

PEACE HOSPICE SHOPS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Registered Number: 02908934



PEACE HOSPICE SHOPS LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018

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PEACE HOSPICE SHOPS LIMITED

COMPANY INFORMATION

YEAR ENDED 31 MARCH 2018

DIRECTORS

Mr Jarmo Kesanto - Chair
Mrs G Hollander OBE
Mrs B Chadwick

REGISTERED OFFICE AND BUSINESS ADDRESS

Peace Hospice Care
Peace Drive
Watford
Hertfordshire
WD17 3PH

REGISTERED NUMBER

02908934 (England and Wales)

AUDITORS

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

PEACE HOSPICE SHOPS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

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.

DIRECTORS

The directors during the year under review were:

Mr Jarmo Kesanto - Chair
Mrs G Hollander OBE
Mrs B Chadwick

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 unless it is inappropriate to presume that the company will continue in business.

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

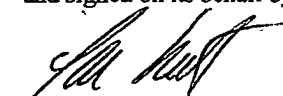
DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

AUDITORS

The auditors, Price Bailey, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 04/09/18 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 2018 which comprise the Profit and Loss Account, 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 2018 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report¹, 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 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:

- 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.

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.

Hefena 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: 5 October 2018

PEACE HOSPICE SHOPS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
TURNOVER		1,332,682	1,563,889
Cost of sales		(54,718)	(148,793)
GROSS PROFIT		1,277,964	1,415,096
Administrative expenses		(1,062,347)	(1,190,808)
OPERATING PROFIT	2	215,617	224,288
Interest receivable and similar income		50	385
PROFIT ON ORDINARY ACTIVITIES BEFORE GIFT AID AND TAXATION		215,667	224,673
Tax on profit on ordinary activities	3	-	-
		215,667	224,673
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		-	-
Distribution of profits		(215,667)	(224,673)
Profit brought forward		18,171	18,171
RETAINED PROFIT CARRIED FORWARD		18,171	18,171

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 2018

	Note	£	2018	£	£	2017	£
FIXED ASSETS							
Tangible assets	5	41,115				74,537	
CURRENT ASSETS							
Stocks		2,108			452		
Debtors	6	84,633			91,769		
Cash at bank and in hand		328,264			199,896		
		<u>415,005</u>			<u>292,117</u>		
CREDITORS: amounts falling due within one year	7	<u>(437,946)</u>			<u>(348,481)</u>		
NET CURRENT LIABILITIES				(22,941)		(56,364)	
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>18,174</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 and were signed below on its behalf by:

04/09/18



Mr Jarmo Kesanto
Director

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

PEACE HOSPICE SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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 for the year ended 31 March 2018 are the second Financial Statements prepared in accordance with FRS102 Section 1A. The date of transition to FRS102 Section 1A was 1 April 2015.

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

The following principle accounting policies have been applied:

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

Stocks are 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. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date stocks are 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.

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 than 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.

Lottery income and expenditure

Lottery income is apportioned to the period to which it relates with amounts received for future draws carried forward as a creditor. Lottery expenditure is charged in the profit and loss account as it is incurred.

2. OPERATING PROFIT	2017 £	2017 £
The operating profit is stated after charging:		
Depreciation – owned assets	26,366	34,388
Auditors' remuneration	3,750	3,100
Pension costs	8,553	11,329
Rent payable	<u>309,823</u>	<u>313,960</u>

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. Therefore no liability to corporation tax arises on the company's results.

4. The average number of employees during the year was 28 (2017: 32).

PEACE HOSPICE SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

5. TANGIBLE FIXED ASSETS	Equipment £	Motor Vehicles £	Total £
At 1 April 2017	355,272	46,844	402,116
Disposals	(42,339)	(23,344)	(65,683)
At 31 March 2018	312,433	23,500	247,250
Depreciation			
At 1 April 2017	292,285	35,294	327,579
Charge for year	23,833	2,533	26,366
Disposals	(36,783)	(21,844)	(58,627)
At 31 March 2018	279,335	15,983	295,318
Net Book Value			
At 31 March 2018	33,598	7,517	41,115
At 31 March 2017	62,987	11,550	74,537
6. DEBTORS: amounts falling due within one year	2018 £	2017 £	
Other debtors	5,376	5,376	
Accrued income	385	-	
Prepayments	70,835	74,584	
VAT repayable	8,037	11,809	
	<u>84,633</u>	<u>91,769</u>	
7. CREDITORS: amounts falling due within one year	2018 £	2017 £	
Trade creditors	33,484	24,730	
Amounts owed to group company	341,531	231,114	
Other creditors	-	41,130	
Accrued expenses	62,931	51,507	
	<u>437,946</u>	<u>348,481</u>	
8. CALLED UP SHARE CAPITAL	2018 £	2017 £	
Authorised			
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>	
Allotted, called up and fully paid			
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>	

PEACE HOSPICE SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2018

9. OPERATING LEASE COMMITMENTS

	2018	2017
	£	£
The following payments are committed to be paid within one year on land and buildings, with leases expiring:		
Less than one year	268,950	266,700
Between one and two years	251,867	245,700
Between two and five years	295,458	508,860
In more than five years	-	-
	<u>816,275</u>	<u>1,021,260</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 in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

PEACE HOSPICE SHOPS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	2018		2017	
	£	£	£	£
INCOME				
Sales	1,239,949		1,264,657	
Sales of Christmas items (via catalogue)	5,169		7,011	
Lottery income	87,564		291,221	
	<u>1,332,682</u>			<u>1,563,889</u>
COST OF SALES				
Opening stock	452		-	
Purchases	14,036		14,915	
Lottery prizes	24,040		79,700	
Printing	521		2,261	
Lottery running fees	8,975		32,121	
E-Bay expenses	8,802		19,344	
	<u>56,826</u>		<u>148,793</u>	
Closing stock	(2,108)		452	
		<u>54,718</u>		<u>(148,793)</u>
GROSS PROFIT		<u>1,277,964</u>		<u>1,415,096</u>
OTHER INCOME				
Deposit account interest	50		385	
		<u>50</u>		<u>385</u>
		<u>1,278,014</u>		<u>1,415,481</u>
ADMINISTRATION COSTS				
Wages and NIC	525,474		633,592	
Pensions	8,582		11,329	
Telephone	11,693		12,539	
Post and stationery	791		1,464	
Subsistence/travelling	3,114		6,326	
Sundry expenses	7,638		11,070	
Auditors remuneration	4,100		3,100	
Commission paid	2,533		4,982	
Advertising	241		3,145	
Shop consumables	11,194		7,694	
Rent and service charges	309,823		313,960	
Rates and water	13,595		14,046	
Insurance	7,582		7,019	
Light and heat	15,243		20,758	
Repairs to property	9,875		21,200	
Recruitment and training	0		(116)	
Refuse collection	21,704		22,819	
Legal and professional fees	12,128		20,499	
Van hire and fuel	12,494		12,762	
Internet Connection Costs			3,792	
Licences			3,773	
Misc	1,159	-	0	
Lottery and Trading Review	36,036		-	
		<u>(1,014,999)</u>		<u>(1,135,753)</u>
Carried forward		<u>263,015</u>		<u>279,728</u>

PEACE HOSPICE SHOPS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT (continued)

FOR THE YEAR ENDED 31 MARCH 2018

	2018		2017	
	£	£	£	£
Brought forward	263,015			279,728
FINANCE COSTS				
Bank charges	<u>15,626</u>		<u>21,167</u>	
		(15,626)		(21,167)
		247,389		258,561
DEPRECIATION				
Fixtures and fittings		(2,533)		(1,783)
Motor vehicles		<u>(29,189)</u>		<u>(32,605)</u>
NET PROFIT BEFORE GIFT AID DONATION		<u><u>215,667</u></u>		<u><u>224,673</u></u>