

# EXTRA CARE SHOPS LIMITED

## FINANCIAL STATEMENTS

for the year ended  
31 March 2013

WEDNESDAY



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COMPANIES HOUSE

Company Registration No 2898050

# **EXTRA CARE SHOPS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **DIRECTORS**

C R Skelton (Chairman)  
A J Whittingham (Managing Director)  
C D Sullivan  
R M Scribbins  
D S Sheehan

### **SECRETARY**

N J Abbey

### **REGISTERED OFFICE**

7 Harry Weston Road  
Binley Business Park  
Binley  
Coventry  
CV3 2SN

### **AUDITOR**

Baker Tilly UK Audit LLP  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

# EXTRA CARE SHOPS LIMITED

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Extra Care Shops Limited for the year ended 31 March 2013

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the operation of charity shops, selling donated and bought-in goods

### BUSINESS REVIEW

The results for the company show a £nil (2012 £nil) pre-tax profit following a gift aid payment to its parent undertaking, The ExtraCare Charitable Trust of £625,966 (2012 £1,236,107). During the year the company started to sell donated goods on behalf of its supporters who donate the net proceeds to The ExtraCare Charitable Trust which attracted gift aid recovery from HMRC. The sale proceeds in respect of these goods is not included in the accounts of the company. The company charges a commission to supporters for this service and makes a donor procurement charge to The ExtraCare Charitable Trust in respect of the recruitment of these donors.

### FUTURE OUTLOOK

The external commercial environment is expected to remain competitive in 2013/14. The company will continue to search for new shop locations to further expand the business.

### DIRECTORS

Except where stated the following directors have held office since 1 April 2012:-

C R Skelton  
A J Whittingham  
A S Harding (resigned 16 November 2012)  
C D Sullivan  
R M Scribbins  
P J Bainbridge (resigned 19 March 2013)  
D S Sheehan (appointed 18 May 2012)

### PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks affecting the company are considered to relate to competition from both other charity shops and high street retailers, employee and volunteer retention and the supply of good quality donated goods for sale.

### KEY PERFORMANCE INDICATORS

The business measures itself against both budget and previous performance. Annual budgets which reflect the strategic forward plans of the business are prepared for all revenue and cost categories by operational cost centre. On either a weekly or periodic basis actual performance by cost centre and key reporting category is compared against budget and previous years on both cash and percentage movement basis. Adverse variances to both budget and previous years are highlighted for corrective action as needed.

### AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

# EXTRA CARE SHOPS LIMITED

## DIRECTORS' REPORT

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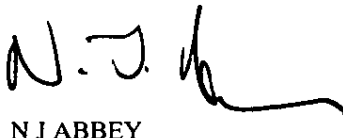
### SMALL COMPANIES EXEMPTION

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.


By order of the board



N J ABBEY

Secretary

8 August 2013



# EXTRA CARE SHOPS LIMITED

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- 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 to enable them to ensure that the financial statements comply with the requirements of 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.

# EXTRA CARE SHOPS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXTRA CARE SHOPS LIMITED

We have audited the financial statements on pages 6 to 12. 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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 and express an opinion on 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 (APB'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 [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

### 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 March 2013 and of its result 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, 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 exemption in preparing the directors' report.

*Baker Tilly UK Audit LLP*

STEPHANIE WARBOYS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date *27th August 2013*

# EXTRA CARE SHOPS LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2013

	<i>Notes</i>	2013 £	2012 £
TURNOVER		4,431,065	4,793,530
Supplies and services		(435,894)	(445,261)
Staff costs	1	(1,938,006)	(1,822,459)
Other operating charges	2		
-Exceptional Item		-	(3,530,264)
-Other		(1,850,718)	(1,729,439)
		<hr/>	<hr/>
Total other operating charges		(1,850,718)	(5,259,703)
		<hr/>	<hr/>
Other operating income	2		
-Exceptional Item		-	3,970,000
-Other		419,519	-
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		625,966	1,236,107
Gift aid to parent undertaking		(625,966)	(1,236,107)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	-	-
Taxation	3	-	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	8	-	-
		<hr/>	<hr/>

The operating profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been prepared as all such gains and losses have been dealt with in the Profit and Loss Account

# EXTRA CARE SHOPS LIMITED

## BALANCE SHEET

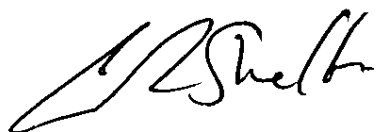
At 31 March 2013

Company Registration Number 2898050

	Notes	2013 £	2012 £
<b>CURRENT ASSETS</b>			
Stocks	4	104,599	101,547
Debtors	5	348,046	123,423
Cash at bank and in hand		111,770	87,516
		<u>564,415</u>	<u>312,486</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	(547,447)	(295,518)
		<u>16,968</u>	<u>16,968</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2	2
Profit and loss account	8	16,966	16,966
		<u>16,968</u>	<u>16,968</u>
<b>SHAREHOLDER'S FUNDS</b>	9	<u>16,968</u>	<u>16,968</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on 8 August 2013 and are signed on its behalf by



C R SKELTON

Director



# EXTRA CARE SHOPS LIMITED

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

### DONATED AND BOUGHT IN GOODS

The income from goods donated for sale in the company's charity shops is included when those goods are sold. No value is placed on any stock of such goods. Goods purchased for resale are valued at the lower of cost or net realisable value. Provision is made for obsolete and slow moving items.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### LEASED ASSETS AND OBLIGATIONS

All leases are operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

### TURNOVER

Turnover represents the value, net of Value Added Tax, of goods sold and services provided to customers. Sales that are made on behalf of supporters of The ExtraCare Charitable Trust are not included in turnover. All turnover is derived from UK markets.

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on expected selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

Assets whereby the significant risks and rewards of the asset are not retained by the company and are purchased with a view to subsequent sale are classified as stock until sold.

### OTHER OPERATING INCOME

The other operating income relates to a charge levied to The ExtraCare Charitable Trust in respect of the recruitment and management of donors.

# EXTRA CARE SHOPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

1	EMPLOYEES	2013 No	2012 No
	All staff are employed by the parent undertaking, The ExtraCare Charitable Trust. The details of staff and staff costs referred to below relate to the company's share of the employment costs of the relevant employees.		
	The average monthly number of persons (including directors) employed by the company during the year was	<u>138</u>	<u>138</u>
	Staff costs for the above persons	2013 £	2012 £
	Wages and salaries	1,799,491	1,704,660
	Social security costs	119,106	105,695
	Other pension costs	<u>19,409</u>	<u>12,104</u>
		<u>1,938,006</u>	<u>1,822,459</u>
	DIRECTORS' REMUNERATION	2013 £	2012 £
	In respect of the directors of Extra Care Shops Limited		
	Emoluments	99,683	109,584
	Defined benefit pension contributions	<u>5,918</u>	<u>5,813</u>
		<u>105,601</u>	<u>115,397</u>
	The number of directors to whom retirement benefits are accruing under	2013 Number	2012 Number
	defined benefit schemes was	<u>1</u>	<u>1</u>
	Two directors (2012 two) were employed and paid by the company's parent undertaking. No element of their remuneration relates to their directorship of the company.		

# EXTRA CARE SHOPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

2	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2013 £	2012 £
	Profit on ordinary activities before taxation is stated after charging/(crediting)		
	Operating lease rentals		
	Land and buildings	1,036,175	1,035,203
	Donor procurement charge to The ExtraCare Charitable Trust	(419,519)	-
	Exceptional item - cost of disposal of building	-	3,530,264
	Exceptional item - disposal proceeds of building	-	(3,970,000)
	Auditors' remuneration - statutory audit	8,150	7,200

The two exceptional items above relate to the purchase and subsequent disposal of 7 Harry Weston Road, Coventry, CV3 2SN

3	TAXATION	2013 £	2012 £
	Current tax		
	UK corporation tax on profits being tax on profit on ordinary activities	-	-

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax for small companies (20%) as explained below

	2013 £	2012 £
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by the standard rate of corporation tax for small companies (20%)	-	-

Factors that may affect future tax charges

The company expects to continue to pay all taxable profits to its parent undertaking by way of gift aid

# EXTRA CARE SHOPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

4	STOCKS	2013 £	2012 £
	Goods for resale	103,494	71,789
	Consumables	<u>1,105</u>	<u>29,758</u>
		<u>104,599</u>	<u>101,547</u>
5	DEBTORS	2013 £	2012 £
	Trade debtors	12,069	9,505
	Amounts due by parent undertaking	-	65,106
	Other debtors	12,159	18,195
	Prepayments	<u>323,818</u>	<u>30,617</u>
		<u>348,046</u>	<u>123,423</u>
6	CREDITORS Amounts falling due within one year	2013 £	2012 £
	Trade creditors	20,922	26,821
	Amount due to parent undertaking	347,715	-
	Other creditors	8,800	8,364
	Accruals	<u>170,010</u>	<u>260,333</u>
		<u>547,447</u>	<u>295,518</u>
7	SHARE CAPITAL	2013 £	2012 £
	Allotted, issued and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
8	PROFIT AND LOSS ACCOUNT	2013 £	2012 £
	1 April	16,966	16,966
	Retained profit for the year	<u>-</u>	<u>-</u>
	31 March	<u>16,966</u>	<u>16,966</u>
9	RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS	2013 £	2012 £
	Profit for the financial year being net addition to shareholder's funds	-	-
	Opening shareholder's funds	<u>16,968</u>	<u>16,968</u>
	Closing shareholder's funds	<u>16,968</u>	<u>16,968</u>
10	PARENT UNDERTAKING		

The company is a wholly owned subsidiary of The ExtraCare Charitable Trust, a charitable company and Registered Provider of social housing limited by guarantee incorporated in England

# EXTRA CARE SHOPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

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### 11 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8 not to disclose any transactions with its parent undertaking and fellow subsidiary undertakings on the grounds that the company's results are included in the consolidated financial statements of the parent undertaking

### 12 FINANCIAL COMMITMENTS

Operating lease payments made by the company in respect of the rental of shop premises are paid to the company's parent undertaking, The ExtraCare Charitable Trust. The parent undertaking is contractually committed under non-cancellable operating leases. All financial commitments under such leases are shown in the parent company's financial statements.