

PEACE HOSPICE SHOPS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Registered Number: 02908934



PEACE HOSPICE SHOPS LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

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PEACE HOSPICE SHOPS LIMITED

COMPANY INFORMATION

YEAR ENDED 31 MARCH 2019

DIRECTORS

Mr Jarmo Kesanto - Chair
Mrs G Hollander OBE
Mrs B Chadwick (retired December 2018)

REGISTERED OFFICE AND BUSINESS ADDRESS

Peace Hospice Care
Peace Drive
Watford
Hertfordshire
WD17 3PH

REGISTERED NUMBER

02908934 (England and Wales)

AUDITORS

Price Bailey LLP
Chartered Accountants & Registered Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

BANKERS

NatWest PLC
72 -74 High Street
Watford
Herts
WD17 2GZ

PEACE HOSPICE SHOPS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of running Charity Shops for the benefit of Peace Hospice Care and this activity transferred back to the Charity on 30 September 2019.

DIRECTORS

The directors during the year under review were:

Mr Jarmo Kesanto - Chair
Mrs G Hollander OBE
Mrs B Chadwick (retired December 2018)

No director held any beneficial interest in the issued share capital of the company at any time.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis. However, the Directors have agreed to make the Company dormant as of 30 September 2019.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PEACE HOSPICE SHOPS LIMITED


DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

AUDITORS

In accordance with section 489 of the Companies Act 2006, a decision on the appointment of auditors will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within section 415A of the Companies Act 2006 and was approved by the Board of Directors on 15.10.2019 and signed on its behalf by:



Mr Jarmo Kesanto
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEACE HOSPICE SHOPS LIMITED

Opinion

We have audited the financial statements of Peace Hospice Shops Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Income and Retained Earnings, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter: Basis of Preparation

We draw your attention to note 2 of the financial statements, which describes that the financial statements have been prepared on a basis other than going concern, as the directors have transferred all assets and liabilities at book value back to Peace Hospice Care (the parent charitable company) on 30 September 2019. The Directors intend for Peace Hospice Shops Limited to be a dormant company and as a result, the directors believe that these accounts should be prepared on an 'other than a going concern' basis. Our opinion is not modified in respect of this matter

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEACE HOSPICE SHOPS LIMITED

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on pages 2 and 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of the Report

Use of this report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helena Wilkinson BSc FCA DChA
Senior Statutory Auditor

For and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge CB4 0WZ

Date:

28 October 2019

PEACE HOSPICE SHOPS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
TURNOVER		1,086,912	1,332,682
Cost of sales		(27,751)	(54,718)
GROSS PROFIT		1,059,161	1,277,964
Administrative expenses		(1,017,418)	(1,062,347)
OPERATING PROFIT	2	41,743	215,617
Interest receivable and similar income		184	50
PROFIT ON ORDINARY ACTIVITIES BEFORE GIFT AID AND TAXATION		41,927	215,667
Tax on profit on ordinary activities	3	11,878	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		30,049	215,667
Deed of Covenant paid to parent company		(30,049)	(215,667)
Profit brought forward		18,171	18,171
RETAINED PROFIT CARRIED FORWARD		18,171	18,171

There Were no other recognised gains or losses for 2019 or 2018 other than disclosed above and all activities are continuing.

The notes on pages 8 to 11 form part of these financial statements

PEACE HOSPICE SHOPS LIMITED (Company number 02908934)


BALANCE SHEET

AS AT 31 MARCH 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	5	19,579	41,115
CURRENT ASSETS			
Stocks		1,870	2,108
Debtors	6	90,507	84,633
Cash at bank and in hand		111,282	328,263
		<u>203,659</u>	<u>415,004</u>
CREDITORS: amounts falling due within one year	7	<u>(205,065)</u>	<u>(437,946)</u>
NET CURRENT LIABILITIES		<u>(1,406)</u>	<u>(22,942)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,173</u>	<u>18,173</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account		18,171	18,171
SHAREHOLDERS' FUNDS		<u>18,173</u>	<u>18,173</u>

The financial statements have been prepared in accordance with the special provisions subject to small companies regime and in accordance with the provisions FRS102 section 1A small entities.

The financial statements were approved and authorised for issue by the Board of Directors on 15.10.2019 and were signed below on its behalf by:


Mr Jarmo Kesanto
 Director

The notes on pages 8 to 13 form part of these financial statements

PEACE HOSPICE SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

Peace Hospice Shops Limited is a private company limited by shares incorporated in England and Wales, UK. The address of the registered office is Peace Hospice Care, Peace Drive, Watford, Hertfordshire, WD17 3PH.

2. ACCOUNTING POLICIES

Basis of preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A Financial Reporting Standard 102, the Financial Reporting Standard applicable to the UK and the Republic of Ireland and the Companies Act 2006.

The Financial Statements are presented in sterling, which is the functional currency of the Company.

The following principal accounting policies have been applied:

Going Concern

These accounts have been prepared on an 'other than a going concern basis' as the directors transferred the trade, assets and liabilities of Peace Hospice Shops Limited to its parent charitable company Peace Hospice Care on 30 September 2019 at book value. The company became dormant after this date and no material adjustments arose as a result of ceasing to apply the going concern basis.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes.

Turnover represents sales of goods and lottery income. The company is registered as a VAT group together with its parent company Peace Hospice Care.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bring in the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the costs of assets less their residual value over their estimated useful lives. Depreciation is provided at the following basis:

Equipment - 25% on cost (equipment in shops with a lease of less than four years is written off over the length of the lease)

Motor vehicles – 20% on cost

Stock

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis.

At each Balance Sheet date stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit and loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

PEACE HOSPICE SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature no more than 3 months from date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change of value.

Creditors

Short term creditors are measured at the transaction price.

Financial Instruments

The Company only has basic financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost and all other assets and liabilities are recorded at cost which is their fair value.

Operating lease commitments

Rentals under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates defined contribution individual personal pension plan. The assets of these schemes are held separately from those of the Company in individual funds for each member. Contributions payable for the year are charged in the profit and loss account.

Significant accounting estimates and judgements

In applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment next year.

OPERATING PROFIT

	2019 £	2018 £
The operating profit is stated after charging:		
Depreciation – owned assets	21,536	26,366
Auditors' remuneration	3,000	3,750
Pension costs	12,171	8,553
Rent payable – land and buildings	313,511	309,823

3. TAXATION

The company pays over its profits by means of a deed of covenant to the parent undertaking, Peace Hospice Care, which is a registered charity. However, there will be a liability to corporation tax for 2018/19 based upon accounting profits of £41,927 and at a rate of 19%. The estimated liability is £11,878 after tax adjustments in relation to timing of capital allowances and depreciation and other small adjustments and this has been accrued at the year end and included within creditors (Note 7).

4. The average number of employees during the year was 25 (2018: 28).

PEACE HOSPICE SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

5.	TANGIBLE FIXED ASSETS	Equipment	Motor Vehicles	Total
		£	£	£
	At 1 April 2018	223,750	23,500	247,250
	Disposals	(880)	(-)	(880)
	At 31 March 2019	222,870	23,500	246,370
	Depreciation			
	At 1 April 2018	190,152	15,983	206,135
	Charge for year	19,336	2,200	21,536
	Disposals	(880)	(-)	(880)
	At 31 March 2019	208,608	18,183	226,791
	Net Book Value			
	At 31 March 2019	14,262	5,317	19,579
	At 31 March 2018	33,598	7,517	41,115
6. DEBTORS: amounts falling due within one year				
		2019	2018	
		£	£	
	Other debtors	4,876	5,376	
	Accrued income	-	385	
	Prepayments	75,721	70,835	
	VAT repayable	9,910	8,037	
		90,507	84,633	
7. CREDITORS: amounts falling due within one year				
		2019	2018	
		£	£	
	Trade creditors	46,046	33,484	
	Amounts owed to group company	110,506	341,531	
	Corporation Tax	11,878	-	
	Accrued expenses	36,635	62,931	
		205,065	437,946	
8. CALLED UP SHARE CAPITAL				
		2019	2018	
		£	£	
	Authorised			
	100 ordinary shares of £1 each	100	100	
	Allotted, called up and fully paid			
	2 ordinary shares of £1 each	2	2	

PEACE HOSPICE SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

9. OPERATING LEASE COMMITMENTS	2019	2018
	£	£
The following payments are committed to be paid annually on land and buildings, with leases expiring:		
Less than one year	289,300	268,950
Between one and two years	422,908	251,867
Between two and five years	260,000	295,458
In more than five years	221,042	-
	<u>1,193,250</u>	<u>816,275</u>

10. ULTIMATE PARENT COMPANY

The ultimate controlling party is Peace Hospice Care, a company incorporated in the United Kingdom limited by guarantee and a registered charity. Peace Hospice Care is the company's immediate and ultimate parent undertaking. Consolidated accounts are available from Peace Hospice Care by writing to their registered office.

11. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

12. POST BALANCE SHEET EVENTS

On the 30 September 2019 the trade, assets and liabilities of Peace Hospice Shops Limited transferred at book value to its parent charitable company Peace Hospice Care. The company became dormant after this date.

Your ref 02908934
Our ref HW_CB/SCG/CAW/CP9751

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18 November 2019

**STRICTLY PRIVATE AND CONFIDENTIAL
ADDRESSEE ONLY**

Companies House
DX 33050
CARDIFF (Co House)

Dear Sirs

PEACE HOSPICE SHOPS LIMITED

We enclose our client's financial statements for the year ended 31 March 2019 for filing please.

We also enclose a duplicate of this letter and would be pleased if you would acknowledge receipt by date stamping and returning it in the attached pre addressed envelope.

Yours faithfully



PRICE BAILEY LLP

Our Promise

At Price Bailey - it's all about you.

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