

**ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**Company number: 02454552**

**ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**DIRECTORS:**

C Buckland  
J Feeley (appointed Feb 2015)  
P O' Neill (resigned June 2015)  
S Pandit (resigned Sept 2015)  
F Rahman  
B Rajani (Chair)  
M Redhouse  
M Sangster (appointed Dec 2015)  
S Saraf (appointed Feb 2016)  
S Selwyn  
R Webb

**SECRETARY:**

R Webb

**REGISTERED OFFICE:**

Kenton Grange  
Kenton Road  
Harrow  
Middlesex  
HA3 0YG

**AUDITOR:**

haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

**PRINCIPAL BANKERS:**

Allied Irish Bank (GB)  
33-35 Wembley Hill Road  
Wembley  
Middlesex  
HA9 8AS

# ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2015

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

#### Company Status

The company was incorporated on 21st December 1989 as a private company limited by shares. It is registered in England and Wales, company number 02454552.

#### Principal activities and business review

The principal activity of the company is to generate income to fund the work of St. Luke's Hospice (Harrow & Brent) Limited (its parent company) by raising funds through a network of charity shops and operating the Hospice's Lottery.

The company started the year with 14 shops and opened 2 new shops during the year taking the portfolio to 16, with a lease for a further shop with solicitors at the year end (finalised in Feb 2016 and the shop opened in March). All three new shops were acquired under a ten year lease with the benefit of a 5 year tenant only break clause.

The directors are of the opinion that it has been a successful period of trading, with a payment of £ 452,419 (before deductions for Head office administrative service costs) made to the company's parent company, St. Luke's Hospice (Harrow & Brent) Limited using the gift aid scheme (2014: £576,769).

2015 profit shown in the accounts is lower than in 2014 because a higher proportion of trading was carried out under gift aid scheme whereby goods are donated directly to the Hospice (a registered charity) and sold by the Company on its behalf. In 2015 these donations amounted to £ 368,972 (2014: £300,991) and the additional gift aid recovered by the Hospice £92,245 (2014:£ 75,248). Overall therefore the activities of the shops company have generated £913,636 (2014: £946,278) towards the work of the Hospice.

The company's financial statements for the period cover the year to 31 December 2015. Sales of donated goods, on a like for like basis including the gift-aided goods, rose by 6.7% while administrative expenses increased by 11.5%. The shops, excluding lottery, made £641,115 profit, a 9.4% decrease on 2014, on a like for like basis allowing for donations for gift aid. Premises and salary costs continued to increase with the opening of two new shops in Hatch end and Willesden Green during the year. Sales of the weekly Lottery increased by £7,569 (2.5%) as a result of previous investment in a direct marketing campaign.

#### Strategic aims

During the year the Directors agreed an ambitious strategic plan to double the income generated for the Hospice over the next 3 years, by significantly increasing the number of charity shops it operates and the new shops opened during the year were the first step in delivering this strategic plan.

#### Dividend and transfer to reserves

As the company has gift aided its entire taxable profit to its parent, the amount to be added to reserves is nil and no dividend payment is appropriate.

#### Fixed assets

Full disclosure of all matters relating to fixed assets is made in note 6 to the financial statements. Expenditure of a repairs and maintenance nature has been duly written off in the period.

#### Going concern

The directors have prepared the financial statements on a going concern basis and consider that no disclosures relating to the company's ability to continue as a going concern need to be made in the financial statements.

**ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Directors and their interests**

The directors during the year under review were as follows:

C Buckland

J Feeley (appointed Feb 2015)

P O' Neill (resigned June 2015)

S Pandit (resigned Sept 2015)

F Rahman

B Rajani (Chair)

M Redhouse

M Sangster (appointed Dec 2015)

S Saraf (appointed Feb 2016)

S Selwyn

R Webb

No director held any beneficial interest in the company (2014: nil).

C Buckland, F Rahman, and M Redhouse were also directors of St. Luke's Hospice (Harrow & Brent) Limited, the ultimate parent company, throughout the year and B Rajani was an ex officio member of the parent company board by virtue of his role as Chair of the subsidiary company. M Redhouse holds one share in this company as nominee of St. Luke's Hospice (Harrow & Brent) Limited.

**Directors' Responsibilities**

The directors are responsible for preparing the annual 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). The financial statements are required by law to 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 year. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company auditor is 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 auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

**Auditors**

haysmacintyre were appointed as auditors during the year and will be reappointed at the Annual General Meeting.

**By order of the Board**

R Webb  
Company Secretary



Date: 27 July 2016

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**

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We have audited the financial statements of St Luke's Hospice (Harrow and Brent) Charity Shops Limited for the year ended 31 December 2015, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.



Anna Bennett  
Senior Statutory Auditor  
for and on behalf of haysmacintyre  
Statutory Auditors

26 Red Lion Square  
London  
WC1R 4AG

Date

27/7/16

**ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Notes	2015 £	2014 £
<b>TURNOVER</b>		2,050,913	1,970,975
Cost of sales		(7,914)	(8,486)
<b>Gross profit</b>		<u>2,042,999</u>	<u>1,962,489</u>
Administrative expenses		(1,771,357)	(1,555,529)
Other operating income - lottery		180,279	162,720
<b>Operating profit</b>	2	<u>451,921</u>	<u>569,680</u>
Interest receivable and similar income		498	359
Gift aid to parent undertaking		(452,419)	(576,769)
<b>Profit / (Loss) on ordinary activities before taxation</b>		<u>-</u>	<u>(6,730)</u>
Taxation	5	-	-
<b>Profit / (Loss) for the financial year</b>		<u><u>0</u></u>	<u><u>(6,730)</u></u>

None of the company's activities was acquired or discontinued during the current and previous years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account therefore no statement of total recognised gains and losses has been presented.

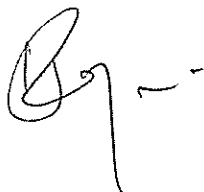
## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	6	254,249	228,009
<b>CURRENT ASSETS</b>			
Debtors	7	122,229	113,792
Stock of cards		-	1,472
Cash at bank and in hand		286,721	237,431
		408,950	352,695
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	8	(650,677)	(568,182)
<b>NET CURRENT LIABILITIES</b>			
		(241,727)	(215,487)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		12,522	12,522
<b>CALLED UP SHARE CAPITAL</b>			
Called up share capital	9	2	2
Profit and loss account	10	12,520	12,520
Shareholders' funds	11	12,522	12,522

The financial statements were approved and authorised for issue by the Board of Directors on 27 July 2016 and signed on their behalf by:

B Rajani  
Director



R Webb  
Director



The notes on pages 7 to 10 form part of these financial statements.



**ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES**

**1.1 Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

**1.2 Turnover**

Turnover represents proceeds, excluding value added tax, of purchased and donated goods sold during the year.

**1.3 Tangible fixed assets**

Fixed assets are stated at cost and depreciation is provided using the following rates and bases to reduce by annual instalments the cost of tangible assets over their estimated useful lives.

Leasehold properties	- straight line over the life of the lease
Equipment & fixtures	- 20% straight line
Motor vehicles	- 20% straight line

**1.4 Stocks**

No value is attributed to stocks of donated goods as the value is unknown until such time as it is sold. Christmas card stocks at the year-end are stated at lower of cost and market value.

**1.5 Deferred taxation**

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

**1.6 Pensions**

The Company operates a defined contribution qualifying scheme under the auto-enrolment rules. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the company. There is no liability under the scheme other than the payment of those contributions.

**1.7 Cashflow statement**

The company has not produced a Cashflow statement as one is prepared for the group by its parent undertaking.

**1.8 Leases**

Operating lease rentals are charged to the profit and loss account over the period of the lease.

**2. OPERATING PROFIT**

	2015	2014
	£	£
The operating profit is stated after charging:		
Depreciation	72,106	61,865
Auditor's remuneration	3,000	4,028
Operating lease rentals:		
Land and buildings	393,575	313,427
	<u>56,175</u>	<u>65,671</u>
Directors' emoluments and other benefits etc	265	2,259
Company contributions to directors' pension schemes	<u>265</u>	<u>2,259</u>

In 2014, the pension contribution shown was made by the parent company into the pension fund of the previous Retail Director (who was employed by the parent company) and charged to the company.

**ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>3. LOTTERY</b>	<b>2015</b>	<b>2014</b>
	£	£
A summary of the results for the period is as follows:		
Income	309,990	302,332
Prizes	(78,000)	(78,000)
Administrative expenses	(51,711)	(61,612)
	<u>          </u>	<u>          </u>
<b>Total expenses</b>	<b>(129,711)</b>	<b>(139,612)</b>
	<u>          </u>	<u>          </u>
<b>Net profit</b>	<b>180,279</b>	<b>162,720</b>
	<u>          </u>	<u>          </u>

<b>4. STAFF COSTS</b>	<b>2015</b>	<b>2014</b>
	£	£
Wages and salaries	930,484	864,374
Social security costs	68,935	64,843
Pension costs	8,565	7,514
	<u>          </u>	<u>          </u>
	<b>1,007,984</b>	<b>936,731</b>
	<u>          </u>	<u>          </u>

	<b>No</b>	<b>No.</b>
Average number of paid employees during the year was as follows	45	43
	<u>          </u>	<u>          </u>

At 31 December 2015 the number of employees for whom retirement benefits were accruing is:

Defined contribution	42	1
	<u>          </u>	<u>          </u>

In addition to the paid staff the company relies heavily on the services of over 750 volunteers to staff its shops.

**5. TAXATION**  
No tax liability arises as the company has transferred its taxable profits to its parent undertaking, St Luke's Hospice (Harrow & Brent) Limited (a registered charity) under gift aid.

<b>6. TANGIBLE FIXED ASSETS</b>	<b>Leasehold properties</b>	<b>Fixtures &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
Opening balance	674,916	78,309	39,981	793,206
Additions	94,875	3,471	-	98,346
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Closing balance	769,791	81,780	39,981	891,552
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
Opening balance	476,195	52,972	36,030	565,197
Charge for the year	53,015	15,444	3,647	72,106
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Closing balance	529,210	68,416	39,677	637,303
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Book Value</b>				
At 31 December 2015	240,581	13,364	304	254,249
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2014	198,721	25,337	3,951	228,009
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

6. TANGIBLE FIXED ASSETS (continued)	2015 £	2014 £
Analysis of net book value of land and buildings:		
Short leaseholds	240,581	198,721
The additions to Leasehold Property above reflect the value of tenant improvements made to the two new shops added to the portfolio during the year.		
<b>7. DEBTORS: amounts falling due within one year</b>	<b>2015</b> £	<b>2014</b> £
VAT recoverable	17,767	9,480
Other debtors	103,587	87,625
Prepayments and accrued income	875	16,887
	<u>122,229</u>	<u>113,792</u>
<b>8. CREDITORS: amounts falling due within one year</b>	<b>2015</b> £	<b>2014</b> £
Trade creditors	22,554	115,886
Amounts owed to parent undertaking	521,906	383,893
Other creditors	17,423	291
Taxation and social security	24,220	14,725
Accruals and deferred income	64,574	53,387
	<u>650,677</u>	<u>568,182</u>
The increase in the amount owed to the parent undertaking is because of increased sales of donated goods under the Retail Gift Aid scheme £68,000 and reduction in cash transferred due to £95,000 spent refitting two new shops.		
<b>9. SHARE CAPITAL</b>	<b>2015</b> £	<b>2014</b> £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted, issued and fully paid</b>		
2 ordinary shares of £1 each	2	2
<b>10. PROFIT AND LOSS ACCOUNT</b>	<b>2015</b> £	<b>2014</b> £
Accumulated profits at start of year	12,520	19,250
Retained profit/(loss) for the year	-	(6,730)
<b>Accumulated profits at end of year</b>	<u>12,520</u>	<u>12,520</u>

**ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Retained loss for the financial year	-	(6,730)
<b>Net reduction to shareholders' funds</b>	-	(6,730)
Opening shareholders' funds	12,522	19,252
<b>Closing shareholders' funds</b>	<b>12,522</b>	<b>12,522</b>

**12. OPERATING LEASE COMMITMENTS**

The company has the following total commitments under non-cancellable operating leases, which expire:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>		<b>£</b>
Within 1 year	77,598	18,500	-	-
Within one to two years	33,900	72,250	-	-
Within two to five years	13,650	33,900	-	-
After five years	271,760	236,200	-	-
	<u>396,908</u>	<u>360,850</u>	<u>-</u>	<u>-</u>

**13. CAPITAL COMMITMENTS**

There were no capital commitments at the year end.

**14. ULTIMATE PARENT UNDERTAKING**

The ultimate holding undertaking is St. Luke's Hospice (Harrow & Brent) Limited, a company registered in England and Wales, and a registered charity.

**15. RELATED PARTY TRANSACTIONS**

Advantage has been taken of the exemption not to disclose transactions with St Luke's Hospice (Harrow & Brent) Limited.

**ST LUKE'S HOSPICE (HARROW & BRENT) CHARITY SHOPS LIMITED**

**DETAILED PROFIT AND LOSS ACCOUNT – FOR THE DIRECTORS ONLY**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015		2014	
	£	£	£	£
<b>Turnover</b>				
Sales of purchased goods		10,339		15,377
Cost of sales		(7,914)		(8,486)
		<hr/>		<hr/>
<b>Gross profit</b>		2,425		6,890
Sales of donated goods		1,983,103		1,903,076
Flats rental income		53,736		52,522
		<hr/>		<hr/>
		2,039,264		1,962,489
<b>Other income</b>				
Bank interest received		498		359
Commission earned		3,735		-
<b>Expenditure</b>				
<b>Premises costs</b>				
Rent and rates	414,601		327,579	
Light, heat and water	43,556		30,978	
Insurance	18,239		12,367	
Repairs and maintenance	42,928		36,680	
Depreciation	66,703		56,462	
	<hr/>		<hr/>	
	586,027		464,066	
<b>Staff costs</b>				
Salaries	1,015,616		949,375	
Training, travel, adverts and other staff costs	2,777		717	
	<hr/>		<hr/>	
	1,018,393		950,092	
<b>Trading costs</b>				
Advertising	201		1,688	
Vehicle costs	14,592		17,180	
Vehicle depreciation	3,647		3,647	
Consumables	65,392		42,518	
	<hr/>		<hr/>	
	83,832		65,033	
<b>General costs</b>				
Telephone	12,059		11,202	
General expenses	24,158		18,395	
Legal and professional fees	19,500		21,003	
Audit fees	3,000		4,028	
Bank charges	24,388		21,710	
	<hr/>		<hr/>	
	83,105		76,338	
<b>Total administrative expenses</b>		<hr/>		<hr/>
		1,771,357		(1,555,529)
Profit before charges		<hr/>		<hr/>
		272,140		407,319
Profit on lottery		180,279		162,720
Gift aid/Deed of Covenant		(452,419)		(576,769)
		<hr/>		<hr/>
<b>Net profit for the year before tax</b>		-		(6,730)
Taxation		-		-
		<hr/>		<hr/>
<b>Net profit</b>		-		(6,730)
		<hr/> <hr/>		<hr/> <hr/>