMPANY

The liability of each member of the charitable company is limited to £1.

11. TAXATION

The Foundation (charitable company) is a registered charitable body and, as such, is not liable to taxation in respect of its charitable activities.

Taxation and the subsidiary company is dealt with in note 4.

12. SURPLUS ATTRIBUTABLE TO THE PARENT COMPANY

The surplus (net movement in funds) dealt with in the accounts of the parent (charitable company) consisted of £234,884 Restricted Funds together with a surplus of £106,391 on the Income and Expenditure Account (net £341,275 surplus, 1997 £400,857 surplus).

13. RECONCILIATION OF MOVEMENTS ON RESERVES

Company

	<i>Restricted funds</i>			<i>Unrestricted funds</i>		
	<i>Legacy reserve £</i>	<i>Lottery grant £</i>	<i>Capital reserve £</i>	<i>Family Centre reserve £</i>	<i>Income and expenditure account £</i>	<i>Total £</i>
At 1 April 1996	-	-	5,604	528,344	121,808	655,756
Movement in resources	442,500	-	-	-	(41,644)	400,856
At 31 March 1997	442,500	-	5,604	528,344	80,164	1,056,612
Movement in resources:						
Incoming	-	257,282	-	-	316,351	573,633
Outgoing	-	(22,398)	-	-	(278,145)	(300,543)
Investment gains	-	-	-	-	69,452	69,452
At 31 March 1998	442,500	234,884	5,604	528,344	187,822	1,399,154

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NOTES TO THE ACCOUNTS
at 31 March 1998

13. RECONCILIATION OF MOVEMENTS ON RESERVES (continued)

<i>Group</i>	<i>Restricted funds</i>			<i>Unrestricted funds</i>		
	<i>Legacy reserve £</i>	<i>Lottery grant £</i>	<i>Capital reserve £</i>	<i>Family Centre reserve £</i>	<i>Income and expenditure account £</i>	<i>Total £</i>
At 1 April 1996	-	-	5,604	528,344	123,607	657,555
Movement in resources	442,500	-	-	-	(40,863)	401,637
At 31 March 1997	442,500	-	5,604	528,344	82,744	1,059,192
Movement in resources:						
Incoming	-	257,282	-	-	315,084	572,366
Outgoing	-	(22,398)	-	-	(278,145)	(300,543)
Investment gains	-	-	-	-	69,452	69,452
At 31 March 1998	442,500	234,884	5,604	528,344	189,135	1,400,467

CAPITAL RESERVE

The capital reserve arose on the transfer of net assets from the Trustees of the former Elizabeth Foundation.

FAMILY CENTRE RESERVE

This reserve shows the receipts of a past appeal to raise money for the construction of the Foundation's school facilities. The money has now been fully spent, and the building is included within fixed assets.

This reserve also includes the receipts less administration costs of a past appeal to finance construction of the Early Detection Centre. The money has now been fully spent and the building is included in fixed assets.

LEGACY RESERVE

The charitable company was bequeathed a legacy following a death on 21 August 1991. As a result, £442,500 was received by the Elizabeth Foundation. Along with other registered charities which benefited from the legacy, the Foundation has been required to provide the Executors with an indemnity (limited to the amount distributed under the Will) against any future claims against the Estate. A limitation period of at least 13 years from date of death applies. Because of this indemnity, the Foundation is restricted in its ability to use the legacy receipts, and accordingly the sum received is treated as a Restricted Fund.

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NOTES TO THE ACCOUNTS
at 31 March 1998

13. RECONCILIATION OF MOVEMENTS ON RESERVES (continued)

LOTTERY RESERVE

The charity company applied for and was awarded a project grant from National Lottery funds. The grant received is subject to restrictions, and accordingly is treated as a Restricted fund. The balance on the fund represents a small amount of unspent revenue grant of £4,584 which will be cleared during the year to 31 March 1999, and a larger amount of grant which has been applied to the purchase and construction of fixed assets. This amount, of £230,300, does not represent unspent cash. The related assets are subject to ongoing restrictions; for a period of 80 years, the Foundation may not dispose of these assets without the prior written permission of the Lottery Board (grantor)

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Tangible Fixed assets</i>	<i>Investments</i>	<i>Net current assets</i>	<i>1998 Total</i>
	£	£	£	£
Income and Expenditure account (unrestricted funds)	123,798	-	65,337	189,135
Designated Funds	528,344	-	-	528,344
Capital reserve	-	-	5,604	5,604
Restricted:				
Legacy reserve	-	429,042	13,458	442,500
Lottery reserve	230,300	-	4,584	234,884
	<u>882,442</u>	<u>429,042</u>	<u>88,983</u>	<u>1,400,467</u>
	(Note 5)	(Note 15)	(page 6)	

15. FIXED ASSET INVESTMENTS

Company

Subsidiary - E F Enterprise (Portsmouth) Limited

The company owns a 100% holding in E.F. Enterprise (Portsmouth) Limited, a company registered in England. It is shown at cost in the balance sheet, as follows:

	£
Cost at 1 April 1997 and 31 March 1998	2
	<u>50%</u>
Held by The Elizabeth Foundation	50%
Held by director D K Metherell as nominee for The Elizabeth Foundation	<u>100%</u>

The Elizabeth Foundation
(a company limited by guarantee)

NOTES TO THE ACCOUNTS
at 31 March 1998

15. **FIXED ASSET INVESTMENTS** (continued)

The company operates charity shops to raise money for the Foundation and profits may be paid to the Foundation under the terms of a variable covenant (see also note 2). For the year ended 31 March 1998 the company made a loss of £266 and its aggregate capital and reserves at that date amounted to £1,315.

<i>Other investments</i>	£
Total investments, including other investments:	
Market value at 1 April 1997 and 31 March 1998 (subsidiary)	2
Other:	
Opening valuation	288,395
Additions at cost	230,103
Disposals at opening value (proceeds £158,908, profit £8,957)	(149,951)
Net unrealised gains/(losses) on revaluation	60,495
Total market value at 31 March 1998	429,044
Investment in unquoted subsidiary company	2
Listed Investments	220,709
British Government stocks	141,855
UK Unit Trusts	66,478
Offshore Funds	-
	429,044
Historical cost at 31 March 1998	360,719
<i>Group</i>	
Market value at 1 April 1997	288,395
Additions at cost	230,103
Disposals at opening value (proceeds £158,908, profit £8,957)	(149,951)
Net unrealised gains/(losses) on revaluation	60,495
Market value at 31 March 1998	429,042
Listed Investments	220,709
British Government stocks	141,855
UK Unit Trusts	66,478
Market value at 31 March 1998	429,042
Historical cost at 31 March 1998	360,719