DEMELZA HOSPICE CARE FOR CHILDREN

England & Wales · Charity number 1039651

Details

Other names	DEMELZA HOUSE CHILDRENS HOSPICE, DEMELZA HOSPICE CARE FOR CHILDREN
Status	Registered
Legal form	Charitable company
Company number	02948500
Registered	1994-07-21
Register	View on the Charity Commission register

Contact

Address	Demelza Hospice Care for Children Rook Lane Bobbing Sittingbourne Kent ME9 8DZ
Phone	01795 845200
Email	info@demelza.org.uk
Website	www.demelza.org.uk

Activities

Objects: TO PROMOTE THE RELIEF OF ILLNESS AND SUFFERING IN SUCH WAYS AS THE CHARITY SHALL FROM TIME TO TIME THINK FIT.

Activities: Providing residential and community hospice care services and support for life-limited and life-threatened children, young people and their families.

Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, People With Disabilities, Other Defined Groups

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Geography

- East Sussex
- Kent
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£17,335,000	£18,566,000	£24,033,000	378
2024-03-31	£17,260,000	£17,969,000	£24,995,000	385
2023-03-31	£14,486,000	£16,151,000	£25,187,000	368
2022-03-31	£11,997,000	£12,636,000	£27,392,000	315
2021-03-31	£12,756,000	£10,757,000	£27,753,000	291

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Trustees

Name	Role	Appointed
Air Marshal Sean Keith Paul Reynolds	Chair	2023-05-22
Alexander Guy Parry-Jones		2022-10-20
Charlotte Beth Parry-Jones		2021-01-19
Dr Jenneh Tarawally		2025-03-27
Dr Karl Thomas Holliman		2024-07-04
Dr Nicola Porter		2020-01-31
Dr Richard Antony Patey		2025-03-25
Harsimran Singh		2025-08-07
Heather Lucas		2025-03-11
John Edward Simpson		2025-01-16
Lucille Harvey		2026-01-15
Paul John Hewish		2022-10-20
Paula Marion Iliffe		2024-07-04
Richard Douglas		2022-10-06
Richard Graham Finn		2022-10-20
Rory Burns		2025-07-03

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DEMELZA HOSPICE CARE FOR CHILDREN

England & Wales - Charity number 1039651

Accounts

demelza

Demelza Hospice Care for Children

Annual report and financial statements

for the period ended 31 March 2025

Registered Charity Number 1039651
Company Number 02948500



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Introduction from our CEO

With three years of our five-year strategy completed, we have much to celebrate in the achievement of our objectives.

The need for children's palliative care that is increasingly complex is rising. We have been working on a project to transform the way our care is delivered, ensuring we support families when and where it is needed most. We have broadened the range of services offered and will keep the constantly changing needs of children and their families under review. We have extended services in areas of increased demand, for example bereavement, neonates (children under 28 days) and transition (young people 18-25 years). Training for our nursing and care and family support teams to meet the increased competence and specialism required has been integral to all services.

To support care delivery, we have continued with our digital transformation journey, supporting us to make data-driven decisions, overhaul our IT infrastructure, reduce manual entry and automate processes, and implement systems that help us to be more effective. An important aspect to everyone at Demelza is how we engage, listen to and act upon feedback from children and their families. Children and their families are warmly encouraged to do this in accessible and flexible ways, and this information helps set our direction now and in the future.

We cannot deliver care without the right people. With an international shortage of registered children's nurses, Demelza has invested in offering the opportunity for existing colleagues to train as nursing associates. With this completed, three colleagues are now accessing their nurse apprenticeship to enter the Nursing and Midwifery Council Register as children's nurses. Providing a workplace that supports inclusivity, promotes psychosocial safety and welcomes the huge wealth and richness that diversity brings is key at Demelza. This year we have achieved our silver accreditation for FREDIE (fairness, respect, equality, diversity, inclusion and engagement) with the National Centre for Diversity.

Collaborative working is another important theme. Demelza works with many other hospices, charities, and other partners to share best practice, avoid duplication and signpost families for a seamless service providing the care and support they need.

I am deeply grateful for the generosity of deed and of spirit of our donors, supporters, trustees, employees, volunteers, suppliers and all our partners who work with us to provide vital support to the children and families we serve.

Lavinia Jarrett
Chief Executive Officer



We are Demelza

Demelza delivers extraordinary care to extraordinary children who are facing serious or life-limiting conditions, throughout Kent, South East London and East Sussex.

Demelza is here to support them and their families at every step – from first diagnosis and for as long as we're needed.

And when we're needed most, Demelza is here, by their side when they feel isolated, helping to celebrate the joy in family life and making precious memories during challenging times.

We support families when and where we're needed most: at our three core sites, in their homes, in local communities and online.

With two residential hospices in Kent and South East London and a community hub in East Sussex, we go beyond providing outstanding care and emotional support. We help children explore their creativity, have fun and make memories.

Our support is as unique as every child and family and personalised to adapt around their specific circumstances: from creative therapies and short breaks to practical and emotional support for families and siblings, alongside expert clinical and end of life care. Our specialist teams are on hand day and night, all year round.

Vision

To see a world where children and young people with serious or life-limiting conditions, and their families, have access to personalised, expert care enabling them to live the best lives they can.

Mission

To deliver care that doesn't back down to children and young people with serious or life-limiting conditions, and their families, across Kent, South East London and East Sussex – from first diagnosis and for as long as we're needed.

Our Values



Fiercely committed to quality
The families and children we help, and our supporters, deserve nothing but excellence. Each one of us has a vital role to play in providing unique care and support, and we always strive to deliver outstanding service. By working together, we can give even more families a chance to enjoy their time making precious memories. We recognise everyone brings a different perspective and we celebrate all forms of diversity.



Passion Performance and Pride
Passion, performance and pride – it's how we get the best from each other and deliver exceptional care and support. We love what we do. It's the most rewarding job in the world. We feel privileged to care and support children and their families. We are proud to be part of an inclusive team.



Human is our nature
We see every person as a unique individual. We give every child and family member a service that suits their individual needs. We're all human beings, and through empathy and understanding, we can provide essential care as unique as the person who receives it. All our differences are respected and valued which makes us stronger. We value and respect everyone who is part of our story.



Always honest, always authentic
We are clear, open and honest because we value everyone and their unique insight. We always look for the best solution. We exist to give outstanding care and support to children and their families.



Innovate, develop & improve
Each member of Demelza is driven to do better. Through evidence, insight and experience, we strive to develop and improve to give children and families outstanding care and support. We always look for ways to transform change into opportunity and growth. We actively seek and welcome representation from all diverse and minority groups.



Our achievements and performance

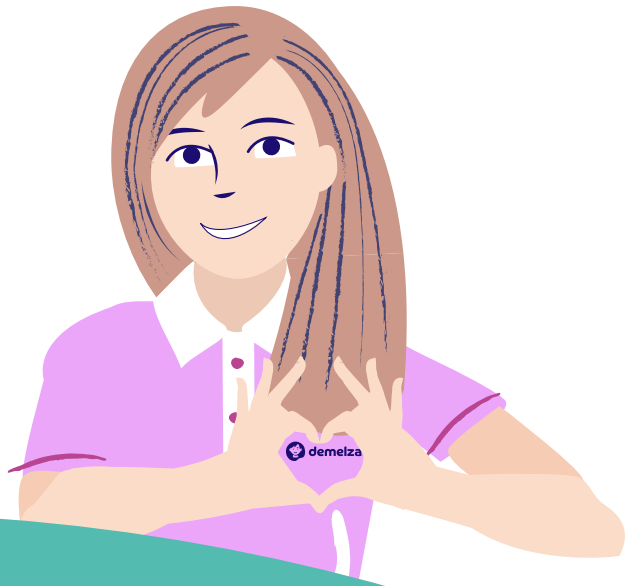
We are now over halfway through our five-year strategy, and over the last year we have continued to see successes across the organisation.

Fundraising had a record-breaking year for income, including our highest ever performing Christmas appeal outside of COVID-19. We have embarked on a significant sustainability project across our hospices to ensure they are compliant, safe and future-proof, and our nurse recruitment campaigns have seen us increase our nursing workforce by 30%, ensuring we can continue to deliver extraordinary care to extraordinary children.

As children continue to live longer with increasingly complex medical and social needs, we are adapting our services to ensure we can meet that need. Over the last year, our family support teams have extended our programme of events to each location (Kent, South East London and East Sussex) to ensure they are easily accessible for families within their local communities. To complement this, our psychosocial teams have provided bespoke and group support in a range of settings that work for children and families.

Our transition service has also continued to grow, ensuring all young people from the age of 14 are supported, which continues up until their 25th birthday.

And we continue our in-reach work within local and tertiary hospitals to help increase referrals whilst breaking down the barriers the word 'hospice' creates for many families. Providing care when and where it is needed continues to be a priority, whether it is within our hospices, family home, local community and online.



842
We supported 842 children with serious or life limiting conditions and their families

306
We provided 306 overnight short breaks

70
We provided 70 specialist clinical end of life, step down and symptom management sessions

166
We welcomed 166 new families onto our caseload

1,521
We provided 1,521 short break sessions within our community

5,040
We provided 5,040 volunteer driving hours, including taking families to hospital appointments

33
We provided siblings with 33 special events

642
We provided 642 counselling sessions to children and family members

382
The hydro pool was used 382 times

365
We provided 365 music therapy sessions

570
We provided 570 day care sessions

Strategic report

Trustees report

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Demelza Hospice Care for Children (the company) for 12 months ending on 31 March 2025. The annual report includes both Trustees' report for the purposes of charity law, and the directors' report and strategic report for the purposes of company law. This report includes pages 1 to 13 and pages 48 to 50.

The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of company's governing document and the provisions of the Statement of Recommended Practice (SORP) Account and Reporting by Charities, FRS102 and SORP 2015.

Charitable Objects

The memorandum and articles of association sets out the main charitable object:

The charity's objects (Objects) are to promote the relief of illness and suffering in such ways as the charity shall from time to time think fit, and in particular in the counties of Kent, East Sussex, part of Surrey and South London, and in particular (but without prejudice to the generality whether geographical or otherwise of such object):

(1) by establishing, maintaining and conducting residential nursing and convalescent homes for the reception and care of young persons of either sex, and whether or not a member of the charity (without regard to race or creed) who are suffering from any chronic or terminal illness, or from any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or of one sex only or (whether or not so restricted as aforesaid) to patients suffering from any particular type or types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families in their own homes;

(2) by conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as previously mentioned and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research;

(3) by promoting or encouraging or assisting in the teaching or training of doctors, nurses, physiotherapists, administrators, social workers and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services;

(4) by providing or assisting or encouraging the provision of spiritual help and guidance for any person's resident (either as patients or as families of such persons or otherwise) or associated in any way with any such home or homes as aforesaid.


Jane
Nurse
dlza

Fundraising and Lottery

Despite the continued challenging economic climate, this year we have exceeded our income budgets. Including legacies, gross income was £7,725k – this is £1,220k ahead of budget.

Every income stream overperformed apart from regional fundraising and special events, which fell behind their individual budgets. Trusts and foundations had an exceptional year, namely because of a long-standing trust winding up and donating £470k of its residue to Demelza.

We are aware that the upcoming year will be incredibly challenging and the fundraising team must remain agile with multiple income streams to ensure we can continue to grow income to support our strategic objectives.

Lottery continued with consistent income during the 2024 calendar year. Lottery income was £1,875k and represents 73% of the total proceeds after the deduction of prizes and expenses.

Compliance with fundraising regulations

The charity undertakes fundraising activity by applying to and partnering with companies and grant-giving trusts, direct mailings, appeals, organising events and via the support of volunteers' fundraising in the community. Our fundraising activities are carried out in line with the Fundraising Code of Practice set by the fundraising regulator. Our fundraising promise is available on our website.

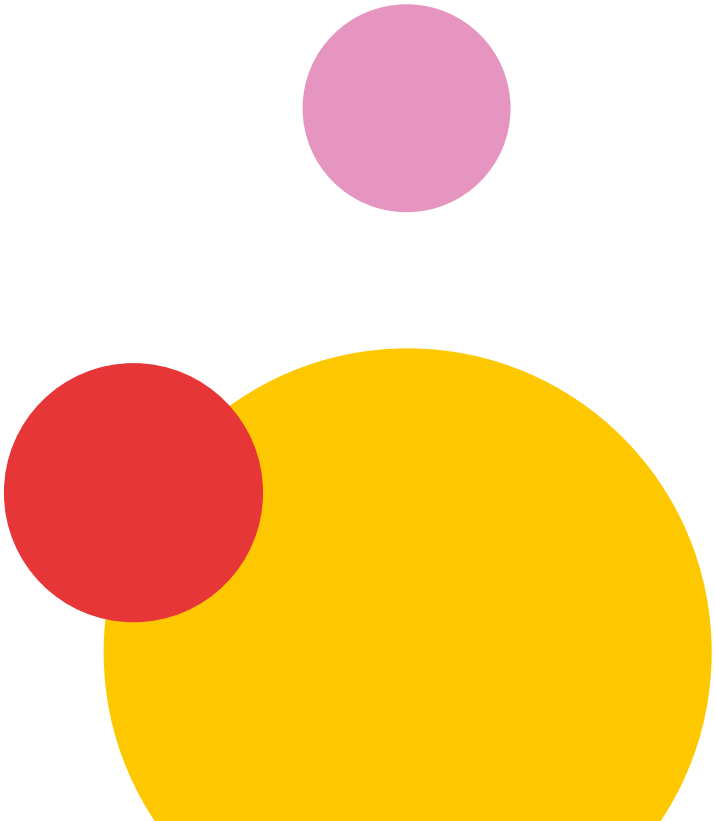
Charity supporters registered on the telephone preference service would only be called with an appeal if they have agreed to receive such calls. Callers are thoroughly trained and updated on the charity's work and calls are regularly monitored. Demelza received four complaints (2024:13) about fundraising activity in the reporting period. This significant decrease shows the work and processes we have introduced around thanking, stewardship and communication are having a significant impact on the experience of supporters and donors.

Section 172 (1) statement

The Trustees and directors of Demelza Hospice Care for Children have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its beneficiaries, having regard to the stakeholders and matters set out in Section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision-making at board level and throughout the group. Issues, factors and stakeholders which the directors have considered when discharging their duty under section 172(1) are detailed on pages 1 to 13 and pages 48 to 50 and throughout this Annual Report.

Our vision and mission statement are set out on pages 4 to 5 of this report. Our achievements, performance and future plans are described in the strategic report (pages 8 to 19) as are the risks facing our organisation and the mitigating actions we plan to take. Our environmental performance, and information about our engagement with employees is also included in this strategic report. The section on structure, governance and management (pages 48 to 50) contains information about the governance of the organisation.



S172(1) (b) 'The interests of the company's employees'

Employee Relations
The Board recognises that Demelza employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, whatever role they undertake.

An employee engagement platform, WinningTemp, was introduced in 2024/25 to replace the annual staff survey. Through short, fortnightly surveys line managers receive anonymised feedback from their team, enabling them to understand how employees are feeling and respond to matters directly. Comprehensive reports are available quarterly at the People and Resources Trustee Committee and annually to Trustee Board to measure employee engagement, motivation and commitment to Demelza. It enables the Trustees to understand how we are learning from feedback to strengthen Demelza's culture and values, and informs decision-making, from pay and benefits to health, safety and wellbeing.

Disabled Employees – we are committed to equality, diversity and inclusion in the recruitment, training, promotion and career development of people living with a disability. Demelza aims to ensure that people with disabilities are given equal opportunity to obtain employment. In doing so, we will fully consider making reasonable adjustments to working practices, equipment and premises to ensure that a person living with a disability is not put at a substantial disadvantage due to their disability.

Should employees become disabled in the course of their employment, every effort will be made through reasonable adjustment, retraining or redeployment to enable them to remain in employment.

If an employee or a candidate feels that they have been unfairly discriminated against, they may raise a complaint under Demelza's Complaints Policy.

S172(1) (c) 'The need to foster the company's business relationships with suppliers, customers and others'
Demelza's key business relationships are with the NHS and other healthcare partners, our suppliers and our donors and supporters. This is not an exhaustive list – other key stakeholders include HMRC and the Charity Commission. To deliver our mission and strategy, we need to work with others. We are committed to prompt payment of invoices within agreed payment terms. The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on page 14.

S172(1) (d) 'The impact of the company's operations on the community and the environment'
We are committed to reducing our carbon footprint by 2030 and we plan to create the strategy to reduce emissions over the next five years. We continue to aim for carbon neutrality in line with government targets.

S172(1) (e) 'The desirability of the company maintaining a reputation for high standards of business conduct'
It is crucial that Demelza maintains its reputation for high standards of conduct. We remain committed to financial and risk management, compliance, safeguarding and good governance. We are committed to a focus on the charity's impact.

S172(1) (f) 'The need to act fairly as between members of the company'
It is not relevant to Demelza's organisational structure, as the charity is run in the interests of its charitable objects and its beneficiaries rather than in the interests of its members.

Freedom to Speak Up

In June 2024, we launched our Freedom to Speak Up initiative, to support the strategic plan to develop a listening culture at Demelza. This is part of our wider MyVoice initiatives, which provide colleagues with a range of options to share their feedback and promote psychological safety in all Demelza workplaces. Demelza works with our Freedom to Speak Up Guardian to explore all cases and act on all concerns. Any themes identified or actions taken are reported to Trustees through our People and Resources Committee, and an annual review is presented by the Freedom to Speak Up Guardian to the full Board of Trustees.

Category	April 24-June 24	July 24-Sept 24	Oct 24-Dec 24	Jan 25-Mar 25
Leadership/ Management		1		
Wellbeing		1		
Ways of Working/Process or procedure	1			
Discrimination/ Bullying				1

All feedback received in the year ending 31st March 2025 has been appropriately reviewed, acted on as necessary and responses fed back to those speaking up.

Diversity and Inclusion

(FREDIE – Fairness, Respect, Equality, Diversity, Inclusion, Engagement)

We continually strive to improve our approach to equality, diversity and inclusion at Demelza. The FREDIE and Wellbeing Steering Group guides and leads Demelza with equality, diversity and inclusion and support initiatives to ensure that Demelza creates an inclusive and engaged culture. This is to ensure that:

- **All people feel welcome and comfortable when receiving care or support from Demelza or when working or volunteering as a member of the Demelza team.**
- **We have a diverse staff and volunteer workforce that benefits from the innovation and richness that diversity brings.**
- **We are playing our part in making a fairer society by tackling prejudice and privilege.**

FREDIE is recognised within Investors in Diversity as a way of implementing and embedding change and engagement from employees and volunteers to create a natural environment for an inclusive culture to flourish. To create an inclusive culture, you must build on the solid values of FREDIE.

- **Fairness: Being reasonable, right and just.**
- **Respect: Having due regard for the feelings and wishes of others.**
- **Equality: Where every person has equal rights and every person has a fair chance.**
- **Diversity: Diverse means different, so diversity includes us all. The concept of diversity encompasses understanding, acceptance and respect.**
- **Inclusion: Where every person feels respected, valued and that they fit in with the organisational culture.**
- **Engagement: Two-way commitment and communication between an organisation and its employees, volunteers and service users.**

We have continued to progress on our long-term work to create an inclusive workplace. In recognition of this we were awarded the Silver Investors in Diversity Accreditation in October 2024 and were ranked as 60 in the top 100 inclusive employers Index of the National Centre for Diversity 2024.

To further embed FREDIE initiatives and principles, in 2024/25 we:

- **Merged the FREDIE and Wellbeing Groups as wellbeing features as one of the FREDIE framework pillars.**
- **Introduced the option to choose to display pronouns in email signatures and made pronoun badges available to all colleagues.**
- **Promoted various key diversity initiatives and events through our internal and external social media channels.**
- **Held opportunities for colleagues to come together to raise questions with SLT and management.**

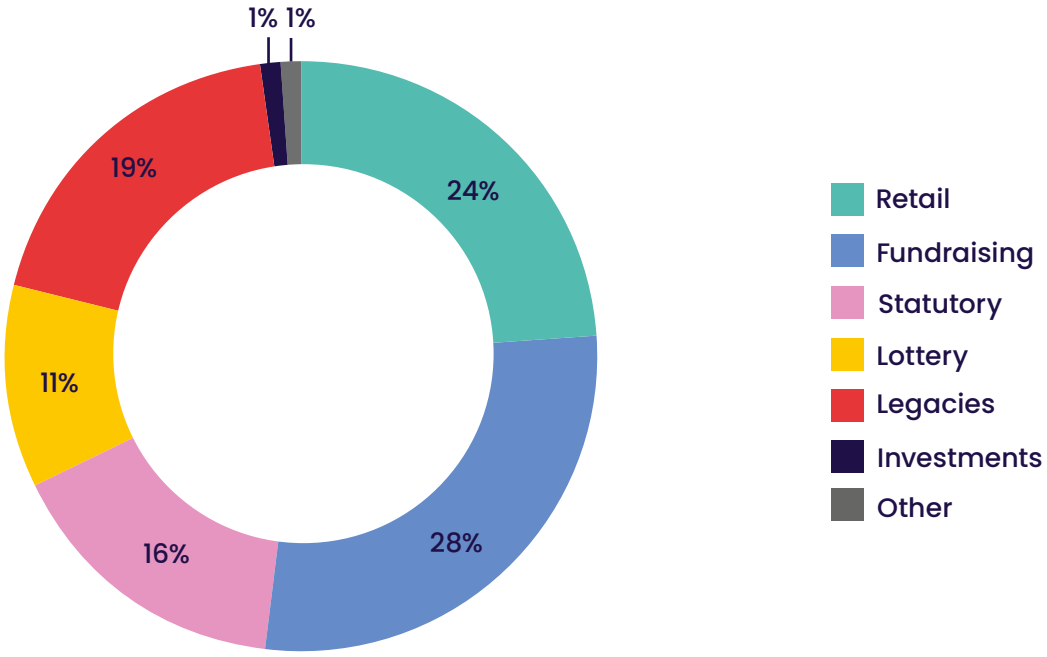
As our FREDIE journey has progressed, we have identified key changes in our approach and moved the FREDIE work under our People Directorate. The FREDIE and Wellbeing Steering Group has been restructured to a smaller group that will oversee and monitor progress on inclusion initiatives.

Under this group sit FREDIE Delivery Groups with participation drawn from across Demelza on key priority areas. Inclusion priorities have initially been identified through feedback from our Investors in Diversity survey results. Going forward these will be identified and encouraged through various routes, including MyVoice and Family Networks.

Financial review

Income

Income in 2024-25 continued to grow, with a total operational income of £17,335k (2024: £17,260k – which included the donation of Hill Farm, our purpose-built facility on the Kent site. This asset was capitalised at a value of £1,379k and is being depreciated accordingly. However, the accounts must show corresponding income as a gift in kind.)



Donations totalled £3,302k in the year ending April 2025 (2024: £3,522k). Fundraising income remained particularly strong from Philanthropists and Corporate Partners.

Legacy income was £3,245k (2024: £2,150k).

Retail income was £4,186k (2024: £4,369k). During March 2024, the distribution centre and warehouse shop in Maidstone closed due to the site being sold by the owners for redevelopment and a new location in Larkfield opened. Additionally, two other shops closed permanently (due to the buildings no longer being a viable option for Demelza) and one other shop was temporarily closed due to a flood. These are the main causes of the dip in income.

Lottery income was steady at £1,868k (2024: £1,848k).

Fundraising events raised £683k (2024: £526k).

Statutory funding from ICBs and Local authorities was £2,824k (2024: £2,423k). There was an increase in the annual Children's Hospice Grant (now received via ICBs) to £1,710k (2024: £1,668k) while other funding from the NHS and Local Authorities grew to £1,114k (2024: £755k). The cause of the large increase here was primarily from funding for one child who was resident at Demelza for a number of months. This is rare and the income is expected to reduce again in 2025-26.

Grants from charitable trusts and foundations totalled £791k (2024: £315k). The increase was mainly due to a large, final grant of £470k from a Trust that has supported Demelza for a number of years which has now closed.

Expenditure
Expenditure was £18,567k in 2024-25 (2024: £17,969k). Demelza must remain competitive in the employment market to attract and retain the right staff. The real living wage is paid, as a minimum, across the organisation and in 2024-25 this represented an increase to our lowest paid staff of 10% from 2023-24.

The cost of providing care was £10,923k (2024: £10,544k), an increase of 4%. Nursing recruitment improved in the year, but vacancies remained, particularly in South East London.

The cost of generating funds was £7,644k (2024: £7,425k), an increase of 3%. Fundraising costs were £2,079k (2024: £2,153k) with a slight reduction due to vacancies. Retail expenditure increased to £4,481k (2024: £4,241k) this was mainly due to inflationary pay increases and costs incurred in closing and moving shops. Lottery costs increased marginally to £785k (2024: £746k) this is mainly due to a project to re-engage with lottery players. The cost of maintaining and letting the properties owned by the subsidiary, ACG Lettings Ltd, increased to £198k (2024: £186k) due to increased legal fees incurred as a result of the sale of 8 properties.

Reserves
Our reserves policy states that to ensure the sustainability of our service for those who need it most, we hold between 6.5 and 10.5 months of running costs in free reserves.
On 31 March 2025 we held 7.4 months (or £11,971k) of free reserves (2024: 6.99 months or £10,959k). The increase in free reserves between March 2024 and March 2025 was £1,012k. The main factors in the movement of the free reserves were:

1. The operational deficit was £1,616k better than planned.

2. The gain on investments of £371k are included in the unrestricted reserves total.

3. The value of the ACG assets reported in the consolidated accounts was reduced by £1,556k due to the sale of the properties.

4. £1,200k of unrestricted expenditure was made in 24-25 from the Care and Resources Strategy Fund. This was the continuation of expenditure on elements of Care and Resources strategy.

Risks

Principal Strategic Risks and Mitigations

The senior leadership team and Trustees regularly review organisational risks and how to negate or mitigate them as much as possible. The Trustees have assessed that the main strategic risks have been:

Strategic Risk	Actioned Mitigations	Further Planned Mitigations
Number of appropriately skilled employees and volunteers	• New Circles of Care project launched to review Demelza's service model and identify clinical pathways for access to services. • Review of services at Demelza South East London in response to nursing shortage, to safeguard services for end of life and urgent care and wellbeing of employees. • Salaries to be aligned to the sector benchmark, where possible. • Introduction of Professionals Days to raise awareness of the work of Demelza. • Workforce Strategy continues to offer career opportunities to increase number of employed nurses by 10%. • New employee engagement platform implemented.	• Implementation of new DBS management solution. • Overseas recruitment for nursing colleagues further explored as an opportunity. • Recruitment of medical role to support nursing led team with medicines management and prescribing developments.
Statutory funding for children's hospices	• Proactive engagement with local MPs to lobby Government for sustainable funding. • Engagement with Integrated Care Boards (ICBs) for sustainable funding and raise awareness of responsibilities to children's hospices. • Attendance and visibility at All Party Parliamentary Group meetings to raise awareness of hospice care and sustainable funding.	• Continued engagement with local MPs and Integrated Care Boards to strengthen relationships and understanding around children's hospices and statutory obligations to provide services. • Continued collaborative working on national messages with Together for Short Lives and Hospice UK. • Continue communication with different stakeholder groups about long term sustainable funding needs.

Strategic Risk	Actioned Mitigations	Further Planned Mitigations
Statutory funding for children's hospices (continued)	• Working in collaboration with Hospice UK and Together for Short Lives to lobby the government for increased funding for hospices.	
Inflation and cost of living crisis including income downturn	• Increase in applications for statutory funding for services. • Statutory funding strategy developed. • Plans to campaign local MPs to raise awareness of Demelza's services. • Detailed financial scenario planning and three-year budget projections. • Cost of living pay award of a minimum of 3% in April 25 to all employees.	• Strategic scenario planning for any necessary reduction in services, should ICBs not be able to offer a sustainable financial contribution. • Undertake planned programmes of work to streamline services and resources, and to build efficiencies and capacity.
Information governance, including cyber security	• Renewed Cyber Essentials and Cyber Essentials Plus accreditation gained. • Working with independent virtual data protection officer for routine expert advice. • Cyber security an inherent strand of all digital transformation projects. • New supplier identified to undertake network penetration testing to ensure resiliency of IT infrastructure. • Phishing simulation undertaken at regular intervals, with educational resources provided. • New data and intelligence steering group forms to develop and share data expertise across the organisation.	• Annual renewal of Cyber Essentials Accreditation. • Ongoing review of data retention and reduction of records stored. • Data protection built out into digital platform, so ease of access, management and ongoing review.
Fire safety at Kent hospice reviewed and brought up to required standards	• Full audit of Kent Hospice site completed, in collaboration with Kent Fire and Rescue, with action plan identified. • Ongoing programme of works to assure future compliance. • Business continuity simulation completed.	• Development of business continuity policy and plan. • Future proofing of building for changes of use.

Investments

Demelza's investment portfolio is now managed by Sarasins. Brewin Dolphin acted as Demelza's investment managers for the first part of the year. The transfer to Sarasins (following a re-tendering process in the later part of 2023) took place over several months starting in May 2024 and completing in October 2024. Our primary aim from investments is to achieve sustainable capital growth within a balanced risk environment. Ultimately these funds will form our free reserves and provide a safety net to ensure the continued provision of the charity's core services. The primary objective is to generate a total return of 2% above the rate of inflation as measured by CPI on a 5-year rolling basis.

As set out in the financial notes on page 39; we held £11,294k at the start of the year. Dividends and interest of £220k were received during the year and withdrawals of £500k were made. There was an unrealised gain of £371k in the year and the fees charged by our investment manager for the period were £52k. The value of investments at the end of the year was £11,333k.

Political and charity donations

Demelza is a registered charity and the whole of its payments are applied to charitable purposes as detailed in the accounts. No specific contributions to other charities were made in the period nor were any political contributions made.

SECR

Greenhouse Gas emissions and energy consumption

			2024/25	
Type of emission	**Activity**	**kWh**	**tCO2e**	**% of total**
Scope 1	Natural Gas	731,820	133.85	37.36%
	Vehicle fleet	260,196	61.02	17.03%
	Sub-total	**992,016**	**194.87**	**54.39%**
Scope 2	Electricity	637,050	131.90	36.82%
	Electricity Generation	73,159		
	Sub-total	**637,050**	**131.90**	**36.82%**
Scope 3	Grey fleet	130,498	31.49	8.79%
	Sub-total	**130,498**	**31.49**	**8.79%**
Total gross consumption and emissions		**1,759,564**	**358.26**	**100.00%**
Metric used:				
£m turnover			17.335	
Intensity ratio:				
tonnes of CO2e per £m turnover			20.67	

Intensity ratio

It was decided to use total £m turnover as our metric. The resulting intensity ratio of tCO2e per total £m turnover will best reflect changes in operation and energy consumption over time.

Energy and Carbon Year on Year Comparison

Type of emission	Activity	2024/2025 kWh	2024/2025 tCO2e	2023/2024 kWh	2023/2024 tCO2e
Scope 1	Natural Gas	731,820	133.85	693,165	126.80
	Vehicle fleet	260,196	61.02	246,042	58.15
	Sub-total	**992,016**	**194.87**	**939,207**	**184.95**
Scope 2	Electricity	637,050	131.90	626,407	129.71
	Electricity Generation	73,159		73,051	
	Sub-total	**637,050**	**131.90**	**626,407**	**129.71**
Scope 3	Grey fleet	130,498	31.49	132,101	32.05
	Sub-total	**130,498**	**31.49**	**132,101**	**32.05**
Total gross consumption and emissions		**1,759,564**	**358.26**	**1,697,715**	**346.71**
Metric used:					
£m Turnover			17.335		15.898
Intensity ratio:					
tonnes of CO2e per £m turnover			20.67		21.81

Efficiency narrative
We have a policy of recording and reviewing all energy use and investigating unexplained anomalies.

We have completed initiatives within our premises to limit lighting use by PIRs and use of LED fittings. The electric charging point is in regular use.

The Energy Savings Opportunity Scheme (ESOS) is complete and a programme of measures drawn up for implementation up to 2027. These include relocation of our distribution centre, heat recovery system at Demelza Kent and a continued switch to electric vehicles.

Quantification and Reporting Methodology
The methodology we have used is The GHG Protocol Corporate Accounting and Reporting Standard. We have followed the 2013 UK Government Environmental Reporting Guidelines (updated March 2019).

We have used the 2024 UK Government's Conversion Factors for Company Reporting.

The energy efficiency narrative methodology is based on energy management best practice.



Statement of responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

- The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each fiscal year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period. In preparing these financial statements, the Trustees are required to:
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice (FRS102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report, incorporating the Strategic Report, was approved by the Trustees, in their capacity as Company Directors, on 2 October 2025 and signed on its behalf by

Air Marshal Sean Reynolds CB CBE DFC,
Chair of Trustees



Independent auditors report

Opinion

We have audited the financial statements of Demelza Hospice Care for Children (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, group balance sheet, charity balance sheet, consolidated cash flow statement and notes to the financial statements, including 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 affairs of the group and the parent charitable company as of 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees 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.

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 during 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- The information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and the parent charitable 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 Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these can detect irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with management and Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Further the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on

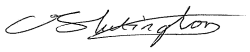
amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be those issued by the Care Quality Commission covering health care services and those issued by the Gambling Commission covering requirements for running a lottery.

Audit response to risks identified
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected, or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws, regulations, and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the parent charitable 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 parent charitable 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date 13 October 2025

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial Statements

Consolidated Statement of Financial Activities for the year ended 31 March 2025

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total 2025 £000	Total 2024 £000
Income					
Donations and legacies	2	6,044	536	6,580	7,063
Trading activities	3	6,154	0	6,154	6,367
Income from Charitable Activities	4	2,103	2,294	4,397	3,477
Income from Investments	5	204	0	204	353
Total income		**14,505**	**2,830**	**17,335**	**17,260**
Expenditure					
Expenditure on Raising funds	6				
Generating donations and legacies		1,660	0	1,660	1,786
Fundraising events		419	0	419	367
Trading expenditure		5,513	0	5,513	5,230
Investment management fees		52	0	52	42
Total Expenditure on Raising funds		**7,644**	**0**	**7,644**	**7,425**
Expenditure on Charitable activities	7				
Residential service		6,791	2,236	9,027	8,597
Community Service		1,781	115	1,896	1,947
Total Expenditure on Charitable activities		**8,572**	**2,351**	**10,923**	**10,544**
Total Expenditure		**16,216**	**2,351**	**18,567**	**17,969**
Deficit before investment gains/(losses)		**(1,711)**	**479**	**(1,232)**	**(709)**
Net Gains / (Loss) on investment	15	371	-	371	659
Gains / (Loss) on Property Revaluation	14	(101)	-	(101)	(142)
Net income / (expenditure)		**(1,441)**	**479**	**(962)**	**(192)**
Transfers between funds		-	-	-	-
Net movement in funds		**(1,441)**	**479**	**(962)**	**(192)**
Fund balances brought forward at 1st April		24,805	190	24,995	25,187
Fund balances carried forward at 31st March		**23,364**	**669**	**24,033**	**24,995**

All the activities of the Group and the Charity are continuing. There are no other recognised gains or losses. Full comparative figures for the period ended 31st March 2024 are shown in note 28. The notes on pages 28-47 form part of these financial statements.

Demelza Hospice Care for Children
Balance Sheet at 31 March 2025

Company No: 02948500

	Note	Group 2025 £000	Group 2024 £000	Charity 2025 £000	Charity 2024 £000
Fixed Assets					
Tangible assets	12	8,831	8,700	8,805	8,638
Intangible assets	13	127	87	107	60
Investment property	14	1,805	3,353	0	0
Investments	15	11,333	11,294	13,239	14,757
		22,096	**23,434**	**22,151**	**23,455**
Current Assets					
Stock	16	47	34	0	0
Debtors	17	1,128	1,379	1,672	1,633
Cash at bank and in hand		2,052	1,532	1,224	930
		3,227	**2,945**	**2,896**	**2,563**
Creditors: Amounts falling due within one year	18	(1,290)	(1,384)	(1,014)	(1,023)
Net Current Assets		**1,937**	**1,561**	**1,882**	**1,540**
Total assets less current liabilities		**24,033**	**24,995**	**24,033**	**24,995**
Net Assets		**24,033**	**24,995**	**24,033**	**24,995**
Funds	19				
Restricted Funds		669	190	669	190
Unrestricted funds					
General		11,971	10,959	11,971	10,959
Designated		11,393	13,846	11,393	13,846
Total Funds		**24,033**	**24,995**	**24,033**	**24,995**

The financial statements were approved by the Board of Trustees and authorised for issue on 2nd October 2025 and signed on its behalf by:

S. K. P. Reynolds

Sean Reynolds
Chair

Richard Douglas
Treasurer

Consolidated Cash Flow Statement for the Year Ended 31 March 2025

	Note	2025 £000	2024 £000
Net Cash Inflow from Resources	21	**(625)**	**(174)**
Cashflows from Investing activities			
Purchase of property, plant and machinery		(671)	(938)
Proceeds from the Sale of Fixed Assets		7	17
Purchase of intangible fixed assets		(72)	0
Purchase of investments in the year		0	0
Proceeds from sale of investments		500	0
Proceeds from sale of investment properties		1,381	0
Net cash provided by (used in) financing activities		**1,145**	**(921)**
Change in cash and cash equivalents in the reporting Period	22	**520**	**(1,095)**
Cash and cash equivalents at 1st April 2024		1,532	2,627
Cash and cash equivalents at 31st March 2025		**2,052**	**1,532**

Notes to the financial statements For the Period ended 31 March 2025

Note 1. Accounting Policies

Statement of compliance
The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102 second edition)) and the Financial Reporting Standard applicable in the United Kingdom and republic of Ireland (FRS 102) and the Charities Act 2011. Demelza Hospice Care for Children meets the definition of a public benefit entity under FRS 102. The functional currency is £ Sterling.

General information
The Charity is a company limited by guarantee, incorporated in England and Wales (company number 2948500) and a charity registered in England and Wales (charity number: 1039651). The Charity's registered office address is: Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ.

Basis of consolidation
These financial statements consolidate the results, assets and liabilities of the charity's trading subsidiary Demelza Trading Ltd (company number: 03090528) and ACG Lettings Ltd (company number: 03031999 on a line-by-line basis.

Going concern
The Trustees have reviewed Demelza Hospice Care for Children's financial position, considering the impact of future activities, and concluded that it is appropriate to produce the accounts on a going concern basis for the 12 months from the date the accounts are signed.

A summary of the accounting policies, which have been consistently applied, is set out below.

Significant judgements and estimates
The key sources of uncertainty in our estimations that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:
residuary legacies – the charity recognises residuary legacies once probate has been granted, which therefore requires an estimation of the amount receivable.

Accounting for income
Income received by way of donations, collecting boxes or from functions, shops or flag days is not recorded in the financial statements until the cash, or document of title to the investment or property is received at headquarters. Legacy income is recognised in the SOFA when receipt is probable, amounts receivable can be measured with sufficient reliability and the charity is entitled to the income.

No account is taken of monies or other assets in the hands of outside or voluntary helpers until such monies are banked or other assets are remitted to headquarters. Contracted fees receivable and grants invoiced to local authorities, as well as investment income and accrued tax recoverable, are accrued. Other grants from central government and local authorities are recorded in the financial statements when they are receivable.

Contracted fee income specifically received in advance of expenditure in the next financial year is deferred in the balance sheet.

The value of investments and property bequeathed or donated to Demelza Hospice Care for Children is taken to be market value on the date when the documents of title are received.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Central overhead costs are allocated to operational and fundraising functions on the basis of their use of central support services.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of the charitable activities.

Support costs, which include central or regional functions such as general management, budgeting and accounting, payroll administration, human resources, information technology, facilities and estates, are allocated across charitable and fundraising activities under the following categories, financial management, people and organisational development, information systems, facilities and estates.

Where information about the aims, objectives and projects of the Charity is provided in the content of fundraising material in an educational manner in the furtherance of the Charity's objectives, those costs are apportioned to charitable activities. Irrecoverable value added tax (VAT) is included in the relevant expense categories.

Support and governance costs are apportioned on the basis of usage of a resource in terms of time taken, capacity used and requests made.

Tax
Demelza Hospice Care for Children is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income from capital gains received within categories covered by Chapter 3 Part II corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. Profit from the subsidiaries is gift aided to Demelza Hospice Care for Children.

Leases
All leases are operating leases. Costs in respect of these leases are charged to the statement of financial activities over the term of the lease.

Fixed assets
Land and buildings
Land and buildings are stated in the balance sheet at the most recent valuation or, in the case of purchases or additions subsequent to the date of such valuation, at cost, less depreciation provided in relation to such valuation or cost, as appropriate, to write off the assets other than freehold land over the following periods.

Freehold buildings
The period of the estimated useful life up to a maximum of 50 years from the date of purchase.

Leasehold land and buildings
The unexpired portion of the lease up to a maximum of 50 years from the date of the most recent revaluation or, if later, the date of the purchase.

Building improvements
Between 3 to 25 years based on nature of usage, or if earlier, the unexpired portion of the lease.

Motor vehicles
Motor vehicles are stated in the Balance Sheet at cost, less depreciation provided to write off the vehicles over a period of 4 years.

Equipment
Equipment is stated in the Balance Sheet at cost less depreciation to write off the equipment over a period of 4 years.

Intangible fixed assets
Intangible fixed assets such as the website, software and intellectual property are amortised over a period of 3 to 10 years.

Fund accounting
Restricted funds
These funds are restricted by the donor for specific purposes. Revenue funds restricted by the donor are held in restricted reserves and funds are matched against expenditure as appropriate.

Unrestricted funds
These funds comprise accumulated surpluses and deficits on general funds that are expendable at the discretion of the Trustees in furtherance of the objects of the charity and that have not been designated for other purposes.

Designated funds
These are unrestricted funds that have been set aside at the discretion of the Trustees for particular purposes.

Short term employee benefits
Salaries, wages and employment-related payments are recognised in the period in which

the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pensions
Demelza Hospice Care for Children operates a defined contribution scheme available to the majority of its permanent employees. The Charity and its subsidiaries also make contributions to the National Health Service Pension Scheme for certain employees which is a defined benefit scheme. However, the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities. As a result, this scheme is also accounted for by the charity as a defined contribution scheme.

All the pension schemes are administered by separate trustees and are run independently of the charity.

The costs of providing pensions for employees are therefore all charged in the statement of financial activities for the year in which the contributions are payable.

Liabilities
Future liabilities are recognised when Demelza Hospice Care for Children has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

Financial instruments
Cash at bank and short-term deposits includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

Debtors recognition
Debtors which arise from contracts for the sale of non-financial items (such as goods or services), which are entered into in accordance with the Charity's normal sale or usage requirements, are recognised when, and to the extent that, performance occurs, i.e. when delivery of the goods or services is made. Regular sales are recognised and de-recognised, as applicable, using the trade date.

De-recognition
All debtors are de-recognised when the rights to receive cash flows from the assets have expired or the Charity has transferred substantially all of the risks and rewards of ownership.

Investments
Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. Realised and unrealised gains are accounted for within the statement of financial activities.

Investment properties
Investment properties are valued at the year end. Gains or losses are recognised in the accounts of the relevant subsidiary and shown within the statement of financial activities.

Stock
Stocks comprise finished goods and are stated at the lower of cost and net realisable value.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

Donated goods
The trustees have concluded and agreed that the valuing of shops donated goods for resale on receipt is impractical due to the high volume of low value items, lack of stock system for recording these items and the administrative cost involved. Instead, the income is recognised in the accounts when these goods are sold.

2 Donations & Legacies

	Unrestricted Funds 2025 £000	Restricted Funds 2025 £000	2025 £000	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	2024 £000
Donations	2,766	536	3,302	3,245	277	3,522
Gifts In Kind	33	0	33	1,392	0	1,392
Legacies	3,245	0	3,245	2,150	0	2,150
	6,044	**536**	**6,580**	**6,787**	**277**	**7,063**

3 Trading Activities

	Unrestricted Funds 2025 £000	Restricted Funds 2025 £000	2025 £000	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	2024 £000
Lottery income	1,868	0	1,868	1,848	0	1,848
Retail sales	4,186	0	4,186	4,369	0	4,369
Rental income	100	0	100	150	0	150
	6,154	**0**	**6,154**	**6,367**	**0**	**6,367**

4 Income from Charitable Activities

	Unrestricted Funds 2025 £000	Restricted Funds 2025 £000	2025 £000	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	2024 £000
Fundraising events	683	0	683	526	0	526
Grant contribution funded by NHS England	0	1,710	1,710	0	1,668	1,668
Funding from CCGs/Local Authorities	1,114	0	1,114	755	0	755
Other Grants	207	584	791	109	206	315
Other Income	99	0	99	213	0	213
	2,103	**2,294**	**4,397**	**1,603**	**1,874**	**3,477**

5 Income from Investment

	Unrestricted Funds 2025 £000	Restricted Funds 2025 £000	2025 £000	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	2024 £000
Bank Interest	0	0	0	14	0	14
Investment portfolio income	204	0	204	338	0	338
	204	**0**	**204**	**353**	**0**	**353**

6 Expenditure on Raising Funds

	Direct Costs 2025 £000	Support Costs 2025 £000	Total 2025 £000	Direct Costs 2024 £000	Support Costs 2024 £000	Total 2024 £000
Generating voluntary income	1,238	422	1,660	1,349	437	1,786
Fundraising events costs	312	107	419	277	90	367
Retail expenditure	3,956	525	4,481	3,748	493	4,241
Lottery Expenditure	722	63	785	685	61	746
Property lettings costs	189	9	198	177	9	186
Events company costs	49	0	49	56	0	56
Investment management fees	52	0	52	42	0	42
	6,518	**1,126**	**7,644**	**6,335**	**1,090**	**7,425**

7 Charitable Activities

	Direct Costs 2025 £000	Support Costs 2025 £000	Total 2025 £000	Direct Costs 2024 £000	Support Costs 2024 £000	Total 2024 £000
Residential Services	7,115	1,912	9,027	6,610	1,987	8,597
Community Services	1,359	537	1,896	1,393	553	1,947
	8,474	**2,449**	**10,923**	**8,003**	**2,540**	**10,544**

	2025 £000	2024 £000
Direct charitable costs consist of:		
Care Costs	7,027	6,670
Catering and Housekeeping	414	385
Centre costs	1,033	948
	8,474	**8,003**

8 Support Costs

	Total 2025 £000	Total 2024 £000
Support costs consist of:		
Human Resources and administration	958	878
Finance	454	331
IT	813	1,077
Volunteer Services	161	163
Marketing	549	622
Governance Costs	85	83
Depreciation	555	476
	3,575	**3,630**
Which is allocated:		
Generating funds	1,126	1,090
Charitable activities	2,449	2,540
	3,575	**3,630**

Governance Costs consist of:

	2025 £000	2024 £000
Audit and accountancy fees	35	34
Staffing costs	50	49
	85	**83**

No Trustees received remuneration during the period (2024: nil). Trustee expenses reimbursed amounted to £0 (2024: nil).

Trustees made donations during the year of £2,398 (2024:£20,607) none which were restricted. This includes purchase of tickets to Demelza events.

9 Staff Costs

	2025 £000 TOTAL GROUP	2025 £000 TOTAL CHARITY	2024 £000 TOTAL GROUP	2024 £000 TOTAL CHARITY
Wages and salaries	10,734	10,528	10,171	9,873
Employer's National Insurance	1,010	992	939	913
Pension costs	720	710	692	676
	12,464	**12,230**	**11,801**	**11,462**

The average number of full-time equivalent employees during the year was:

	FTE 2025	FTE 2024	NO 2025	NO 2024
Nursing and care services	142	138	171	196
Retail	79	68	110	92
Fundraising	29	28	33	29
Support functions	50	49	58	61
TOTAL CHARITY	**300**	**283**	**372**	**378**
Lottery	5	5	6	7
	305	**288**	**378**	**385**

Higher Salary Band (Gross Annual Salary)	31/03/2025	31/03/2024
£60,001 - £70,000	3	0
£70,001 - £80,000	3	3
£80,001 - £90,000	2	1
£90,001 - £100,000	1	0
£100,001 - £110,000	0	1
£110,001 - £120,000	1	0
	10	**5**

Total Senior Management Team salary, inclusive of pension, was £639k (2024: £636k).
The CEO salary, inclusive of pension, was £119k (2024: £115K).

10 Net Income for the Year

	2025 £000	2024 £000
Net income for the year is stated after charging / (crediting):		
Operating leases - land and buildings	823	577
- other	109	
Auditors' remuneration (excluding VAT)		
- audit of parent company	17	17
- audit of subsidiaries	14	14
- preparation of tax return for parent company	0	0
- preparation of tax return for subsidiaries	4	3
Depreciation of fixed assets	555	475

11 Net Income of Trading Subsidiaries

	2025 £000	2024 £000
Demelza Trading Ltd		
Turnover	2,024	2,099
Cost of sales	(278)	(295)
Gross profit	1,746	1,804
Administration expenses	(648)	(799)
Management Charge - Demelza Hospice Care for Children	(94)	(94)
Other operating income	0	0
Operating Profit	1,004	912
Net Profit	**1,004**	**912**
Gift Aid payment to Demelza Hospice Care for Children	(1,004)	(912)
Retained Profit for the Year	**0**	**0**
Retained profit brought forward	0	0
Retained profit carried forward	**0**	**0**

Demelza Trading Ltd (company number 03090528) is a wholly owned trading subsidiary of the charity, which is incorporated in the UK. The subsidiary operates a number of retail outlets selling donated goods, cards and other merchandise and runs a lottery scheme. The company made a Gift Aid payment of its taxable profits to Demelza Hospice Care for Children.

11 Net Income of Trading Subsidiaries (continued)

	2025	2024
	£000	£000
ACG Lettings Ltd		
Turnover	99	150
Profit on Sale of Assets	1,352	0
Administrative Expenses	(192)	(127)
Management Charge to Demelza Hospice Care for Children	(9)	(9)
Gross Profit	**1,250**	**14**
(Loss) / Gain on Revalued Properties	(101)	(142)
Operating Profit	**1,149**	**(127)**
Net Profit	**1,149**	**(127)**
Tax on Profit	230	29
Profit After Tax	**1,379**	**(98)**
Gift Aid payment to Demelza Hospice Care for Children	(1,352)	(36)
Tax on profit	0	0
Retained profit / (loss) carried forward	**27**	**(134)**

ACG Lettings Ltd (company number: 03031999) was bequeathed to the charity as part of a legacy. The shares were transferred on 31st March 2020. The company is a residential property lettings company owning property in Dover, Deal and Ash.

South East Medical Services Limited (company number: 06042090) is a wholly owned subsidiary of the charity, which is incorporated in the UK. The company was dormant in the current and prior year having net assets of £1. The principal activity of the company was the construction of children's hospice buildings with the profit being gift aided to the charity.

12 Tangible Fixed Assets

CONSOLIDATED	Freehold Buildings £000	Donated Freehold Buildings £000	Improvements to leasehold property £000	Fixtures And Fittings £000	Motor Vehicles £000	Total Group £000
Cost						
At 1 April 2024	10,357	1,379	455	1,012	249	13,452
Reclassification of Assets	0	0	(4)	4	0	0
Additions	44	0	313	314	0	671
Disposals	0	0	0	(29)	(6)	(35)
At 31 March 2025	**10,401**	**1,379**	**764**	**1,301**	**243**	**14,088**
Depreciation						
At 1 April 2024	3,806	8	163	583	192	4,752
Reclassification of Assets	0	0	(4)	4	0	0
Charge for the year	244	14	86	155	25	524
Disposals	0	0	0	(13)	(6)	(19)
At 31 March 2025	**4,050**	**22**	**245**	**729**	**211**	**5,257**
Net Book Value						
At 31 March 2025	**6,351**	**1,357**	**519**	**572**	**32**	**8,831**
At 31 March 2024	6,551	1,371	292	429	57	8,700

CHARITY	Freehold Buildings £000	Donated Freehold Buildings £000	Improvements to leasehold property £000	Fixtures And Fittings £000	Motor Vehicles £000	Total Charity £000
Cost						
At 1 April 2024	10,357	1,379	455	937	207	13,335
Reclassification of Assets	0	0	(4)	4	0	0
Additions	44	0	313	309	0	666
Disposals	0	0	0	(6)	(6)	(12)
At 31 March 2025	**10,401**	**1,379**	**764**	**1,243**	**202**	**13,989**
Depreciation						
At 1 April 2024	3,806	8	163	553	167	4,697
Reclassification of Assets	0	0	(4)	4	0	0
Charge for the year	244	14	86	141	14	499
Disposals	0	0	0	(6)	(6)	(12)
At 31 March 2025	**4,050**	**22**	**245**	**692**	**175**	**5,184**
Net Book Value						
At 31 March 2025	**6,351**	**1,357**	**519**	**552**	**26**	**8,805**
At 31 March 2024	6,551	1,371	292	384	40	8,638

13 Intangible Fixed Assets - Group

	Website	Goodwill	Total Group
Cost	**£000**	**£000**	**£000**
At 1 April 2024	76	40	116
Additions	72	0	72
At 31 March 2025	**148**	**40**	**188**
Depreciation			
At 1 April 2024	16	13	29
Charge for the year	25	7	32
At 31 March 2025	41	20	61
Net Book Value			
At 31 March 2025	**107**	**20**	**127**
At 31 March 2024	60	27	87

Intangible Fixed Assets - Charity	Website	Total Charity
Cost	**£000**	**£000**
At 1 April 2024	76	76
Additions	72	72
At 31 March 2025	**148**	**148**
Depreciation		
At 1 April 2024	16	16
Charge for the year	25	25
At 31 March 2025	**41**	**41**
Net Book Value		
At 31 March 2025	**107**	**107**
At 31 March 2024	60	60

14 Investment Property

Consolidated	Freehold Buildings £000	Total Group £000
At 1 April 2024	3,353	3,353
(Loss)/Gain on Revaluation	(101)	(101)
(Loss)/Gain on Sale	(65)	(65)
Proceeds from Sales	(1,382)	(1,382)
At 31 March 2025	**1,805**	**1,805**
Net Book Value		
At 31 March 2025	**1,805**	**1,805**
At 31 March 2024	3,353	3,353

All investment properties are held by ACG Lettings Ltd which was acquired through a legacy on 31 March 2020.
The freehold investment properties were valued based on a Chartered Surveyor's valuation in February 2023. The Directors consider this valuation to be appropriate at 31 March 2025. However, adjustments have been made to the properties that are currently for sale based on Director's valuations at 31st March 2025.

15	**Investments - Charity**	**2025**	**2024**
		£000	**£000**
	Unlisted investments		
	Demelza Trading Limited	0	0
	South East Medical Services Limited	0	0
	ACG Lettings Ltd	1,760	3,085
	Total	**1,760**	**3,085**

The £101 unlisted investments represent a 100% shareholding in Demelza Trading Limited and a 100% shareholding in South East Medical Services Ltd. The charity has three subsidiaries as follows:

	Class of Shares held	**Nature of Business**	**Capital and Reserves at 31 Mar 25 £**
Demelza Trading Limited	Ordinary	Retailing	0
South East Medical Services Ltd	Ordinary	Dormant	0
ACG Lettings Ltd	Ordinary	Property Lettings	1,760

Charity & Group Investment Fund	**2025 £000**	**2024 £000**
At 1 April	11,294	11,740
Invested in the year	0	0
Dividends & Interest received	220	338
Withdrawals	(500)	(1,401)
Investment Managers' Charge	(52)	(42)
Unrealised gains in the year	371	659
At 31 March	**11,333**	**11,294**

The historic cost of the investments was £11,333k (2024: £11,294k)

Asset Allocation	**2025 £000**	**2024 £000**
Liquid Assets	1,923	802
Fixed Income	997	2,662
Equities	7,016	6,412
Property	387	547
Alternative Investments	1,010	871
Total	**11,333**	**11,294**

16 Stock

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Goods for resale	47	34	0	0
	47	**34**	**0**	**0**

17 Debtors

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Amounts due from subsidiaries	0	0	613	364
Trade debtors	138	435	116	402
Bad Debt Provision	(7)	(16)	(7)	(16)
Prepayments & Accrued Income	789	764	779	760
VAT	208	198	171	124
	1,128	**1,381**	**1,672**	**1,633**

18 Creditors: amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade creditors	(380)	(276)	(331)	(249)
Tax and social security costs	(235)	(228)	(197)	(188)
Other creditors	(204)	(155)	(201)	(152)
Accruals and deferred income	(471)	(725)	(285)	(434)
	(1,290)	**(1,384)**	**(1,014)**	**(1,023)**

All the deferred income of £369k will be released in the following year. This represents ticket payments in advance by supporters for events in the following year and payments in advance by the lottery players.

Accruals and deferred income includes deferred income as follows:

	2025	2024
	£000	£000
B/fwd	(397)	(369)
Amounts deferred in the year	(328)	(397)
Amounts released in the year	397	369
C/fwd	**(328)**	**(397)**

19 Funds

Restricted Funds	Balance at 1 April 2024 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2025 £000
Grant contribution funded by NHS England (Via ICBs)	0	1,710	(1,710)	0	0
Capital Grant contribution funded by DHSC (Hospice UK)	0	242	(242)	0	0
Care Where You Are	42	19	(60)	0	1
Bereavement Services and Family Fund	(0)	15	(15)	0	0
Hill Farm Equipment and Running Costs	100	0	(35)	0	65
Building and Ground Improvement Projects	14	630	(68)	0	576
East Sussex Community Equipment & Running Costs	5	35	(40)	0	(0)
Kent Hospice Equipment and Running Costs	24	113	(116)	0	21
S. E. London Hospice Equipment and Running Costs	5	66	(65)	0	6
	190	**2,830**	**(2,351)**	**0**	**669**

	Balance at 1 April 2023 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2024 £000
NHS England Covid funding	0	0	0	0	0
Grant contribution funded by NHS England	0	1,668	(1,668)	0	0
East Kent CCGs Grant	0	0	0	0	0
Care Where You Are	272	99	(329)	0	42
Bereavement Services and Family Fund	0	17	(17)	0	0
Hill Farm	222	186	(308)	0	100
Building and Ground Improvement Projects	91	0	(77)	0	14
East Sussex Community Equipment & Running Costs	0	33	(28)	0	5
Kent Hospice Equipment and Running Costs	26	125	(127)	0	24
S. E. London Hospice Equipment and Running Costs	5	23	(23)	0	5
	616	**2,151**	**(2,577)**	**0**	**190**

Capital Grant contribution funded by DHSC (Hospice UK) is the first quarter of a grant awarded by DHSC, administered via Hospice UK, restricted to capital projects. This funding was received in 2024-25 and a requirement of the grant was that it must be spent by 31st March 2025.
East Kent CCGs Grant funds training, care at home and the managed clinical network in Kent and Medway.
Care Where You Are represents the delivery of palliative care in a variety of settings to enable access by those who cannot reach a residential hospice.
Bereavement Services and Family Fund supports services at Kent, S.E. London and E. Sussex.
Hill Farm accommodation was donated by a property developer in Bobbing in August 2023. Demelza has paid for specialist adaptations to the property so that it is suitable for the children and families supported. A local philanthropist donated the land.
Building and Ground Improvement Projects funds building works and improvements to the grounds at Kent, S.E. London and E. Sussex.
East Sussex Community Equipment & Running Costs funds the work of the East Sussex team and equipment required.
Kent Hospice Equipment and Running Costs funds the work of the Kent team and equipment required.
S. E. London Hospice Equipment and Running Costs funds the work of the S.E. London team and equipment required.

19 Funds (continued)

Unrestricted Funds Group	Balance At 1 April 2024	Incoming Resources including gain on investments	Resources Expended loss on investments	Transfer Between Funds	Balance at 31 March 2025
	£000	£000	£000	£000	£000
Designated funds					
Fixed assets & Investment Property fund	12,016	0	(533)	(720)	10,763
Care and Resources Strategy Fund	1,530	0	(1,200)	0	330
Digital transformation Fund	0	0	0	0	0
Capital Covid Recovery Fund	0	0	0	0	0
Capital Asset Fund	300	0	0	0	300
Unrestricted general funds	10,959	14,879	(14,587)	720	11,971
Total unrestricted funds	**24,805**	**14,879**	**(16,320)**	**0**	**23,364**

Group	Balance at 1 April 2023	Incoming Resources Including gains on investments	Resources Expended	Transfer Between Funds	Balance at 31 March 2024
	£000	£000	£000	£000	£000
Designated Funds					
Fixed assets & Investment Property fund	10,327	0	(432)	2,121	12,016
Care & Resources Strategy Fund	2,730	0	(1,200)	0	1,530
Digital transformation Fund	909	0	(359)	(550)	0
Capital Covid Recovery Fund	0	0	0	0	0
Capital Asset Fund	300	0	0	0	300
Unrestricted general funds	10,305	15,767	(13,542)	(1,571)	10,959
Total unrestricted funds	**24,571**	**15,767**	**(15,533)**	**0**	**24,805**

Designated Funds

Fixed assets & Investment Property fund – Represents unrestricted funds tied up in fixed assets. At the balance sheet date the balance of fixed asset designated reserves equates to the net book value of fixed assets held.
Care & Resources Strategy fund – The Trustees have approved the charity's strategy for 2022 - 2027. They have designated the funds required for the planned developments in the care departments and support functions.
Digital transformation Fund represented funds designated at the out set of the current strategy for Demelza to make all services digitally accessible to users and to harness digital processing of data to bring greater accuracy and efficiency. The work on Digital Transformation has been moved from project work to business as usual and will form part of the budgeting process each year. As such, these funds were de-designated in 2023-24.
Capital Asset Fund is designated- funds designated for larger on-going projects.
Unrestricted general funds represent the unrestricted reserves of the Charity, which are not designated for particular purposes, and therefore the Trustees can utilise as they see fit in accordance with its charitable objects.

19 Funds (continued)

Summary of Total Group Funds

	Balance at 1 April 2024	Incoming Resources including gains on investments	Resources Expended including loss on investments	Transfer Between Funds	Balance at 31 March 2025
	£000	£000	£000	£000	£000
Restricted funds	190	2,829	(2,350)	0	669
Unrestricted funds	24,805	14,879	(16,320)	0	23,364
Total funds	**24,995**	**17,708**	**(18,670)**	**0**	**24,033**

	Balance at 1 April 2023	Incoming Resources including gains on investments	Resources Expended including loss on investments	Transfer Between Funds	Balance at 31 March 2024
	£000	£000	£000	£000	£000
Restricted funds	616	2,151	(2,577)	0	190
Unrestricted funds	24,571	15,767	(15,533)	0	24,805
Total funds	**25,187**	**17,918**	**(18,110)**	**0**	**24,995**

20 Analysis of Group Net Assets Between Funds

	Unrestricted Funds 2025	Restricted Funds 2025	Total 2025	Unrestricted Funds 2024	Restricted Funds 2024	Total 2024
Group	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fund balances at 31 March are represented by:						
Fixed assets and investments	22,096	0	22,096	23,434	0	23,434
Current assets	2,653	669	3,322	2,755	190	2,945
Creditors falling due within one year	(1,385)	0	(1,385)	(1,384)	0	(1,384)
Provision for liabilities	0	0	0	0	0	0
	23,364	**669**	**24,033**	**24,805**	**190**	**24,995**
Charity						
Fund balances at 31 March are represented by:						
Fixed assets and investments	22,151	0	22,151	23,455	0	23,455
Current assets	2,227	669	2,896	2,373	190	2,563
Creditors falling due within one year	(1,014)	0	(1,014)	(1,023)	0	(1,023)
Provision for liabilities	0	0	0	0	0	0
	23,364	**669**	**24,033**	**24,805**	**190**	**24,995**

21 Reconciliation of Net cash flow to movement in funds

	2025	2024
	£000	**£000**
Net incoming / (outgoing) resources	(962)	(192)
Depreciation charges	555	475
(Gain)/Loss on revaluation of investment property	101	142
(Gain)/Loss on sale of fixed assets	80	10
(Gain)/Loss on investments	(371)	(659)
Less Investment Income	(219)	(338)
Add investment management fee	52	42
(Increase)/ Decrease in stock	(13)	2
(Increase)/Decrease in debtors	151	412
Increase/(Decrease) in creditors	1	4
Increase/(Decrease) in provision	0	(72)
Net cash inflowing	**(625)**	**(174)**

22 Analysis of cash and cash equivalents

	Short term Deposit	Cash at bank and in hand	Total
	£000	**£000**	**£000**
Balance at 1 April 2024	0	1,532	1,532
Net cash movement	0	520	520
Balance at 31 March 2025	**0**	**2,052**	**2,052**
Balance at 1 April 2023	635	1,992	2,627
Net cash movement	(635)	(460)	(1,095)
Balance at 31 March 2024	**0**	**1,532**	**1,532**

23 Analysis in Changes of Net Debt

	At 1 April 2024 £000	Cash movements £000	At 31 March 2025 £000
Cash at bank	1,532	520	2,052

	At 1 April 2023	Cash movements	At 31 March 2024
Cash at bank	2,627	(1,095)	1,532

24 Pensions

	2025 £000	2024 £000
Defined Contribution Scheme	419	386
NHS Pension Scheme	301	305
Total Pension Costs (Note 10)	**720**	**692**

Defined Contribution Scheme

The charity and its subsidiaries operate a defined contribution scheme available to the majority of its permanent employees. Contributions are charged in the financial statements as they are incurred and there were no outstanding contributions as at the balance sheet date. Pension costs charged in the period were £419k (2024: £386k).

NHS Pension Scheme

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employees, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence, it is not possible for Demelza House Children's Hospice Ltd to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost is the contributions payable to the scheme for this accounting period.

Employers' pension contributions are charged to operating expenses as and when they become due. The total employer contribution payable by Demelza in 2024-25 was £301k (2024: £305k). In addition, employees who are members of the scheme pay contributions of 5.6% to 12.5% depending on their pensionable pay.

In accordance with FRS102, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the Scheme's balance sheet date by updating the results of the full actuarial valuation. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website.

25 Capital Commitments

At 31 March 2025, there were no contractual commitments for capital spend (2024: £0k).

26 Operating Leases

The following lease commitments for the next twelve months existed at 31 March 2025 in respect of non-cancellable operating leases:

	2025 Land and Buildings £000	2025 Other £000	2024 Land and Buildings £000	2024 Other £000
Up to one year	707	68	537	82
Between one and five years	1,526	119	1,199	140
Over five years	38	0	13	0
	2,271	**187**	**1,750**	**223**

27 Commitments by Lessors

Minimum lease receipts under non-cancellable operating leases to be received:

	2025 £000	2024 £000
Up to one year	2	29
Between one and five years	0	0
Over five years	0	0
	2	**29**

Related Party Transactions

Other than amounts shown in notes 8, 9, 11 and 17, there were no related party transactions.

28 Comparative Statement of Financial Activities for the year ended 31 March 2024

	Notes	Unrestricted Funds	Restricted Funds	Total 2024
		£000	£000	£000
Income				
Donations and legacies	2	6,786	277	7,063
Other trading activities	3	6,367	-	6,367
Income from Charitable Activities	4	1,603	1,874	3,477
Income from Investments	5	353	-	353
Total income		**15,109**	**2,151**	**17,260**
Expenditure				
Expenditure on Raising funds	6			
Generating donations and legacies		1,786	-	1,786
Fundraising events		367	-	367
Trading Expenditure		5,230	-	5,230
Investment management fees		42	-	42
Total Expenditure on Raising funds		**7,425**	**-**	**7,425**
Expenditure on Charitable activities	7			
Residential service		6,394	2,203	8,597
Community Service		1,573	374	1,947
Total Expenditure on Charitable activities		**7,967**	**2,577**	**10,544**
Total Expenditure		**15,392**	**2,577**	**17,969**
Deficit before investment gains/(losses)		**(283)**	**(426)**	**(709)**
Net Gains / Loss on investment	15	659	-	659
Loss on disposals of investment property		(142)	-	(142)
Net income / (expenditure)		**234**	**(426)**	**(192)**
Transfers between funds		-	-	-
Net movement in funds		**234**	**(426)**	**(192)**
Fund balances brought forward at 1st Apr 2023		24,571	616	25,187
Fund balances carried forward at 31st March 2024		**24,805**	**190**	**24,995**

Structure, governance and management

Organisational structure
The charity operates as a company limited by guarantee, under the terms of its memorandum and articles of association. Legal responsibility for the management and stewardship of the hospice is vested in the Board of Trustees.

Day-to-day operational decisions are delegated to a Senior Leadership Team. During the period covered by this report this consisted of a Chief Executive, Deputy Chief Executive (also leading on Fundraising, Marketing & Lottery), Director of Nursing and Care, Director of Trading, Director of People and Culture and Director of Finance & Resources (none of whom are directors within the meaning of the Companies Act).

Key management personnel are those individuals who have authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any director (whether executive or otherwise). The Remuneration Committee is responsible for setting the pay for these personnel, comparing to industry benchmarks as appropriate.

The Trustees, directors and management are shown on page 50 of this document.

The Trustees held four Board meetings during the year. The sub-committees also met regularly throughout the year, reporting respectively for matters concerned with clinical governance, safeguarding, fundraising & marketing, people & resources, investments and appraisal & remuneration.

The trading company (Demelza Trading Limited No. 03090528) is a wholly owned subsidiary incorporated in England and Wales and has a separate Board of Directors that reports to the Board of Trustees of the charity. The trading subsidiary runs the retail businesses, bubble rush (branding and equipment to run Bubble Rush events at other organisations) and a weekly lottery to support the objects of the charity.

The charity's subsidiary South East Medical Services Limited (SEMS No. 06042090), which built the Eltham hospice, had no turnover this year and is dormant.

The charity's subsidiary ACG Lettings Ltd (No 03031999) is a wholly owned subsidiary incorporated in England and Wales and has a separate Board of Directors which reports to the Board of Trustees of the charity. This trading subsidiary owns, maintains and lets residential property in East Kent.

Trustee induction and training
The Board of Trustees maintains a skills matrix of all Trustees to identify core competencies required. If any gaps in skills are identified the Trustees actively seek a suitable candidate to fill that role on the Board. Candidates are interviewed by suitable existing Trustees and the CEO, and if offered a position, they are then ratified at the next available Board meeting. All potential Trustees are offered the opportunity to have a tour of the hospice, to support with the overall recruitment process.

New Board members are then given an induction pack, including relevant Charity Commission and Companies House publications, statutory accounts and explanations of their duties and copies of previous board meeting minutes. They also attend an induction session with selected Trustees and members of the Senior Leadership Team.

All members of the Board are encouraged to attend appropriate internal and external training and events where these facilitate the undertaking of their role.

Clinical governance
Demelza has a comprehensive Clinical Governance Policy and appropriate procedures in place. Demelza will demonstrate accountability for, and ensure continuous improvement in, the quality of services for expectant mothers, babies, children and families and safeguard high standards of care by creating an environment in which excellence in clinical care will flourish.

The Clinical Governance Committee (which is a sub-committee of the Board):
- Analyses, benchmarks, evaluates, reviews and monitors all aspects of service delivery to ensure national minimum guidelines and evidence-based practice are met.
- Ensures that policies, procedures and training support our practice to best meet the needs of our service.
- Reviews, identifies, monitors and manages risk.

Key performance indicators
The Senior Leadership Team monitors a variety of key performance indicators (KPIs) to check achievement of strategic and operational objectives, reporting on them to Trustees. These KPIs monitor the amount and type of care provided, management of resources, and income generation.

Statement on public benefit
The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard for public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. In the interest of transparency, the Trustees make the following observations on the two key principles of public benefit.

Firstly, Demelza is clear on the beneficiaries of its work in this report and in its general communications. The beneficiaries are babies, children and young people with serious and life-limiting conditions and their families, and expectant mothers, within Kent, East Sussex and South East London. A referral process is in place with clear guidelines on criteria, with anyone being able to refer a child subject to appropriate consent, including families themselves. The Trustees have paid due regard to the latest demographic and other research and data on the number of actual and potential beneficiaries, and their needs.

Secondly, our business-planning and monitoring/reporting are structured around the benefits delivered to the beneficiaries through our work, including monitoring the impact we have had on their lives. This is reflected in the Trustees' report. The benefits are respite care, therapeutic services, and other related activities, with access to emergency and end of life care when required. This can be at either of the hospices or within the family home via the community care teams. Support services include family support, therapies and pre and post bereavement support for the child and their immediate family.

The monitored benefits include whether assessed needs within individual care plans have been met, and improvements (including increased social functioning, resilience, and emotional wellbeing) monitored through standardised tools. We also regularly consult with our beneficiaries, for example in surveys and representatives' forums, to gain information on our impact.

The Trustees review the activities of the charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to its aims.

The charity does not exclude or give priority on any basis other than medical and social need.
Any private benefits are incidental, with Trustees receiving no remuneration, and any personal or business involvement is listed under the related party transaction section.

Corporate Information

Demelza Hospice Care for Children
A company limited by guarantee Company No. 2948500
(Demelza Hospice Care for Children) Charity No. 1039651
Registered office: Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ
www.demelza.org.uk Telephone: 01795 845200

Subsidiary companies:
Demelza Trading Limited - Company No. 03090528. A private limited company.
ACG Lettings Ltd - Company No. 03031999. A private limited company.

Trustee board
Chair - Sean Reynolds

Trustees
Robert Alexander - retired March 2024
Darren Anstee - retired November 2024
Pedro Avery
Pippa Barber - retired November 2024
Richard Douglas
Richard Finn
Paul Hewish
George Hunter
Debbie Kemp - retired January 2024
Yvonne Parks
Charlotte Parry-Jones
Alex Parry-Jones
Nicola Porter (Tyers)
Natasha Smith
Paul Smith
Aishah Sameem – appointed July 2024
Karl Holliman – appointed July 2024
Paula Wilkins – appointed July 2024
Susan Tether – appointed July 2024
John Simpson – appointed January 2025
Jenneh Tarawally – appointed March 2025
Richard Patey – appointed March 2025
Heather Lucas – appointed March 2025

Associate Trustees
Rory Burns – appointed July 2024
Lucille Harvey – appointed February 2025

Founder president
Derek Phillips – deceased July 2024

President
Richard Oldfield OBE DL

Vice Presidents
The Most Reverent and Right Honourable Justin Welby,
Archbishop of Canterbury – resigned January 2025
Adam Phillips – appointed December 2024
Sir Martyn Lewis CBE
Lady Kingsdown OBE
Paul Auston DL
Turrloo Parrett
Fiona Sunley
Des Crampton DL
James Kelly
Sarah Kemsley
Rhiannedd Brooke - resigned October 2024

Celebrity Ambassadors
Daniel Radcliffe
Sally Lindsay
The late Len Goodman
Dave Berry
Jayne Torvill OBE
Cheryl Baker
Robin Cousins MBE
Anna-Jane Casey

Company Secretary
Charlotte Chamberlain

Chief Executive Officer
Lavinia Jarrett

Deputy Chief Executive Officer
(Director of Fundraising, Marketing and Lottery)
Hayley Richardson

Director of Finance and Resources
Charlotte Chamberlain

Director of Clinical Services
Katie Stevens

Director of People and Culture
Hayley Clark

Director of Retail
Ashley Henson

Director of IT, Data and Governance
Claire Ellis-Waghorn

Auditors
Saffery LLP
71 Queen Victoria Street,
London,
EC4V 4BE

Bankers
National Westminster Bank Plc
2nd Floor County Gate,
Stacey's Street, Maidstone, Kent
ME14 1ST

Principal Solicitor
Mayo Wynne Baxter Solicitors
3 Bell Lane, Lewes, East Sussex
BN7 1JU


FIRE
EXIT

demelza

extraordinary care for extraordinary children

@demelzacharity

info@demelza.org.uk

Demelza Kent
(Registered Office)
Rook Lane, Bobbing,
Sittingbourne, Kent,
ME9 8DZ
T: 01795 845200

Demelza
South East London
5 Wensley Close,
Eltham, London,
SE9 5AB
T: 020 8859 9800

Demelza
East Sussex
150a Bexhill Road,
St Leonards-on-Sea,
East Sussex, TN38 8BL
T: 01323 446461

Find out more at:

demelza.org.uk

Registered Charity No. 1039651

The Queen's Award for Voluntary Service

FUNDRAISING REGULATOR

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DEMELZA HOSPICE CARE FOR CHILDREN

England & Wales - Charity number 1039651

Accounts



demelza

Demelza Hospice Care for Children

Annual report and financial statements

for the period ended 31 March 2024

Registered Charity Number 1039651 Company Number 02948500

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Introduction from our CEO

It is with great pride and achievement that I look back on the last year. In the face of significant ongoing challenges, common to many hospices and charities, we have made enormous progress on some of the key objectives we published in our five-year strategy in 2022.

As I reflect on 25 years at Demelza, I am happy to share notable successes, while maintaining a sense of perspective about what lies ahead.

Returning to pre-COVID levels of fundraising, in what continues to be difficult economic times, is an outstanding achievement. The fact we've managed this at the same time as increasing by 40% the number of families we care for, demonstrates the constant pressure to redouble our fundraising efforts.

An important factor in our fundraising success has been the continuing courage and generosity of Demelza families to share their stories. I have the real privilege, at every board meeting, of hearing a story with the trustees. Whether it demonstrates the quality of our care, the impact on a family or our colleagues or indeed an ongoing challenge, it's these real life, relatable accounts that inspire us all to do more. The board continues to be an invaluable source of support for me and the rest of the senior team here at Demelza and Sean Reynolds CB CBE DFC, who joined as chair last year, has been an integral part of this positive working relationship.

Improved stewardship of donors, both large and small, has been a further contributor to increased income generation. And hearing and implementing feedback direct from our children, young people and their families has ensured we make the best-informed decisions we can.

Over the next 12 months we will continue our efforts to secure the funding we believe we should from the four Integrated Care Boards who are responsible for providing palliative and end of life care services.

After seven years' hard work, and with the huge generosity of many donors, we were delighted to be able to open Hill Farm, a new multi-purpose state of the art facility, incorporating accommodation, suitable for both young people and nurses, as well as an events space and large car park, directly opposite our Kent site.

On the subject of nurses, after many years struggling to keep pace with the required levels of recruitment, I am optimistic for our new campaign and career development pathway.

A further cause for optimism is the continued positive response to our rebrand, especially evident in the fresh, bold look of our shops which now really stand out on the high street and speak to consumers.

All that remains is for me to express my heartfelt thanks to everyone who has played a part in the progress we have made in the last year, and who I am quite sure are as committed as I am to confront head-on the continuing challenges: the families who access our services, our colleagues, volunteers, donors, trustees and supporters.



Lavinia Jarrett
CEO



We are Demelza

Demelza delivers extraordinary care to extraordinary children who are facing serious or life-limiting conditions, throughout Kent, South East London and East Sussex.

Demelza is here to support them and their families at every step – from first diagnosis and for as long as we're needed. Demelza is here with care that doesn't back down.

By their side when they feel isolated, helping to create the joy in family life and making precious memories during challenging times.

We support families when and where we're needed most: at our three core sites, in their homes, in local communities and online. With two residential hospices in Kent and South East London and a community hub in East Sussex, we go beyond providing outstanding care and emotional support.

We help children explore their creativity, have fun and make memories. Our support is as unique as every child and family and personalised to adapt around their specific circumstances: from creative therapies and short breaks to practical and emotional support for families and siblings, alongside expert clinical and end of life care. Our specialist teams are on hand day and night, all year round.

Vision

To see a world where children and young people with serious or life-limiting conditions, and their families, have access to personalised, expert care enabling them to live the best lives they can.

Mission

To deliver care that doesn't back down to children and young people with serious or life-limiting conditions, and their families, across Kent, South East London and East Sussex – from first diagnosis and for as long as we're needed.

Our Values

Fiercely committed to quality

The families and children we help, and our supporters, deserve nothing but excellence.

Each one of us has a vital role to play in providing unique care and support, and we always strive to deliver outstanding service. By working together, we can give even more families a chance to enjoy their time making precious memories. We recognise everyone brings a different perspective and we celebrate all forms of diversity.

Passion Performance and Pride

Passion, performance and pride – it's how we get the best from each other and deliver exceptional care and support.

We love what we do. It's the most rewarding job in the world. We feel privileged to care and support children and their families. We are proud to be part of an inclusive team demelza.

Human is our nature

We see every person as a unique individual. We give every child and family member a service that suits their individual needs.

We're all human beings, and through empathy and understanding, we can provide essential care as unique as the person who receives it. All our differences are respected and valued which makes us stronger. We value and respect everyone who is part of our story.

Always honest, always authentic

We are clear, open, and honest because we value everyone and their unique insight.

We always look for the best solution. We exist to give outstanding care and support to children and their families.

Innovate, develop & improve

Each member of team demelza is driven to do better.

Through evidence, insight and experience, we strive to develop and improve to give children and families outstanding care and support. We always look for ways to transform change into opportunity and growth. We actively seek and welcome representation from all diverse and minority groups.



Our achievements and performance

Over the last year we have experienced success across a wide range of facets, from fundraising to recruitment and facilities to new services. Despite the economic headwinds most evident in the cost-of-living crisis, we have succeeded in returning to pre-COVID levels of fundraising income.

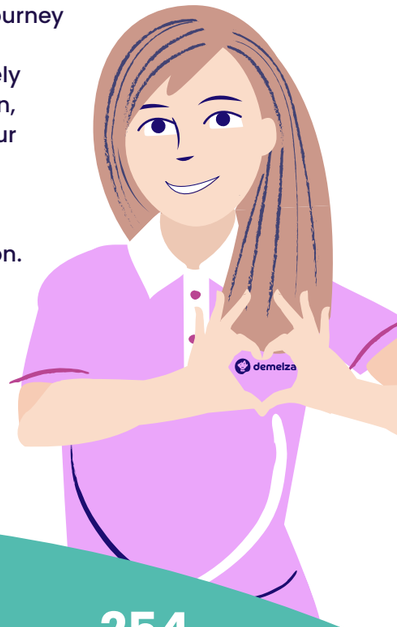
With ever increasing need, we need every penny of that income – most evidently when you consider we have increased by 40% the number of young people and families that we are supporting. This increased reach is in part down to the in-reach projects we have now firmly established, which mean we now have a fully operational neonatal pathway enabling us to support more babies and families and at an earlier stage.

To provide more care to more young people, you need more nurses. Two successful nurse recruitment campaigns over the last 12 months have helped us to meet this increased need, but the nurse recruitment landscape remains a challenge across the board.

Nursing care is only one part of the support we provide to children and their families. Providing joy and helping families make memories is also integral to what we do at Demelza and the introduction of a new seasonal programme of events is helping us do just that. This includes art therapy groups, music experience days for siblings, Black History month, Dads Day out, choir, online events for different ages and groups and 18-24 activity days.

That age group, the young adults have also been one of the main beneficiaries of our newly opened multi-purpose facility opposite Demelza Kent – Hill Farm.

As we continue our journey to ensuring Demelza operates as an entirely inclusive organisation, for colleagues and our families, we were heartened to receive Silver Investors in Diversity accreditation.



705
We supported **705** children with serious or life limiting conditions and their families

216
We welcomed **216** new families onto our caseload

492
The Hydro pool was used **492** times

254
We provided **254** day care sessions

533
We provided **533** overnight short breaks

3,489
We provided **3,489** short break sessions within our community

59
We provided **59** siblings with support, activities and events

1,604
Family events attended by **1,604** children and family members

2,797
We provided **2,797** volunteer driving hours, including taking families to hospital appointments

454
We provided **454** counselling sessions to 54 children and family members

114
We provided **114** specialist clinical end of life, step down and symptom management sessions

Strategic report

Trustees report

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Demelza Hospice Care for Children (the company) for 12 months ending on 31 March 2024. The annual report includes both Trustees' report for the purposes of charity law, and the directors' report and strategic report for the purposes of company law. This report includes pages 1-21 and pages 48-51.

The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of company's governing document and the provisions of the Statement of Recommended Practice (SORP) Account and Reporting by Charities, FRS102 and SORP 2015.

Charitable Objects

The memorandum and articles of association sets out the main charitable object:

The charity's objects (Objects) are to promote the relief of illness and suffering in such ways as the charity shall from time to time think fit, and in particular in the counties of Kent, East Sussex, part of Surrey and South London, and in particular (but without prejudice to the generality whether geographical or otherwise of such object):

(1) by establishing, maintaining and conducting residential nursing and convalescent homes for the reception and care of young persons of either sex, and whether or not a member of the charity (without regard to race or creed) who are suffering from any chronic or terminal illness, or from any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or of one sex only or (whether or not so restricted as aforesaid) to patients suffering from any particular type or types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families in their own homes;

(2) by conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as previously mentioned and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research;

(3) by promoting or encouraging or assisting in the teaching or training of doctors, nurses, physiotherapists, administrators, social workers and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services;

(4) by providing or assisting or encouraging the provision of spiritual help and guidance for any person's resident (either as patients or as families of such persons or otherwise) or associated in any way with any such home or homes as aforesaid.



Fundraising and Lottery

We continue to work in a challenging economic climate, which has affected our fundraising income. Including legacies, gross income was £6,209k – this is £92k behind budget but £287k ahead of our net budget and now back at pre-COVID-19 levels.

Regional and corporate fundraising, legacies and philanthropy all overperformed against budget whilst events, special events, individual giving and trusts fell behind.

Philanthropy had an exceptional year with an income of £676k which was £234k ahead of target and £314k ahead of the prior year.

Despite the challenges we will continue to face into the coming year, the fundraising team remains agile with multiple income streams to ensure we can continue to grow income to support our strategic objectives.

Lottery continued with consistent income during the 2023 calendar year. Lottery income was £1,848k and represents 61% of the total proceeds after the deduction of prizes and expenses.

Compliance with fundraising regulations

The charity undertakes fundraising activity via the support of volunteers' fundraising in the community, applying to and partnering with companies and grant-giving trusts, direct mailings and appeals, and organising of events. Our fundraising activities are carried out in line with the Fundraising Code of Practice set by the fundraising regulator. Our fundraising promise is available on our website.

Charity supporters registered on the telephone preference service would only be called with an appeal if they have agreed to receive such calls. Callers are thoroughly trained and updated on the charity's work and calls are regularly monitored. Demelza received 13 complaints (2023: 13) about fundraising activity in the reporting period. They are mainly in response to delays in thanking, which has been rectified with extra capacity being introduced in the Supporter Services team, and a short-term issue with World Pay, which was resolved a soon as we knew there was a problem.

Section 172 (1) statement

The Trustees and directors of Demelza Hospice Care for Children have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its beneficiaries, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision-making at board level and throughout the group. Issues, factors and stakeholders which the directors have considered when discharging their duty under section 172(1) are detailed on pages 3 to 14 and 41 to 43 and throughout this Annual Report.

Our vision and mission statement are set out on page 3 of this report. Our achievements, performance and future plans are described in the strategic report, (pages 4 to 8) as are the risks facing our organisation and the mitigating actions we plan to take. Our environmental performance, and information about our engagement with employees is also included in this strategic report. The section on structure, governance and management (pages 48 to 50) contains information about the governance of the organisation.

S172(1) (b) 'The interests of the company's employees'

Employee Relations

The Board recognises that Demelza employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are in the world.

The annual staff survey is one of the Board's principal tools to measure employee engagement, motivation and commitment to Demelza. It enables the Board to understand how we are learning from survey findings to strengthen Demelza's culture and values, and informs decision-making, from pay and benefits to health, safety and wellbeing.

Disabled Employees – We are committed to equality, diversity and inclusion in the recruitment, training, promotion and career development of people living with a disability. Demelza aims to ensure that people with disabilities are givenequal opportunity to obtain employment. In doing so, we will fully consider making reasonable adjustments to working practices, equipment and premises to ensure that a person living with a disability is not put at a substantial disadvantage due to their disability. Should staff become disabled in the course of their employment, every effort will be made through reasonable adjustment, retraining or redeployment to enable them to remain in employment.

If a staff member or a candidate feels that they have been unfairly discriminated against, they may raise a complaint under Demelza's Complaints Policy.

S172(1) (c) 'The need to foster the company's business relationships with suppliers, customers and others'

Demelza's key business relationships are with: The NHS and other healthcare partners; our suppliers; and our donors and supporters. This is not an exhaustive list: other key stakeholders include HMRC and the Charity Commission. To deliver our mission and strategy, we need to work with others. We are committed to prompt payment of invoices within agreed payment terms. The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on page 18.

S172(1) (d) 'The impact of the company's operations on the community and the environment'

We are committed to reducing our carbon footprint by 2030 and once we have our carbon footprint data for 202-24 we can create the strategy to reduce emissions over the next six years. We continue to aim for carbon neutrality by 2025 in line with government targets.

S172(1) (e) 'The desirability of the company maintaining a reputation for high standards of business conduct'

It is crucial that Demelza maintains its reputation for high standards of conduct. We remain committed to financial and risk management, compliance, safeguarding and good governance. We are committed to a focus on the charity's impact.

S172(1) (f) 'The need to act fairly as between members of the company'

It's not relevant to Demelza's organisational structure, as the charity is run in the interests of its charitable objects and its beneficiaries rather than in the interests of its members.

Diversity and Inclusion

EDI (FREDIE – Fairness, Respect, Equality, Diversity, Inclusion, Engagement)

We continually strive to improve our approach to equality, diversity, and inclusion at Demelza.

The FREDIE and Wellbeing Steering Group guide and lead Demelza with Diversity, Equality and Inclusion and support initiatives to ensure that Demelza creates an inclusive and engaged culture. This is to ensure that:

- **All people feel welcome and comfortable when receiving care or support from Demelza or when working or volunteering as a member of the Demelza Team**
- **We have a diverse staff and volunteer workforce that benefits from the innovation and richness that diversity brings**
- **We are playing our part in making a fairer society by tackling prejudice and privilege**

FREDIE is recognised within the 'Investors in Diversity' as a way of implementing and embedding change and buy-in from employees and volunteers to create a natural environment for an inclusive culture to flourish. To create an inclusive culture, you must build on the solid values of FREDIE.

- **Fairness: Being reasonable, right and just**
- **Respect: Having due regard for the feelings and wishes of others**
- **Equality: Where every person has equal rights and every person has a fair chance**
- **Diversity: Diverse means different, so diversity includes us all. The concept of diversity encompasses understanding, acceptance and respect**
- **Inclusion: Where every person feels respected, valued and that they fit in with the organisational culture**
- **Engagement: Two-way commitment and communication between an organisation and its employees, volunteers and service users**

The last year has witnessed considerable progress on our long-term work to create an inclusive workplace and in recognition of that we were awarded the Silver Investors in Diversity Accreditation. Among the many successes in 2023/24 were:

- **Monthly meetings of the FREDIE and Wellbeing Steering group**
- **Introduction of Curious Conversations – a safe place for employees to explore and discuss FREDIE topics**
- **Launch of FREDIE and Wellbeing information and resource hubs on the Demelza intranet**
- **Revision of Demelza's values and behaviours to reflect FREDIE**
- **Translation of our Guide to Services into Punjabi and Somali**
- **Appointment of one our Trustees as EDI lead**
- **Introduction of a diversity calendar of celebrations using the nine protected characteristics**
- **Installation of hearing loops**
- **Introduction of pronoun badges for staff and visitors**
- **Provision of several EDI training programmes: *It's about race, Understanding LGBTQ+ and young people, Equality Impact Assessments***

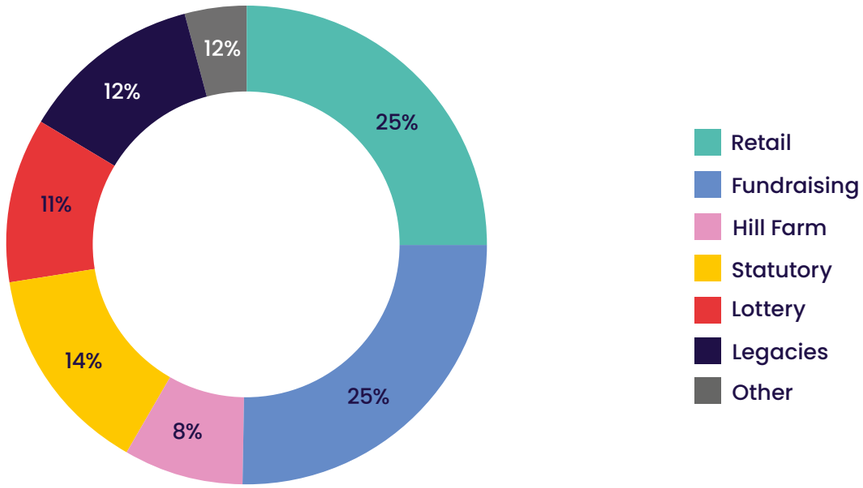


Financial review

Income

Income in 2023-24 continued to grow, with a total operational income of £15,880k (2023: £14,480k). All of our main income streams grew and we would like to thank our donors, shoppers and lottery players for their generosity and continued support.

The reported income figures on the accounts also include the donation of Hill Farm, our new purpose-built facility on the Kent site. This asset has been capitalised at a value of £1,379k and is being depreciated accordingly. However, the accounts must show corresponding income as a gift in kind. Resulting in a final income figure of £17,260k as shown in the SOFA on page 25.



Donations totalled £3,522k in the year ending 31 March 2024 (2023: £3,113k). Fundraising income was particularly strong from Philanthropists and Corporate Partners.

Legacy income was £2,150k (2023: £1,817k).

Retail income was £4,369k (2023: £4,034k). New shops in Earl Street (Maidstone) and Orpington opened during the year and the Orpington shop took unprecedented levels of income during the first week of opening, with queues outside the door. During March 2024, the distribution centre and warehouse shop in Maidstone closed due to the site being sold by the owners for redevelopment and a new location is being prepared for opening Autum 2024.

Lottery income was steady at £1,848k (2023: £1817k).

Fundraising events raised £526k (2023: £735k). Additional events organised specifically for philanthropic and corporate donors led to further income of £308k (This is included in Donations).

Statutory funding from NHS England, CCGs and Local Authorities were £2,423k (2023: £1,992k). There was an increase in the NHS England Annual Children's Hospice Grant to £1,668k (2023: £1,398k) while funding from ICSs, CCGs and Local Authorities grew to £755k (2023: £593k).

Grants from charitable trusts and foundations totalled £315k (2023: £397k).

Expenditure

Expenditure was £17,969k in 2023-24 (2023: £16,151k). This increase mainly represents increased staffing costs throughout the organisation, from growth to enable us to carry out the work laid out in our five-year strategy and in response to high inflation and the cost-of-living crisis. Demelza pays the real living wage as a minimum across the organisation and in 2023-24 this represented an increase to our lowest paid staff of 8.2% from 2022-23.

The cost of providing care was £10,544k (2023: £9,362k), an increase of 13%. Recruitment into nursing vacancies, particularly in South East London, continues to be a challenge and teams at both the Kent and the South East London sites were under-established during the year.

The cost of generating funds was £7,425k (2023: £6,789k), an increase of 9%. Fundraising costs were £2,153k (2023: £2,109k). Retail expenditure increased to £4,241k (2023: £3,806k) reflecting the opening of two shops and inflation on costs incurred across retail including salaries. Lottery costs increased marginally to £746k (2023: £666k) this is mainly due to the increased costs of lottery canvassers and the charges levied for space at events and venues. The cost of maintaining and letting the properties owned by the subsidiary, ACG Lettings Ltd, increased to £186k (2023: £125k) due to increased maintenance and repair costs.

Reserves

Our reserves policy states that to ensure the sustainability of our service for those who need it most, we hold between 6.5 and 10.5 months of running costs in free reserves.

On 31 March 2024 we held 6.99 months (or £10,839k) of free reserves (2023: 7.57 months or £10,183k).

The increase in free reserves between March 2023 and March 2024 was £656k. The main factors in the movement of the free reserves were:

1. The operational deficit was £577k better than planned.

2. The gain on investments of £659k and reductions in the value of investment property portfolio of £27k are included in the unrestricted reserves total.

3. £1,200k of unrestricted expenditure was made in 23-24 from the Care and Resources Strategy Fund. This was the continuation of expenditure on new elements of Care and Resources implemented first year of the strategy.

4. £359k of unrestricted expenditure was made from the Digital Transformation Fund. On 31st March 2024 the balance of funds in this fund (£549k) were de-designated. This was approved by the Resources Committee in acknowledgment that Digital Transformation must be embedded as business as usual to keep pace with advances in digital technology and improve our business processes.

Risks

Principal Strategic Risks and Mitigations

The senior leadership team and Trustees regularly review organisational risks and how to negate or mitigate them as much as possible. The Trustees have assessed that the main strategic risks have been:

Strategic Risk	Actioned Mitigations	Further Planned Mitigations
Number of appropriately skilled employees and volunteers	• Review of services at Demelza South East London in response to nursing shortage, to safeguard services for end of life and urgent care and wellbeing of employees • Salaries to be aligned to the sector benchmark, where possible • New recruitment software application introduced to encourage applications and enable data analytics • New nurse campaign to recruit nurses to Demelza, fully utilising new branding • Workforce Strategy will offer career opportunities to increase number of employed nurses by 10% • Retention strategy to develop voice of the employee to include wellbeing plan and enhanced internal communications • Enhanced engagement, support and training of volunteers	• Implementation of new DBS management solution • Project to review Demelza's service model and identify clinical pathways for access to services.
Statutory Funding for Children's Hospices	• Proactive engagement with local MPs to lobby Government for sustainable funding • Lobby ICBs to ring-fence children's hospice grant for 24/25, the final year • Engagement with local Integrated Care Boards to secure sustainable funding and raise awareness of responsibilities to children's hospices • House of Commons event to showcase work of Demelza and engage with key individuals	• Continued engagement with local MPs and Integrated Care Boards to strengthen relationships and understanding around children's hospices and statutory obligations to provide services • Continued collaborative working on national messages with Together for Short Lives and Hospice UK. • Continue communication with different stakeholder groups about long term sustainable funding needs

Strategic Risk	Actioned Mitigations	Further Planned Mitigations
Statutory Funding for Children's Hospices (continued)	• Working in collaboration with Hospice UK and Together for Short Lives to lobby the government for increased funding for hospices	
Inflation and Cost of Living Crisis Including income downturn	• Increase in applications for statutory funding for services • Plans to campaign local MPs to raise awareness of Demelza's services • Detailed financial scenario planning and three-year budget projections • Cost of living pay award of a minimum of 3% in April 24 to all employees, in line with NHS	• Statutory funding strategy to be developed • Strategic scenario planning for any necessary reduction in services, should ICBs not be able to offer a sustainable financial contribution
Information Governance, including Cyber Security	• Renewed Cyber Essentials Accreditation planned • Working with independent virtual data protection officer for routine expert advice • Cyber security an inherent strand of all digital transformation projects • Cyber Essentials Certification gained	• Cyber Essentials Plus Accreditation • Ongoing review of data retention and reduction of records stored • New supplier identified to undertake network
Fire safety at Kent Hospice reviewed and brought up to required standards	• Full audit of Kent Hospice site completed, in collaboration with Kent Fire and Rescue, with action plan identified • Ongoing programme of works to assure future compliance • Business continuity simulation completed	• Development of business continuity policy and plan • Future proofing of building for changes of use penetration testing to ensure resiliency of IT infrastructure

Investments

Brewin Dolphin acted as Demelza's investment managers throughout the year. Our primary aim from investment is to achieve sustainable capital growth within a balanced risk environment. Ultimately these funds will form our free reserves and provide a safety net to ensure the continued provision of the Charity's core services. The primary objective is to generate a total return of 2% above the rate of inflation as measured by CPI on a 5-year rolling basis.

As set out in the financial notes on page 39; we held £11,740k at the start of the year. Dividends of £338k were received during the year and withdrawals of £1.4m were made. There was an unrealised gain of £659k in the year and the fees charged by our investment manager were £42k. The value of investments at the end of the year was £11,294k.

Political and charity donations

Demelza is a registered charity and the whole of its payments are applied to charitable purposes as detailed in the accounts. No specific contributions to other charities were made in the period nor were any political contributions made.

SECR

Greenhouse Gas emissions and energy consumption

Energy and Carbon Calculation

		2023/24		
Type of emission	**Activity**	**kWh**	**tCO2e**	**% of total**
Scope 1	Natural Gas	693,165	126.80	36.57%
	Vehicle fleet	246,042	58.15	16.77%
	Sub-total	**939,207**	**184.95**	**53.34%**
Scope 2	Electricity	626,407	129.71	37.41%
	Electricity Generation	73,051		
	Sub-total	**626,407**	**129.71**	**37.41%**
Scope 3	Grey fleet	132,101	32.05	9.24%
	Sub-total	**132,101**	**32.05**	**9.24%**
Total gross consumption and emissions		**1,697,715**	**346.71**	**100.00%**
Metric used:				
£m turnover			15.898	
Intensity ratio:				
tonnes of CO2e per £m turnover			21.81	

Intensity ratio

It was decided to use total £m turnover as our metric. The resulting intensity ratio of tCO2e per total £m turnover will best reflect changes in operation and energy consumption over time.

Energy and Carbon Year on Year Comparison

		2023/2024		2022/2023	
Type of emission	**Activity**	**kWh**	**tCO2e**	**kWh**	**tCO2e**
Scope 1	Natural Gas	693,165	126.80	706,393	129.22
	Vehicle fleet	246,042	58.15	254,592	60.33
	Sub-total	**939,207**	**184.95**	**960,985**	**189.55**
Scope 2	Electricity	626,407	129.71	687,598	142.38
	Electricity Generation	73,051		57,299 (E)	
	Sub-total	**626,407**	**129.71**	**687,598**	**142.38**
Scope 3	Grey fleet	132,101	32.05	132,717	32.20
	Sub-total	**132,101**	**32.05**	**132,717**	**32.20**
Total gross consumption and emissions		**1,697,715**	**346.71**	**1,781,300**	**364.1**
Metric used:					
£m Turnover			15.898		14.485
Intensity ratio:					
tonnes of CO2e per £m turnover			21.81		25.1

Efficiency narrative

We have a policy of recording and reviewing all energy use and investigating unexplained anomalies.

We have completed initiatives within our premises to limit lighting use by PIRs and use of LED fittings.

The electric charging point is in regular use. The Energy Savings Opportunity Scheme (ESOS) is well advanced and will be submitted in August 2024 in line with the revised Government timescales. The ESOS report and our work on our Carbon Footprint and Carbon Reduction plan will provide our next steps in reducing energy use.

Quantification and Reporting Methodology

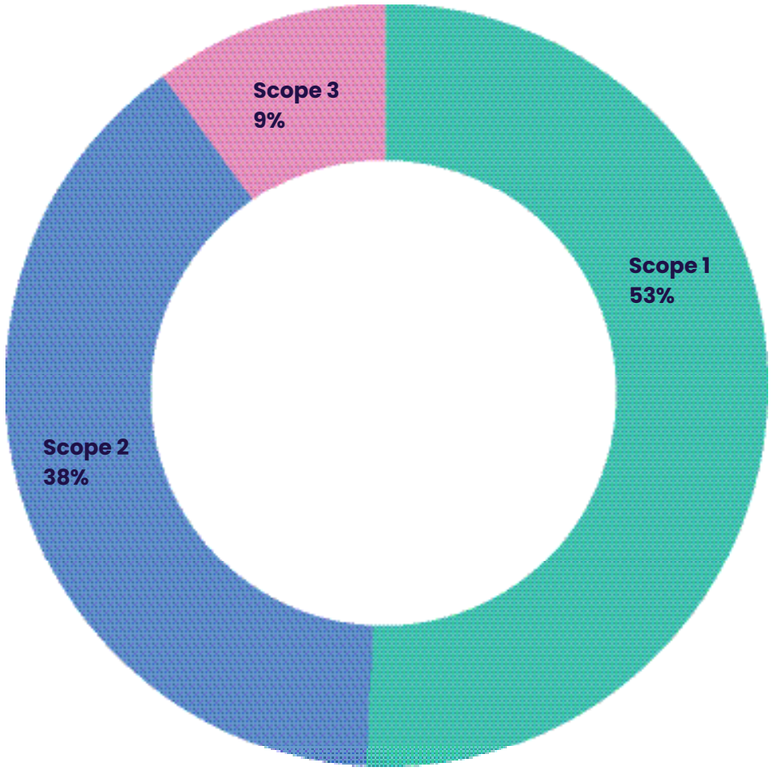
The methodology we have used is The GHG Protocol Corporate Accounting and Reporting Standard.

We have followed the 2013 UK Government Environmental Reporting Guidelines (updated March 2019).

We have used the 2023 UK Government's Conversion Factors for Company Reporting. The energy efficiency narrative methodology is based on energy management best practice.

Organisational boundary
We have used the financial control approach.

Scope	Emissions (tCO2e)	% contribution to SECR
1	184.95	53.34
2	129.71	37.41
3	32.05	9.24
Total	**346.71**	**100.00**



Statement of Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each fiscal year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement of Recommended Practice (FRS102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor
The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.
This report, incorporating the Strategic Report, was approved by the Trustees, in their capacity as Company Directors, on 3 October 2024 and signed on its behalf by



Air Marshal Sean Reynolds CB CBE DFC, Chair of TrusteesTrustees

Independent auditors report

Opinion

We have audited the financial statements of Demelza Hospice Care for Children (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, group balance sheet, charity balance sheet, consolidated cash flow statement and notes to the financial statements, including 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 affairs of the group and the parent charitable company as of 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees 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.

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 during 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the trustees (who are also the directors of the parent charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these can detect irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with management and trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Further the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements,

through significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be those issued by the Care Quality Commission covering health care services and those issued by the Gambling Commission covering requirements for running a lottery.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected, or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws, regulations, and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the parent charitable 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 parent charitable 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date 3 October 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial Statements

Consolidated Statement of Financial Activities for the year ended 31 March 2024

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Income					
Donations and legacies	2	6,786	277	7,063	4,930
Trading activities	3	6,367	0	6,367	5,983
Income from Charitable Activities	4	1,603	1,874	3,477	3,211
Income from Investments	5	353	0	353	354
Government COVID Support	6	0	0	0	8
Total income		**15,109**	**2,151**	**17,260**	**14,486**
Expenditure					
Expenditure on Raising funds	7				
Generating donations and legacies		1,786	0	1,786	1,556
Fundraising events		367	0	367	553
Trading expenditure		5,230	0	5,230	4,640
Investment management fees		42	0	42	41
Total Expenditure on Raising funds		**7,425**	**0**	**7,425**	**6,790**
Expenditure on Charitable activities	8				
Residential service		6,394	2,203	8,597	7,034
Community Service		1,573	374	1,947	2,327
Total Expenditure on Charitable activities		**7,967**	**2,577**	**10,544**	**9,361**
Total Expenditure		**15,392**	**2,577**	**17,969**	**16,151**
Deficit before investment gains/(losses)		**(283)**	**(426)**	**(709)**	**(1,665)**
Net Gains / (Loss) on investment	16	659	-	659	(827)
Gains / (Loss) on Property Revaluation		(142)	-	(142)	287
Net income / (expenditure)		**234**	**(426)**	**(192)**	**(2,205)**
Transfers between funds		-	-	-	-
Net movement in funds		**234**	**(426)**	**(192)**	**(2,205)**
Fund balances brought forward at 1st April		24,571	616	25,187	27,392
Fund balances carried forward at 31st March		**24,805**	**190**	**24,995**	**25,187**

All the activities of the Group and the Charity are continuing. There are no other recognised gains or losses. Full comparative figures for the period ended 31st March 2023 are shown in note 31. The notes on pages 28-47 form part of these financial statements.

Demelza Hospice Care for Children
Balance Sheet at 31 March 2024

Company No: 948500

	Note	Group 2024 £000	Group 2023 £000	Charity 2024 £000	Charity 2023 £000
Fixed Assets					
Tangible assets	13	8,700	6,854	8,638	6,778
Intangible assets	14	87	102	60	69
Investment property	15	3,353	3,494	0	0
Investments	15	11,294	11,740	14,757	15,375
		23,434	**22,190**	**23,455**	**22,222**
Current Assets					
Stock		34	36	0	0
Debtors	18	1,379	1,791	1,633	1,996
Cash at bank and in hand		1,532	2,627	930	2,164
		2,945	**4,454**	**2,563**	**4,160**
Creditors: Amounts falling due within one year	19	(1,384)	(1,385)	(1,023)	(1,123)
Net Current Assets		**1,561**	**3,069**	**1,540**	**3,037**
Total assets less current liabilities		**24,995**	**25,259**	**24,995**	**25,259**
Provisions for Liabilities		0	(72)	0	(72)
Net Assets		**24,995**	**25,187**	**24,995**	**25,187**
Funds	21				
Restricted Funds		190	616	190	616
Unrestricted funds					
General		10,959	10,183	10,959	10,183
Designated		13,846	14,388	13,846	14,388
Total Funds		**24,995**	**25,187**	**24,995**	**25,187**

The financial statements were approved by the Board of Trustees and authorised for issue on 3rd October 2024 and signed on its behalf by:

S. K. P. Reynolds

Sean Reynolds
Chair

Richard Douglas
Treasurer

As permitted by section 408 of the Companies Act 2006 no separate Statement of Financial Activities for the charity alone has been presented. The deficit for the charity only on the period is £192k (2023: £2.205m)

Consolidated Cash Flow Statement for the Year Ended 31 March 2024

	Note	2024 £000	2023 £000
Net Cash Inflow from Resources	23	**(174)**	**(2,216)**
Cashflows from Investing activities			
Purchase of property, plant and machinery		(938)	(235)
Proceeds from the Sale of Fixed Assets		17	
Purchase of intangible fixed assets		0	(8)
Purchase of investments in the year		0	0
Proceeds from sale of investment properties		0	0
Net cash provided by (used in) financing activities		**(921)**	**(243)**
Change in cash and cash equivalents in the reporting period	24	**(1,095)**	**(2,459)**
Cash and cash equivalents at 1st April 2023		2,627	5,086
Cash and cash equivalents at 31st March 2024		**1,532**	**2,627**

Notes to the financial statements
For the Period ended 31 March 2024

Note 1. Accounting Policies

Statement of compliance
The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102 second edition)) and the Financial Reporting Standard applicable in the United Kingdom and republic of Ireland (FRS 102) and the Charities Act 2011. Demelza Hospice Care for Children meets the definition of a public benefit entity under FRS 102. The functional currency is £ Sterling.

General information
The Charity is a company limited by guarantee, incorporated in England and Wales (company number 2948500) and a charity registered in England and Wales (charity number: 1039651). The Charity's registered office address is: Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ.

Basis of consolidation
These financial statements consolidate the results, assets and liabilities of the charity's trading subsidiary Demelza Trading Ltd (company number: 03090528) and ACG Lettings Ltd (company number: 03031999 on a line-by-line basis.

Going concern
The trustees have reviewed Demelza Hospice Care for Children's financial position, considering the impact of future activities, and concluded that it is appropriate to produce the accounts on a going concern basis for the 12 months from the date the accounts are signed.

A summary of the accounting policies, which have been consistently applied, is set out below.

Significant judgements and estimates
The key sources of uncertainty in our estimations that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- residuary legacies – the charity recognises residuary legacies once probate has been granted, which therefore requires an estimation of the amount receivable.

Accounting for income
Income received by way of donations, collecting boxes or from functions, shops or flag days is not recorded in the financial statements until the cash, or document of title to the investment or property is received at headquarters. Legacy income is recognised in the SOFA when receipt is probable, amounts receivable can be measured with sufficient reliability and the charity is entitled to the income.

No account is taken of monies or other assets in the hands of outside or voluntary helpers until such monies are banked or other assets are remitted to headquarters. Contracted fees receivable and grants invoiced to local authorities, as well as investment income and accrued tax recoverable, are accrued. Other grants from central government and local authorities are recorded in the financial statements when they are receivable.

Contracted fee income specifically received in advance of expenditure in the next financial year is deferred in the balance sheet.

The value of investments and property bequeathed or donated to Demelza Hospice Care for Children is taken to be market value on the date when the documents of title are received.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Central overhead costs are allocated to operational and fundraising functions on the basis of their use of central support services.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of the charitable activities.

Note 1. Accounting Policies (continued)

Support costs, which include central or regional functions such as general management, budgeting and accounting, payroll administration, human resources, information technology, facilities and estates, are allocated across charitable and fundraising activities under the following categories, financial management, people and organisational development, information systems, facilities and estates.

Where information about the aims, objectives and projects of the Charity is provided in the content of fundraising material in an educational manner in the furtherance of the Charity's objectives, those costs are apportioned to charitable activities. Irrecoverable value added tax (VAT) is included in the relevant expense categories.

Support and governance costs are apportioned on the basis of usage of a resource in terms of time taken, capacity used and requests made.

Tax
Demelza Hospice Care for Children is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income from capital gains received within categories covered by Chapter 3 Part II corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. Profit from the subsidiaries is gift aided to Demelza Hospice Care for Children.

Leases
All leases are operating leases. Costs in respect of these leases are charged to the statement of financial activities over the term of the lease.

Fixed assets
Land and buildings
Land and buildings are stated in the balance sheet at the most recent valuation or, in the case of purchases or additions subsequent to the date of such valuation, at cost, less depreciation provided in relation to such valuation or cost, as appropriate, to write off the assets other than freehold land over the following periods.

Freehold buildings
The period of the estimated useful life up to a maximum of 50 years from the date of purchase.

Leasehold land and buildings
The unexpired portion of the lease up to a maximum of 50 years from the date of the most recent revaluation or, if later, the date of the purchase.

Building improvements
Between 3 to 25 years based on nature of usage, or if earlier, the unexpired portion of the lease.

Motor vehicles
Motor vehicles are stated in the Balance Sheet at cost, less depreciation provided to write off the vehicles over a period of 4 years.

Equipment
Equipment is stated in the Balance Sheet at cost less depreciation to write off the equipment over a period of 4 years.

Intangible fixed assets
Intangible fixed assets such as the website, software and intellectual property are amortised over a period of 3 to 10 years.

Fund accounting
Restricted funds
These funds are restricted by the donor for specific purposes. Revenue funds restricted by the donor are held in restricted reserves and funds are matched against expenditure as appropriate.

Unrestricted funds
These funds comprise accumulated surpluses and deficits on general funds that are expendable at the discretion of the Trustees in furtherance of the objects of the charity and that have not been designated for other purposes.

Designated funds
These are unrestricted funds that have been set aside at the discretion of the Trustees for particular purposes.

Short term employee benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pensions
Demelza Hospice Care for Children operates a defined contribution scheme available to the majority of its permanent employees. The Charity and its subsidiaries also make contributions to the National Health Service Pension Scheme for certain employees which is a defined benefit scheme. However, the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities. As a result, this scheme is also accounted for by the charity as a defined contribution scheme.

All the pension schemes are administered by separate trustees and are run independently of the charity.

The costs of providing pensions for employees are therefore all charged in the statement of financial activities for the year in which the contributions are payable.

Liabilities
Future liabilities are recognised when Demelza Hospice Care for Children has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

Financial instruments
Cash at bank and short-term deposits includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

Debtors recognition
Debtors which arise from contracts for the sale of non-financial items (such as goods or services), which are entered into in accordance with the Charity's normal sale or usage requirements, are recognised when, and to the extent that, performance occurs, i.e. when delivery of the goods or services is made. Regular
Note 1. Accounting Policies (continued)
sales are recognised and de-recognised, as applicable, using the trade date.

De-recognition
All debtors are de-recognised when the rights to receive cash flows from the assets have expired or the Charity has transferred substantially all of the risks and rewards of ownership.

Investments
Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. Realised and unrealised gains are accounted for within the statement of financial activities.

Investment properties
Investment properties are valued at the year end. Gains or losses are recognised in the accounts of the relevant subsidiary and shown within the statement of financial activities.

Stock
Stocks comprise finished goods and are stated at the lower of cost and net realisable value.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

Donated goods
The trustees have concluded and agreed that the valuing of shops donated goods for resale on receipt is impractical due to the high volume of low value items, lack of stock system for recording these items and the administrative cost involved. Instead, the income is recognised in the accounts when these goods are sold.

Notes to the financial statements for the year ended 31 March 2024

2 Donations & Legacies

	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	2024 £000	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000
Donations	3,245	277	3,522	2,366	745	3,111
Gifts In Kind	1,392	0	1,392	2	0	2
Legacies	2,150	0	2,150	1,817	0	1,817
	6,786	**277**	**7,063**	**4,185**	**745**	**4,930**

3 Trading Activities

	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	2024 £000	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000
Lottery income	1,848	0	1,848	1,818	0	1,818
Retail sales	4,369	0	4,369	4,034	0	4,034
Rental income	150	0	150	131	0	131
	6,367	**0**	**6,367**	**5,983**	**0**	**5,983**

4 Income from Charitable Activities

	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	2024 £000	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000
Fundraising events	526	0	526	735	0	735
Grant contribution funded by NHS England	0	1,668	1,668	0	1,398	1,398
Funding from CCGs/Local Authorities	755	0	755	593	0	593
Other Grants	109	206	315	243	154	397
Other Income	213	0	213	87	0	87
	1,603	**1,874**	**3,477**	**1,658**	**1,552**	**3,210**

5 Income from Investment

	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	2024 £000	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000
Bank Interest	14	0	14	29	0	29
Investment portfolio income	338	0	338	325	0	325
	353	**0**	**353**	**354**	**0**	**354**

6 Government Covid Support

	Unrestricted Funds 2024 £000	Restricted Funds 2024 £000	2024 £000	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000
Business Continuity Grants	0	0	0	0	0	0
Job Retention Scheme	0	0	0	0	0	0
NHS England COVID-19 Grant	0	0	0	8	0	8
	0	**0**	**0**	**8**	**0**	**8**

7 Expenditure on Raising Funds

	Direct Costs 2024 £000	Support Costs 2024 £000	Total 2024 £000	Direct Costs 2023 £000	Support Costs 2023 £000	Total 2023 £000
Generating voluntary income	1,349	437	1,786	1,068	488	1,556
Fundraising events costs	277	90	367	379	173	552
Retail expenditure	3,748	493	4,241	3,360	444	3,804
Lottery Expenditure	685	61	746	614	53	666
Property lettings costs	177	9	186	118	7	125
Events company costs	56	0	56	43	0	43
Investment management fees	42	0	42	41	0	41
	6,335	**1,090**	**7,425**	**5,623**	**1,165**	**6,789**

8 Charitable Activities

	Direct Costs 2024 £000	Support Costs 2024 £000	Total 2024 £000	Direct Costs 2023 £000	Support Costs 2023 £000	Total 2023 £000
Residential Services	6,610	1,987	8,597	5,381	1,652	7,034
Community Services	1,393	553	1,946	1,364	964	2,328
	8,003	**2,540**	**10,544**	**6,745**	**2,617**	**9,362**

	2024 £000	2023 £000
Direct charitable costs consist of:		
Care Costs	6,670	5,711
Catering and Housekeeping	385	382
Centre costs	948	653
	8,003	**6,745**

9 Support Costs

	Total 2024 £000	Total 2023 £000
Support costs consist of:		
Human Resources and administration	878	753
Finance	331	482
IT	1,077	1,122
Volunteer Services	163	159
Marketing	622	751
Governance Costs	83	89
Depreciation	476	426
	3,630	**3,782**
Which is allocated:		
Generating funds	1,090	1,165
Charitable activities	2,540	2,617
	3,630	**3,782**

Governance Costs consist of:

	2024 £000	2023 £000
Audit and accountancy fees	34	35
Staffing costs	49	54
	83	**89**

No Trustees received remuneration during the period (2023: nil). Trustee expenses reimbursed amounted to £0 (2023: nil).

No Trustees made any restricted donations during the year (2023: nil).

10 Staff Costs

	2024 £000 TOTAL GROUP	2024 £000 TOTAL CHARITY	2023 £000 TOTAL GROUP	2023 £000 TOTAL CHARITY
Wages and salaries	10,171	9,873	9,040	8,779
Employer's National Insurance	939	913	864	841
Pension costs	692	676	618	608
	11,801	**11,462**	**10,522**	**10,227**

The average number of full-time equivalent employees during the year was:

	FTE 2024	FTE 2023	NO 2024	NO 2023
Nursing and care services	138	130	196	172
Retail	68	78	92	104
Fundraising	28	26	29	31
Support functions	49	42	61	54
TOTAL CHARITY	**283**	**277**	**378**	**361**
Lottery	5	5	7	7
	288	**281**	**385**	**368**

Higher Salary Band (Gross Annual Salary)	**31/03/2024**	**31/03/2023** Restated
£60,001 - £70,000	7	4
£70,001 - £80,000	3	3
£80,001 - £90,000	1	0
£90,001 - £100,000	0	0
£100,001 - £110,000	1	1
	12	**8**

Total Senior Management Team salary, inclusive of pension, was £636k (Restated 2023: £566k).
This has been restated to include employee's pension contributions.
The CEO salary, inclusive of pension, was £115k (2023: £111K).

11 Net Income for the Year

	2024 £000	2023 £000
Net income for the year is stated after charging / (crediting):		
Operating leases - land and buildings	577	532
- other	109	80
Auditors' remuneration (excluding VAT)		
- audit of parent company	17	16
- audit of subsidiaries	14	13
- preparation of tax return for parent company	0	3
- preparation of tax return for subsidiaries	3	3
Depreciation of fixed assets	475	426

12 Net Income of Trading Subsidiaries

	2024 £000	2023 £000
Demelza Trading Ltd		
Turnover	2,099	2,054
Cost of sales	(295)	(298)
Gross profit	1,804	1,756
Administration expenses	(799)	(689)
Management Charge to Demelza Hospice Care for Children	(94)	(95)
Other operating income	0	0
Operating Profit	912	972
Net Profit	**912**	**972**
Gift Aid payment to Demelza Hospice Care for Children	(912)	(972)
Retained Profit for the Year	**0**	**0**
Retained profit brought forward	0	0
Retained profit carried forward	**0**	**0**

Demelza Trading Ltd (company number 03090528) is a wholly owned trading subsidiary of the charity, which is incorporated in the UK. The subsidiary operates a number of retail outlets selling donated goods, cards and other merchandise and runs a lottery scheme. The company made a Gift Aid payment of its taxable profits to Demelza Hospice Care for Children.

12 Net Income of Trading Subsidiaries (continued)

ACG Lettings Ltd	**2024 £000**	**2023 £000**
Turnover	150	131
Administrative Expenses	(127)	(120)
Management Charge to Demelza Hospice Care for Children	(9)	(8)
Gross Profit	**14**	**3**
(Loss) / Gain on Revalued Properties	(142)	287
Operating Profit	**(127)**	**289**
Net Profit	**(127)**	**289**
Tax on Profit	29	
Profit After Tax	**(98)**	**289**
Gift Aid payment to Demelza Hospice Care for Children	(36)	(4)
Tax on profit	0	(144)
Retained profit / (loss) carried forward	**(134)**	**431**

ACG Lettings Ltd (company number: 03031999) was bequeathed to the charity as part of a legacy. The shares were transferred on 31st March 2020. The company is a residential property lettings company owning property in Dover, Deal and Ash. The company continues to be committed to providing a high quality of housing to its tenants at no more than the market rate.

South East Medical Services Limited (company number: 06042090) is a wholly owned subsidiary of the charity, which is incorporated in the UK. The company was dormant in the current and prior year having net assets of £1. The principal activity of the company was the construction of children's hospice buildings with the profit being gift aided to the charity.

13 Tangible Fixed Assets

CONSOLIDATED	**Freehold Buildings £000**	**Donated Freehold Buildings £000**	**Improvements to leasehold property £000**	**Fixtures And Fittings £000**	**Motor Vehicles £000**	**Total Group £000**
Cost						
At 1 April 2023	9,330	0	6	1,580	274	11,190
Reclassification of Assets	607	0	205	(813)	0	(0)
Additions	420	1,379	243	244	30	2,317
Disposals	0	0	0	0	(55)	(55)
At 31 March 2024	**10,357**	**1,379**	**455**	**1,012**	**249**	**13,452**
Depreciation						
At 1 April 2023	3,010	0	1	1,111	214	4,336
Reclassification of Assets	568	0	88	(656)	0	(0)
Charge for the year	229	8	74	128	21	460
Disposals	0	0	0	0	(44)	(44)
At 31 March 2024	**3,806**	**8**	**163**	**583**	**192**	**4,752**
Net Book Value						
At 31 March 2024	**6,551**	**1,371**	**292**	**429**	**57**	**8,700**
At 31 March 2023	6,320	0	5	469	59	6,854

CHARITY	**Freehold Buildings £000**	**Donated Freehold Buildings £000**	**Improvements to leasehold property £000**	**Fixtures And Fittings £000**	**Motor Vehicles £000**	**Total Charity £000**
Cost						
At 1 April 2023	9,330	0	6	1,514	232	11,082
Reclassification of Assets	607	0	205	(813)	0	(0)
Additions	420	1,379	243	235	30	2,309
Disposals	0	0	0	0	(55)	(55)
At 31 March 2024	**10,357**	**1,379**	**455**	**937**	**207**	**13,335**
Depreciation						
At 1 April 2023	3,010	0	1	1,093	200	4,304
Reclassification of Assets	568	0	88	(656)	0	(0)
Charge for the year	229	8	74	116	10	437
Disposals	0	0	0	0	(44)	(44)
At 31 March 2024	**3,806**	**8**	**163**	**553**	**167**	**4,697**
Net Book Value						
At 31 March 2024	**6,551**	**1,371**	**292**	**384**	**40**	**8,638**
At 31 March 2023	6,320	0	5	421	31	6,777

The classification of assets has been reviewed in the year and assets have been reclassified from 'fixtures and fittings' where they are considered to be improvements and enhancements to the fabric of the building.

14 Intangible Fixed Assets - Group

	Website	Goodwill	Total Group
Cost	**£000**	**£000**	**£000**
At 1 April 2023	76	40	116
Additions	0	0	0
At 31 March 2024	**76**	**40**	**116**
Depreciation			
At 1 April 2023	7	7	14
Charge for the year	9	7	15
At 31 March 2024	16	13	29
Net Book Value			
At 31 March 2024	**60**	**27**	**87**
At 31 March 2023	69	33	102

Intangible Fixed Assets - Charity

	Website	Total Charity
Cost	**£000**	**£000**
At 1 April 2023	76	76
Additions	0	0
At 31 March 2024	**76**	**76**
Depreciation		
At 1 April 2023	7	7
Charge for the year	9	9
At 31 March 2024	**16**	**16**
Net Book Value		
At 31 March 2024	**60**	**60**
At 31 March 2023	69	69

15 Investment Property

	Freehold Buildings	Total Group
Consolidated	**£000**	**£000**
At 1 April 2023	3,494	3,494
(Loss)/Gain on Revaluation	(142)	(142)
At 31 March 2024	**3,353**	**3,353**
Net Book Value		
At 31 March 2024	**3,353**	**3,353**
At 31 March 2023	3,494	3,494

All investment properties are held by ACG Lettings Ltd which was acquired through a legacy on 31 March 2020. The freehold properties were valued based on a Chartered Surveyors' valuations in February 2023. Ahead of planned sales in 2024/25, a number of properties were revalued in February 2024.

16 Investments - Charity

	2024	2023
	£000	**£000**
Unlisted investments		
Demelza Trading Limited	0	0
South East Medical Services Limited	0	0
ACG Lettings Ltd	3,085	3,635
Total	**3,085**	**3,635**

The £101 unlisted investments represent a 100% shareholding in Demelza Trading Limited and a 100% shareholding in South East Medical Services Ltd. The charity has three subsidiaries as follows:

	Class of Shares held	Nature of Business	Capital and Reserves at 31 Mar 24 £
Demelza Trading Limited	Ordinary	Retailing	0
South East Medical Services Ltd	Ordinary	Dormant	0
ACG Lettings Ltd	Ordinary	Property Lettings	3,085

Charity & Group Investment Fund	2024	2023
	£000	**£000**
At 1 April	11,740	12,284
Invested in the year	0	0
Dividends & Interest received	338	324
Withdrawals	(1,401)	0
Investment Managers' Charge	(42)	(41)
Unrealised gains in the year	659	(827)
At 31 March	**11,294**	**11,740**

The historic cost of the investments was £9,618k (2023: £11,740k)

17 Stock

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Goods for resale	34	36	0	0
	34	**36**	**0**	**0**

18 Debtors

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Amounts due from subsidiaries	0	0	364	258
Trade debtors	435	282	402	242
Bad Debt Provision	(16)	(13)	(16)	(13)
Prepayments & Accrued Income	764	1,354	760	1,349
VAT	198	169	124	159
	1,381	**1,791**	**1,633**	**1,996**

19 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade creditors	(276)	(339)	(249)	(310)
Tax and social security costs	(228)	(219)	(188)	(183)
Other creditors	(155)	(186)	(152)	(186)
Accruals and deferred income	(725)	(641)	(434)	(444)
	(1,384)	**(1,385)**	**(1,023)**	**(1,123)**

All the deferred income of £369k will be released in the following year. This represents ticket payments in advance by supporters for events in the following year and payments in advance by the lottery players.

Accruals and deferred income includes deferred income as follows:

	2024	2023
	£000	£000
B/fwd	(369)	(894)
Amounts deferred in the year	(397)	(369)
Amounts released in the year	369	894
C/fwd	**(397)**	**(369)**

20 Provisions for Liabilities

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Provisions	0	(72)	0	(72)
	0	**(72)**	**0**	**(72)**

All invoices have now been received in respect of the provision made in 2023 (2023: £72k) for possible gas and electricity charges for the warehouse and retail head office.

Notes to the financial statements for the year ended 31 March 2024

21 Funds

Restricted Funds	Balance at 1 April 2023 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2024 £000
Grant contribution funded by NHS England	0	1,668	(1,668)	0	0
East Kent CCGs Grant	0	0	0	0	0
Care Where You Are	272	99	(329)	0	42
Bereavement Services and Family Fund	0	17	(17)	0	0
Hill Farm	222	186	(308)	0	100
Building and Ground Improvement Projects	91	0	(77)	0	14
East Sussex Community Equipment & Running Costs	0	33	(28)	0	5
Kent Hospice Equipment and Running Costs	26	125	(127)	0	24
S. E. London Hospice Equipment and Running Costs	5	23	(23)	0	5
	616	**2,151**	**(2,577)**	**0**	**190**

	Balance at 1 April 2022 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2023 £000
Grant contribution funded by NHS England	0	1,398	(1,398)	0	0
East Kent CCGs Grant	32	0	(32)	0	0
Care Where You Are	44	567	(339)	0	272
Bereavement Services and Family Fund	17	4	(21)	0	0
Hill Farm	0	222	0	0	222
Building and Ground Improvement Projects	99	2	(10)	0	91
East Sussex Community Equipment & Running Costs	73	28	(101)	0	0
Kent Hospice Equipment and Running Costs	70	61	(106)	0	26
S. E. London Hospice Equipment and Running Costs	42	14	(51)	0	5
	378	**2,297**	**(2,060)**	**0**	**616**

Grant contribution funded by NHS England is the annual grant awarded to children's hospices in England.

East Kent CCGs Grant funds training, care at home and the managed clinical network in Kent and Medway.

Care Where You Are represents the delivery of palliative care in a variety of settings to enable access by those who cannot reach a residential hospice.

Bereavement Services and Family Fund supports services at Kent, S.E. London and E. Sussex.

Hill Farm is the accommodation was donated by the property developers in Bobbing in August 2023. Demelza has paid for the specialist adaptations to the property for children with all kinds of physical and medical needs.

Building and Ground Improvement Projects funds building works and improvements to the grounds at Kent, S.E. London and E. Sussex.

East Sussex Community Equipment & Running Costs funds the work of the East Sussex team and equipment required.

Kent Hospice Equipment and Running Costs funds the work of the Kent team and equipment required.

S. E. London Hospice Equipment and Running Costs funds the work of the S.E. London team and equipment required.

21 Funds (continued)

Unrestricted Funds Group	Balance at 1 April 2023 £000	Incoming Resources including gain on investments £000	Resources Expended including loss on investments £000	Transfer Between Funds £000	Balance at 31 March 2024 £000
Designated funds					
Fixed assets & Investment Property fund	10,327	0	(432)	2,121	12,016
Care and Resources Strategy Fund	2,730	0	(1,200)	0	1,530
Digital transformation Fund	909	0	(359)	(550)	(0)
Capital Covid Recovery Fund	0	0	0	0	0
Capital Asset Fund	300	0	0	0	300
Unrestricted general funds	10,305	15,767	(13,542)	(1,571)	10,959
Total unrestricted funds	**24,571**	**15,767**	**(15,533)**	**(0)**	**24,805**

Group	Balance at 1 April 2022 £000	Incoming Resources including gains on investments £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2023 £000
Designated Funds					
Fixed assets & Investment Property fund	10,345	0	(493)	475	10,327
Care & Resources Strategy Fund	3,560	0	(830)	0	2,730
Digital transformation Fund	1,353	0	(444)	0	909
Capital Covid Recovery Fund	150	0	0	(150)	0
Capital Asset Fund	0	0	0	300	300
Unrestricted general funds	11,606	12,475	(13,151)	(625)	10,305
Total unrestricted funds	**27,014**	**12,475**	**(14,918)**	**0**	**24,571**

Designated Funds

Fixed assets & Investment Property fund – Represents unrestricted funds tied up in fixed assets. At the balance sheet date, the balance of fixed asset designated reserves equates to the net book value of fixed assets held.

Care & Resources Strategy fund – The Trustees have approved the charity's strategy for 2022 - 2027. They have designated the funds required for the planned developments in the care departments and support functions.

Digital transformation Fund represented funds designated at the outset of the current strategy for Demelza to make all services digitally accessible to users and to harness digital processing of data to bring greater accuracy and efficiency. The work on Digital Transformation has been moved from project work to business as usual and will form part of the budgeting process each year. As such, these funds have been de-designated.

Capital Asset Fund is designated- funds designated for larger on-going projects.

Unrestricted general funds represent the unrestricted reserves of the Charity, which are not designated for purposes, and therefore the Trustees can utilise as they see fit in accordance with its charitable objects.

Notes to the financial statements for the year ended 31 March 2024

21 Funds (continued)

Summary of Total Group Funds

	Balance at 1 April 2023 £000	Incoming Resources including gains on investments £000	Resources Expended including loss on investments £000	Transfer Between Funds £000	Balance at 31 March 2024 £000
Restricted funds	616	2,151	(2,577)	-	190
Unrestricted funds	24,571	15,767	(15,533)	-	24,805
Total funds	**25,187**	**17,918**	**(18,110)**	**-**	**24,995**

	Balance at 1 April 2022 £000	Incoming Resources including gains on investments £000	Resources Expended including loss on investments £000	Transfer Between Funds £000	Balance at 31 March 2023 £000
Restricted funds	378	2,297	(2,060)	0	616
Unrestricted funds	27,014	12,475	(14,918)	-	24,571
Total funds	**27,393**	**14,772**	**(16,978)**	**0**	**25,187**

22 Analysis of Group Net Assets Between Funds

	Unrestricted Funds 2024	Restricted Funds 2024	Total 2024	Unrestricted Funds 2023	Restricted Funds 2023	Total 2023
Group	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fund balances at 31 March are represented by:						
Fixed assets and investments	23,434	0	23,434	22,190	0	22,190
Current assets	2,755	190	2,945	3,839	616	4,455
Creditors falling due within one year	(1,384)	0	(1,384)	(1,385)	0	(1,385)
Provision for liabilities	0	0	0	(72)	0	(72)
	24,805	**190**	**24,995**	**24,573**	**616**	**25,189**
Charity						
Fund balances at 31 March are represented by:						
Fixed assets and investments	23,455	0	23,455	22,221	0	22,221
Current assets	2,373	190	2,563	3,547	616	4,163
Creditors falling due within one year	(1,023)	0	(1,023)	(1,123)	0	(1,123)
Provision for liabilities	0	0	0	(72)	0	(72)
	24,805	**190**	**24,995**	**24,573**	**616**	**25,189**

23 Reconciliation of Net cash flow to movement in funds

	2024	2023
	£000	**£000**
Net incoming / (outgoing) resources	(192)	(2,206)
Depreciation charges	475	425
(Gain)/Loss on revaluation of investment property	142	(287)
(Gain)/Loss on sale of fixed assets	10	0
(Gain)/Loss on investments	(659)	827
Less Investment Income	(338)	(324)
Add investment management fee	42	41
(Increase)/ Decrease in stock	2	(28)
(Increase)/Decrease in debtors	412	(490)
Increase/(Decrease) in creditors	4	(175)
Increase/(Decrease) in provision	(72)	0
Net cash inflowing	**(174)**	**(2,216)**

24 Analysis of cash and cash equivalents

	Short term Deposit	Cash at bank and in hand	Total
	£000	**£000**	**£000**
Balance at 1 April 2023	635	1,992	2,627
Net cash movement	(635)	(460)	(1,095)
Balance at 31 March 2024	**0**	**1,532**	**1,532**
Balance at 1 April 2022	1,400	3,686	5,086
Net cash movement	(765)	(1,694)	(2,459)
Balance at 31 March 2023	**635**	**1,992**	**2,627**

25 Analysis in Changes of Net Debt

	At 1 April 2023	Cash movements	At 31 March 2024
	£000	**£000**	**£000**
Cash at bank	2,627	(1,095)	1,532

	At 1 April 2022	Cash movements	At 31 March 2023
Cash at bank	5,086	(2,459)	2,627

26 Pensions

	2024	2023
	£000	**£000**
Defined Contribution Scheme	386	328
NHS Pension Scheme	305	290
Total Pension Costs (Note 10)	**692**	**618**

Defined Contribution Scheme

The charity and its subsidiaries operate a defined contribution scheme available to the majority of its permanent employees. Contributions are charged in the financial statements as they are incurred and there were no outstanding contributions as at the balance sheet date. Pension costs charged in the period were £386k (2023: £328k).

NHS Pension Scheme

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employees, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence, it is not possible for Demelza House Children's Hospice Ltd to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost is the contributions payable to the scheme for this accounting period.

Employers' pension contributions are charged to operating expenses as and when they become due. The total employer contribution payable by Demelza in 2023-24 was £305k (2023: £290k). In addition, employees who are members of the scheme pay contributions of 5.6% to 12.5% depending on their pensionable pay.

In accordance with FRS102, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the Scheme's balance sheet date by updating the results of the full actuarial valuation. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website.

27 Capital Commitments

At 31 March 2024, there were no contractual commitments for capital spend (2023: £317k).

28 Operating Leases

The following lease commitments for the next twelve months existed at 31 March 2024 in respect of non-cancellable operating leases:

	2024 Land and Buildings £000	2024 Other £000	2023 Land and Buildings £000	2023 Other £000
Up to one year	537	82	393	67
Between one and five years	1,199	140	1,401	96
Over five years	13	0	31	0
	1,750	**223**	**1,824**	**163**

A 10 year lease with a 5 year break clause was signed on the 22nd May 2024 for a new distribution centre. As this was post year end it is not included in the above table.

29 Commitments by Lessors

Minimum lease receipts under non-cancellable operating leases to be received:

	2024 £000	2023 £000
Up to one year	29	51
Between one and five years	0	0
Over five years	0	0
	29	**51**

Related Party Transactions

Other than amounts shown in notes 9, 10,12 and 18, there were no related party transactions.

30 Comparative Statement of Financial Activities for the year ended 31 March 2023

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000
Income				
Donations and legacies	2	4,185	745	4,930
Other trading activities	3	5,983	-	5,983
Income from Charitable Activities	4	1,658	1,553	3,211
Income from Investments	5	354	-	354
Government COVID Support	6	8	-	8
Total income		**12,188**	**2,298**	**14,486**
Expenditure				
Expenditure on Raising funds	7			
Generating donations and legacies		1,556	-	1,556
Fundraising events		553	-	553
Trading Expenditure		4,640	-	4,640
Investment management fees		41	-	41
Total Expenditure on Raising funds		**6,790**	**-**	**6,790**
Expenditure on Charitable activities	8			
Residential service		5,468	1,566	7,034
Community Service		1,833	494	2,327
Total Expenditure on Charitable activities		**7,301**	**2,060**	**9,361**
Total Expenditure		**14,091**	**2,060**	**16,151**
Deficit before investment gains/(losses)		**(1,903)**	**238**	**(1,665)**
Net Gains / Loss on investment	16	(827)	-	(827)
Loss on disposals of investment property		287	-	287
Net income / (expenditure)		**(2,443)**	**238**	**(2,205)**
Transfers between funds		-	-	-
Net movement in funds		**(2,443)**	**238**	**(2,205)**
Fund balances brought forward at 1st Apr 2022		27,014	378	27,392
Fund balances carried forward at 31st March 2023		**24,571**	**616**	**25,187**

Structure, governance and management

Organisational structure
The charity operates as a company limited by guarantee, under the terms of its memorandum and articles of association. Legal responsibility for the management and stewardship of the hospice is vested in the Board of Trustees.

Day-to-day operational decisions are delegated to a Senior Leadership Team. During the period covered by this report, this consisted of a Chief Executive, Director of Nursing and Care, Director of Fundraising & Marketing, Director of Trading, Director of Development and Support, Director of Quality Improvement and Clinical Governance and Director of Finance & Business Planning (none of whom are directors within the meaning of the Companies Act).

Key management personnel are those individuals who have authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any director (whether executive or otherwise). The Appraisal and Remuneration Committee is responsible for setting the pay for these personnel, comparing to industry benchmarks as appropriate.
The Trustees, directors and management are shown on page 44 of this document.

The Trustees held four board meetings during the year. The five sub-committees also met regularly throughout the year, reporting respectively for matters concerned with clinical governance, fundraising & marketing, resources, and appraisal & remuneration.

The trading company (Demelza Trading Limited No. 03090528) is a wholly owned subsidiary incorporated in England and Wales and has a separate board of directors that reports to the Board of Trustees of the charity. The trading subsidiary runs shops and a weekly lottery to support the objects of the charity.

The charity's subsidiary (South-East Medical Services Limited (SEMS) No. 06042090), which built the Eltham hospice, had no turnover this year and is dormant.

The charity's subsidiary (ACG Lettings Ltd No 03031999) is a wholly owned subsidiary incorporated in England and Wales and has a separate Board of Directors which reports to the Board of Trustees of the charity. The trading subsidiary owns, maintains and lets residential property in East Kent.

Trustee induction and training
The Board of Trustees maintains a skills matrix of all Trustees to identify any shortfall in desired competencies. If any shortfall is identified, the Trustees actively seek a suitable candidate to fill that role on the board. Candidates are interviewed, and those selected are invited to join the board for one meeting and given a tour of the hospice to assess whether they are deemed suitable by all the Trustees; this also allows candidates to judge whether the role is one they feel they could comfortably fulfil.

New board members are then given an induction pack, including relevant Charity Commission publications, statutory accounts, and explanations of their duties as well as copies of previous board meeting minutes. They also attend an induction session with selected Trustees and staff.

All members of the Board are encouraged to attend appropriate internal and external training events where these facilitate the undertaking of their role.

Clinical governance
Demelza has a comprehensive Clinical Governance Policy and appropriate procedures in place. Demelza will demonstrate accountability for, and ensure continuous improvement in, the quality of services for expectant mothers, babies, children and families and safeguard high standards of care by creating an environment in which excellence in clinical care will flourish.

The Clinical Governance Committee (which is a sub-committee of the Board):
- Analyses, benchmarks, evaluates, reviews and monitors all aspects of service delivery to ensure national minimum guidelines and evidence-based practice are met
- Ensures that policies, procedures and training support our practice to best meet the needs of our service
- Reviews, identifies, monitors and manages risk.

Key performance indicators
The Senior Leadership Team monitors a variety of key performance indicators (KPIs) to check achievement of strategic and operational objectives, reporting on them to trustees. These KPIs monitor the amount and type of care provided, management of resources, and income generation.

Statement on public benefit
The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard for public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. In the interest of transparency, the Trustees make the following observations on the two key principles of public benefit.

Firstly, Demelza is clear on the beneficiaries of its work both in this report and in its general communications. The beneficiaries are babies, children and young people with serious and life-limiting conditions and their families, and expectant mothers, within Kent, East Sussex and South East London. A referral process is in place with clear guidelines on criteria, with anyone being able to refer a child subject to appropriate consent, including families themselves. The Trustees have paid due regard to the latest demographic and other research and data on the number of actual and potential beneficiaries, and their needs.

Secondly, our business-planning and monitoring/reporting are structured around the benefits delivered to the beneficiaries through our work, including monitoring the impact we have had on their lives. This is reflected in the Trustees' report. The benefits are respite care, therapeutic services, and other related activities, with access to emergency and end of life care when required. This can be at either of the hospices or within the family home via the community care teams. Support services include family support, therapies and pre and post bereavement support for the child and their immediate family.

The monitored benefits include whether assessed needs within individual care plans have been met, and improvements (including increased social functioning, resilience, and emotional wellbeing), monitored through standardised tools. We also regularly consult with our beneficiaries, for example in surveys and representatives' forums, to gain information on our impact.

The Trustees review the activities of the charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to its aims.

The charity does not exclude or give priority on any basis other than medical and social need.
Any private benefits are incidental, with Trustees receiving no remuneration, and any personal or business involvement is listed under the related party transaction section.

Corporate Information

Demelza Hospice Care for Children
A company limited by guarantee Company **No. 2948500**
(Demelza Hospice Care for Children) **Charity No. 1039651**
Registered office: Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ
www.demelza.org.uk Telephone: 01795 845200

Subsidiary companies:
Demelza Trading Limited Company No. 03090528. A private limited company
ACG Lettings Ltd, Company No. 03031999. A private limited company

Trustee board
David Highton to May 2023
Sean Reynolds appointed May 2023

Trustees
Robert Alexander retired March 2024
Darren Anstee retired November 2024
Pedro Avery
Pippa Barber
Richard Douglas
Richard Finn
Paul Hewish
David Highton retired November 2023
George Hunter
Debbie Kemp retired January 2024
Susan Lowson retired June 2023
Yvonne Parks
Charlotte Parry-Jones
Alex Parry-Jones
Nicola Porter (Tyers)
Vinit Shah retired March 2024
Natasha Smith
Paul Smith

Founder president
Derek Phillips

President
Richard Oldfield OBE DL

Vice Presidents
The Most Reverend and Right Honourable Justin Welby, Archbishop of Canterbury
Daniel Radcliffe
Sally Lindsay
Sir Martyn Lewis, CBE
Len Goodman (died April 2023)
Dave Berry
Jayne Torvill, OBE
Cheryl Baker
Robin Cousins, MBE
Gary Lineker, OBE
Lady Kingsdown, OBE
Paul Auston, DL
Turrloo Parrett
Fiona Sunley
Des Crampton
James Kelly
Rhiannedd Brooke
Sarah Kemsley

Company Secretary
James Niblett to October 2023
Lavinia Jarrett (October-November 2023)
Charlotte Chamberlain appointed November 2023

Chief Executive Officer
Lavinia Jarrett

Deputy Chief Executive Officer
Hayley Richardson appointed February 2024

Director of Finance & Business Planning
James Niblett to October 2023
Charlotte Chamberlain appointed November 2023

Director of Clinical Services
Paul Truesdale to June 2023
Katie Stevens (Acting) from June 2023
Katie Stevens appointed October 2023

Director of People, Culture & Resources
Hayley Clark

Director of Fundraising & Marketing
Hayley Richardson to February 2024

Director of Retail
Ashley Henson

Director of Quality Improvement & Clinical Governance
Liz Bray

Director of Business Development & Support
Claire Ellis-Waghorn appointed November 2023

Auditors
Saffery LLP
71 Queen Victoria Street,
London,
EC4V 4BE

Bankers
National Westminster Bank Plc
2nd Floor County Gate,
Stacey's Street, Maidstone, Kent
ME14 1ST

Principal Solicitor
Mayo Wynne Baxter Solicitors
3 Bell Lane, Lewes, East Sussex
BN7 1JU

demelza
extraordinary care for extraordinary children

@demelzacharity

info@demelza.org.uk

Demelza Kent (Registered Office)
Rook Lane, Bobbing,
Sittingbourne, Kent,
ME9 8DZ
T: 01795 845200

Demelza South East London
5 Wensley Close,
Eltham, London,
SE9 5AB
T: 020 8859 9800

Demelza East Sussex
150a Bexhill Road,
St Leonards-on-Sea,
East Sussex, TN38 8BL
T: 01323 446461

Find out more at:

demelza.org.uk

Registered Charity No. 1039651

The Queen's Award for Voluntary Service

FUNDRAISING REGULATOR

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DEMELZA HOSPICE CARE FOR CHILDREN

England & Wales - Charity number 1039651

Accounts

Demelza Hospice Care for Children

Annual report and financial statements

for the period ended 31 March 2023

Registered Charity Number 1039651
Company Number 02948500



demelza

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Introduction from our CEO and Chairs

As we come to the end of another financial year, I have been taking some time to reflect on the successes and challenges of the last 12 months. As anyone who works for a charity will know, the sector has changed significantly over the last three years, meaning we must be increasingly agile in our approach to service delivery as well as our income generation, and collaboration is the way forward.

I am pleased to report that a year into my CEO role (my 24th year at Demelza), which coincides with year one of our five-year strategy, we are making fantastic progress.

We have increased the number of children referred, extended our reach into areas that will benefit from our support and are incorporating the child and family voice into our decision making. We have rebranded, changing and updating not only our look and feel but also our tone of voice, to ensure the expertise and specialisms of the teams are more evident, as is our impact.

It has not been without challenges; the national and international nursing shortage continues to impact our capacity to provide the specialist clinical support that children with serious or life-limiting conditions, and their families, need. The misconceptions around what children's hospices are and why we are here, are still hindering professionals referring into our service and families actively accessing our support.

However, we have plans in place to overcome or at least mitigate these challenges and I am confident that in a short 12 months, when I am reflecting on this current year, I will be able to update you on progress.

I do have some sad news to share, David Highton, our Chair of Trustees, is stepping down. I am deeply grateful to David, who has served as Demelza's Chair since 2018 and has been an enormous support for our strategy and has helped with our ambitions with robust business considerations. I am pleased to say that David will continue to serve as a Trustee for the remainder of his tenure until 2024.

After an extensive interview process, I was thrilled that we appointed a new Chair in June; Sean Reynolds CB CBE DFC joined the team and has quickly got to know the charity and the Board of trustees.

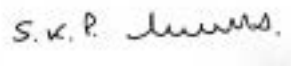
This just leaves me to thank everyone who has been with us over the last year; our trustees, donors, supporters, children and families who access our services and our Demelza colleagues, all enabling us to provide extraordinary care to extraordinary children with care that doesn't back down. We wouldn't be here without you all and I hope you will join us for the next step in our exciting journey.



Lavinia Jarrett
Chief Executive Officer



David Highton
Chair to June 2023



Air Marshal Sean Reynolds CB CBE DFC
Chair from June 2023





Jaxson-James'

Jaxson-James' story

I was 16 years old when my brother, Shane, was referred to Demelza due to a severe form of epilepsy. When he stayed at Demelza, we knew he was in the safest possible hands, both clinically and emotionally and my mum could temporarily switch off from being a 24-hour carer.

Although Shane eventually left Demelza's services, he tragically died in 2021 after contracting COVID-19, age 24. Our loss is still so fresh, and I never thought that just a year after his death, I would be back at Demelza with his nephew – my son – Jaxson-James.

Jaxson was born with hypoplastic left heart syndrome. There was no time to welcome him to the world; at six days old, he was whisked away for the first of three heart surgeries he would need to survive.

When it became clear we would need ongoing support, our family was once again referred to Demelza. It made a difference to our situation immediately. Demelza's family support team arranged support for Jaxson's grandma and helped us apply for a grant which meant we could pay our bills during a lengthy stay in hospital.

Jaxson loves Demelza's Little Dots playgroup which is run by a healthcare assistant who also cared for his uncle Shane. It's comforting catching up with her and sharing our memories of him. The nursing and care team is amazing with Jaxson; they bring out his smiles and giggles, and their clinical expertise gives me and his dad Jim the confidence to hand over his complex care to them. Jaxson loves the sensory room – with the heated waterbed that keeps him cosy despite his poor blood flow – and having use of the hydro pool at Kent is a godsend considering Jaxson may never be well enough to use a public pool.

Without Demelza, we'd be isolating at home, too scared to take Jaxson out in case he catches a virus that could kill him. Demelza has helped us live a happier life - we don't know what the future holds for Jaxson but we're able to enjoy every precious day we have together.

Laura, Shane's sister and mum to Jaxson-James



Shane

We are Demelza

Demelza delivers extraordinary care to extraordinary children who are facing serious or life-limiting conditions, throughout Kent, South East London and East Sussex. Demelza is here to support them and their families at every step – from first diagnosis and for as long as we're needed.

Demelza is here with care that doesn't back down. By their side when they feel isolated, helping to create the joy in family life and making precious memories during challenging times.

We support families when and where we're needed most: at our three core sites, in their homes, in local communities and online.

With two residential hospices in Kent and South East London and a community hub in East Sussex, we go beyond providing outstanding care and emotional support. We help children explore their creativity, have fun and make memories.

Our support is as unique as every child and family and personalised to adapt around their specific circumstances: from creative therapies and short breaks to practical and emotional support for families and siblings, alongside expert clinical and end of life care. Our specialist teams are on hand day and night, all year round.

Vision

To see a world where children and young people with serious or life-limiting conditions, and their families, have access to personalised, expert care enabling them to live the best lives they can.

Mission

To deliver care that doesn't back down to children and young people with serious or life-limiting conditions, and their families, across Kent, South East London and East Sussex – from first diagnosis and for as long as we're needed.

Our Values



Fiercely committed to quality
The families and children we help, and our supporters, deserve nothing but excellence.

Each one of us has a vital role to play in providing unique care and support, and we always strive to deliver outstanding service. By working together, we can give even more families a chance to enjoy their time making precious memories. We recognise everyone brings a different perspective and we celebrate all forms of diversity.



Passion Performance and Pride
Passion, performance and pride – it's how we get the best from each other and deliver exceptional care and support.

We love what we do. It's the most rewarding job in the world. We feel privileged to care and support children and their families. We are proud to be part of an inclusive team demelza.



Human is our nature
We see every person as a unique individual. We give every child and family member a service that suits their individual needs.

We're all human beings, and through empathy and understanding, we can provide essential care as unique as the person who receives it. All our differences are respected and valued which makes us stronger. We value and respect everyone who is part of our story.



Always honest, always authentic
We are clear, open, and honest because we value everyone and their unique insight.

We always look for the best solution. We exist to give outstanding care and support to children and their families.



Innovate, develop & improve
Each member of team demelza is driven to do better.

Through evidence, insight and experience, we strive to develop and improve to give children and families outstanding care and support. We always look for ways to transform change into opportunity and growth. We actively seek and welcome representation from all diverse and minority groups.

Our achievements and performance

We're here to support family life. We want life to be the best it can be for children who have serious or life-limiting conditions, their families, and all those who love them.

Demelza supports over 2,500 children and their family members every year. We work continually to extend our services and ensure we can reach even more children and families who need us, whilst doing more for those we are already supporting.

Over the last year we have:

- started to identify and remove the barriers to accessing our care with several research projects with families and healthcare professionals.
- developed the family forums to ensure the family voice is heard to inform our current and future services.
- started working within key hospitals over three NHS trusts to raise awareness and understanding of the work of Demelza. We have already seen an increase in referrals and want to extend this success much further.
- launched a transition service to help families navigate through the challenging and often uncertain process of moving from children to adult services.
- increased our bereavement offering with the appointment of two qualified and experienced counsellors, a greater variety of services and more flexibility in location.
- implemented our workforce strategy with two further Demelza healthcare assistants currently training to be nursing associates, a role accredited by the Nursing and Midwifery Council.
- appointed new music and art therapists, a dance and movement affiliate and a reflexologist – offering more choice to families.
- invested heavily in digital transformation to efficiently support data, decisions, equipment and training across Demelza.
- started our journey with the National Centre for Diversity working towards Investors in Diversity accreditation.
- launched our rebrand, creating a new look, feel and tone of voice to ensure our brand represents our work and aspirations as a leading organisation in children's palliative care.
- opened a new shop in Walderslade, Kent with another shop in Orpington coming soon.
- purchased the Bubble Rush franchise to protect our income from this fabulous family event whilst generating additional income.

663
We supported **663** children with serious or life limiting conditions and their families on our caseload

187
We had **187** new families referred to access our services

240
We provided **240** day care sessions

1,601
We provided **1,601** overnight stays over 491 bookings within our hospices

3,010
The community care team provided **3,010** sessions

293
The Hydro pool was used **293** times

1,312
We had **1,312** children and family members attend our events

30
We operate **30** shops including Sevenoaks and Walderslade which opened in 2022-23



Strategic report

Trustees report

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Demelza House Children's Hospice (the company) for 12 months ended 31 March 2023. The annual report includes both trustees' report for the purposes of charity law, and the directors' report and strategic report for the purposes of company law. This report includes pages 1-23 and pages 50–52.

The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of company's governing document and the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, FRS102 and SORP 2015.

Charitable Objects

The memorandum and articles of association sets out the main charitable object:

The charity's objects (Objects) are to promote the relief of illness and suffering in such ways as the charity shall from time to time think fit, and in particular in the counties of Kent, East Sussex, part of Surrey and South London, and in particular (but without prejudice to the generality whether geographical or otherwise of such object):

(1) by establishing, maintaining and conducting residential nursing and convalescent homes for the reception and care of young persons of either sex and whether or not a member of the charity (without regard to race or creed) who are suffering from any chronic or terminal illness or from any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or of one sex only or (whether or not so restricted as aforesaid) to patients suffering from any particular type or types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families in their own homes;

(2) by conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research;

(3) by promoting or encouraging or assisting in the teaching or training of doctors, nurses, physiotherapists, administrators, social workers and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services;
(4) by providing or assisting or encouraging the provision of spiritual help and guidance for any persons resident (either as patients or as families of such persons or otherwise) or associated in any way with any such home or homes as aforesaid.



Strategy April 2022-March 2027

The five-year strategy started in April 2022. The pandemic has been a time of extraordinary hardship for many children with serious or life-limiting conditions and their families, but has enabled Demelza to re-think our offer and become agile and responsive in how and where we offer services and choice.

This strategy focuses more than ever on Demelza's history of actively seeking the views and feedback from those who are the real experts; the children, young people and their families themselves. We continue to strive to involve those who use or might need Demelza's services in our decision making and how we develop our services and ensure services are accessible to all those that need support, particularly those from diverse and minority backgrounds.



Strategic Objective 1: Be Effective

To provide services that best meet the needs of expectant mothers, babies, children, young people and their families we will:

- Implement and monitor outcomes and uptake to ensure effectiveness.
- Work to understand the area in which we work, those families who do and do not access our services and why.
- Involve service-users in decision making.
- Develop services to reflect demand and changing needs of families.



Strategic Objective 2: Be Responsive

We know that the prevalence of children living with a serious or life-limiting condition in the UK has almost tripled in less than 20 years, reaching nearly 90,000 and this number is only set to grow. To meet the needs of these families we will:

- Offer more choice over type of care and where to access it.
- Understand what families need to feel more supported by our services.
- Ensure services are accessible, flexible and responsive.
- Facilitate support networks that transcend Demelza.
- Offer preemptive interventions to reduce stress and anxiety.



Strategic Objective 3: Extend our Reach

Children in the UK with a serious or life-limiting condition is highest in the under-ones. An increasing number of young people are surviving to 19 (and beyond), an increase of over three-fold. To ensure we are reaching these children and families we will:

- Increase our number of referrals for nursing and care, expectant parents, neonates and babies, transition, bereavement services and family support.
- Ensure our caseload reflects the demographic of the areas we serve, particularly in the representation of people from minoritised ethnicities.



Strategic Objective 4: We are Demelza

With the right people in our various stakeholder groups, our organisation will be well-led, in all respects, ensuring we meet the ambitions and aspirations in supporting babies, children, young people and their families. To do this we will:

- Involve children, young people and their families in decision-making.
- Provide career pathways and formal training to nursing staff.
- Provide excellent stewardship to current donors and grow our supporter base.
- Promote holistic wellbeing for staff and volunteers.
- Utilise the skills and knowledge from our corporate partners and supporters.
- Grow the diversity of our workforce and volunteers.



Strategic Objective 5: Strengthen and Sustain

We will strive to reduce our carbon footprint, collaborate with others and embrace digital means to provide consistent, safe and equitable services that are sustainable beyond the life of this strategy. To do this we will:

- Increase our presence in the high street, healthcare settings and communities in which we serve.
- Increase the use of digital means to deliver services and provide efficiencies.
- Offer training to others in our area of expertise and seek training from theirs.
- Work collaboratively with other organisations to deliver services when and where they are needed.
- Be carbon neutral by 2030.

Fundraising

Fundraising in 2022/23 saw our highest income in Demelza's history, excluding legacies, with £5,584k, which was £64k above target and more than £2million higher than the previous year. Of every £1 donated, 82p was used in the care of children and their families (2022: 82p).

All income streams, apart from Individual Giving, showed growth from the prior year and all apart from Individual Giving (£79k behind) and Trusts (£27k behind) exceeded targets for the year.

Corporate had an exceptional year, with an income over £850k and Philanthropy exceeded expectations with an income over £360k.

The year has not been without its challenges; the cost of living crisis has significantly affected the ability and propensity of people to give and this will continue to affect our Individual Giving income into the next financial year.

Despite the challenges, fundraising at Demelza remains agile and innovative and we are confident that income will continue to grow into 2023/24.

Compliance with fundraising regulations

The charity undertakes fundraising activity via the support of volunteers fundraising in the community, applying to and partnering with companies and grant-giving trusts, direct mailings and appeals, and organising of events. Our fundraising activities are carried out in line with the Fundraising Code of Practice set by the fundraising regulator. Our fundraising promise is available on our website.

Charity supporters registered on the telephone preference service would only be called with an appeal if they have agreed to receive such calls. Callers are thoroughly trained and updated on the charity's work and calls are regularly monitored.

Demelza received 1 complaint (2022: 13) about fundraising activity in the reporting period. This increase is mainly due to delays in thanking, which has been rectified with extra capacity being introduced in the Supporter Services team and a short-term issue with World Pay, which was resolved as soon as we knew there was a problem.

Section 172 (1) statement

The trustees and directors of Demelza Hospice Care for Children have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its beneficiaries, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision-making at board level and throughout the group. Issues, factors and stakeholders which the directors have considered when discharging their duty under section 172(1) are detailed on pages 3 to 23 and 50 to 52 and throughout this Annual Report.

Our vision and mission statement are set out on page 3 of this report. Our achievements, performance and future plans are described in the strategic report (pages 8 to 22) as are the risks facing our organisation and the mitigating actions we plan to take. Our environmental performance and information about our engagement with employees are also included in this strategic report. The section on structure, governance and management (pages 50 to 52) contains information about the governance of the organisation.

Diversity and Inclusion

Demelza is starting our journey with the Centre for Diversity to work towards 'Investors in Diversity' accreditation and create an inclusive workplace culture.

This will be based on the principles of FREDIE:

- **Fairness**
- **Respect**
- **Equality**
- **Diversity**
- **Inclusion**
- **Engagement**

Investors in Diversity Award | Working Towards

This is to ensure that:

- All people feel welcome and comfortable when receiving care or support from Demelza.
- We have a diverse staff and volunteer workforce that benefits from the innovation and richness that diversity brings.
- We are playing our part in making a fairer society by tackling prejudice and privilege.
- We are embracing difference to be a better place with more rounded views and perceptions.

The steps we're taking:

To achieve this, we are working to develop our knowledge, skills and awareness of diversity and difference. This includes considering how our care and support can be improved for people from all cultures, those with faiths, beliefs and religions and those without. We proactively seek to identify and remove prejudice and discriminatory practices relating to race, ethnicity, culture, sex, sexuality, gender and transgender, disability, age, marriage or partnership status and social class.

We are seeking to build a network of stakeholders who can help us engage with people we are less successful in reaching and we publish plans within our strategy against which we can be held to account.

We have identified that we need to improve in racial equality and have committed to addressing this problem. Whilst we are proud that the profiles of our service-users match the ethnic profiles of the communities in which we work, this is not the case for our workforce or leadership roles. We are formulating a plan, with support, to address this serious issue, for the benefit of the people and communities we serve and to improve our organisation. We welcome the advice and guidance of anyone who can help us achieve this aim.

S172(1) (b) 'The interests of the company's employees'

Employee Relations

The Board recognises that Demelza employees are the most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are located in the world.

The annual staff survey is one of the Board's principal tools to measure employee engagement, motivation and commitment to Demelza. It enables the Board to understand how we are learning from survey findings to strengthen Demelza's culture and values, and informs decision-making, from pay and benefits to health, safety and wellbeing.

Disabled Employees

We are committed to equality, diversity and inclusion in the recruitment, training, promotion and career development of people living with a disability. Demelza aims to ensure that people with disabilities are given equal opportunity to obtain employment. In doing so, we will fully consider making reasonable adjustments to working practices, equipment and premises to ensure that a person living with a disability is not put at a substantial disadvantage due to their disability. Should staff become disabled in the course of their employment, every effort will be made through reasonable adjustment, retraining or redeployment to enable them to remain in employment. If a staff member or a candidate feels that they have been unfairly discriminated against, they may raise a complaint under Demelza's Complaints Policy.

S172(1) (c) 'The need to foster the company's business relationships with suppliers, customers and others'

Demelza's key business relationships are with: The NHS and other healthcare partners; our suppliers; and our donors and supporters. This is not an exhaustive list. Other key stakeholders include HMRC and the Charity Commission. In order to deliver our mission and strategy, we need to work with others. We are committed to prompt payment of invoices within agreed payment terms. The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on pages 12 and 16.

S172(1) (d) 'The impact of the company's operations on the community and the environment'

In the published Strategy for 2022 to 2027, we have committed to achieving net carbon zero by 2030. The first step is to measure our carbon footprint in 2022-23. We will then devise a plan to reduce emissions over the next four years, at which point we will begin to offset by purchasing carbon credits. An analysis of our ccarbon emissions in 2022-23 is found on pages 20 to 22.

S172(1) (e) 'The desirability of the company maintaining a reputation for high standards of business conduct'

It is crucial that Demelza maintains its reputation for high standards of conduct. We remain committed to financial and risk management, compliance, safeguarding and good governance. We are committed to a focus on the charity's impact.

S172(1) (f) 'The need to act fairly as between members of the company'

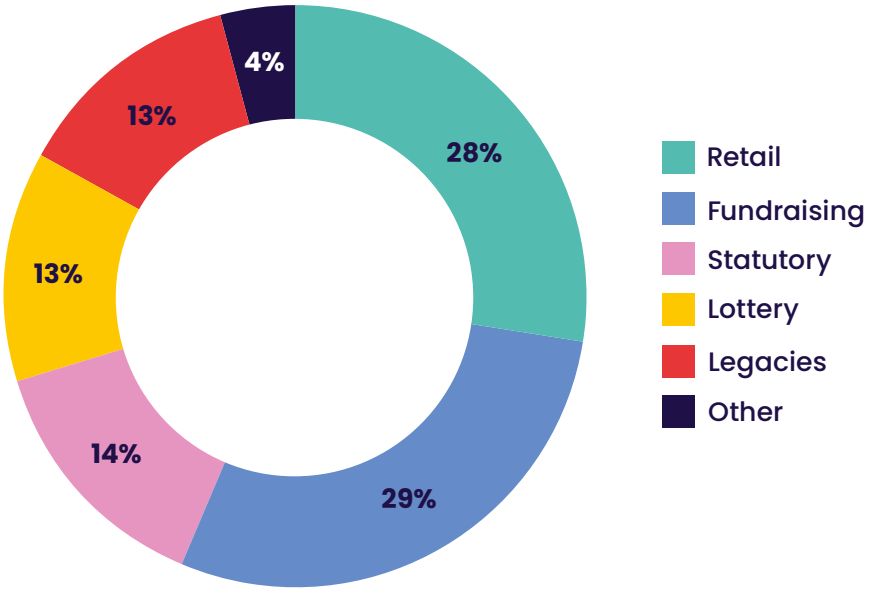
It's not relevant to Demelza's organisational structure, as the charity is run in the interests of its charitable objects and its beneficiaries rather than in the interests of its members.



Financial review

Income

In 2022-23 income completed the recovery from COVID-19 and surpassed pre-pandemic levels, with a total operational income of £14.48m (2022: £12.00m). All our main income streams grew and we would like to thank our donors, shoppers and lottery players for their generosity and loyalty.



Donations including gifts in kind were £3.11m (2022: £2.66m) reflecting significant increases in community and corporate income while major donor gifts and individual donations reduced.

Legacy income was £1.82m (2022: £1.71m).

Retail income was £4.03m (2022: £3.06m). New shops in Sevenoaks and Walderslade opened during the year. This was the second successive year in which retail income has been higher than ever before. The cost of living squeeze seems to have attracted more shoppers into our 29 shops.

Lottery income was £1.82m (2022: £1.71m), an increase of 6%. We began to attend venues to engage with the public face-to-face again. We explained to them about the work of Demelza and gave an opportunity to sign up and play the weekly draw and superdraw.

Fundraising events continued their recovery to income of £735k (2022: £338k). This is the most that Demelza has raised through events.

Statutory funding from NHS England, CCGs and Local Authorities was £1.99m (2022: 1.77m). There was a substantial increase in the NHS England Annual Childrens Hospice Grant to £1.40m (2022: £894k) while funding from ICSs, CCGs and Local Authorities fell to £593k (2022: 877k).

Grants from charitable trusts and foundations totalled £397k (2022: £309k) reflecting a 28% increase.

Government Covid support reduced to £8k (2022: £347k) as the disruption due to Covid-19 was confined to the very start of the year.

Expenditure
Expenditure was £16.15m in 2022-23 (2022: £12.64m). This increase in expenditure represents additional staff who delivered a greater volume of services and built capacity in almost every area of our service delivery, to enable us to carry out the work laid out in our five-year strategy. To support our ambitious plans, investment was also made within fundraising, retail and lottery to ensure the increased costs are sustainable with longevity.

The cost of providing care was £9.36m (2022: 7.37m), an increase of 15%. We improved terms and conditions for all staff, and nurses in particular. The number of vacancies in our nursing and care teams reduced, but we didn't quite achieve full establishment. We recruited family support workers, therapists and counsellors to provide new services for children, their parents and siblings.

The cost of generating funds was £6.79m (2022: £5.27m), an increase of 29%.

Fundraising costs were £2,109k (2022: £1,566k) The increase was due to in-person events taking place after restrictions were lifted.

Retail expenditure increased to £3,806k (2022: £2,905k) reflecting the opening of two shops in the year and the first full year of the Hempstead Valley shop. The infrastructure of the retail team was strengthened to enable the opening of a further seven shops by 2027.

Lottery costs increased marginally to £666k (2022: £650k).

The cost of maintaining and letting the properties owned by the subsidiary, ACG Lettings Ltd, increased to £125k (2022: £83k) due to increased maintenance and repair costs.

Reserves
Our reserves policy states that to ensure the sustainability of our service for those who need it most, we keep 7.5-10 months of running costs in free reserves. The policy was increased to 10-12 months from July 2020 to December 2022 to allow for uncertainty of income in relation to COVID-19. The trustees concluded that the increased COVID-19-related risks had diminished during 2022 and it was no longer appropriate to maintain an elevated reserves policy.

At 31 March 2023 we held 7.57 months or £10.18m of free reserves (2022: 11.02 months or £11.61m). Expenditure has increased by 28% so when measured as a proportion of running costs the months of reserves held also fell by 28%.

The reduction in free reserves between March 2022 and March 2023 was £1.43m. The main factors in this reduction of free reserves were:

1. The deficit in unrestricted funds of £2.44m. This included an operational unrestricted deficit of £1.90m. This was a planned deficit for the first year in a five-year strategy. Expenditure has increased sharply in year one but will level off in future years. Income is planned to grow steadily throughout the strategy so break-even will be achieved in 2027.

2. The loss on investments of £827k and the gain on investment properties of £287k are included in the unrestricted total deficit of £2.45m.

3. Capital assets of £244k were purchased in 22-23 while depreciation and amortisation was £426k. The revaluation of ACG properties resulted in a gain of £287k. The net result was a reduction in general funds of £105k.

4. £831k of unrestricted expenditure was made in 22-23 from the Care and Resources Strategy Fund. This was expenditure on new elements of Care and Resources planned for the first year of the strategy.

5. £444k of unrestricted expenditure was made in 22-23 from the Digital Transformation Fund. This focused on our use of data, digital platforms and making Demelza more accessible to our children and families, shoppers and supporters.

6. A transfer was made to the new Capital Asset Fund of £300k. This is for the capital items which will be purchased in the next financial year. The balance of £150k on Capital COVID-19 Recovery Fund was recognised as being used to purchase fixtures and fittings for buildings.

Principal risks, uncertainties and managing risk

The senior leadership team and Trustees regularly review organisational risks and how to negate or mitigate them as much as possible. The main strategic-level risks during this period have been:

Strategic Risk	Actioned Mitigations
Number of appropriately skilled employees and volunteers	• Terms and Conditions of employment reviewed to enhance competitiveness. • Workforce Strategy offers career opportunities to increase number of employed nurses. • Retention strategy has developed voice of the employee including wellbeing plan and enhanced internal communications. • Good engagement, support and training of volunteers. • Ensuring volunteers' skills are optimised. • Review of safe recruitment procedures, including DBS requirements for roles.
Inflation and cost of living crisis leading to increased costs and a reduction in income	• Detailed financial scenario planning. • Timely review of management accounts, with Finance Business Partner support. • Strengthened portfolio of income streams including Bubble Rush, Charity Extra campaign, new shops and developing Lottery sales opportunities. • Cost of living award of 5% April 23 to all staff. • Increase children's hospice grant by 56% increasing to £1,398k in 22-23. • Wellbeing Strategy developed with champions recruited and trained in mental health first aid.
Information Governance, including Cyber Security	• Information Governance policy and procedure reviewed. • Independent Virtual Data Protection Officer appointed for routine expert advice. • Data Retention policy and schedule reviewed. • Caldicott Guardian training and deputy role appointed. • Cyber Security an inherent strand of all Digital Transformation Projects. • Cyber Security ethical phishing simulation completed and remedial training and information released.
Fire Safety at Kent Hospice	• Full audit of Kent Hospice site completed, in collaboration with Kent Fire and Rescue, with action plan identified. • Emergency evacuation plan put in place, with new overnight sleep in with additional employees in place.

Strategic Risk	Further Planned Mitigations
Number of appropriately skilled staff and volunteers	• Salaries to be aligned to the sector benchmark, if possible. • New recruitment application introduced to encourage applications and enable data analytics. • New DBS management solution to be implemented. • New nurse campaign to recruit nurses to Demelza, fully utilising new branding.
Inflation and cost of living crisis including income downturn	• Planned increase in applications for statutory funding for services. • Plans to campaign alongside local MPs to secure children's hospice grant and raise awareness of Demelza's services.
Information Governance, including Cyber Security	• Renewed Cyber Essentials Accreditation planned. • Review of data retention and reduction of records stored.
Fire Safety at Kent Hospice	• Planned Business Continuity simulation to test policy and procedure. • Future proofing of building for changes of use • Ongoing programme of works to assure future compliance

Investments
Brewin Dolphin acted as Demelza's investment managers throughout the year. Our primary aim from investment is to achieve sustainable capital growth within a balanced risk environment. Ultimately these funds will provide a safety net to ensure the continued provision of the Charity's core services. The primary objective is to generate a total return of 2% above the rate of inflation as measured by CPI on a 5-year rolling basis.

As set out in the financial notes on page 41; we held £12.28m at the start of the year and £11.74m at the end of the year. Dividends of £324k (2022: £270k) were received during the year and there was an unrealised loss of £827k (2022: gain of £278k). Investment markets were volatile especially at the start of the year in the aftermath of the start of the war in Ukraine. Investment values recovered some of the lost ground in the second half of the year. The fees charged by our investment manager were £41k (2022: £45k).

Political and charity donations
Demelza is a registered charity and the whole of its payments are applied to charitable purposes as detailed in the accounts. No specific contributions to other charities were made in the period nor were any political contributions made.

Greenhouse Gas emissions and energy consumption

Energy and Carbon Calculation

Type of emission	Activity	2022/23 kWh	2022/23 tCO2e	2022/23 % of total
Scope 1	Natural Gas	706,393	129.22	35.49%
	Vehicle fleet	254,592	60.33	16.57%
	Sub-total	**960,985**	**189.55**	**52.06%**
Scope 2	Electricity	687,598	142.38	39.10%
	Electricity Generation	57,299 (E)		
	Sub-total	**687,598**	**142.38**	**39.10%**
Scope 3	Grey fleet	132,717	32.20	8.84%
	Sub-total	**132,717**	**32.20**	**8.84%**
Total gross consumption and emissions		1,781,300	364.13	**100.00%**
Metric used:				
£m turnover			14.485	
Intensity ratio:				
tonnes of CO2e per £m turnover			25.14	

Intensity ratio

It was decided to use total £m turnover as our metric. The resulting intensity ratio of tCO2e per total £m turnover will best reflect changes in operation and energy consumption over time.

Energy and Carbon Year on Year Comparison

Type of emission	Activity	2022/2023 kWh	2022/2023 tCO2e	2021/2022 kWh	2021/2022 tCO2e
Scope 1	Natural Gas	706,393	129.22	900,365	164.90
	Vehicle fleet	254,592	60.33	226,119	53.30
	Sub-total	**886,665**	**189.55**	**1,126,484**	**218.20**
Scope 2	Electricity	687,598	142.38	577,080	122.50
	Electricity Generation	57,299 (E)		59,338	
	Sub-total	**650,438**	**142.38**	**577,080**	**122.50**
Scope 3	Grey fleet	132,717	32.20	171,189	39.90
	Sub-total	**132,717**	**32.20**	**171,189**	**39.90**
Total gross consumption and emissions		**1,781,300**	**364.13**	**1,874,753**	**380.6**
Metric used: £m Turnover			14.485		12.000
Intensity ratio: tonnes of CO2e per £m turnover			25.14		31.7

Efficiency narrative
We have a policy of recording and reviewing all energy use and investigating unexplained anomalies.

A specific project to replace corridor lighting at the Kent hospice with LEDs, supported by PIR motion sensors, has been completed. A programme to replace lighting at shops will also soon get underway, so all have the same fittings and LED bulbs.

The electric charging point is in regular use. The Energy Savings Opportunity Scheme is being completed for submission in December 2023 and completion of a Carbon Footprint and Carbon Reduction plan is underway.

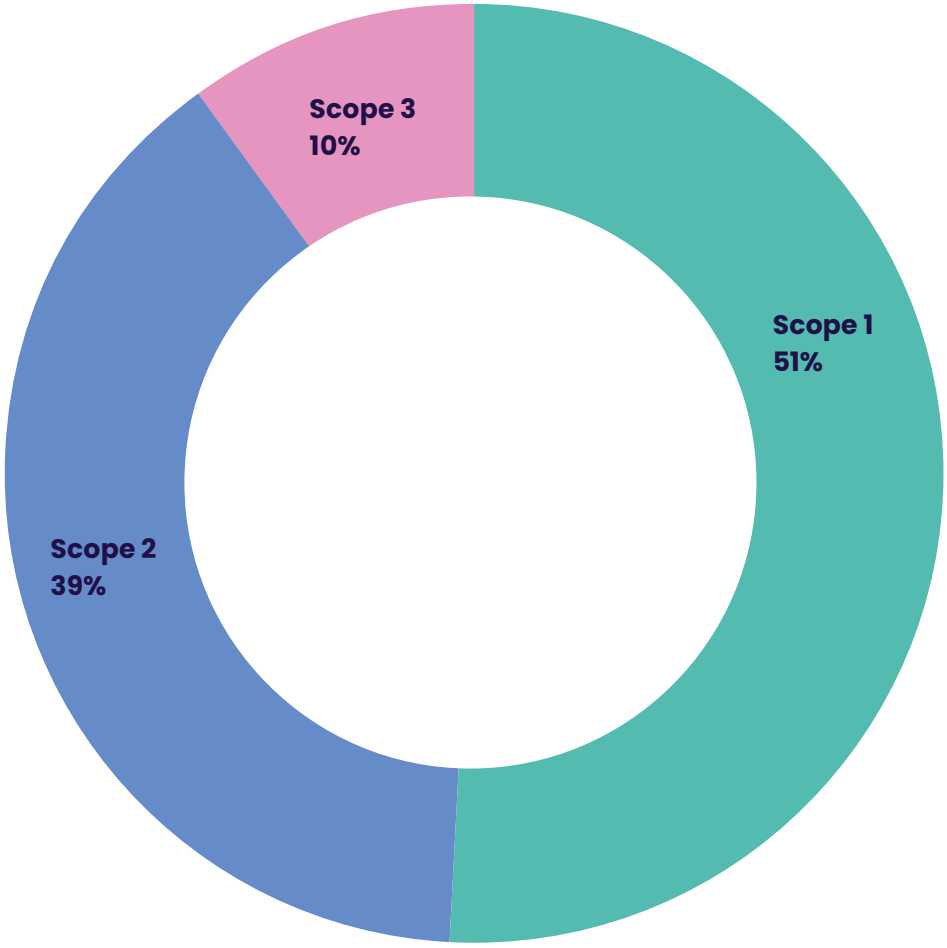
Quantification and Reporting Methodology
The methodology we have used is The GHG Protocol Corporate Accounting and Reporting Standard.

We have followed the 2013 UK Government Environmental Reporting Guidelines (updated March 2019).

We have used the 2023 UK Government's Conversion Factors for Company Reporting. The energy efficiency narrative methodology has been created based on energy management best practice.

Organisational boundary
We have used the financial control approach.

Scope	Emissions (tCO2e)	% contribution to SECR
1	175.95	51.32
2	134.69	39.29
3	32.20	9.39
Total	**342.84**	**100.00**



Structure, Governance and Management
Details about the structure, governance and management of the charity and its subsidiaries are shown at the end of this report on pages 50 to 52.

Statement of Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP (FRS102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report, incorporating the Strategic Report, was approved by the Trustees, in their capacity as Company Directors, on 5 October 2023 and signed on its behalf by



Air Marshal Sean Reynolds CB CBE DFC, Chair of Trustees

Independent auditors report

Opinion

We have audited the financial statements of Demelza House Children's Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, group balance sheet, charity balance sheet, consolidated cash flow statement and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 23 the trustees (who are also the directors of the parent charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with management and trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Further the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the group's operations. We identified the most

significant laws and regulations to be those issued by the Care Quality Commission covering health care services and those issued by the Gambling Commission covering requirements for running a lottery.

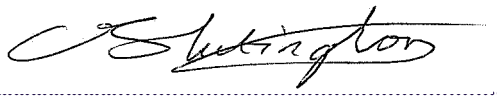
Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the parent charitable 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 parent charitable 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE
Date.19 October 2023

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial Statements

Consolidated Statement of Financial Activities for the year ended 31 March 2023

(Incorporating Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Income					
Donations and legacies	2	4,185	745	4,930	4,015
Trading activities	3	5,983	-	5,983	4,892
Income from Charitable Activities	4	1,658	1,553	3,211	2,470
Income from Investments	5	354	-	354	273
Government COVID Support	6	8	-	8	347
Total income		**12,188**	**2,298**	**14,486**	**11,997**
Expenditure					
Expenditure on Raising funds	7				
Generating donations and legacies		1,556	-	1,556	1,299
Fundraising events		553	-	553	267
Trading expenditure		4,640	-	4,640	3,658
Investment management fees		41	-	41	45
Total Expenditure on Raising funds		**6,790**	**-**	**6,790**	**5,269**
Expenditure on Charitable activities	8				
Residential service		5,468	1,566	7,034	6,307
Community Service		1,833	494	2,327	1,060
Total Expenditure on Charitable activities		**7,301**	**2,060**	**9,361**	**7,367**
Total Expenditure		**14,091**	**2,060**	**16,151**	**12,636**
Deficit before investment gains/(losses)		**(1,903)**	**238**	**(1,665)**	**(639)**
Net Gains / Loss on investment	16	(827)	-	(827)	278
Gains on Property Revaluation		287	-	287	-
Net income / (expenditure)		**(2,443)**	**238**	**(2,205)**	**(361)**
Net movement in funds		**(2,443)**	**238**	**(2,205)**	**(361)**
Fund balances brought forward at 1st Apr		27,014	378	27,392	27,753
Fund balances carried forward at 31st March		**24,571**	**616**	**25,187**	**27,392**

All the activities of the Group and the Charity are continuing. There are no other recognised gains or losses. Full comparative figures for the period ended 31 March 2022 are shown in note 31. The notes on pages 30 to 49 form part of these financial statements.

Demelza Hospice Care for Children
Balance Sheet at 31 March 2023

Company No: 02948500

	Note	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Fixed Assets					
Tangible assets	13	6,854	7,030	6,778	6,950
Intangible assets	14	102	108	69	68
Investment property	15	3,494	3,207	-	-
Investments	15	11,740	12,284	15,375	15,631
		22,190	**22,629**	**22,222**	**22,649**
Current Assets					
Stock		36	6	-	-
Debtors	18	1,791	1,303	1,996	1,708
Cash at bank and in hand		2,627	5,086	2,164	4,436
		4,454	**6,395**	**4,160**	**6,144**
Creditors: Amounts falling due within one year	19	(1,385)	(1,560)	(1,123)	(1,329)
Net Current Assets		**3,069**	**4,835**	**3,037**	**4,815**
Total assets less current liabilities		**25,259**	**27,464**	**25,259**	**27,464**
Provisions for Liabilities		(72)	(72)	(72)	(72)
Net Assets		**25,187**	**27,392**	**25,187**	**27,392**
Funds	21				
Restricted Funds		616	378	616	378
Unrestricted funds					
General		10,183	11,606	10,183	11,606
Designated		14,388	15,408	14,388	15,408
Total Funds		**25,187**	**27,392**	**25,187**	**27,392**

The financial statements were approved by the Board of Trustees and authorised for issue on 5 October 2023 and signed on its behalf by:

S. K. P. Reynolds

Sean Reynolds
Chair

Robert Alexander
Treasurer

As permitted by Section 408 of the Companies Act 2006 no separate Statement of Financial Activities for the charity alone has been presented. The deficit for the charity only in the period is £2.205m (2022: £361k).

Consolidated Cash Flow Statement for the Year Ended 31 March 2023

	Note	2023 £000	2022 £000
Net Cash Inflow from Resources	23	**(2,216)**	**184**
Cashflows from Investing activities			
Purchase of property, plant and machinery		(235)	(367)
Purchase of intangible fixed assets		(8)	(60)
Purchase of investments in the year		-	-
Proceeds from sale of investment properties		-	-
Net cash provided by (used in) financing activities		**(243)**	**(427)**
Change in cash and cash equivalents in the reporting period	24	**(2,459)**	**(243)**
Cash and cash equivalents at 1st April 2022		5,086	5,329
Cash and cash equivalents at 31st March 2023		**2,627**	**5,086**

Notes to the financial statements For the Period ended 31 March 2023

Note 1. Accounting Policies

Statement of compliance
The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102 second edition)) and the Financial Reporting Standard applicable in the United Kingdom and republic of Ireland (FRS 102) and the Charities Act 2011. Demelza House Children's Hospice meets the definition of a public benefit entity under FRS 102. The functional currency is £ Sterling.

General information
The Charity is a company limited by guarantee, incorporated in England and Wales (company number 2948500) and a charity registered in England and Wales (charity number: 1039651). The Charity's registered office address is: Demelza House, Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ.

Basis of consolidation
These financial statements consolidate the results, assets and liabilities of the charity's trading subsidiary Demelza Trading Ltd (company number: 03090528) and ACG Lettings Ltd (company number: 03031999 on a line-by-line basis.

Going concern
The trustees have reviewed Demelza House Children's Hospice's financial position, considering the impact of future activities, and concluded that it is appropriate to produce the accounts on a going concern basis for the 12 months from the date the accounts are signed.

A summary of the accounting policies, which have been consistently applied, is set out below.

Significant judgements and estimates
The key sources of uncertainty in our estimations that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- residuary legacies – the charity recognises residuary legacies once probate has been granted, which therefore requires an estimation of the amount receivable.

Accounting for income
Income received by way of donations, collecting boxes or from functions, shops or flag days is not recorded in the financial statements until the cash, or document of title to the investment or property is received at headquarters. Legacy income is recognised in the SOFA when receipt is probable, amounts receivable can be measured with sufficient reliability and the charity is entitled to the income.

No account is taken of monies or other assets in the hands of outside or voluntary helpers until such monies are banked or other assets are remitted to headquarters. Contracted fees receivable and grants invoiced to local authorities, as well as investment income and accrued tax recoverable, are accrued. Other grants from central government and local authorities are recorded in the financial statements when they are receivable.

Contracted fee income specifically received in advance of expenditure in the next financial year is deferred in the balance sheet.

The value of investments and property bequeathed or donated to Demelza House Children's Hospice is taken to be market value on the date when the documents of title are received.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Central overhead costs are allocated to operational and fundraising functions on the basis of their use of central support services.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of the charitable activities.

Note 1. Accounting Policies (continued)

Support costs, which include central or regional functions such as general management, budgeting and accounting, payroll administration, human resources, information technology, facilities and estates, are allocated across charitable and fundraising activities under the following categories, financial management, people and organisational development, information systems, facilities and estates.

Where information about the aims, objectives and projects of the Charity is provided in the content of fundraising material in an educational manner in the furtherance of the Charity's objectives, those costs are apportioned to charitable activities. Irrecoverable value added tax (VAT) is included in the relevant expense categories.

Support and governance costs are apportioned on the basis of usage of a resource in terms of time taken, capacity used and requests made.

Tax
Demelza House Children's Hospice is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income from capital gains received within categories covered by Chapter 3 Part II corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. Profit from the subsidiaries is gift aided to Demelza House Children's Hospice.

Leases
All leases are operating leases. Costs in respect of these leases are charged to the statement of financial activities over the term of the lease.

Fixed assets
Land and buildings
Land and buildings are stated in the balance sheet at the most recent valuation or, in the case of purchases or additions subsequent to the date of such valuation, at cost, less depreciation provided in relation to such valuation or cost, as appropriate, to write off the assets other than freehold land over the following periods.

Freehold buildings
The period of the estimated useful life up to a maximum of 50 years from the date of purchase.

Leasehold land and buildings
The unexpired portion of the lease up to a maximum of 50 years from the date of the most recent revaluation or, if later, the date of the purchase.

Building improvements
Between 3 to 25 years based on nature of usage, or if earlier, the unexpired portion of the lease.

Motor vehicles
Motor vehicles are stated in the Balance Sheet at cost, less depreciation provided to write off the vehicles over a period of 4 years.

Equipment
Equipment is stated in the Balance Sheet at cost less depreciation to write off the equipment over a period of 4 years.

Intangible fixed assets
Intangible fixed assets such as the website, software and intellectual property are amortised over a period of 3 to 10 years.

Fund accounting
Restricted funds
These funds are restricted by the donor for specific purposes. Revenue funds restricted by the donor are held in restricted reserves and funds are matched against expenditure as appropriate.

Unrestricted funds
These funds comprise accumulated surpluses and deficits on general funds that are expendable at the discretion of the Trustees in furtherance of the objects of the charity and that have not been designated for other purposes.

Designated funds
These are unrestricted funds that have been set aside at the discretion of the Trustees for particular purposes.

Short term employee benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pensions
Demelza House Children's Hospice operates a defined contribution scheme available to the majority of its permanent employees. The Charity and its subsidiaries also make contributions to the National Health Service Pension Scheme for certain employees which is a defined benefit scheme. However, the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities. As a result, this scheme is also accounted for by the charity as a defined contribution scheme.

All the pension schemes are administered by separate trustees and are run independently of the charity.

The costs of providing pensions for employees are therefore all charged in the statement of financial activities for the year in which the contributions are payable.

Liabilities
Future liabilities are recognised when Demelza House Children's Hospice has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

Financial instruments
Cash at bank and short-term deposits includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

Debtors recognition
Debtors which arise from contracts for the sale of non-financial items (such as goods or services), which are entered into in accordance with the Charity's normal sale or usage requirements, are recognised when, and to the extent that, performance occurs, i.e. when delivery of the goods or services is made. Regular
Note 1. Accounting Policies (continued)
sales are recognised and de-recognised, as applicable, using the trade date.

De-recognition
All debtors are de-recognised when the rights to receive cash flows from the assets have expired or the Charity has transferred substantially all of the risks and rewards of ownership.

Investments
Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. Realised and unrealised gains are accounted for within the statement of financial activities.

Investment properties
Investment properties are valued at the year end. Gains or losses are recognised in the accounts of the relevant subsidiary and shown within the statement of financial activities.

Stock
Stocks comprise finished goods and are stated at the lower of cost and net realisable value.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

Donated goods
The trustees have concluded and agreed that the valuing of shops donated goods for resale on receipt is impractical due to the high volume of low value items, lack of stock system for recording these items and the administrative cost involved. Instead, the income is recognised in the accounts when these goods are sold.

2 Donations & Legacies

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000
Donations	2,366	745	3,111	2,340	173	2,513
Gifts In Kind	2	-	2	144	-	144
Legacies	1,817	-	1,817	1,358	-	1,358
	4,185	**745**	**4,930**	**3,842**	**173**	**4,015**

3 Trading Activities

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000
Lottery income	1,818	-	1,818	1,708	-	1,708
Retail sales	4,034	-	4,034	3,064	-	3,064
Rental income	131	-	131	120	-	120
	5,983	**-**	**5,983**	**4,892**	**-**	**4,892**

4 Income from Charitable Activities

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000
Fundraising events	736	-	736	338	-	338
Grant contribution funded by NHS England	-	1,398	1,398	-	894	894
Funding from CCGs/Local Authorities	593	-	593	877	-	877
Other Grants	242	155	397	156	153	309
Other Income	87	-	87	52	-	52
	1,658	**1,553**	**3,211**	**1,423**	**1,047**	**2,470**

5 Income from Investment

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000
Bank Interest	29	-	29	4	-	4
Investment portfolio income	325	-	325	269	-	269
	354	**-**	**354**	**273**	**-**	**273**

6 Government Covid Support

	Unrestricted Funds 2023 £000	Restricted Funds 2023 £000	2023 £000	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000
Business Continuity Grants	-	-	-	85	-	85
Job Retention Scheme	-	-	-	46	-	46
NHS England COVID-19 Grant	8	-	8	-	216	216
	8	**-**	**8**	**131**	**216**	**347**

7 Expenditure on Raising Funds

	Direct Costs 2023 £000	Support Costs 2023 £000	Total 2023 £000	Direct Costs 2022 £000	Support Costs 2022 £000	Total 2022 £000
Generating voluntary income	1,068	488	1,556	941	358	1,299
Fundraising events costs	380	173	553	193	74	267
Retail expenditure	3,362	444	3,806	2,589	316	2,905
Lottery Expenditure	613	53	666	604	46	650
Property lettings costs	118	7	125	78	5	83
Events company costs	43	-	43	20	-	20
Investment management fees	41	-	41	45	-	45
	5,625	**1,165**	**6,790**	**4,470**	**799**	**5,269**

8 Charitable Activities

	Direct Costs 2023 £000	Support Costs 2023 £000	Total 2023 £000	Direct Costs 2022 £000	Support Costs 2022 £000	Total 2022 £000
Residential Services	5,382	1,652	7,034	4,522	1,785	6,307
Community Services	1,362	965	2,327	798	262	1,060
	6,744	**2,617**	**9,361**	**5,320**	**2,047**	**7,367**

	2023 £000	2022 £000
Direct charitable costs consist of:		
Care Costs	5,710	4,495
Catering and Housekeeping	382	323
Centre costs	653	502
	6,745	**5,320**

9 **Support Costs**

	Total 2023 £000	Total 2022 £000
Support costs consist of:		
Human Resources and administration	753	685
Finance	482	478
IT	1,122	707
Volunteer Services	159	116
Marketing	751	427
Governance Costs	89	72
Depreciation and Amortisation	426	361
	3,782	**2,846**
Which is allocated:		
Generating funds	1,165	799
Charitable activities	2,617	2,047
	3,782	**2,846**

Governance Costs consist of:

	2023 £000	2022 £000
Audit and accountancy fees	35	25
Staffing costs	54	47
	89	**72**

No Trustees received remuneration during the period (2022: nil). Trustee expenses reimbursed amounted to £0 (2022: nil).

No Trustees made any restricted donations during the year (2022: nil).

10 Staff Costs

	2023 £000 TOTAL GROUP	2023 £000 TOTAL CHARITY	2022 £000 TOTAL GROUP	2022 £000 TOTAL CHARITY
Wages and salaries	9,040	8,779	7,078	6,832
Employer's National Insurance	864	841	619	599
Pension costs	618	607	580	570
	10,522	**10,227**	**8,277**	**8,001**

The average number of full-time equivalent employees during the year was:

	FTE 2023	FTE 2022	NO 2023	NO 2022
Nursing and care services	130	117	172	144
Retail	78	61	104	93
Fundraising	26	22	31	24
Support functions	42	33	54	46
TOTAL CHARITY	**276**	**233**	**361**	**307**
Lottery	5	6	7	8
	281	**239**	**368**	**315**

Higher Salary Band (Gross Annual Salary)	**31/03/2023**	**31/03/2022**
£60,001 - £70,000	1	4
£70,001 - £80,000	3	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-
	6	**6**

Total Senior Management Team gross pay for the year £527k (£445k).
The CEO salary inclusive of pension and National Insurance was £111k (2022: £89k).

11 Net Income for the Year

	2023 £000	2022 £000
Net income for the year is stated after charging / (crediting):		
Operating leases - land and buildings	532	564
- other	80	69
Auditors' remuneration (excluding VAT)		
- audit of parent company	16	14
- audit of subsidiaries	13	11
- preparation of tax return for parent company	3	1
- preparation of tax return for subsidiaries	3	3
Depreciation of fixed assets	426	361

12 Net Income of Trading Subsidiaries

	2023 £000	2022 £000
Demelza Trading Ltd		
Turnover	2,054	1,895
Cost of sales	(298)	(272)
Gross profit	1,756	1,623
Administration expenses	(689)	(557)
Management Charge to Demelza Hospice Care for Children	(95)	(78)
Other operating income	-	9
Operating Profit	972	997
Net Profit	**972**	**997**
Gift Aid payment to Demelza Hospice Care for Children	(972)	(997)
Retained Profit for the Year	-	-
Retained profit brought forward	-	-
Retained profit carried forward	-	-

Demelza Trading Ltd, formerly Demelza House Trading Ltd (company number 03090528) is a wholly owned trading subsidiary of the charity, which is incorporated in the UK. The subsidiary operates a number of retail outlets selling donated goods, cards and other merchandise and runs a lottery scheme. The company made a Gift Aid payment of its taxable profits to Demelza Hospice Care for Children.

12 **Net Income of Trading Subsidiaries (continued)**

ACG Lettings Ltd	**2023 £000**	**2022 £000**
Turnover	131	120
Administrative Expenses	(120)	(79)
Management Charge to Demelza Hospice Care for Children	(8)	(5)
Gross Profit	**3**	**36**
Gain on Revalued Properties	287	-
Operating Profit	**290**	**36**
Net Profit	**290**	**36**
Gift Aid payment to Demelza Hospice Care for Children	(4)	(36)
Tax on profit	(144)	-
Retained profit / (loss) carried forward	**142**	**-**

ACG Lettings Ltd (company number: 03031999) was bequeathed to the charity as part of a legacy. The shares were transferred on 31st March 2020. The company is a residential property lettings company owning property in Dover, Deal and Ash. The company continues to be committed to providing a high quality of housing to its tenants at no more than the market rate.

South East Medical Services Limited (company number: 06042090) is a wholly owned subsidiary of the charity, which is incorporated in the UK. The company was dormant in the current and prior year having net assets of £1. The principal activity of the company was the construction of children's hospice buildings with the profit being gift aided to the charity.

13 Tangible Fixed Assets

CONSOLIDATED	Freehold Buildings £000	Improvements to leasehold property £000	Fixtures And Fittings £000	Motor Vehicles £000	Total Group £000
Cost					
At 1 April 2022	9,330	24	1,744	349	11,447
Additions	-	-	230	6	236
Disposals	-	(18)	(394)	(81)	(493)
At 31 March 2023	**9,330**	**6**	**1,580**	**274**	**11,190**
Depreciation					
At 1 April 2022	2,823	18	1,303	273	4,417
Charge for the year	187	1	202	22	412
Disposals	-	(18)	(394)	(81)	(493)
At 31 March 2023	**3,010**	**1**	**1,111**	**214**	**4,336**
Net Book Value					
At 31 March 2023	**6,320**	**5**	**469**	**60**	**6,854**
At 31 March 2022	6,507	6	441	76	7,030

CHARITY	Freehold Buildings £000	Improvements to leasehold property £000	Fixtures And Fittings £000	Motor Vehicles £000	Total Charity £000
Cost					
At 1 April 2022	9,330	24	1,690	277	11,321
Transfers from Trading Company	-	-	-	-	-
Additions	-	-	218	-	218
Disposals	-	(18)	(394)	(45)	(457)
At 31 March 2023	**9,330**	**6**	**1,514**	**232**	**11,082**
Depreciation					
At 1 April 2022	2,823	18	1,296	234	4,371
Transfers from Trading Company	-	-	-	-	-
Charge for the year	187	1	191	11	390
Disposals	-	(18)	(394)	(45)	(457)
At 31 March 2023	**3,010**	**1**	**1,093**	**200**	**4,304**
Net Book Value					
At 31 March 2023	**6,320**	**5**	**421**	**32**	**6,778**
At 31 March 2022	6,507	6	394	43	6,950

14 Intangible Fixed Assets - Group	Website	Goodwill	Total Group
Cost	**£000**	**£000**	**£000**
At 1 April 2022	68	40	108
Additions	8	-	8
At 31 March 2023	**76**	**40**	**116**
Depreciation			
At 1 April 2022	-	-	-
Charge for the year	7	7	14
At 31 March 2023	7	7	14
Net Book Value			
At 31 March 2023	**69**	**33**	**102**
At 31 March 2022	68	40	108

Intangible Fixed Assets - Charity	Website	Total Charity
Cost	**£000**	**£000**
At 1 April 2022	68	68
Additions	8	8
At 31 March 2023	**76**	**76**
Depreciation		
At 1 April 2022	-	-
Charge for the year	7	7
At 31 March 2023	**7**	**7**
Net Book Value		
At 31 March 2023	**69**	**69**
At 31 March 2022	68	68

15 Investment Property	Freehold Buildings	Total Group
Consolidated	**£000**	**£000**
At 1 April 2022	3,207	3,207
Gain on Revaluation	287	287
At 31 March 2023	**3,494**	**3,494**
Net Book Value		
At 31 March 2023	**3,494**	**3,494**
At 31 March 2022	3,207	3,207

All investment properties are held by ACG Lettings Ltd which was acquired through a legacy on 31 March 2020. The freehold properties were valued based on a Chartered Surveyors' valuations in February 2023.

16	Investments - Charity	2023	2022
		£000	£000
	Unlisted investments		
	Demelza House Trading Limited	-	-
	South East Medical Services Limited	-	-
	ACG Lettings Ltd	3,635	3,347
	Total	**3,635**	**3,347**

The £101 unlisted investments represent a 100% shareholding in Demelza House Trading Limited and a 100% shareholding in South East Medical Services Ltd. The charity has three subsidiaries as follows:

	Class of Shares held	Nature of Business	Capital and Reserves at 31-Mar-23 £
Demelza House Trading Limited	Ordinary	Retailing	-
South East Medical Services Ltd	Ordinary	Dormant	-
ACG Lettings Ltd	Ordinary	Property Lettings	3,347

Charity & Group Investment Fund	2023 £000	2022 £000
At 1 April	12,284	11,781
Invested in the year	-	-
Dividends & Interest received	324	270
Investment Managers' Charge	(41)	(45)
Unrealised gains in the year	(827)	278
At 31 March	**11,740**	**12,284**

The historic cost of the investments was £9,618k (2022: £9,618k)

17 Stock

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Goods for resale	36	6	-	-
	36	**6**	**-**	**-**

18 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts due from subsidiaries	-	-	258	422
Trade debtors	281	75	243	59
Bad Debt Provision	(13)	(11)	(13)	(6)
Prepayments & Accrued Income	1,354	913	1,349	910
VAT	169	326	159	323
	1,791	**1,303**	**1,996**	**1,708**

19 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	(339)	(238)	(310)	(213)
Tax and social security costs	(219)	(152)	(183)	(152)
Other creditors	(186)	(140)	(186)	(142)
Accruals and deferred income	(641)	(1,030)	(444)	(822)
	(1,385)	**(1,560)**	**(1,123)**	**(1,329)**

All the deferred income of £369k will be released in the following year. This represents ticket payments in advance by supporters for events in the following year, payments in advance by the lottery players and a grant made by a trust to be expended in the next financial year.

Accruals and deferred income includes deferred income as follows:

	2023	2022
	£000	£000
B/fwd	(894)	(398)
Amounts deferred in the year	(369)	(894)
Amounts released in the year	894	398
C/fwd	**(369)**	**(894)**

20 Provisions for Liabilities

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Provisions	(72)	(72)	(72)	(72)
	(72)	**(72)**	**(72)**	**(72)**

The provision of £72k (2022: £72k) has been made against possible gas and electricity charges for the warehouse and retail head office.

21 Funds

Restricted Funds	Balance at 1 April 2022 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2023 £000
NHS England Covid-19 funding	-	-	-	-	-
Grant contribution funded by NHS England	-	1,398	(1,398)	-	-
East Kent CCGs Grant	32	-	(32)	-	-
Care Where You Are	44	567	(339)	-	272
Bereavement Services and Family Fund	17	4	(21)	-	-
Hill Farm	-	222	-	-	222
Building and Ground Improvement Projects	99	2	(10)	-	91
East Sussex Community Equipment & Running Costs	73	28	(101)	-	-
Kent Hospice Equipment and Running Costs	71	63	(108)	-	26
S. E. London Hospice Equipment and Running Costs	42	14	(51)	-	5
	378	**2,298**	**(2,060)**	**-**	**616**

	Balance at 1 April 2021 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2022 £000
NHS England Covid funding	-	894	(894)	-	-
Grant contribution funded by NHS England	-	216	(216)	-	-
East Kent CCGs Grant	170	-	(138)	-	32
Care Where You Are	6	80	(42)	-	44
Bereavement Services and Family Fund	42	9	(34)	-	17
Building and Ground Improvement Projects	65	104	(70)	-	99
East Sussex Community Equipment & Running Costs	76	30	(33)	-	73
Kent Hospice Equipment and Running Costs	91	61	(81)	-	71
S. E. London Hospice Equipment and Running Costs	37	42	(37)	-	42
	487	**1,436**	**(1,545)**	**-**	**378**

NHS England Covid-19 funding. The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

Grant contribution funded by NHS England is the annual grant awarded to children's hospices in England.

East Kent CCGs Grant funds training, care at home and the managed clinical network in Kent and Medway.

Care Where You Are represents the delivery of palliative care in a variety of settings to enable access by those who cannot reach a residential hospice.

Bereavement Services and Family Fund supports services at Kent, S.E. London and E. Sussex.

Hill Farm is the accommodation which will be donated by the property developers in Bobbing in August 2023. Demelza will pay for the specialist adaptations to the property for children with all kinds of physical and medical needs.

Building and Ground Improvement Projects funds building works and improvements to the grounds at Kent, S.E. London and E. Sussex.

East Sussex Community Equipment & Running Costs funds the work of the East Sussex team and equipment required.

Kent Hospice Equipment and Running Costs funds the work of the Kent team and equipment required.

S. E. London Hospice Equipment and Running Costs funds the work of the S.E. London team and equipment required.

21 **Funds (continued)**

Unrestricted Funds Group	Balance at 1 April 2022 £000	Incoming Resources including gain on investments £000	Resources Expended including loss on investments £000	Transfer Between Funds £000	Balance at 31 March 2023 £000
Designated funds					
Fixed assets & Investment Property fund	10,345	-	(425)	530	10,450
Care and Resources Strategy Fund	3,560	-	(831)	-	2,729
Digital transformation Fund	1,353	-	(444)	-	909
Capital Covid Recovery Fund	150	-	-	(150)	-
Capital Asset Fund	-	-	-	300	300
Unrestricted general funds	11,606	12,475	(13,218)	(680)	10,183
Total unrestricted funds	**27,014**	**12,475**	**(14,918)**	**-**	**24,571**

Group	Balance at 1 April 2021 £000	Incoming Resources including gains on investments £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2022 £000
Designated Funds					
Fixed assets & Investment Property fund	10,280	-	(362)	427	10,345
Care & Resources Strategy Fund	-	-	-	3,560	3,560
Digital transformation Fund	1,000	-	(97)	450	1,353
Capital Covid Recovery Fund	250	-	-	(100)	150
Unrestricted general funds	15,736	10,839	(10,632)	(4,337)	11,606
Total unrestricted funds	**27,266**	**10,839**	**(11,091)**	**-**	**27,014**

Designated Funds

Fixed assets & Investment Property fund – Represents unrestricted funds tied up in fixed assets. At the balance sheet date, the balance of fixed asset designated reserves equates to the net book value of fixed assets held.

Care & Resources Strategy fund – The Trustees have approved the charity's strategy for 2022 - 2027. They have designated the funds required for the planned developments in the care departments and support functions.

Digital transformation Fund represents funds designated for Demelza to make all its services digitally accessible to users and to harness digital processing of data to bring greater accuracy and efficiency. The funds will be used between 2021 and 2024.

Capital COVID Recovery Fund is designated for accelerated capital expenditure following the lockdowns on 2020-21 when little capital work was possible.

Unrestricted general funds represent the unrestricted reserves of the Charity, which are not designated for specific purposes, and therefore the Trustees can utilise as they see fit in accordance with its charitable objects.

21 Funds (continued)

Summary of Total Group Funds

	Balance at 1 April 2022	Incoming Resources including gains on investments	Resources Expended including loss on investments	Transfer Between Funds	Balance at 31 March 2023
	£000	£000	£000	£000	£000
Restricted funds	378	2,298	(2,060)	-	616
Unrestricted funds	27,014	12,475	(14,918)	-	24,571
Total funds	**27,392**	**14,773**	**(16,978)**	-	**25,187**

	Balance at 1 April 2021	Incoming Resources including gains on investments	Resources Expended including loss on investments	Transfer Between Funds	Balance at 31 March 2022
	£000	£000	£000	£000	£000
Restricted funds	487	1,436	(1,545)	-	378
Unrestricted funds	27,266	10,839	(11,091)	-	27,014
Total funds	**27,753**	**12,275**	**(12,636)**	-	**27,392**

22 Analysis of Group Net Assets Between Funds

	Unrestricted Funds 2023	Restricted Funds 2023	Total 2023	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022
Group	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fund balances at 31 March are represented by:						
Fixed assets and investments	22,190	-	22,190	22,629	-	22,629
Current assets	3,838	616	4,454	6,017	378	6,395
Creditors falling due within one year	(1,385)	-	(1,385)	(1,560)	-	(1,560)
Provision for liabilities	(72)	-	(72)	(72)	-	(72)
	24,571	**616**	**25,187**	**27,014**	**378**	**27,392**
Charity						
Fund balances at 31 March are represented by:						
Fixed assets and investments	22,222	-	22,222	22,649	-	22,649
Current assets	3,544	616	4,160	5,766	378	6,144
Creditors falling due within one year	(1,123)	-	(1,123)	(1,329)	-	(1,329)
Provision for liabilities	(72)	-	(72)	(72)	-	(72)
	24,571	**616**	**25,187**	**27,014**	**378**	**27,392**

23 Reconciliation of Net cash flow to movement in funds

	2023	2022
	£000	**£000**
Net incoming / (outgoing) resources	(2,205)	(361)
Depreciation charges	425	362
(Gain) on revaluation of investment property	(287)	-
(Gain) on sale of fixed assets	-	-
(Gains)/Losses on investments	827	(278)
Less Investment Income	(324)	(269)
Add investment management fee	41	45
(Increase)/ Decrease in stock	(28)	4
(Increase)/Decrease in debtors	(490)	(60)
Increase/(Decrease) in creditors	(175)	669
Increase/(Decrease) in provision	-	72
Net cash inflowing	**(2,216)**	**184**

24 Analysis of cash and cash equivalents

	Short term Deposit	Cash at bank and in hand	Total
	£000	**£000**	**£000**
Balance at 1 April 2022	1,400	3,686	5,086
Net cash movement	(765)	(1,694)	(2,459)
Balance at 31 March 2023	**635**	**1,992**	**2,627**
Balance at 1 April 2021	1,900	3,429	5,329
Net cash movement	(500)	257	(243)
Balance at 31 March 2022	**1,400**	**3,686**	**5,086**

25 Analysis in Changes of Net Debt

	At 1 April 2022	Cash movements	At 31 March 2023
	£000	£000	£000
Cash at bank	5,086	(2,459)	2,627

	At 1 April 2021	Cash movements	At 31 March 2022
Cash at bank	5,329	(243)	5,086

26 Pensions

	2023	2022
	£000	£000
Defined Contribution Scheme	328	233
NHS Pension Scheme	290	347
Total Pension Costs (Note 10)	618	580

Defined Contribution Scheme

The charity and its subsidiaries operate a defined contribution scheme available to the majority of its permanent employees. Contributions are charged in the financial statements as they are incurred and there were no outstanding contributions as at the balance sheet date. Pension costs charged in the period were £328k (2022: £233k).

NHS Pension Scheme

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employees, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence, it is not possible for Demelza House Children's Hospice Ltd to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost is the contributions payable to the scheme for this accounting period.

Employers' pension contributions are charged to operating expenses as and when they become due. The total employer contribution payable by Demelza in 2022-23 was £290k (2022: £347k). In addition, employees who are members of the scheme pay contributions of 5.6% to 12.5% depending on their pensionable pay.

In accordance with FRS102, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the Scheme's balance sheet date by updating the results of the full actuarial valuation. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website.

27 Capital Commitments

At the year end, Demelza had contracted for the installation of hoists and specialist equipment at Hill Farm, Bobbing, Sittingbourne to enable children with all kinds of disabilities to live there. The cost of £317k was paid in August 2023.

28 Operating Leases

The following lease commitments for the next twelve months existed at 31 March 2022 in respect of non-cancellable operating leases:

	2023 Land and Buildings £000	2023 Other £000	2022 Land and Buildings £000	2022 Other £000
Up to one year	393	67	362	51
Between one and five years	1,400	96	879	75
Over five years	31	-	74	-
	1,824	**163**	**1,315**	**126**

29 Commitments by Lessors

Minimum lease receipts under non-cancellable operating leases to be received:

	2023 £000	2022 £000
Up to one year	51	51
Between one and five years	-	1
Over five years	-	-
	51	**52**

30 Related Party Transactions

Other than amounts shown in notes 9, 10,12 and 18, there were no related party transactions.

31 **Comparative Statement of Financial Activities for the year ended 31 March 2022**

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000
Income				
Donations and legacies	2	3,842	173	4,015
Other trading activities	3	4,892	-	4,892
Income from Charitable Activities	4	1,423	1,047	2,470
Income from Investments	5	273	-	273
Government COVID Support	6	131	216	347
Total income		**10,561**	**1,436**	**11,997**
Expenditure				
Expenditure on Raising funds	7			
Generating donations and legacies		1,299	-	1,299
Fundraising events		267	-	267
Trading Expenditure		3,658	-	3,658
Investment management fees		45	-	45
Total Expenditure on Raising funds		**5,269**	**-**	**5,269**
Expenditure on Charitable activities	8			
Residential service		5,009	1,298	6,307
Community Service		813	247	1,060
Total Expenditure on Charitable activities		**5,822**	**1,545**	**7,367**
Total Expenditure		**11,091**	**1,545**	**12,636**
Deficit before investment gains/(losses)		**(530)**	**(109)**	**(639)**
Net Gains / Loss on investment	16	278	-	278
Loss on disposals of investment property		-	-	-
Net income / (expenditure)		**(252)**	**(109)**	**(361)**
Transfers between funds		1	1	-
Net movement in funds		**(251)**	**(108)**	**(361)**
Fund balances brought forward at 1st Apr 2021		27,266	487	27,753
Fund balances carried forward at 31st March 2022		**27,015**	**379**	**27,394**

Structure, governance and management

Organisational structure
The charity operates as a company limited by guarantee, under the terms of its memorandum and articles of association. Legal responsibility for the management and stewardship of the hospice is vested in the Board of Trustees.

Day-to-day operational decisions are delegated to a Senior Leadership Team. During the period covered by this report this consisted of a Chief Executive, Director of Nursing and Care, Director of Fundraising & Marketing, Director of Trading and Director of Finance & Business Planning (none of whom are directors within the meaning of the Companies Act).

Key management personnel are those individuals who have authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any director (whether executive or otherwise). The Appraisal and Remuneration Committee is responsible for setting the pay for these personnel, comparing to industry benchmarks as appropriate.

The Trustees, directors and management are shown on page 52 of this document.

The trustees held four board meetings during the year. The five sub-committees also met regularly throughout the year, reporting respectively for matters concerned with clinical governance, strategy & transformation, fundraising & marketing, resources, and appraisal & remuneration.

The trading company (Demelza House Trading Limited No. 03090528) is a wholly owned subsidiary incorporated in England and Wales, and has a separate board of directors that reports to the Board of Trustees of the charity. The trading subsidiary runs shops and a weekly lottery to support the objects of the charity.

The charity's subsidiary (South East Medical Services Limited (SEMS) No. 06042090), which built the Eltham hospice, had no turnover this year and is dormant.

The charity's subsidiary (ACG Lettings Ltd No 03031999 is a wholly owned subsidiary incorporated in England and Wales, and has a separate Board of Directors which reports to the Board of Trustees of the charity. The trading subsidiary owns, maintains and lets residential property in East Kent.

Trustee induction and training
The Board of Trustees maintains a skills matrix of all Trustees to identify any shortfall in desired competencies. If any shortfall is identified the Trustees actively seek a suitable candidate to fill that role on the board. Candidates are interviewed, and those selected are invited to join the board for one meeting and given a tour of the hospice to assess whether they are deemed suitable by all the Trustees; this also allows candidates to judge whether the role is one they feel they could comfortably fulfil.

New board members are then given an induction pack, including relevant Charity Commission publications, statutory accounts, and explanations of their duties and copies of previous board meeting minutes. They also attend an induction session with selected Trustees and staff.

All members of the Board are encouraged to attend appropriate internal and external training events where these facilitate the undertaking of their role.

Clinical governance
Demelza has a comprehensive Clinical Governance Policy and appropriate procedures in place. Demelza will demonstrate accountability for, and ensure continuous improvement in, the quality of services for expectant mothers, babies, children and families and safeguard high standards of care by creating an environment in which excellence in clinical care will flourish.

The Clinical Governance Committee (which is a sub-committee of the Board):
- Analyses, benchmarks, evaluates, reviews and monitors all aspects of service delivery to ensure national minimum guidelines and evidence-based practice are met.
- Ensures that policies, procedures and training support our practice to best meet the needs of our service.
- Reviews, identifies, monitors and manages risk.

Key performance indicators
The Senior Leadership Team monitors a variety of key performance indicators (KPIs) to check achievement of strategic and operational objectives, reporting on them to Trustees. These KPIs monitor the amount and type of care provided, management of resources, and income generation.

Statement on public benefit
The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard for public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. In the interest of transparency, the Trustees make the following observations on the two key principles of public benefit.

Firstly, Demelza is clear on the beneficiaries of its work in this report and in its general communications. The beneficiaries are babies, children and young people with serious and life-limiting conditions and their families, and expectant mothers, within Kent, East Sussex and South East London. A referral process is in place with clear guidelines on criteria, with anyone being able to refer a child subject to appropriate consent, including families themselves. The Trustees have paid due regard to the latest demographic and other research and data on the number of actual and potential beneficiaries, and their needs.

Secondly, our business-planning and monitoring/reporting are structured around the benefits delivered to the beneficiaries through our work, including monitoring the impact we have had on their lives. This is reflected in the Trustees' report. The benefits are respite care, therapeutic services, and other related activities, with access to emergency and end of life care when required. This can be at either of the hospices or within the family home via the community care teams. Support services include family support, therapies and pre and post bereavement support for the child and their immediate family.

The monitored benefits include whether assessed needs within individual care plans have been met, and improvements (including increased social functioning, resilience, and emotional wellbeing) monitored through standardised tools. We also regularly consult with our beneficiaries, for example in surveys and representatives' forums, to gain information on our impact.

The Trustees review the activities of the charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to its aims.

The charity does not exclude or give priority on any basis other than medical and social need.

Any private benefits are incidental, with Trustees receiving no remuneration, and any personal or business involvement is listed under the related party transaction section.

Corporate Information

Demelza Hospice Care for Children (formerly Demelza House Children's Hospice).
A company limited by guarantee Company No. 2948500. **Charity No. 1039651**
Registered office: Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ
Website: demelza.org.uk Telephone: 01795 845200

Subsidiary companies:
Demelza Trading Limited (formerly known as Demelza House Trading Ltd) Company No 03090528.
A private limited company ACG Lettings Ltd, Company No. 03031999. A private limited company

Trustee board
David Highton (Chairman) to May 2023
Sean Reynolds CB CBE DFC (Chairman) appointed May 2023

Robert Alexander
Darren Anstee
Pippa Barber
Paul Smith
Kate Stephens retired June 2022
Susan Lowson retired June 2023
Yvonne Parks
Debbie Kemp
Pedro Avery
Nicola Porter (Tyers)
Charlotte Parry-Jones
Richard Douglas appointed Oct 2022
Richard Finn appointed Oct 2022
Alex Parry-Jones appointed Oct 2022
George Hunter appointed Oct 2022
Natasha Smith appointed Oct 2022
Paul Hewish appointed Oct 2022
Vinit Shah appointed Oct 2022

Founder president
Derek Phillips

President
Richard Oldfield OBE DL

Vice Presidents
The Most Reverend and Right Honourable Justin Welby, Archbishop of Canterbury
Daniel Radcliffe
Sally Lindsay
Sir Martyn Lewis, CBE
Dave Berry
Jayne Torvill, OBE
Cheryl Baker
Robin Cousins, MBE
Gary Lineker, OBE
Lady Kingsdown, OBE
Paul Auston, DL
Turrloo Parrett
Fiona Sunley
Des Crampton
James Kelly
Rhiannedd Brooke
Sarah Kemsley

Company Secretary
James Niblett

Chief Executive Officer
Lavinia Jarrett

Director of Finance & Business Planning
James Niblett

Acting Director of Clinical Services
Katie Stevens

Director of People, Culture & Resources
Hayley Clark

Director of Fundraising & Marketing
Hayley Richardson

Director of Retail
Ashley Henson

Director of Quality Improvement & Clinical Governance
Liz Bray

Auditors
Saffery LLP
71 Queen Victoria Street,
London,
EC4V 4BE

Bankers
National Westminster Bank Plc
2nd Floor County Gate,
Stacey's Street, Maidstone, Kent
ME14 1ST

Principal Solicitor
Mayo Wynne Baxter Solicitors
3 Bell Lane, Lewes, East Sussex
BN7 1JU

Investment Manager
Brewin Dolphin
12 Smithfield Street
London
EC1A 9LA

demelza
extraordinary care for extraordinary children

25th anniversary

@demelzacharity

info@demelza.org.uk

Demelza Kent (Registered Office)
Rook Lane, Bobbing,
Sittingbourne, Kent, ME9 8DZ
T: 01795 845200

Demelza South East London
5 Wensley Close,
Eltham, London,
SE9 5AB
T: 020 8859 9800

Demelza East Sussex
150a Bexhill Road,
St Leonards-on-Sea,
East Sussex, TN38 8BL
T: 01323 446461

Find out more at:

demelza.org.uk

Registered Charity No. 1039651

The Queen's Award for Voluntary Service

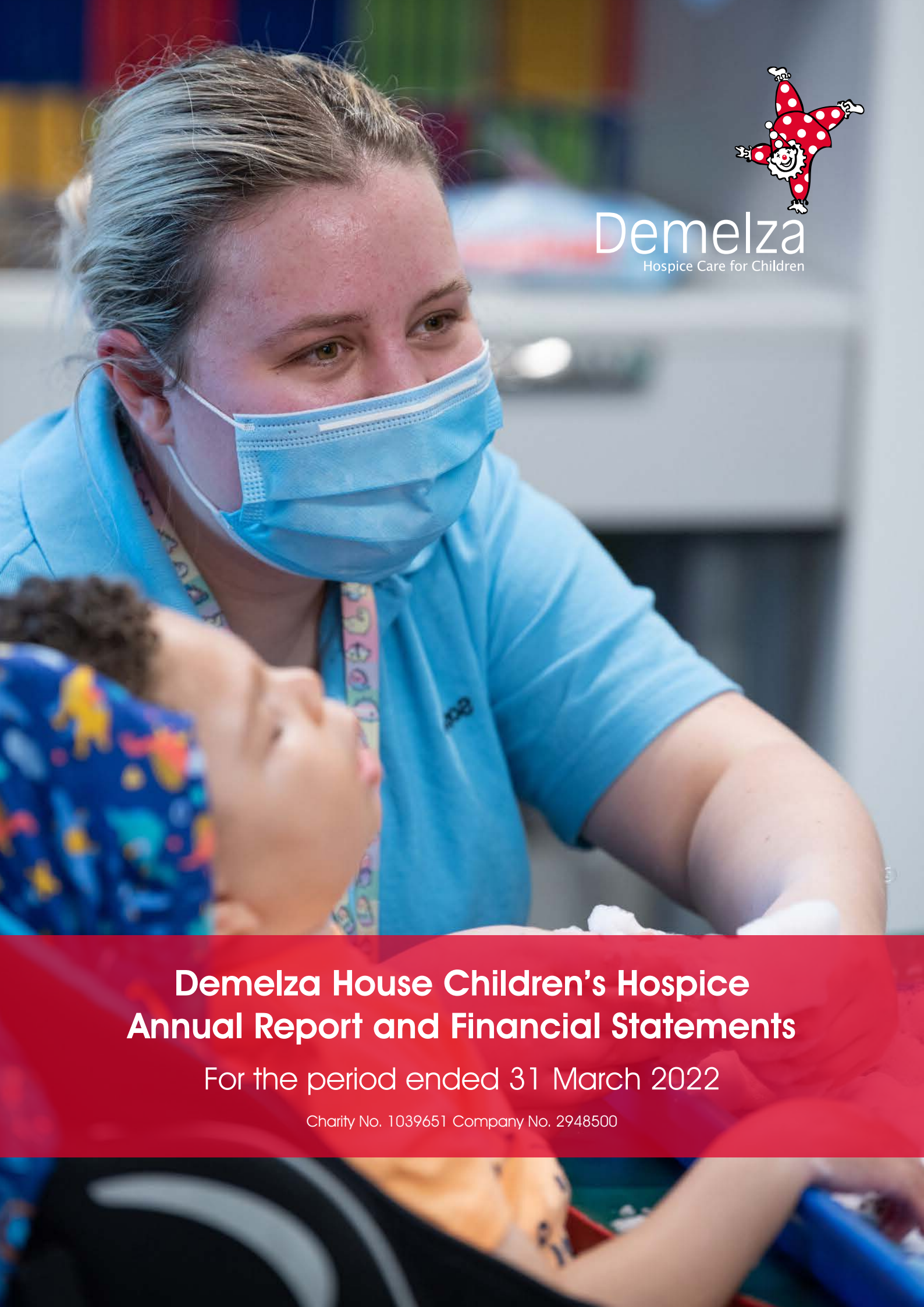
FUNDRAISING REGULATOR

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DEMELZA HOSPICE CARE FOR CHILDREN

England & Wales - Charity number 1039651

Accounts



Demelza
Hospice Care for Children

Demelza House Children's Hospice Annual Report and Financial Statements

For the period ended 31 March 2022

Charity No. 1039651 Company No. 2948500


Demelza
Hospice Care for Children
Care Assistant

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Introduction from our CEO and Chair of Trustees

We think we can all agree that the last year continued to be challenging and unpredictable, but it has also been one of hope and looking to the future.

As we have emerged into our (temporary) new normal, we couldn't be prouder of the resilience, tenacity and creativity of the entire team at Demelza. As a charity supporting clinically vulnerable children and young people, the day to day running of the organisation couldn't simply go back to our pre-COVID-19 business as usual. We have had to adapt our services to ensure we continue to offer clinical, practical and emotional support to those who need it, whilst ensuring the safety of all families, staff and volunteers.

We are delighted that Lavinia Jarrett was appointed as CEO in February 2022 after 20 years of service with Demelza with her passion to make every day count.

With this in mind and against the backdrop of a team of people with commitment, knowledge and determination and an insightful and forward-thinking Board of Trustees, the last year has seen us embrace the progress made in how and where we deliver care.

We are fortunate to be in a strong financial position, largely because of the amazing support that we have seen from our supporters over the last few years. Our strong reserves allow us to face volatility on financial markets and increased inflation, energy costs and the squeeze on household incomes with confidence. They have also enabled us to create an ambitious five-year strategy, written in consultation with our stakeholders. It will see us invest in new and additional front-line services to ensure we are meeting the needs of families accessing our care whilst extending our reach to those who are not. We will also invest in fundraising and retail infrastructure to ensure these services are sustainable and in innovative projects and training opportunities to ensure the longevity, effectiveness and efficiency of our work.

We would like to take this opportunity to thank all of Team Demelza;

Our donors and supporters as without them, we simply would not be here. Their loyalty and generosity have been incredibly humbling and whether they have given time, money, advice or gifts in kind – they have all had a huge impact on the families we support.

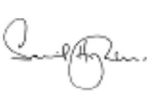
The staff and volunteers for their hard work and determination to overcome challenges and ensuring Demelza families are always at the centre of all decisions. Our 'passion, performance and pride' value has come to the fore during the pandemic and will continue to drive our plans forward in the years to come.

Our biggest inspiration and reason we are all here, are the children, young people and families accessing our services. Every day their strength, resilience and ability to carry on during some of the most unimaginably difficult of times is truly awe inspiring. We know we speak for everyone when we say we feel privileged to support the families who trust us to care for those they love and we couldn't be prouder to be part of Team Demelza.

Thank you to everyone who has been a part of our journey over the last year and to those who will join us for the next chapter.



Lavinia Jarrett,
Demelza CEO



David Highton,
Chair of Trustees

At Demelza, we provide expert clinical and emotional support to help families live the best life they can.

Why we are here

There are currently almost 90,000 children and young people in England who are living with a condition that means they are likely to die young. This number has tripled over the last 20 years and with advancements in research and medical interventions, this number will continue to rise (Fraser et al 2020).

With more babies being born with serious or terminal conditions and children living longer with increasingly complex medical and social needs, it is estimated that there are 8,473 children and young people in Kent, South East London and East Sussex who could be accessing Demelza's services.

Many need care and support 24 hours a day, seven days a week and providing this care puts families under huge emotional, practical and financial pressure.

The constant run of hospital appointments, gruelling medication and caring regimes and the unpredictability of their child's condition (around 15% will not even have an official diagnosis) can make it almost impossible to maintain healthy relationships and a stable family life.

At Demelza, we provide expert clinical and emotional support to help families live the best life they can.

We can help keep children out of hospital or leave hospital sooner and our specialist clinical care and advice enables parents meet the complex medical needs of their children with confidence. We can help improve their wellbeing, independence, knowledge and resilience whilst empowering them to do their very best during the most difficult of times. We can help them to smile, laugh and offer the rare opportunity to relax. Most importantly, we can help them to be families; enjoying their time together and creating memories that will last a lifetime.



Vision

For life to be better for children and young people who have serious or terminal conditions; and their parents and guardians, brothers and sisters, and those who love them, to receive support.

Mission

To provide specialist care and support for babies, children and young people and the whole family from diagnosis, during day to day family life, time of crisis, end of life care and through bereavement.

To influence care and support provided by others.

Our Values

Demelza
Hospice Care for Children

HUMAN IS OUR NATURE

Because we see the person and not the condition, we give each baby, child and family member a service that fits them as an **individual**.

We're all human, and through empathy and understanding, we can **provide essential care** as unique as the person it's designed for.

Our different roles, skills and experiences make us stronger. **We value and respect everyone** who is part of our story, from the families we help to the supporters and volunteers who keep us going, to each member of staff.



Demelza
Hospice Care for Children

Innovate DEVELOP AND IMPROVE

Each member of **#TeamDemelza** is driven to do better.

Through evidence, insight and experience, we're constantly **developing and improving** to give children and families better care and support.

Standing still doesn't get us anywhere. We always look for ways to transform **change into opportunity** and growth.



Demelza
Hospice Care for Children

Passion

PERFORMANCE PRIDE

We admit it. **We love what we do**. We feel privileged to support the families who trust us to care for those they love.

And we couldn't be prouder to be part of **#TeamDemelza**. It's the most rewarding job in the world.

We believe in passion, performance and pride – it's how we get the best from each other and deliver exceptional care and support.

Demelza
Hospice Care for Children

Fiercely

COMMITTED TO QUALITY

The families and children we help, and our supporters, deserve nothing but **excellence**.

Each one of us has a vital role to play in providing unique care and support, and we **always strive** to deliver a brilliant service.

By working and improving together, we can give even more families a chance to **enjoy time as a family**, for as long as they have.

Demelza
Hospice Care for Children

ALWAYS HONEST

ALWAYS AUTHENTIC

We are clear, open and honest with everyone, because **we value everyone**.

It's good to challenge each other, as long as it's constructive – **we always look for a positive solution** that moves us all forward.

We exist to give **the best care and support** to children and their families and that matters more than anything else.



Fia's story

"When our children use the hydro pool at Demelza; they are equal. For Fia, who has numerous medical problems, she can have freedom – she can be just like her big brothers and sister. It does her the world of good and the four children can play together - like all siblings should.

Fia is our youngest child and for the first few years of her life we saw Fia learn to walk and talk; just like we had with our three previous children. But there were some warning signs that something wasn't quite right – Fia vomited constantly and she was slower to reach her milestones. When Fia turned three, our lives changed forever.

An MRI scan revealed massive brain damage and Fia was diagnosed with Alexander disease; a rare neurodegenerative brain disease. Over the years Fia's health has deteriorated – cognitively she is still the same mischievous little girl, but the ability to use her body has changed beyond all recognition.

When Fia started having seizures, Demelza supported Fia to attend a specialist school for children who have complex needs. Fia used to stop breathing up to 15 times a day needing resuscitation, but this improved once she had a pacemaker fitted. It was just awful but again Demelza supported Fia to get her health needs met.

Fia has a great time when Demelza's Community Team in East Sussex take her out and I feel at ease knowing Demelza's Registered Nurses and Health Care Assistants can tend to her very complex care needs. For those hours that she is out enjoying herself, I can do the everyday chores that are just impossible to do when Fia is at home. Fia needs constant supervision to stay safe so to be able to get upstairs and tidy up is a dream. Fia also loves visiting the care team at Demelza's base in St Leonard's; a safe space where she and her big sister Flo can paint, play with the toys and have a much-needed change of scenery.

The COVID-19 pandemic has been incredibly hard for many families and Demelza stepped in. Having that extra pair of hands to help care for children like Fia or having someone to call on for help, advice and support is invaluable for families like ours. Every little bit helps and we are so very grateful to those who donate to Demelza and make their services possible."

Lian, mum to Fia



• **Fia and big sister Flo enjoying time together at Demelza East Sussex**



“ ”

Fia has a great time when Demelza's Community Team in East Sussex take her out and I feel at ease knowing Demelza's Registered Nurses and Health Care Assistants can tend to her very complex care needs. For those hours that she is out enjoying herself, I can do the everyday chores that are just impossible to do when Fia is at home.

Lian, mum to Fia

• Fia's first visit to Demelza (Kent), age 4

Our Achievements and performance

Demelza has emerged from the COVID-19 pandemic more agile and responsive in how and where we offer services and choice. This has allowed us to reach more children, young people and family members per day than ever before.

Our high-quality infection prevention and control has ensured that there have been no hospice-acquired COVID-19 infections and throughout the pandemic we have continued to meet the needs of Demelza families. We have focussed on being responsive and prioritising symptom management and end of life care along with supporting those in greatest need and adapted services accordingly. We have further developed our agile responses in Family Support via digital means and how we facilitate peer support and social interaction between families and individuals.

In 2021/22…



We supported
663 children and young people
with serious or terminal conditions and their families



We had
163 new families
referred to access our services



We provided:
183 Day care sessions
within our hospices



We provided:
1,555 Overnight sessions
within our hospices



We provided:
74 End of life care nights
within our hospices



We provided:
2,312 Care at home
sessions

Christmas 2021
After the disappointment of Christmas 2020, we held our most popular Festive Wishes Project with Santa's grotto and light trail at Demelza Kent this year. We saw 117 babies, children and young people meeting Santa and making memories as a family, some for one of the first times after almost two years of shielding or isolating at home. One Dad summed up how many of us had been feeling as he said to his child, "*see, I told you there were still more people in the world than us*". For those who couldn't come to the grotto, our volunteer elves delivered over 390 presents to children across our region. We don't know how many Christmases each family will have with their child, so we treat each one a the most special. 410 families had a personalised letter from Santa and 332 had a personalised video.

Other achievements include:

- Two Health Care Assistants qualified as Nursing Associates, which is one of the many our ways we will combat the impact of the national nursing shortage at Demelza
- Increasing our end of life memory making provision for every family who would like a hand cast to be made or specialist photographs to be taken
- Launching our Transition Pathway based on collaborative working with other charities, families and adult hospices across the region
- Opening two new Demelza shops in Hempstead and Sevenoaks



We provided:
18 End of life care at home
sessions



The hydro pool was used
223 times



635 children, young people and family members accessed
music, art and play therapy sessions



Our bereavement suites were used for
42 nights



102 children, young people and families accessed
our new counselling service



We had
1,978 participants
join 380 family liaison, music, art and bereavement group events

Strategic report

Trustees report
The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements Of Demelza House Children's Hospice (the company) for 12 months ended 31 March 2022. The annual report includes both trustees report for the purposes of charity law, and the directors report and strategic report for the purposes of company law. This report includes pages 1 to 24 and pages 50 to 42.

The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of company's governing document and the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (FRS102).

Charitable Objects
The memorandum and articles of association sets out the main charitable object:

The charity's objects (Objects) are to promote the relief of illness and suffering in such ways as the charity shall from time to time think fit, and in particular in the counties of Kent, East Sussex, part of Surrey and South London, and in particular (but without prejudice to the generality whether geographical or otherwise of such object):

(1) by establishing, maintaining and conducting residential nursing and convalescent homes for the reception and care of young persons of either sex and whether or not a member of the charity (without regard to race or creed) who are suffering from any chronic or terminal illness or from any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or of one sex only or (whether or not so restricted as aforesaid) to patients suffering from any particular type or types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families in their own homes;

(2) by conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and particularly into the care and treatment of persons suffering from terminal illness and the care of the families of such persons and by providing for the dissemination of the results of such research;

(3) by promoting or encouraging or assisting in the teaching or training of doctors, nurses, physiotherapists, administrators, social workers and other persons engaged in any branch of medicine, surgery, nursing or allied services, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services;

(4) by providing or assisting or encouraging the provision of spiritual help and guidance for any persons resident (either as patients or as families of such persons or otherwise) or associated in any way with any such home or homes as aforesaid.



Strategy April 2022-March 2027

We put in place an 18-month Reset and Recovery Plan from October 2020 to March 2022 to provide a roadmap out of the COVID-19 pandemic. From July 2021, the Trustees, staff, volunteers and service users worked together on the five-year strategy which starts in April 2022. The pandemic has been a time of extraordinary hardship for many children with serious or terminal conditions and their families, but has enabled Demelza to re-think our offer and become agile and responsive in how and where we offer services and choice.

This strategy will focus more than ever before on Demelza's history of actively seeking the views and feedback from those who are the real experts; the children, young people and their families themselves. We will strive to involve those who use or might need Demelza's services in our decision making and how we develop our services and ensure services are accessible to all those that need support, particularly those from diverse and minority backgrounds.



Strategic Objective 1: Be Effective
To provide services that best meet the needs of babies, children, young people and their families we will:
- Implement and monitor outcomes and uptake to ensure effectiveness
- Work to understand the area in which we work, those families who do and do not access our services and why
- Involve service-users in decision making
- Develop services to reflect demand and changing needs of families



Strategic Objective 2: Be Responsive
We know that the prevalence of children living with a serious or terminal condition in the UK has almost tripled in less than 20 years, reaching nearly 90,000 and this number is only set to grow. To meet the needs of these families we will:
- Offer more choice over type of care and where to access it
- Understand what families need to feel more supported by our services
- Ensure services are accessible, flexible and responsive
- Facilitate support networks that transcend Demelza
- Offer pre-emptive interventions to reduce stress and anxiety



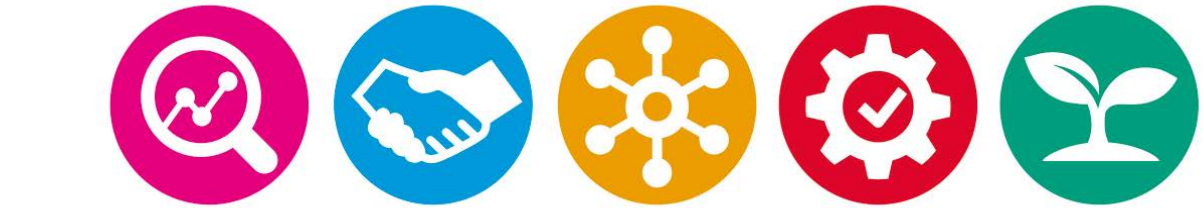
Strategic Objective 3: Extend our Reach
Children in the UK with a serious or terminal condition is highest in the under ones. An increasing number of young people are surviving to 19 (and beyond), an increase of over three-fold. To ensure we are reaching these children and families we will:
- Increase our number of referrals for nursing and care, expectant parents, neonates and babies, transition, bereavement services and family support
- Ensure our caseload reflects the demographic of the areas we serve, particularly diverse and minority groups



Strategic Objective 4: We are Demelza
With the right people in our various stakeholder groups, our organisation will be well-led, in all respects, ensuring we meet the ambitions and aspirations in supporting babies, children, young people and their families. To do this we will:
- Involve children, young people and their families in decision-making
- Provide career pathways and formal training to nursing staff
- Provide excellent stewardship to current donors and grow our supporter base
- Promote holistic wellbeing for staff and volunteers
- Utilise the skills and knowledge from our corporate partners and supporters
- Grow the diversity of our workforce and volunteers



Strategic Objective 5: Strengthen and Sustain
We will strive to reduce our carbon footprint, collaborate with others and embrace digital means to provide consistent, safe and equitable services. Services that are sustainable beyond the life of this strategy. To do this we will:
- Increase our presence in the high street, healthcare settings and communities in which we serve
- Increase the use of digital to deliver services and provide efficiencies
- Offer training to others in our area of expertise and seek training from theirs
- Work collaboratively with other organisations to deliver services when and where they are needed
- Be carbon neutral by 2030




Demelza
Hospice Care for Children
Demelza Hospice Care for Children
Strategy April 2022 – March 2027

Fundraising

2021-22 saw most fundraising streams begin to make a recovery from the COVID-19 pandemic. For every £1 of donations and legacies received in the year, 82p was used on charitable activity.

Fundraising events generated income of £338k (2021: £73k) as in-person events were allowed to take place between July and November 2021. All such events had been cancelled in the previous year and the closure of schools and community groups impacted income significantly. Grant-making trusts, other than the NHS, made grants of £310k (2021: £453k). Some trusts made additional grants in 20-21 in response to the pandemic which were not repeated in 21-22.

2022/23 will undoubtedly be another challenging year for fundraising. The cost of living crisis, the conflict in Ukraine and the continuing effects of the pandemic and Brexit, have put unprecedented pressure on many people's ability to give philanthropically. However, fundraising at Demelza remains agile, supported by our aspirational five-year strategy and the loyalty and generosity of the communities in which we work. We are confident that fundraising income will continue to recover post-COVID-19.

Compliance with fundraising regulations

The charity undertakes fundraising activity via the support of volunteers fundraising in the community, applying to and partnering with companies and grant-giving trusts, direct mailings and appeals, and

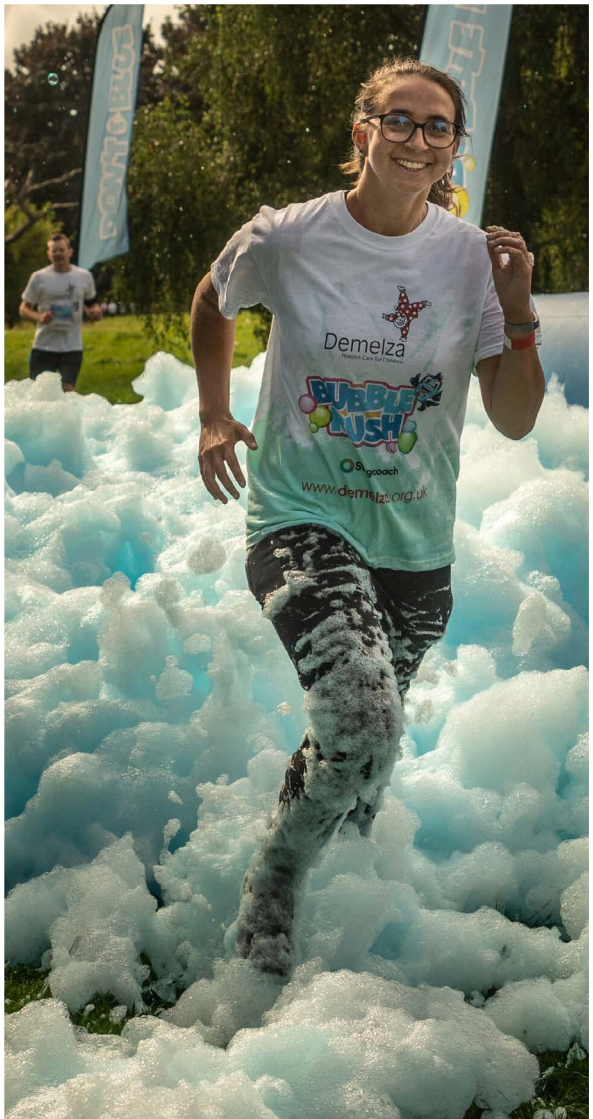
organising of events. Our fundraising activities are carried out in line with the Fundraising Code of Practice set by the fundraising regulator. Our fundraising promise is available on our website.

Charity supporters registered on the telephone preference service would only be called with an appeal if they have agreed to receive such calls. Callers are thoroughly trained and updated on the charity's work and calls are regularly monitored.

Demelza received 13 complaints (20/21: 9) about fundraising activity in the reporting period. This increase is mainly due to delays in thanking, which has been rectified with extra capacity being introduced in the Supporter Services team and a short-term issue with World Pay, which was resolved a soon as we knew there was an problem.

Section 172 (1) statement

The trustees and directors of Demelza Hospice Care for Children have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its beneficiaries, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.





Section 172 considerations are embedded in decision making at board level and throughout the group. Issues, factors and stakeholders which the directors have considered when discharging their duty under section 172(1) are detailed on pages 4 to 24 and 50 to 52 and throughout this Annual Report.

Our vision and mission statement are set out on page 6 of this report. Our achievements, performance and future plans are described in the strategic report as are the risks facing our organisation and the mitigating actions we plan to take (pages 21 to 22). Our environmental performance, and information about our engagement with employees is also included in this strategic report. The section on structure, governance and management (pages 50 to 52) contains information about the governance of the organisation.

Diversity and Inclusion

Demelza is striving to continually improve its approach to equality, diversity and inclusion.
This is to ensure that:

- All people feel welcome and comfortable when receiving care or support from Demelza
- We have a diverse staff and volunteer workforce that benefits from the innovation and richness that diversity brings
- We are playing our part in making a fairer society by tackling prejudice and privilege
- We are embracing difference to be a better place with more rounded views and perceptions

The steps we're taking:
To achieve this, we are working to develop our knowledge, skills and awareness of diversity and difference. This includes considering how our care and support can be improved for people from all cultures, those with faiths, beliefs and religions and those without. We proactively seek to identify and remove prejudice and discriminatory practices relating to race, ethnicity, culture, sex, sexuality, gender and transgender, disability, age, marriage or partnership status, and social class.

We are seeking to build a network of stakeholders who can help us engage with people we are less successful in reaching and we publish plans within our strategy against which we can be held to account.

We have identified that we need to improve in racial equality and have committed to addressing this problem. Whilst we are proud that the profiles of our service-users match the ethnic profiles of the communities in which we work, this is not the case for our workforce or leadership roles. We are formulating a plan, with support, to address this serious issue, for the benefit of the people and communities we serve and to improve our organisation. We welcome the advice and guidance of anyone who can help us achieve this aim.



S172(1) (b) 'The interests of the company's employees'

Employee Relations

The Board recognises that Demelza employees are our most important asset and are fundamental to the delivery of our strategic ambitions. Our success depends on attracting, retaining, motivating and developing them, wherever they are located in the world.

The annual staff survey is one of the Board's principal tools to measure employee engagement, motivation and commitment to Demelza. It enables the Board to understand how we are learning from survey findings to strengthen Demelza's culture and values, and informs decision-making, from pay and benefits to health, safety and wellbeing.

We recognise that our clinical staff worked tirelessly through a very challenging set of circumstances during the COVID-19 pandemic. We have sought to improve their wellbeing while continuing to offer vital services to families.

During the pandemic we have supported administrative staff to work remotely and carried out more frequent surveys to ensure that the impacts on wellbeing are understood and risks mitigated where possible. Over this past year we have moved towards hybrid working and this will continue into the coming financial year. We will continue to support staff in this transition, in particularly ensuring the health, safety and wellbeing of all.

Disabled Employees

We are committed to equality, diversity and inclusion in the recruitment, training, promotion and career development of people living with a disability. Demelza aims to ensure that people with disabilities are given equal opportunity to obtain employment. In doing so, we will fully consider making reasonable adjustments to working practices, equipment and premises to ensure that a person living with a disability is not put at a substantial disadvantage due to their disability. Should staff become disabled in the course of their employment, every effort will be made through reasonable adjustment, retraining or redeployment to enable them to remain in employment. If a staff member or a candidate feels that they have been unfairly discriminated against, they may raise a complaint under Demelza's Complaints Policy.



S172(1) (c) 'The need to foster the company's business relationships with suppliers, customers and others'

Demelza's key business relationships are with: The NHS and other healthcare partners; our suppliers; and our donors and supporters. This is not an exhaustive list: other key stakeholders include HMRC and the Charity Commission. In order to deliver our mission and strategy, we need to work with others. We are committed to prompt payment of invoices within agreed payment terms. The importance we attach to building relationships with our committed, generous donors and supporters is affirmed on page 18.

S172(1) (d) 'The impact of the company's operations on the community and the environment'

In the published Strategy for 2022 to 2027, we have committed to achieving net carbon zero by 2030. The first step is to measure our carbon footprint in 2022-23. We will then devise a plan to reduce emissions over the next four years, at which point we will begin to offset by purchasing carbon credits. An analysis of our carbon emissions in 2021-22 is found on page 22.

S172(1) (e) 'The desirability of the company maintaining a reputation for high standards of business conduct'

It is crucial that Demelza maintains its reputation for high standards of conduct. We remain committed to financial and risk management, compliance, safeguarding and good governance. We are committed to a focus on the charity's impact.

S172(1) (f) 'The need to act fairly as between members of the company'

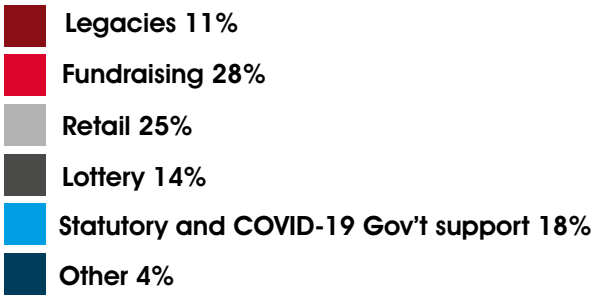
It's not relevant to Demelza's organisational structure, as the charity is run in the interests of its charitable objects and its beneficiaries rather than in the interests of its members.

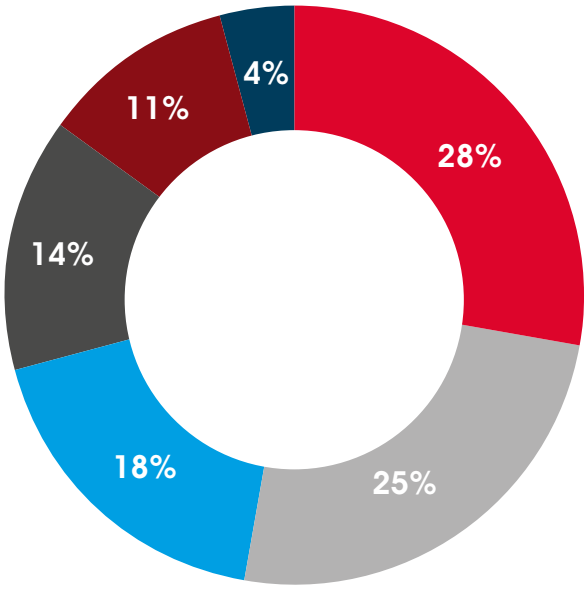


Financial review

Income

Despite the challenges the charity sector was facing, income recovered well in 2021-22 and close to pre-pandemic levels, with a total operational income of £12.00m (2021: £12.75m). This was largely due to the generosity of our loyal supporters and donors and for this we are so incredibly grateful.





Donations including gifts in kind were £2.66m (2021: £2.23m) reflecting an increase in community fundraising as in-person events became possible again.

Legacy income was £1.36m (2021: 1.90m) which was slightly below average.

Retail income was £3.06m (2021: £1.06m), an increase of £2m as all shops stayed open from 12th April 2021 to the end of the year. A new shop in Hempstead Valley shopping centre opened in November. This was the first year in which retail income has exceeded £3m.

Lottery income was £1.71m (2021: £1.76m), a reduction of 3%. Some individuals stopped playing the lottery during the year, and it was difficult to sign up the usual number of new players due to COVID sensitivity about face to face meetings at many of our regular sales venues.

Fundraising events returned during the year so income was much higher at £338k (2021: £73k), but this was still significantly less than per-COVID levels.

Statutory funding from NHS England, CCGs and Local Authorities was £1.77m (2021: £1.88m).

Grants from charitable trusts and foundations totalled £310k (2021: £453k) reflecting a return to a more normal level of income after some exceptional COVID-related grants in the previous years.

Government COVID support reduced to £347k (2021: £3.02m) as the disruption to the charity's income was much lower than during the previous year.

Expenditure

Expenditure was £12.63m in 2021-22 (2021: £10.76m). This increase in expenditure represents additional staff and capacity building in almost every area of our service delivery, to enable us to carry out the work laid out in our five-year strategy. To support our ambitious plans, investment was also made within fundraising and the trading company to ensure the increased costs are sustainable with longevity.

The cost of providing care was £7.37m (2021: £6.34m), an increase of 16%. To ensure a more equitable service and based on assessed need, we opened up our hospice buildings for more services, provided more care at home and group events for families after the restrictions of the previous year.

The cost of generating funds was £5.27m (2021: £4.41m), an increase of 20%. Fundraising costs were £1.57m (2021: £1.41m) The increase was due to in-person events taking place after restrictions were lifted. Trading expenditure increased to £3.66 (2021: £2.97m) as the shops remained open for 11 ½ months of the year. In 20-21, they were only open for 5 months.

Reserves

Our reserves policy states that to ensure the sustainability of our service for those who need it most, we keep 9-12 months in free reserves. At 31 March 2022 we held 11.0 months or £11.61m. As inflation and energy costs increase, we anticipate that donations from some supporters may reduce in 2022 and 2023 and possibly beyond. By holding reserves towards the top of our policy range, we have resilience to manage the volatility of our investments, cost increases and reduction in income.

At the end of the previous year, Demelza held £15.74m in free reserves. This was above our reserves policy due to exceptional legacy income in the preceding years, investment gains and government COVID-19 support. The trustees recognised that this gave Demelza an opportunity to plan and build up our services as we devised the five-year strategy.

The reduction in free reserves between March 2021 and March 2022 was £4m. The main factors in this reduction of free reserves were:

1. Designation of £3.56m for the Care and Resources Strategy Fund: As part of the five-year strategy, a number of projects are being funded by our reserves so we have ringfenced these costs.

2. Designation of a further £450k for Digital Transformation: Continually moving forward in an increasingly digital world is imperative to the longevity and effectiveness of the organisation. This fund will pay for the digital solutions and training Demelza needs to reach our strategic goals.

3. An operational deficit of £530k on unrestricted funds in 2021-22. This was mainly due to the return to normal services after COVID-19 while some fundraising streams took longer to recover. We also started to put plans in place for the new strategy by recruiting certain staff posts in the second half of the year.

The Strategy comprises a significant increase in the services for children and families and strengthening of support functions, especially focussing on our use of data and digital platforms. The trustees recognise that high inflation and volatility in the UK economy may adversely affect income. Therefore, we will monitor our finances closely and will flex plans accordingly to ensure that our reserves stay within the policy of 9 to 12 months of running costs.



Principal Strategic Risks and Mitigations

The senior leadership team and trustees regularly review organisational risks and how to negate or mitigate them as much as possible. The Trustees have assessed that the main strategic risks have been:

Strategic Risk	Actioned Mitigations
Operational delivery due to COVID-19	• Developed and amended appropriate policies and procedures caring for those clinically vulnerable • Organised building into physical zoned areas for effective care delivery • Moved many services to digital version • Developed IT infrastructure, equipment and training to support staff to work remotely
Number of appropriately skilled staff and volunteers, national shortage of nurses in UK	• Pilot project to train two Nursing Associates completed • Detailed Workforce Strategy developed, recruitment of posts to support • Retention strategy to develop voice of the employee to include wellbeing plan, enhanced internal communications • Good engagement, support and training of volunteers • Ensuring volunteers' skills are optimised.
Inflation and Cost of Living Crisis Including income downturn	• Detailed financial scenario planning • Timely review of management accounts, with Finance Business Partner support • Strengthen and increase portfolio of income streams eg bubble rush and new shops, develop Lottery sales opportunities • Cost of living award of 5% in April 2022 to all staff • Increase in share of children's hospice grant +56%
Safety and Quality of Service, including safeguarding and medicines management	• Annual safeguarding audit to demonstrate good organisational culture, training, policy framework. • Dedicated Clinical Governance Team, including Practice Development Nurses appointed to support training and embed good practice • Review of all clinical policies and procedures • Annual Quality Account published
Information Governance	• Information Governance policy and procedure reviewed • Independent Virtual Data Protection Officer appointed for routine expert advice. • Privacy Impact Assessments for all new relationships where data is shared • Cyber Essentials Accreditation achieved • Cyber Security training rolled out with regular reminders • Payment procedures enhanced

Strategic Risk	Further Planned Mitigations
Operational delivery due to COVID-19	• Continue timely amendment of policies and procedures • Embed separate physical areas of care building into our plans • Increase frequency and range of digital services, which reaches more children • Continue IT enhancements via Digital Transformation Project • Support more staff to develop effective hybrid working models, as defined by role.
Number of appropriately skilled staff and volunteers, national shortage of nurses in UK	• Workforce Strategy will offer career opportunities to increase number of employed nurses by 10% • Terms and Conditions of employment to be enhanced • Salaries to be aligned to the sector benchmark, if possible • Recruitment processes to be adapted to suit market
Inflation and Cost of Living Crisis Including income downturn	• Compelling Cases for Support for donors based on 2022-27 Strategy • Planned increase in applications for statutory funding for services • Additional one off payment, practical support and sign posting for staff • Well being Champions to be recruited and trained
Safety and Quality of Service, including safeguarding and medicines management	• Quality Framework to be adopted, aligned to new CQC requirements • Workforce Strategy will support career progression and competences • Amend risk management policy to ensure right focus on right areas
Information Governance	• Caldicott Guardian training and deputy role appointed • Cyber Security an inherent strand of all Digital Transformation Projects • Data Retention policy to be reviewed • Project to securely transfer archived data

Investments

Brewin Dolphin acted as Demelza's investment managers throughout the year. Our primary aim from investment is to achieve sustainable capital growth within a balanced risk environment. Ultimately these funds will provide a safety net to ensure the continued provision of the Charity's core services. The primary objective is to generate a total return of 2% above the rate of inflation as measured by CPI on a 5-year rolling basis.

As set out in the financial notes on page 41; we held £11.8m at the start of the year Dividends of £269k were received during the year and there was an unrealised gain of £278k. The fees charged by our investment manager were £45k. The value of investments at the end of the year was £12.3m.

Political and charity donations

Demelza is a registered charity and the whole of its payments are applied to charitable purposes as detailed in the accounts. No specific contributions to other charities were made in the period nor were any political contributions made.

Energy & carbon data

It is now a requirement of large organisations to include energy and carbon data in their Annual Reports, under the Streamlined Energy & Carbon Reporting (SECR) Regulations. We have reviewed the relevant activities, relating to buildings and business travel, and made the calculations, as shown below.

Our SECR carbon emissions for our financial reporting year 2021-22 amounted to 381 tCO2e, with 43% arising from gas consumption. 2020-21 was anomalous due to the COVID lockdowns, closure of shops and lack of travel to offices and meetings. Therefore, emissions have risen by 23% compared with the previous year. 2019-20 was a more normal year of activity. Emissions of CO2 were 443.7 tonnes in 19-20. So 21-22 saw a reduction of 14% in comparison.

SECR emissions calculations – methodology

We have reported on all of the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon

Emissions Scope / Activity	Consumption (Original unit)	Energy Equivalent (kWh)	Carbon Emissions (tCO2e)	% of SECR	Emissions (tCO2e)	% change
Year		**2021-22**			**2020-21**	
Total Energy, kWh		**1,934,091**			**1,540,619**	
Scope 1 - Direct Emissions			**218.3**	**57%**	**189.5**	15%
Gas Consumption (kWh)	900,365	900,365	164.9	43%	154.0	7%
Company Vehicles (litres)	21,634	226,119	53.3	14%	35.5	50%
Scope 2 - Energy Indirect Emissions			**122.5**	**32%**	**112.1**	9%
Electricity Consumption (kWh)	577,080	577,080	122.5		112.1	
Electricity Generation (kWh)	59,338	59,338	-		-	
Scope 3 - Other Indirect Emissions			39.9		**8.1**	390%
Grey Fleet (miles)	144,825	171,189	**39.9**	**10%**	8.1	
Hire Cars (miles)	-	-	-		-	
Total SECR Emissions, tCO2e			**380.7**		**309.8**	**23%**
Performance metric:						
Turnover (£m)	12.00				10.74	
Relative SECR Emissions, tCO2e/£m			**31.7**		**28.8**	**10%**

Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company

Energy efficiency projects
The solar panels continue to generate electricity, with consumption up by 40% this year.

Energy efficiency activities continue with blown light bulbs being replaced with efficient LEDs. A specific project to replace corridor lighting at the Kent hospice with LEDs, supported by PIR motion sensors, will start shortly. A programme to replace lighting at shops will also soon get underway, so all have the same fittings and LED bulbs. An electric car charging point has been installed for use by customers and staff. A review of the fleet is underway, with the first hybrid vehicle purchased as a pool car. There are plans to look at wider carbon emissions and develop a Net Zero Action Plan.

Structure, Governance and Management
Details about the structure, governance and management of the charity and its subsidiaries are show at the end of this report on pages 50 to 52.



Statement of Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

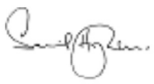
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Companies Act 2006, applicable accounting regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report, incorporating the Strategic Report, was approved by the Trustees, in their capacity as Company Directors, on 6 October 2022 and signed on its behalf by



David Highton, Chair of Trustees



Independent auditors report

Opinion

We have audited the financial statements of Demelza House Children's Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, group balance sheet, charity balance sheet, consolidated cash flow statement and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24 the trustees (who are also the directors of the parent charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with management and trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.
Further the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be those issued by the Care Quality Commission covering health care services and those issued by the Gambling Commission covering requirements for running a lottery.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the parent charitable 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 parent charitable 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE
Date 11 October 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial Statements

Consolidated Statement of Financial Activities for the period ended 31 March 2022
(Incorporating Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Income					
Donations and legacies	2	3,842	173	4,015	4,133
Trading activities	3	4,892	-	4,892	2,948
Income from Charitable Activities	4	1,423	1,047	2,470	2,455
Income from Investments	5	273	-	273	197
Government COVID Support	6	131	216	347	3,023
Total income		**10,561**	**1,436**	**11,997**	**12,756**
Expenditure					
Expenditure on Raising funds	7				
Generating donations and legacies		1,299	-	1,299	1,326
Fundraising events		267	-	267	82
Trading expenditure		3,658	-	3,658	2,971
Investment management fees		45	-	45	36
Total Expenditure on Raising funds		**5,269**	**-**	**5,269**	**4,415**
Expenditure on Charitable activities	8				
Residential service		5,009	1,298	6,307	5,502
Community Service		813	247	1,060	840
Total Expenditure on Charitable activities		**5,822**	**1,545**	**7,367**	**6,342**
Total Expenditure		**11,091**	**1,545**	**12,636**	**10,757**
Deficit before investment gains/(losses)		**(530)**	**(109)**	**(639)**	**1,999**
Net Gains / (Loss) on investment	16	278	-	278	1,948
Loss on disposals of investment property		-	-	-	(8)
Net income / (expenditure)		**(252)**	**(109)**	**(361)**	**3,939**
Transfers between funds		-	-	-	-
Net movement in funds		**(252)**	**(109)**	**(361)**	**3,939**
Fund balances brought forward at 1st April 2021		27,266	487	27,753	23,814
Fund balances carried forward at 31st March 2022		**27,014**	**378**	**27,392**	**27,753**

All the activities of the Group and the Charity are continuing. There are no other recognised gains or losses.
Full comparative figures for the period ended 31 March 2021 are shown in note 49. The notes on pages 30 to 49 for part of these financial statements.

Balance Sheets at 31 March 2022

Company No: 02948500

	Note	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Fixed Assets					
Tangible assets	13	7,030	7,024	6,950	7,020
Intangible assets	14	108	48	68	48
Investment property	15	3,208	3,208	-	-
Investments	16	12,284	11,781	15,631	15,128
		22,630	**22,061**	**22,649**	**22,196**
Current Assets					
Stock		6	12	-	-
Debtors	18	1,302	1,241	1,708	1,643
Cash at bank and in hand		5,086	5,329	4,436	4,596
		6,394	**6,582**	**6,144**	**6,239**
Creditors: Amounts falling due within one year	19	(1,560)	(890)	(1,329)	(682)
Net Current Assets		**4,924**	**5,692**	**4,815**	**5,557**
Total assets less current liabilities		**27,464**	**27,753**	**27,464**	**27,753**
Provisions for Liabilities	20	(72)	-	(72)	-
Net Assets		**27,392**	**27,753**	**27,392**	**27,753**
Funds	21				
Restricted Funds		378	487	378	487
Unrestricted funds					
General		11,606	15,736	11,606	15,736
Designated		15,408	11,530	15,408	11,530
Total Funds		**27,392**	**27,753**	**27,392**	**27,753**

The financial statements were approved by the Board of Trustees and authorised for issue on 6 October 2022 and signed on its behalf by:

David Highton
Chair

Robert Alexander
Treasurer

The deficit for the charity only in the period is £360,978 (2021: surplus of £4,510,641)

Consolidated Cash Flow Statement for the year ended 31 March 2022

	Note	2022 £000	2021 £000
Net Cash Inflow from Resources	23	**184**	**2,894**
Cashflows from Investing activities			
Purchase of property, plant and machinery		(367)	(204)
Purchase of intangible fixed assets		(60)	-
Purchase of investments in the year		-	(2,000)
Proceeds from sale of investment properties		-	1,206
Net cash provided by (used in) financing activities		**(427)**	**(998)**
Change in cash and cash equivalents in the reporting period	24	**(243)**	**1,896**
Cash and cash equivalents at 1st April 2021		5,329	3,433
Cash and cash equivalents at 31st March 2022		**5,086**	**5,329**

Notes to the financial statements
For the year ended 31 March 2022

Note 1. Accounting Policies

Statement of compliance
The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP) and the Financial Reporting Standard applicable in the United Kingdom and republic of Ireland (FRS 102) and the Charities Act 2011. Demelza House Children's Hospice meets the definition of a public benefit entity under FRS 102. The functional currency is £ Sterling.

General information
The Charity is a company limited by guarantee, incorporated in England and Wales (company number 2948500) and a charity registered in England and Wales (charity number: 1039651). The Charity's registered office address is: Demelza House, Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ.

Basis of consolidation
These financial statements consolidate the results, assets and liabilities of the charity's trading subsidiary Demelza Trading Ltd (company number: 03090528) and ACG Lettings Ltd (company number: 03031999 on a line-by-line basis.

Going concern
The trustees have reviewed Demelza House Children's Hospice's financial position, considering the impact of future activities, and concluded that it is appropriate to produce the accounts on a going concern basis for the 12 months from the date the accounts are signed.

A summary of the accounting policies, which have been consistently applied, is set out below.

Significant judgements and estimates
The key sources of uncertainty in our estimations that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:
• residuary legacies – the charity recognises residuary legacies once probate has been granted, which therefore requires an estimation of the amount receivable.

Accounting for income
Income received by way of donations, collecting boxes or from functions, shops or flag days is not recorded in the financial statements until the cash, or document of title to the investment or property is received at headquarters. Legacy income is recognised in the SOFA when receipt is probable, amounts receivable can be measured with sufficient reliability and the charity is entitled to the income.

No account is taken of monies or other assets in the hands of outside or voluntary helpers until such monies are banked or other assets are remitted to headquarters. Contracted fees receivable and grants invoiced to local authorities, as well as investment income and accrued tax recoverable, are accrued. Other grants from central government and local authorities are recorded in the financial statements when they are receivable.

Contracted fee income specifically received in advance of expenditure in the next financial year is deferred in the balance sheet.

The value of investments and property bequeathed or donated to Demelza House Children's Hospice is taken to be market value on the date when the documents of title are received.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Central overhead costs are allocated to operational and fundraising functions on the basis of their use of central support services.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of the charitable activities.

Support costs, which include central or regional functions such as general management, budgeting and accounting, payroll administration, human resources, information technology, facilities and estates, are allocated across charitable and fundraising activities under the following categories, financial management, people and organisational development, information systems, facilities and estates.

Where information about the aims, objectives and projects of the Charity is provided in the content of fundraising material in an educational manner in the furtherance of the Charity's objectives, those costs are apportioned to charitable activities. Irrecoverable value added tax (VAT) is included in the relevant expense categories.

Support and governance costs are apportioned on the basis of usage of a resource in terms of time taken, capacity used and requests made.

Tax
Demelza House Children's Hospice is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income from capital gains received within categories covered by Chapter 3 Part II corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable

purposes. Profit from the subsidiaries is gift aided to Demelza House Children's Hospice.

Leases
All leases are operating leases. Costs in respect of these leases are charged to the statement of financial activities over the term of the lease.

Fixed assets

Land and buildings
Land and buildings are stated in the balance sheet at the most recent valuation or, in the case of purchases or additions subsequent to the date of such valuation, at cost, less depreciation provided in relation to such valuation or cost, as appropriate, to write off the assets other than freehold land over the following periods.

Freehold buildings
The period of the estimated useful life up to a maximum of 50 years from the date of purchase.

Leasehold land and buildings
The unexpired portion of the lease up to a maximum of 50 years from the date of the most recent revaluation or, if later, the date of the purchase.

Building improvements
Between 3 to 25 years based on nature of usage, or if earlier, the unexpired portion of the lease.

Motor vehicles
Motor vehicles are stated in the Balance Sheet at cost, less depreciation provided to write off the vehicles over a period of 4 years.

Equipment
Equipment is stated in the Balance Sheet at cost less depreciation to write off the equipment over a period of up to 7 years.

Intangible fixed assets
Intangible fixed assets such as the website, software and intellectual property are capitalised at cost and are amortised over a period of 3 to 10 years.

Fund accounting

Restricted funds
These funds are restricted by the donor for specific purposes. Revenue funds restricted by the donor are held in restricted reserves and funds are matched against expenditure as appropriate.

Unrestricted funds
These funds comprise accumulated surpluses and deficits on general funds that are expendable at the discretion of the Trustees in furtherance of the objects of the charity and that have not been designated for other purposes.

Designated funds
These are unrestricted funds that have been set aside at the discretion of the Trustees for particular purposes.

Short term employee benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pensions
Demelza House Children's Hospice operates a defined contribution scheme available to the majority of its permanent employees. The Charity and its subsidiaries also make contributions to the National Health Service Pension Scheme for certain employees which is a defined benefit scheme. However, the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities. As a result, this scheme is also accounted for by the charity as a defined contribution scheme.

All the pension schemes are administered by separate trustees and are run independently of the charity.

The costs of providing pensions for employees are therefore all charged in the statement of financial activities for the year in which the contributions are payable.

Liabilities
Future liabilities are recognised when Demelza House Children's Hospice has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

Financial instruments
Cash at bank and short-term deposits includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

Debtors recognition
Debtors which arise from contracts for the sale of non-financial items (such as goods or services), which are entered into in accordance with the Charity's normal sale or usage requirements, are recognised when, and to the extent that, performance occurs, i.e. when delivery of the goods or services is made. Regular sales are recognised and de-recognised, as applicable, using the trade date.

De-recognition
All debtors are de-recognised when the rights to receive cash flows from the assets have expired or the Charity has transferred substantially all of the risks and rewards of ownership.

Investments
Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. Realised and unrealised gains are accounted for within the statement of financial activities.

Investment properties
Investment properties are valued at the year end. Gains or losses are recognised in the accounts of the relevant subsidiary and shown within the statement of financial activities.

Stock
Stocks comprise finished goods and are stated at the lower of cost and net realisable value.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

Donated goods
The trustees have concluded and agreed that the valuing of shops donated goods for resale on receipt is impractical due to the high volume of low value items, lack of stock system for recording these items and the administrative cost involved. Instead, the income is recognised in the accounts when these goods are sold.

Notes to the financial statements for the year ended 31 March 2022

2	Donations & Legacies	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000
	Donations	2,340	173	2,513	1,990	198	2,188
	Gifts In Kind	144	-	144	40	-	40
	Legacies	1,358	-	1,358	1,905	-	1,905
		3,842	**173**	**4,015**	**3,935**	**198**	**4,133**

3	Trading Activities	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000
	Lottery income	1,708	-	1,708	1,760	-	1,760
	Retail sales	3,064	-	3,064	1,063	-	1,063
	Rental income	120	-	120	125	-	125
		4,892	**-**	**4,892**	**2,948**	**-**	**2,948**

4	Income from Charitable Activities	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000
	Fundraising events	338	-	338	73	-	73
	Grant contribution funded by NHS England	-	894	894	-	867	867
	Funding from CCGs/Local Authorities	877	-	877	841	170	1,011
	Other Grants	156	153	309	286	167	453
	Other Income	52	-	52	51	-	51
		1,423	**1,047**	**2,470**	**1,251**	**1,204**	**2,455**

5	Income from Investment	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000
	Bank Interest	4	-	4	3	-	3
	Investment portfolio income	269	-	269	194	-	194
		273	**-**	**273**	**197**	**-**	**197**

6	Government Covid Support	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000
	Business Continuity Grants	85	-	85	316	-	316
	Job Retention Scheme	46	-	46	867	-	867
	NHS England COVID-19 Grant	-	216	216	-	1,840	1,840
		131	**216**	**347**	**1,183**	**1,840**	**3,023**

Notes to the financial statements for the year ended 31 March 2022

7	Expenditure on Raising Funds	Direct Costs 2022 £000	Support Costs 2022 £000	Total 2022 £000	Direct Costs 2021 £000	Support Costs 2021 £000	Total 2021 £000
	Generating voluntary income	941	358	1,299	854	472	1,326
	Fundraising events costs	193	74	267	64	18	82
	Retail expenditure	2,589	316	2,905	2,093	237	2,330
	Lottery Expenditure	604	46	650	510	26	536
	Property lettings costs	78	5	83	100	5	105
	Events company costs	20	-	20	-	-	-
	Investment management fees	45	-	45	36	-	36
		4,470	**799**	**5,269**	**3,657**	**758**	**4,415**

8	Charitable Activities	Direct Costs 2022 £000	Support Costs 2022 £000	Total 2022 £000	Direct Costs 2021 £000	Support Costs 2021 £000	Total 2021 £000
	Residential Services	4,522	1,785	6,307	4,132	1,370	5,502
	Community Services	798	262	1,060	673	167	840
		5,320	**2,047**	**7,367**	**4,805**	**1,537**	**6,342**

	2022 £000	2021 £000
Direct charitable costs consist of:		
Care Costs	4,495	4,062
Catering and Housekeeping	323	303
Centre costs	502	440
	5,320	**4,805**

Notes to the financial statements for the year ended 31 March 2022

9	**Support Costs**	**Total 2022 £000**	**Total 2021 £000**
	Support costs consist of:		
	Human Resources and administration	685	565
	Finance	478	430
	IT	708	513
	Volunteer Services	116	113
	Marketing	427	240
	Governance Costs	72	68
	Depreciation	361	366
		2,846	**2,295**
	Which is allocated:		
	Generating funds	799	758
	Charitable activities	2,047	1,537
		2,846	**2,295**

Marketing costs have been treated as support costs. In the accounts for the year ended 31 March 2021, marketing costs were treated as direct costs. The comparatives in notes 7,8 and 9 have been restated.

Governance Costs consist of:

	2022 £000	**2021 £000**
Audit and accountancy fees	25	23
Staffing costs	47	45
	72	**68**

No Trustees received remuneration during the period (2021: nil). Trustee expenses reimbursed amounted to £nil (2021: nil).

No Trustees made any restricted donations during the year (2021:nil).

Notes to the financial statements for the year ended 31 March 2022

10 Staff Costs	2022 £000 TOTAL GROUP	2022 £000 TOTAL CHARITY	2021 £000 TOTAL GROUP	2021 £000 TOTAL CHARITY
Wages and salaries	7,078	6,832	6,397	6,104
Employer's National Insurance	619	599	544	523
Pension costs	580	570	488	475
	8,277	**8,001**	**7,430**	**7,101**

The average number of full-time equivalent employees during the year was:

	FTE 2022	FTE 2021	NO 2022	NO 2021
Nursing and care services	117	122	144	148
Retail	61	52	93	72
Fundraising	22	27	24	32
Support functions	33	26	46	30
TOTAL CHARITY	**233**	**227**	**307**	**282**
Lottery	6	7	8	9
	239	**234**	**315**	**291**

Higher Salary Band (Gross Annual Salary)	31/03/2022	31/03/2021
£60,001 - £70,000	4	3
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
	6	**5**

Total Senior Management Team gross pay for the year £445k (2021: £421k).
The CEO salary inclusive of pension and National Insurance was £89k (2021: £96k).

Notes to the financial statements for the year ended 31 March 2022

11	**Net Income for the Year**	**2022**	**2021**
		£000	**£000**
	Net income for the year is stated after charging/(crediting):		
	Operating leases - land and buildings	564	546
	- other	69	75
	Auditors' remuneration(excluding VAT)		
	- audit of parent company	14	12
	- audit of subsidiaries	11	10
	- preparation of tax return for parent company	1	1
	- preparation of tax return for subsidiaries	3	3
	Depreciation of fixed assets	361	392

12	**Net Income of Trading Subsidiaries**	**2022**	**2021**
		£000	**£000**
	Demelza House Trading Ltd		
	Turnover	1,895	1,890
	Cost of sales	(273)	(290)
	Gross profit	1,623	1,600
	Administration expenses	(557)	(505)
	Management Charge to Demelza House Children's Hospice	(78)	(75)
	Other operating income	9	126
	Operating Profit	997	1,146
	Net Profit	**997**	**1,146**
	Gift Aid payment to Demelza House Children's Hospice	(997)	(1,146)
	Retained Profit for the Year	**-**	**-**
	Retained profit brought forward	-	-
	Retained profit carried forward	**-**	**-**

Demelza House Trading Ltd (company number 03090528) is a wholly owned trading subsidiary of the charity, which is incorporated in the UK. The subsidiary operates a number of retail outlets selling donated goods, cards and other merchandise and runs a lottery scheme. The company made a Gift Aid payment of its taxable profits to Demelza House Children's Hospice.

12	Net Income of Trading Subsidiaries (continued)	2022	2021
	ACG Lettings Ltd	**£000**	**£000**
	Turnover	120	120
	Administrative Expenses	(79)	(100)
	Management Charge to Demelza House Children's Hospice	(5)	(5)
	Gross Profit	**36**	**15**
	Operating Profit	**36**	**15**
	Interest receivable and similar income	-	-
	Net Profit	**36**	**15**
	Gift Aid payment to Demelza House Children's Hospice	(36)	(676)
	Tax on profit	-	90
	Retained profit / (loss) carried forward	**-**	**(571)**

ACG Lettings Ltd (company number: 03031999) was bequeathed to the charity as part of a legacy. The shares were transferred on 31st March 2020. The company is a residential property lettings company owning property in Dover, Deal and Ash. The company continues to be committed to providing a high quality of housing to its tenants at no more than the market rate.

South East Medical Services Limited (company number: 06042090) is a wholly owned subsidiary of the charity, which is incorporated in the UK. The company was dormant in the current and prior year having net assets of £1. The principal activity of the company was the construction of children's hospice buildings with the profit being gift aided to the charity.

13 Tangible Fixed Assets

CONSOLIDATED	Freehold Buildings £000	Improvements to leasehold property £000	Fixtures And Fittings £000	Motor Vehicles £000	Total Group £000
Cost					
At 1 April 2021	9,320	24	1,466	270	11,080
Additions	10	-	278	79	367
Disposals	-	-	-	-	-
At 31 March 2022	**9,330**	**24**	**1,744**	**349**	**11,447**
Depreciation					
At 1 April 2021	2,638	18	1,141	259	4,056
Charge for the year	185	-	162	14	361
Disposals	-	-	-	-	-
At 31 March 2022	**2,823**	**18**	**1,303**	**273**	**4,417**
Net Book Value					
At 31 March 2022	**6,507**	**6**	**441**	**76**	**7,030**
At 31 March 2021	6,682	6	325	11	7,024

CHARITY	Freehold Buildings £000	Improvements to leasehold property £000	Fixtures And Fittings £000	Motor Vehicles £000	£000
Cost					
At 1 April 2021	9,320	24	1,458	270	11,072
Transfers from Trading Company	-	-	-	(36)	(36)
Additions	10	-	232	43	285
Disposals	-	-	-	-	-
At 31 March 2022	**9,330**	**24**	**1,690**	**277**	**11,321**
Depreciation					
At 1 April 2021	2,638	18	1,137	259	4,052
Transfers from Trading Company	-	-	-	36	36
Charge for the year	185	-	159	(61)	283
Disposals	-	-	-	-	-
At 31 March 2022	**2,823**	**18**	**1,296**	**234**	**4,371**
Net Book Value					
At 31 March 2022	**6,507**	**6**	**394**	**43**	**6,950**
At 31 March 2021	6,682	6	321	11	7,020

14	Intangible Fixed Assets - Group	Hospice	Total Group
	Cost	**£000**	**£000**
	At 1 April 2021	48	48
	Additions	20	60
	At 31 March 2022	**68**	**108**
	Depreciation		
	At 1 April 2021	-	-
	Charge for the year	-	-
	At 31 March 2022	-	-
	Net Book Value		
	At 31 March 2022	**68**	**108**
	At 31 March 2021	48	48

	Intangible Fixed Assets - Charity	Hospice	Total Charity
	Cost	**£000**	**£000**
	At 1 April 2021	48	48
	Additions	20	20
	At 31 March 2022	**68**	**68**
	Depreciation		
	At 1 April 2021	-	-
	Charge for the year	-	-
	At 31 March 2022	**-**	**-**
	Net Book Value		
	At 31 March 2022	**68**	**68**
	At 31 March 2021	48	48

15	Investment Property	Freehold Buildings	Total Group
	Consolidated and charity	**£000**	**£000**
	At 1 April 2021	3,208	3,208
	Disposal	-	-
	At 31 March 2022	**3,208**	**3,208**
	Net Book Value		
	At 31 March 2022	**3,208**	**3,208**
	At 31 March 2021	3,208	3,208

All investment properties are held by ACG Lettings Ltd which was acquired through a legacy on 31 March 2020.
The freehold properties were valued based on two Chartered Surveyors' valuations in February 2020.
The Directors consider this valuation to be appropriate at 31 March 2022.

16 Investments - Charity	2022	2021
	£000	£000
Unlisted investments		
Demelza House Trading Limited	-	-
South East Medical Services Limited	-	-
ACG Lettings Ltd	3,347	3,347
Total	**3,347**	**3,347**

The £101 unlisted investments represent a 100% shareholding in Demelza House Trading Limited and a 100% shareholding in South East Medical Services Ltd. The charity has three subsidiaries as follows:

	Class of Shares held	Nature of Business	Capital and Reserves at 31-Mar-22 £
Demelza House Trading Limited	Ordinary	Retailing	-
South East Medical Services Ltd	Ordinary	Dormant	-
ACG Lettings Ltd	Ordinary	Property Lettings	3,347

Charity & Group Investment Fund	2022 £000	2021 £000
At 1 April	11,781	7,675
Invested in the year	-	2,000
Dividends & Interest received	270	193
Investment Managers' Charge	(45)	(36)
Unrealised gains in the year	278	1,949
At 31 March	**12,284**	**11,781**

The historic cost of the investments was £9,618k (2021: £9,618k)

Notes to the financial statements for the year ended 31 March 2022

17 Stock

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Goods for resale	6	12	-	-
	6	**12**	**-**	**-**

18 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Amounts due from subsidiaries	-	-	422	421
Trade debtors	75	280	59	273
Bad Debt Provision	(11)	(24)	(6)	(20)
Prepayments & Accrued Income	912	969	910	953
VAT	326	16	323	16
	1,302	**1,241**	**1,708**	**1,643**

19 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade creditors	(238)	(169)	(213)	(159)
Tax and social security costs	(152)	(229)	(152)	(132)
Other creditors	(140)	(17)	(142)	(92)
Accruals and deferred income	(1,030)	(475)	(822)	(299)
	(1,560)	**(890)**	**(1,329)**	**(682)**

All the deferred income of £894k will be released in the following year. This represents ticket payments in advance by supporters for events in the following year, payments in advance by the lottery players and a grant made by a trust to be expended in the next financial year.

Accruals and deferred income includes deferred income as follows:

	2022	2021
B/fwd	£000	£000
Amounts deferred in the year	(398)	(503)
Amounts released in the year	(894)	(398)
C/fwd	398	503
	(894)	**(398)**

20 Provisions for Liabilities

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Provisions	(72)	-	(72)	-
	(72)	**-**	**(72)**	**-**

The provision of £72k has been made against possible gas and electricity charges for the warehouse and retail head office.

Notes to the financial statements for the year ended 31 March 2022

21 Funds

Restricted Funds	Balance at 1 April 2021 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2022 £000
NHS England Covid-19 funding	-	894	(894)	-	-
Grant contribution funded by NHS England	-	216	(216)	-	-
East Kent CCGs Grant	170	-	(138)	-	32
Care Where You Are	6	80	(42)	-	44
Bereavement Services and Family Fund	42	9	(34)	-	17
Building and Ground Improvement Projects	65	104	(70)	-	99
East Sussex Community Equipment & Running Costs	76	30	(33)	-	73
Kent Hospice Equipment and Running Costs	91	61	(81)	-	71
SE London Hospice Equipment and Running Costs	37	42	(37)	-	42
	487	**1,436**	**(1,545)**	**-**	**378**

	Balance at 1 April 2020 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2021 £000
NHS England Covid funding	-	1,840	(1,840)	-	-
Grant contribution funded by NHS England	-	868	(868)	-	-
East Kent CCGs Grant	-	170	-	-	170
Care Where You Are	-	62	(56)	-	6
Bereavement Services and Family Fund	44	47	(49)	-	42
Building and Ground Improvement Projects	48	142	(125)	-	65
East Sussex Community Equipment & Running Costs	96	33	(53)	-	76
Kent Hospice Equipment and Running Costs	82	38	(29)	-	91
SE London Hospice Equipment and Running Costs	23	43	(29)	-	37
	293	**3,243**	**(3,049)**	**-**	**487**

NHS England Covid-19 funding. The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

Grant contribution funded by NHS England is the annual grant awarded to children's hospices in England.

East Kent CCGs Grant funds training, care at home and the managed clinical network in Kent and Medway.

Care Where You Are represents the delivery of palliative care in a variety of settings to enable access by those who cannot reach a residential hospice.

Bereavement Services and Family Fund funds bereavement services and family support at Kent, South East London and East Sussex.

Building and Ground Improvement Projects funds building works and improvements to the grounds at Kent, South East London and East Sussex.

East Sussex Community Equipment & Running Costs funds the work of the East Sussex team and equipment required.

Kent Hospice Equipment and Running Costs funds the work of the Kent team and equipment required.

SE London Hospice Equipment and Running Costs funds the work of the South-East London team and equipment required.

21 Funds (continued)

Unrestricted Funds Group	Balance at 1 April 2021 £000	Incoming Resources including gains on investments £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2022 £000
Designated funds					
Fixed assets & Inv. Property fund	10,280	-	(362)	427	10,345
Care and Resources Strategy Fund	-	-	-	3,560	3,560
Digital transformation Fund	1,000	-	(97)	450	1,353
Capital Covid Recovery Fund	250	-	-	(100)	150
Unrestricted general funds	15,736	10,839	(10,632)	(4,337)	11,606
Total unrestricted funds	**27,266**	**10,839**	**(11,091)**	**-**	**27,014**

Group	Balance at 1 April 2020 £000	Incoming Resources including gains on investments £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2021 £000
Designated Funds					
Fixed assets & Inv. Property fund	11,678	-	(392)	(1,006)	10,280
Digital transformation Fund	-	-	-	1,000	1,000
Capital Covid Recovery Fund	-	-	-	250	250
Unrestricted general funds	11,843	11,455	(7,318)	(244)	15,736
Total unrestricted funds	**23,521**	**11,455**	**(7,710)**	**-**	**27,266**

Designated Funds

Fixed assets & Investment Property fund – Represents unrestricted funds tied up in fixed assets. At the balance sheet date the balance of fixed asset designated reserves equates to the net book value of fixed assets held.

Care & Resources Strategy fund – The Trustees have approved the charity's strategy for 2022 - 2027. They have designated the funds required for the planned developments in the care departments and support functions.

Digital transformation Fund represents funds designated for Demelza to make all its services digitally accessible to users and to harness digital processing of data to bring greater accuracy and efficiency. The funds will be used between 2021 and 2024.

Capital COVID Recovery Fund is designated for accelerated capital expenditure following the lockdowns on 2020-21 when little capital work was possible.

Unrestricted general funds represent the unrestricted reserves of the Charity, which are not designated for particular purposes, and therefore the Trustees can utilise as they see fit in accordance with its charitable objects.

21 Funds (continued)

Summary of Total Group Funds

	Balance at 1 April 2021 £000	Incoming Resources including gains on investments £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2022 £000
Restricted funds	487	1,436	(1,545)	-	378
Unrestricted funds	27,266	10,839	(11,091)	-	27,014
Total funds	**27,753**	**12,275**	**(12,636)**	**-**	**27,392**

	Balance at 1 April 2020 £000	Incoming Resources including gains on investments £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2021 £000
Restricted funds	293	3,242	(3,048)	-	487
Unrestricted funds	23,521	11,455	(7,710)	-	27,266
Total funds	**23,814**	**14,697**	**(10,758)**	**-**	**27,753**

Notes to the financial statements for the year ended 31 March 2022

22 Analysis of Group Net Assets Between Funds

Group	Unrestricted Funds 2022 £000	Restricted Funds 2022 £000	Total 2022 £000	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total 2021 £000
Fund balances at 31 March are represented by:						
Fixed assets and investments	22,629	-	22,629	22,061	-	22,061
Current assets	6,017	378	6,395	6,095	487	6,582
Creditors falling due within one year	(1,560)	-	(1,560)	(890)	-	(890)
Provision for liabilities	(72)	-	(72)	-	-	-
	27,014	**378**	**27,392**	**27,266**	**487**	**27,753**
Charity						
Fund balances at 31 March are represented by:						
Fixed assets and investments	22,649	-	22,649	22,196	-	22,196
Current assets	5,766	378	6,144	5,752	487	6,239
Creditors falling due within one year	(1,329)	-	(1,329)	(682)	-	(682)
Provision for liabilities	(72)	-	(72)	-	-	-
	27,014	**378**	**27,392**	**27,266**	**487**	**27,753**

23 Reconciliation of Net cash flow to movement in funds

	2022 £000	2021 £000
Net incoming / (outgoing) resources	(361)	3,939
Depreciation charges	362	392
Loss on sale of investment property	-	7
(Gain) on sale of fixed assets	-	(3)
(Gains)/Losses on investments	(278)	(1,948)
Less Investment Income	(269)	(194)
Add investment management fee	45	36
(Increase)/ Decrease in stock	4	33
(Increase)/Decrease in debtors	(60)	918
Increase/(Decrease) in creditors	669	(286)
Increase/(Decrease) in provision	72	
Net cash outflowing resources	**184**	**2,894**

24 Analysis of cash and cash equivalents

	Short term Deposit £000	Cash at bank and in hand £000	Total £000
Balance at 1 April 2021	1,900	3,429	5,329
Net cash movement	(500)	257	(243)
Balance at 31 March 2022	**1,400**	**3,686**	**5,086**
Balance at 1 April 2020	-	3,433	3,433
Net cash movement	1,900	(4)	1,896
Balance at 31 March 2021	**1,900**	**3,429**	**5,329**

Notes to the financial statements for the year ended 31 March 2022

25 Analysis in Changes of Net Debt

	At 1 April 2021	Cash movements	At 31 March 2022
	£000	£000	£000
Cash at bank	5,329	(243)	5,086

	At 1 April 2020	Cash movements	At 31 March 2021
Cash at bank	3,433	1,896	5,329

26 Pensions

	2022	2021
	£000	£000
Defined Contribution Scheme	233	246
NHS Pension Scheme	347	242
Total Pension Costs (Note 10)	**580**	**488**

Defined Contribution Scheme

The charity and its subsidiaries operate a defined contribution scheme available to the majority of its permanent employees. Contributions are charged in the financial statements as they are incurred and there were no outstanding contributions as at the balance sheet date. Pension costs charged in the period were £233k (2021: £245k).

NHS Pension Scheme

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employees, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence, it is not possible for Demelza House Children's Hospice Ltd to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost is the contributions payable to the scheme for this accounting period.

Employers' pension contributions are charged to operating expenses as and when they become due. The total employer contribution payable by Demelza in 2021-22 was £347k (2021: £240k). In addition, employees who are members of the scheme pay contributions of 5.6% to 12.5% depending on their pensionable pay.

In accordance with FRS102, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the Scheme's balance sheet date by updating the results of the full actuarial valuation. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website.

27 Commitments

Operating Leases

The following lease commitments for the next twelve months existed at 31 March 2022 in respect of non-cancellable operating leases:

	2022 Land and Buildings £000	2022 Other £000	2021 Land and Buildings £000	2021 Other £000
Up to one year	362	51	397	70
Between one and five years	879	75	508	152
Over five years	74	-	105	-
	1,315	**126**	**1,010**	**222**

28 Commitments by Lessors

Minimum lease receipts under non-cancellable operating leases to be received:

	2022 £000	2021 £000
Up to one year	51	51
Between one and five years	1	3
Over five years	-	-
	52	**54**

29 Related Party Transactions

Other than amounts shown in notes 9, 10,12 and 18, there were no related party transactions.

30 Comparative Statement of Financial Activities for the year ended 31 March 2021

	Notes	Unrestricted Funds	Restricted Funds	Total 2021
		£000	£000	£000
Income				
Donations and legacies	2	3,935	198	4,133
Other trading activities	3	2,948	-	2,948
Income from Charitable Activities	4	1,251	1,204	2,455
Income from Investments	5	197	-	197
Government COVID Support	6	1,183	1,840	3,023
Total income		**9,514**	**3,242**	**12,756**
Expenditure				
Expenditure on Raising funds	7			
Generating donations and legacies		1,326	-	1,326
Fundraising events		82	-	82
Trading Expenditure		2,971	-	2,971
Investment management fees		36	-	36
Total Expenditure on Raising funds		**4,415**	**-**	**4,415**
Expenditure on Charitable activities	8			
Residential service		2,612	2,890	5,502
Community Service		682	158	840
Total Expenditure on Charitable activities		**3,294**	**3,048**	**6,342**
Total Expenditure		**7,709**	**3,048**	**10,757**
Surplus before investment gains/(losses)		**1,805**	**194**	**1,999**
Net Gains / Loss on investment	16	1,948	-	1,948
Loss on disposals of investment property		(8)	-	(8)
Net income / (expenditure)		**3,745**	**194**	**3,939**
Transfers between funds		-	-	-
Net movement in funds		**3,745**	**194**	**3,939**
Fund balances brought forward at 1st Apr 2020		23,521	293	23,814
Fund balances carried forward at 31st March 2021		**27,266**	**487**	**27,753**

Structure, governance and management

Organisational structure
The charity operates as a company limited by guarantee, under the terms of its memorandum and articles of association. Legal responsibility for the management and stewardship of the hospice is vested in the Board of Trustees.

Day to day operational decisions are delegated to a Senior Leadership Team. During the period covered by this report this consisted of a Chief Executive, Director of Care, Director of Fundraising & Marketing, Director of Trading and Director of Finance & Business Planning (none of whom are directors within the meaning of the Companies Act).

Key management personnel are those individuals who have authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any director (whether executive or otherwise). The Appraisal and Remuneration Committee is responsible for setting the pay for these personnel, comparing to industry benchmarks as appropriate. The trustees, directors and management are shown on page 52 of this document.

The trustees held four board meetings during the year. The five sub-committees also met regularly throughout the year, reporting respectively for matters concerned with clinical governance, strategy & transformation, fundraising & marketing, resources, and appraisal & remuneration.

The trading company (Demelza House Trading Limited No. 03090528) is a wholly owned subsidiary incorporated in England and Wales, and has a separate board of directors which reports to the board of trustees of the charity. The trading subsidiary runs shops and a weekly lottery to support the objects of the charity.

The charity's subsidiary (South East Medical Services Limited (SEMS) No. 06042090), which built the Eltham hospice, had no turnover this year and is dormant. The charity's subsidiary (ACG Lettings Ltd No 03031999 is a wholly owned subsidiary incorporated in England and Wales, and has a separate Board of Directors which reports to the Board of Trustees of the charity. The trading subsidiary owns, maintains and lets residential property in East Kent.

Trustee induction and training
The Board of Trustees maintains a skills matrix of all trustees to identify any shortfall in desired competencies. If any shortfall is identified the trustees actively seek a suitable candidate to fill that role on the board. Candidates are interviewed, and those selected are invited to join the board for one meeting and given a tour of the hospice to assess whether they are deemed suitable by all the trustees; this also allows candidates to judge whether the role is one they feel they could comfortably fulfil.

New board members are then given an induction pack, including relevant Charity Commission publications, statutory accounts, and explanations of their duties and copies of previous board meeting minutes. They also attend an induction session with selected Trustees and staff.

All members of the Board are encouraged to attend appropriate internal and external training events where these facilitate the undertaking of their role.

Clinical governance
Demelza has a comprehensive Clinical Governance Policy and appropriate procedures in place. Demelza will demonstrate accountability for, and ensure continuous improvement in, the quality of services for children and families and safeguard high standards of care by creating an environment in which excellence in clinical care will flourish.

The Clinical Governance Committee (which is a sub-committee of the Board):
- Analyses, benchmarks, evaluates, reviews and monitors all aspects of service delivery to ensure national minimum guidelines and evidence-based practice are met.
- Ensures that policies, procedures and training support our practice to best meet the needs of our service.
- Reviews, identifies, monitors and manages risk.

Key performance indicators
The senior leadership team monitors a variety of key performance indicators (KPIs) to check achievement of strategic and operational objectives, reporting on them to trustees. These KPIs monitor the amount and type of care provided, management of resources, and income generation.

Statement on public benefit
The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard for public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. In the interest of transparency, the Trustees make the following observations on the two key principles of public benefit.

Firstly, Demelza is clear on the beneficiaries of its work in this report and in its general communications. The beneficiaries are children and young people with terminal and serious conditions and their families, within Kent, East Sussex and South East London. A referral process is in place with clear guidelines on criteria, with anyone being able to refer a child subject to appropriate consent, including families themselves. The Trustees have paid due regard to the latest demographic and other research and data on the number of actual and potential beneficiaries, and their needs.

Secondly, our business-planning and monitoring/ reporting are structured around the benefits delivered to

the beneficiaries through our work, including monitoring the impact we have had on their lives. This is reflected in the Trustees' report.

The benefits are respite care, therapeutic services, and other related activities, with access to emergency and end of life care when required. This can be at either of the hospices or within the family home via the community teams. Support services include family support, therapies and pre and post bereavement support the child and their immediate family.

The monitored benefits include whether assessed needs within individual care plans have been met, and improvements (including increased social functioning, resilience, and emotional wellbeing) monitored through standardised tools. We also regularly consult with our beneficiaries, for example in surveys and representatives' forums, to gain information on our impact.

The Trustees review the activities of the charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to its aims.
The charity does not exclude or give priority on any basis other than medical and social need.

Any private benefits are incidental, with Trustees receiving no remuneration, and any personal or business involvement is listed under the related party transaction section.



Corporate Information

Demelza Hospice Care for Children

A company limited by guarantee Company No. 2948500
(Demelza House Children's Hospice) Charity No. 1039651

Demelza
Hospice Care for Children

Registered office
Demelza House, Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ
www.demelza.org.uk **Telephone: 01795 845200**

Subsidiary company:
Demelza House Trading Limited, Company No. 03090528. A private limited company
ACG Lettings Ltd, Company No. 03031999, A private limited company

Trustee board
David Highton (Chairman)
Robert Alexander
Darren Anstee
Pedro Avery
Pippa Barber
Susan Lowson
Yvonne Parks
Debbie Kemp
Matt Kepple resigned December 2021
Nicola Porter (Tyers)
Charlotte Parry-Jones
Paul Smith
Kate Stephens retired June 2022

Founder president
Derek Phillips

President
Richard Oldfield, OBE DL

Vice presidents
The Most Reverend and Right Honourable Justin Welby, Archbishop of Canterbury
Daniel Radcliffe
Sally Lindsay
Sir Martyn Lewis, CBE
Len Goodman
Dave Berry
Jayne Torvill, OBE
Cheryl Baker
Robin Cousins, MBE
Gary Lineker, OBE
Lady Kingsdown, OBE
Paul Auston, DL
Turrloo Parrett
Fiona Sunley
Des Crampton
James Kelly
Rhiannedd Brooke
Sarah Kemsley appointed Dec 2021

Company Secretary
James Niblett

Chief Executive Officer
Lavinia Jarrett

Director of Finance & Business Planning
James Niblett

Director of Fundraising & Marketing
Hayley Richardson

Director of Clinical Services
Paul Truesdale appointed July 2022

Director of People, Culture & Resources
Hayley Clark appointed July 2022

Director of Retail
Ashley Henson

Director of Quality Improvement and Clinical Governance
Liz Bray appointed March 2022

Auditors
Saffery Champness LLP
71 Queen Victoria Street,
London, EC4V 4BE

Bankers
National Westminster Bank Plc
718 London Road, Larkfield,
Aylesford, Kent ME20 6AN

Principal Solicitor
Mayo Wynne Baxter Solicitors
3 Bell Lane, Lewes,
East Sussex BN7 1JU



Demelza

Hospice Care for Children

www.demelza.org.uk

*Some photos in this document were taken pre Covid-19

DEMELZA HOSPICE CARE FOR CHILDREN

England & Wales - Charity number 1039651

Accounts



Demelza
Hospice Care for Children

Demelza House Children's Hospice Annual Report and Financial Statements

For the period ended 31 March 2021

Charity No. 1039651 Company No. 2948500

**Some images shown in this document were take pre COVID-19*



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Vision

For life to be better for children and young people who have serious or terminal conditions; and their parents and guardians, brothers and sisters, and those who love them, to receive support.

Mission

To provide specialist care and support for babies, children and young people and the whole family from diagnosis, during day to day family life, time of crisis, end of life care and through bereavement.

To influence care and support provided by others.

Charitable Objects

The memorandum and articles of association sets out the main charitable object:

To conduct residential and non-residential nursing care for children who are suffering from any life-limiting or life-threatening condition, disability or disease and care for their family members.

Trustees report

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Demelza House Children's Hospice (the company) for 12 months ended 31 March 2021. The annual report includes both trustees report for the purposes of charity law, and the directors report and strategic report for the purposes of company law. This report included pages 1 to 15 and pages 41 to 43.

The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of company's governing document and the provisions of the Statement of Recommended Practice (SORP) Account and Reporting by Charities, FRS102 and SORP 2015.



Strategic report

Strategic focus

We provide specialist care services across Kent, South East London and East Sussex, 24 hours a day, 365 days a year, completely free of charge for those who use them. We are now providing more support to families of children and young people with serious or terminal conditions than ever before, but there is an ever-increasing demand for our services. This is for a wide range of reasons:

- Medical and clinical developments mean more children with terminal conditions are surviving longer but with increasingly complex needs and care regimes;
- As more is understood about how each member of the family of a child with a serious or terminal condition is affected, this increases the demand for further support;
- Funding cuts have forced some support services to merge and seen others stop completely. This means the increasing demand from families as even less of their needs are being met elsewhere.

With the help of our invaluable supporters, Demelza will continue to rise to the challenge of this increase in demand with the same fierce commitment to quality as ever.

When setting out our strategy for 2020/2021, no-one could have predicted that we would be experiencing an ongoing global pandemic. We took quick action to suspend non-essential face-to-face services to protect vulnerable people from the spread of the infection and maintain capacity for end of life and other urgent care and adapted our services to enable us to virtually support hundreds of families.

Despite the uncertain times we have made progress against our 2016-2021 strategy that was superseded in October 2021 with our 18-month Reset and Recovery Plan that is tailored to the more unpredictable landscape resulting from the pandemic.



Mohammed Yahya's story

At Demelza, we care for children of all ages, from older teenagers all the way down to the tiniest babies. For each child our goal is the same; to give them the best quality of life we can – to give them moments of happiness and fun that will become their parents most precious memories for the rest of their lives.

Mohammed Yahya's care was challenging, his needs were complex and required a lot of clinical expertise to interpret. His apnoea's (when he would stop breathing, happened a few times a day) and his reflux meant we had to be constantly vigilant of his situation. Reflux is a burning feeling caused by stomach acid travelling up towards the throat. He had a feeding tube, which we would test to check it was in the right place before feeds. We found it was often easiest to keep an eye on him if we just held him all the time.

We got the family to a point where they were able to manage his care and felt confident enough to take him home for the first time; this was a massive milestone for them as a family. We continued to support them and when needed they would come back to stay at the hospice – they did this on four occasions.

Abdul, Mohammed Yahya's dad said: "In our time there what quickly became clear was that the Demelza team weren't just lovely, caring people; they also clearly had the most exceptional medical knowledge and experience of caring for babies like Mohammed Yahya. They knew exactly how to care for him, and they trained us too.

"Thanks to Demelza, we were confident enough to be able to bring Mohammed Yahya home, for the first time, three weeks later. We knew it would only be for a short few days or weeks – but Demelza's team gave us Demelza's phone numbers so we knew they were only a call away."

In the end, he just died very quickly. He did not appear to be in any discomfort, he just stopped breathing. I was holding him, as I'd promised his parents. They came down and I gave their baby back to them – and comforted them as best I could as they held him. Our journey with Mohammed Yahya's parents won't stop there – we always keep in touch with our families and offer them bereavement support.

Sarah Jesson,
Registered Nurse





• Mohammed Yahya

Achievements, performance and moving forward

Being flexible and prepared for all eventualities, including a second wave, changing government guidance and a vaccine.

Achievements and performance

- We have provided a responsive service to our families that were a mixture of virtual and face-to-face services. Some highlights included a virtual festival for our teenagers and respite when safe and appropriate.
- All of our care team are double vaccinated and wearing PPE during face-to-face contacts.
- In East Sussex we adapted our care at home service to limit the number of staff entering family houses during the height of COVID-19.
- Our Eltham hospice supported local hospitals and tertiary centres by offering step-down care, crisis care and end-of-life care. We have seen an increase in demand for end-of-life care.
- We launched our care at home service in South East London, this has included end-of-life support at home.
- Retail have showed a high-level of flexibility throughout 2020/2021 with us having to react quickly to changing government requirements. We took advantage of the lockdown to refit our Rochester and Canterbury stores.

Moving forward

- We will continue to respond to clinical data regarding risk to the children in our care. We will treat their safety as the highest priority.
- We will make government guidance the baseline for our infection control procedures. We are aware that some of our children are vulnerable to COVID-19 and will not be able to receive the vaccine.
- We will grow our services geographically and strengthen existing services.
- We will plan for the recruitment of more staff to expand our capacity and expertise in all areas and will develop a career pathway for nurses in children's palliative care
- We will review family support and bereavement services to develop the service with a blended approach to build on the success of virtual events as well as reintroduce face to face contacts as COVID-19 restrictions allow.

Making a leap forward in care and support

Achievements and performance

- Our services have been responsive to the family needs and running services virtually has been a huge success and enabled us to engage with more families. Moving forward we plan to have a hybrid of virtual and face-to-face events.
- Facilities completed bereavement projects at both of our hospices.
- Safeguarding Lead Nurse identified with defined role and responsibilities. This has enabled us to review our safeguarding policy and practice with considerable improvements.
- Virtual meetings of the Parent Carer Forum took place and their recommendations for improvements were actioned. For example, we made improvements to how we communicate to parents via email.
- The Parent Carer Forum voted for and nominated one of their members to become a trustee, to offer a parent voice on the trustee board.

Moving forward

- We will transform how we communicate with families, providing digital services for those who want to use them.
- We will be focusing on medicine management and maximising the provision we have with a highly specialised pharmacist.
- We will appoint a Service User Engagement Lead who will be responsible for ensuring the design and delivery of Demelza's services is informed by an evidence-based understanding of our children and families' needs and maximises the impact on children, young people and their families.
- We will monitor the services offered and update and develop them to ensure that they remain current and supportive to families needs and wishes.
- We will expand our care at home service to include end of life nursing support in the community to allow children and families greater choice and control over place of death including the child's own home.

Maintaining the highest standards of infection prevention and control

Achievements and performance

- Identified and defined an Infection Prevention and Control (IPC) Lead nurse role that has enabled us to continuously review and implement changes in line with the national guidance in a timely manner.
- All hospice sites have remained open and able to safely deliver direct care to children.
- Training and support delivered to all care and retail staff and volunteers on safe usage of personal protective equipment (PPE).
- There have been zero clinical outbreaks of COVID-19.
- Our retail shops have adhered to COVID-19 safety measures to ensure the safety of customers, volunteers and staff.

Moving forward

- We will ensure that our buildings remain COVID-19 safe and will develop and review our Infection and Prevention Controls on an on-going basis and in light of the latest information and best practice guidance.
- We will continue to update and train all staff and volunteers about the latest IPC measures, listen to feedback and monitor compliance.
- Future services and income generation activities will be carefully developed with COVID-19 safe precautions and mitigations in mind.

Reintroducing services which have been restricted, including short breaks and care at home, in ways that better meet the current needs of our families

Achievements and performance

- We have increased our home visits and respite requests since the beginning of 2021 and have booked East Sussex families into our hospices for respite.
- Families were offered the option to register to be contacted about short notice short breaks.
- Our new bereavement service model was agreed and the new bereavement volunteer team were recruited. Training was delivered in partnership with Holding on Letting Go, enabling the team to be ready for the opening of new services as part of our new bereavement model.

Moving forward

- We will ask families to submit up to three preferred dates for short breaks and accommodate the best option we can for each family to offer equitable access for all families on the caseload.
- We will contact those who have not applied for short notice breaks to check they understand the range of services being offered.
- We will seek views of service users regarding the short breaks and other services to inform our future developments.
- We will work alongside other organisations to achieve better outcomes for the children, young people and families by sharing expertise and resources.

Prioritising collaboration and integration with the wider care and support sectorand care at home, in ways that better meet the current needs of our families

Achievements and performance

Demelza worked closely with partners, including NHS Tertiary Centres, other hospitals, local adult hospices, community nursing teams, NHS England, CCGs and local authorities to collaborate and focus support where it would be most beneficial.

Collaborating with other providers:

- Demelza transferred one nurse from the Kent hospice to work in a local hospital Intensive Therapy Unit (ITU) for three months, to provide support to the NHS during the pandemic.
- In Kent, three Heath Care Assistants helped to support Heart of Kent Adult Hospice, and in South East London a Health Care Assistant was transferred to Bexley and Greenwich Hospice at Home Team for three weeks to provide support.
- Demelza's South East London hospice received support from Oxleas NHS Foundation Trust, with two Registered Nurses joining the team to assist with nursing care.
- Our Volunteer Services Department delivered training to St Michael's Hospice team on how we deliver training virtually.

Moving forward

- We will seek to improve the pathway and funding arrangements for end of life care, symptom management and place of safety referrals.
- We will continue to be an active member of the Managed Clinical Network for Kent and will seek similar collaboration in other geographic areas.
- Through our digital transformation projects we will seek to join our health and social care partners in shared records, governance and practice to ensure care is centred around the child and is provided in a seamless way.

Delivering actions which will improve our equality, diversity and inclusiosectorand care at home, in ways that better meet the current needs of our families

Achievements and performance

- Our Equality, Diversity and Inclusion (EDI) workstream started in March 2021.
- In South East London we have facilitated social care meetings, using interpreters while our staff look after the children.

Moving forward

We want to ensure that:

- All people feel welcome and comfortable when receiving care and support from Demelza.
- That we have a diverse staff and volunteer workforce that benefits from the innovation and richness that diversity brings.
- That we play our part in making a fairer society by tackling prejudice and privilege.

Embracing digital potential across the whole organisation to transform and extend our impactsectorand care at home, in ways that better meet the current needs of our families

Achievements and performance

- We ran a hybrid of virtual and face-to-face support for families.
- We made full use of digital tools to keep in touch and fully embed remote working. This has also reduced clinical teams travel time when attending external meetings.
- We provided support, equipment and guidance to staff and volunteers for the move to remote working for support functions.
- We invested in hardware to support remote working.
- We launched our Digital Champions programme, enabling volunteers to access Demelza's programme of remote volunteer engagement.
- We launched additional Facebook groups to support families.
- Our retail team have driven and grown our online and ecommerce presence and have become an accredited seller on eBay and Depop.

Moving forward

- Becoming a partner organisation to Kent and Medway Care Record, which supports sharing of information between service providers in health and social care. We will look for opportunities to collaborate with health and social care organisations across all of the areas where we provide services to ensure that Demelza is linked to external organisations to achieve the best outcome for the child.
- Family Support will continue to develop a hybrid approach of online and in-person support. Further to the weekly email updates with details of all online events or sessions and online systems for surveys and event bookings, a series of 'Dem Talks', similar to Ted Talks, for bereaved families is planned.

Balancing our finances to ensure a strong financial platform for the longer term

Achievements and performance

We had record breaking income days achieved across our chain of shops after successive relaunches.

Voluntary Services Department:

- Supported and effectively communicated with all volunteers throughout the pandemic period
- 1,076 Practical Support volunteering hours. Including projects to deliver Easter Eggs and Festive gifts and other support packages directly to children and their families
- Recruitment of 232 Volunteers during the 20/21 period
- 23,946 hours of volunteer time donated despite the pandemic closing retail for a significant period (this is significantly lower due the pandemic and also due to ceasing paper logging of hours)

Moving forward

- We plan to grow our chain of shops by adding two new locations in 2021-22.
- We will recruit new Lottery players to replace those who cancelled in 2020-21.
- Our fundraising team will respond to the changing economic outlook to develop plans for raising money.
- We will recruit volunteers to help in our shops and every department of the organisation, replacing those who have not been able to volunteer due to COVID-19.

Fundraising

2020-21 saw fundraising impacted by the COVID-19 pandemic. Donated income totalled £4.13m (2019/20: £8.61m). This includes another above average year for legacies of £1.9m.

Donations, grants and events totalled £2.75m (2019/20: £3.92m). This reduction in general donations of £1.17m demonstrates the impact the pandemic had on fundraising. All physical events were cancelled for the year and with the closure of schools and community groups income was hugely impacted.

The Demelza team were agile in their approach and held a number of virtual events to help support the income drop, we did have success from corporate foundations, COVID-19 funds and the generosity of our loyal supporters.

Compliance with fundraising regulations

The charity undertakes fundraising activity via the support of volunteers fundraising in the community, applying to and partnering with companies and grant-giving trusts, direct mailings and appeals, and organising of events. Our fundraising activities are carried out in line with the Fundraising Code of Practice set by the fundraising regulator. Our fundraising promise is available on our website.

Charity supporters registered on the telephone preference service would only be called with an appeal if they have agreed to receive such calls. Callers are thoroughly trained and updated on the charity's work and calls are regularly monitored. Demelza received nine complaints about fundraising activity in the reporting period.

Grant making

Demelza made grants of £100,000 to five children's medical charities. These charities support some of the children who Demelza care for. These grants marked the start of collaboration with each of these charities. There were no political contributions during the year.

Section 172 (1) statement

We provide child and family centred care and children remain at the centre of our decision making. Consultation with all our stakeholders has been key to our 22-year success and we will continue to actively seek the views of those we serve and the whole range of vital groups of people who support us. We especially seek the views of our children and their families, employees and volunteers by virtual questionnaires and informal feedback.

The trustees and directors of Demelza Hospice Care for Children have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its beneficiaries, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision making at board level and throughout the group. Issues, factors and stakeholders which the directors have considered when discharging their duty under section 172(1) are detailed on pages 1 to 15 and 41 to 43 and throughout this Annual Report.

Our vision and mission statement are set out in the front page of this report. Our achievements, performance and future plans are described in the strategic report on pages 7 to 10 as are the risks facing our organisation and the mitigating actions we plan to take. Our environmental performance, and information about our engagement with employees is also included in this strategic report. The section on governance and management (pages 41 to 43) contains information about the governance of the organisation.

Diversity and Inclusion

Demelza is striving to continually improve its approach to equality, diversity and inclusion. This is to ensure that:

- all people feel welcome and comfortable when receiving care or support from Demelza.
- that we have a diverse staff and volunteer workforce that benefits from the innovation and richness that diversity brings.
- that we are playing our part in making a fairer society by tackling prejudice and privilege.
- To achieve this we work to develop our knowledge, skills and awareness of diversity. This includes considering how our care and support can be improved for people from all cultures, those with faiths, beliefs and religions and those without. We proactively seek to identify and remove prejudice and discriminatory practices relating to race, ethnicity, culture, sex, sexuality, gender and transgender, disability, age, marriage or partnership status, and social class.

Financial review

Income

The usual income streams for Demelza were badly hit by the pandemic. Retail and fundraising were the worst affected. Government support for hospices was a great help for the whole hospice sector.

Total operational income was £12.75m (2020: £16.7m).

Fundraising income was £2.75m (2020: £3.92m), a reduction of £1.17m due to the cancellation of all the events and much of the community fundraising. Most fundraising events were all cancelled but a few online challenges remained. Income from events was £73k (2020: £614k)

Legacy income was £1.91m (2020: £5.75m), a reduction of £3.84m to a more normal level after an exceptional legacy received in March 2020. An average legacy year would be about £1.5m.

Retail income was £1.06m (2020: £2.78m), a reduction of £1.72m as the 26 charity shops were shut for over seven months of the year due to COVID-19 restrictions. Including the job retention scheme income and business continuity grants, retail made a deficit of £155k.

ACG Lettings Ltd was acquired by Demelza on 31 March 2020. Rental income of £120k was received in the year.

Other sources of funding remained similar to the previous year:

Statutory funding from NHS England, CCGs and Local Authorities was £1.88m (2020: £1.78m).

Lottery income was £1.76m (2020: 1.81m). We saw attrition of 5% of players through the year.

So, excluding the exceptional legacy year in 2019-20, and the government COVID-19 support, the income in 20-21 reduced by £1.39m compared with the previous year.

Government support was £1.84m from the Hospice UK Grant, 867k from the job retention scheme and £316k from the business continuity grants, totalling £3.02m.

Expenditure

Expenditure was £10.8m in 2020-21 (2019-20: £11.6m). A salary freeze was imposed for the whole year. A recruitment freeze was in place from April to September. The COVID-19 restrictions reduced travel and meetings. The restrictions particularly affected fundraising, retail and Lottery. Costs in these areas were significantly reduced.

The cost of providing care was £6.34m (2020: £6.75m), a reduction of 6%. Our hospices stayed open throughout the year. Care at Home was paused for a few months in the first lockdown of 2020. Family support reached more families through virtual contact and meetings than ever before.

The cost of generating funds was £4.41m (2020: £4.87m), a reduction of 9%. This included the £105k, costs of ACG Lettings, which was received through a legacy at the end of the previous financial year. Excluding ACG costs, cost of generating funds decreased by 12%. Our in-person fundraising events were cancelled, but we developed virtual events in their place. Shops were closed for more than seven months. e-commerce, selling donated goods online began in November 2020.

Reserves

Our reserves policy states that to ensure the sustainability of our service for those who need it most, we keep 9-12 months in free reserves. At 31 March 2021 we held 14.9 months (£15.73m). This was an increase of £3.89m due to:

1. 2020/21 saw a £1.99 million operational surplus including income from the COVID-19 emergency government funding for hospices of £1.83m.

2. Investments gained £1.95 million.

3. We sold four properties from ACG Lettings, releasing £1.2 million into free reserves.

4. We designated £1.25m for Digital Transformation and Capital COVID Recovery. We plan for these funds to be used within three years.

Through our wholly owned subsidiary, ACG Lettings, which was donated to Demelza in March 2020, we held £3.2m in residential property. We plan to sell £2.4m of these properties to fund the strategy for 2022-25.

Our trustees have recognised that our free reserves and the ACG properties gives us significant opportunity to plan and invest this money to develop our services, increase our reach and ultimately improve the quality of life for children and young people with serious or terminal conditions and their families.

We have a duty to our donors and our families to use this money effectively. Therefore, we are developing a five-year strategy to March 2027 with the main aim of increasing the number of children we provide services for. By the end of which, our free reserves will sit within the reserves policy having undertaken key projects that will ensure our sustainability and longevity.

Between April 2021 and March 2024, we expect fundraising to make a gradual recovery, returning to pre-pandemic income levels in 2023-24. Therefore, we anticipate operational deficits of £2.33m over the next four years which we will fund from reserves to maintain our current services. Additionally, we will use our reserves to develop new services in order to reach more children. These developments will expand our geographical reach and build capacity across the full range of services we provide.

Indicative Use of reserves 2021-22 to 2024-25

	£000s
Operational Deficit	2,330
Range of Services	920
Geographical Reach	850
Rebrand	300
Reserves Used	**4,400**

Therefore, we expect our free reserves to be within the policy towards the end of 2022-23.

Principal risks, uncertainties and managing risk

The senior leadership team and trustees regularly review organisational risks and how to negate or reduce these risks as best possible. The risks which have been monitored by the Board of Trustees have of course moved and evolved at various points throughout the reporting period. However, the main strategic-level risks during this period have been:

1. COVID-19
The pandemic has affected all areas of the charity and we have closely monitored and implemented the government guidelines in a timely and effective way. We have worked with the NHS to create infection control policies for the care of children in hospices. Our working methods have minimised the risk of COVID-19 infection to our care areas and to any of our care staff. Our IT system has enabled the vast majority of non-care staff to work remotely. We have prepared a Reset and Recovery Plan to guide the charity's direction from October 2020 to March 2022, at which point the five-year strategy will begin.

2. Service quality and safety
As a health and care organisation the safety and welfare of our service-users is of paramount importance, particularly as we are working with vulnerable children, often with complex clinical and social needs. This risk is mitigated through reviewed policies and procedures, staff training and supervision, internal audit, robust incident investigation processes, and other actions as detailed in our Clinical Governance Framework and Safeguarding Policy.

3. Governance and leadership
It is Demelza's view that risk can only be successfully managed if good governance and leadership is in place at corporate and operational levels. This risk is mitigated by a reviewed governance framework being in place, which includes information governance, the support and development of trustees and senior management, the provision of training and development, appraisal and supervision, and internal and external audit.

4. Risk on income
Demelza is subject to considerable income swings on legacy income and faces great uncertainties in statutory income, with no significant contracts in place from the NHS. This risk is mitigated through a financial strategy which is monitored by the trustees.

5. Recruitment of nursing staff
There is a well-publicised national shortage of nurses, which is especially pronounced in our area of specialism. This risk is being mitigated in the short-term by ensuring that we reduce capacity rather than stretch staffing to unsafe levels. We are involved in a variety of recruitment and training initiatives. We are also addressing our service models within the new strategy to make best use of our equally valued health care assistant practitioners, and social care/family support and therapy practitioners, to ensure we can adapt and expand delivery in the future.



Investments

Brewin Dolphin acted as Demelza's investment managers throughout the year. Our primary aim from investment is to achieve sustainable capital growth within a balanced risk environment. Ultimately these funds will provide a safety net to ensure the continued provision of the charity's core services. The primary objective is to generate a total return of 2% above the rate of inflation as measured by CPI on a five year rolling basis.

As set out in the financial notes on page 33; we held £7.6m at the start of the year and transferred £2.0m from cash reserves to our investment portfolio during the year. Following a loss of £856k in 2020 in response to COVID-19, the investments recovered and made further gains in 2020-21. The gain for the year was £1.9m. Investments held at the end of the year totalled £11.8m.

Energy and carbon data

We have reported on all of the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2019.

	Current year: 2020-21		2019-20	
Emissions Scope / Activity:	Energy Equivalent (kWh)	Carbon Emissions (tCO2e)	Carbon Emissions (tCO2e)	% change
Scope 1 - Direct Emissions		**189.5**	**218.9**	-13%
Gas Consumption	834,706	154.0	147.6	
Company Vehicles	148,274	35.5	71.3	
Scope 2 - Energy Indirect Emissions		**112.1**	**163.9**	-32%
Electricity Consumption	480,714	112.1	163.9	
Electricity Solar	42,193	-	-	
Scope 3 - Other Indirect Emissions		**8.1**	**60.9**	-87%
Grey Fleet	34,732	8.1	60.9	
Hire Cars	-	-	-	
Total Energy, kWh	1,540,619			
Total Emissions, tCO2e		**309.8**	**443.7**	**-30%**
Relative Emissions, normalised by turnover, tCO2e/£m		**28.8**	**26.6**	**8%**

Energy efficiency projects

The primary energy users, the two hospices, have good energy management with LED lighting, motion sensors and heating controls. The COVID-19 pandemic has affected operations with restricted activities at the hospices and limited travel between them. All of the shops were shut for seven months.

Some energy projects are on hold, as our focus has been on making the buildings safe for children, families and staff. Our next project will be the hydro pool in Kent, looking at efficiencies to reduce running costs.

We did, however, complete a major installation of solar photovoltaic panels at the Kent hospice, with the final phase coming on line in late summer 2020. Nearly 300 in total have the capacity to generate over 80,000 kWh a year. Indeed, our solar electricity this year increased by over 500%.

To make use of rain water, we have installed water butts around the hospice gardens.

Shortly, we will be reviewing our vehicle fleet, considering the number and type of vehicles, with respect to reduced and changing business travel needs – for example providing community care, as well as centralised care at our hospices. We hope also to install electric vehicle charging points.

SECR emissions calculations – methodology

We have reported on all of the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company.

Structure, Governance and Management

Details about the structure, governance and management of the charity and its subsidiaries are show at the end of this report on pages 41 to 43.

Statement of Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

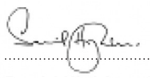
The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report, incorporating the Strategic Report, was approved by the Trustees, in their capacity as Company Directors, on 22 September 2021

and signed on its behalf by:



David Highton, Chair of Trustees

Independent auditors report

Opinion

We have audited the financial statements of Demelza House Children's Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, group balance sheet, charity balance sheet, consolidated cash flow statement and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the trustees (who are also the directors of the parent charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with management and trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Further the group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, through significant fine, litigation or restrictions on the group's operations. We identified the most significant laws and regulations to be those issued by the Care Quality Commission covering health care services and those issued by the Gambling Commission covering requirements for running a lottery.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the parent charitable 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 parent charitable 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

6 October 2021

Date.....

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



Financial Statements

Consolidated Statement of Financial Activities
for the period ended 31 March 2021
(Incorporating Income and Expenditure Account)

	Notes	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
		£000	£000	£000	£000
Income					
Donations and legacies	2	3,935	198	4,133	8,606
Other trading activities	3	2,948	-	2,948	4,584
Income from Charitable Activities	4	1,251	1,204	2,455	2,909
Income from Investments	5	197	-	197	107
Government COVID-19 Support	6	1,183	1,840	3,023	477
Total income		**9,514**	**3,242**	**12,756**	**16,683**
Expenditure					
Expenditure on Raising funds	7				
Generating donations and legacies		1,326	-	1,326	1,514
Fundraising events		82	-	82	345
Trading expenditure		2,971	-	2,971	2,977
Investment management fees		36	-	36	37
Total Expenditure on Raising funds		**4,415**	**-**	**4,415**	**4,873**
Expenditure on Charitable activities	8				
Residential service		2,612	2,890	5,502	5,684
Community service & Continuing Care*		682	158	840	1,071
Total Expenditure on Charitable activities		**3,294**	**3,048**	**6,342**	**6,755**
Total Expenditure		**7,709**	**3,048**	**10,757**	**11,628**
Surplus before investment gains/(losses)		**1,805**	**194**	**1,999**	**5,055**
Net Gains / Loss on investment	16	1,948	-	1,948	(856)
Loss on disposals of investment property		(8)	-	(8)	-
Net income / (expenditure)		3,745	194	3,939	4,199
Transfers between funds		-	-	-	-
Net movement in funds		**3,745**	**194**	**3,939**	**4,199**
Fund balances brought forward at 1st Apr 2020		23,521	293	23,814	19,615
Fund balances carried forward at 31st March 2021		**27,266**	**487**	**27,753**	**23,814**

All the activities of the Group and the Charity are continuing. There are no other recognised gains or losses. Full comparative figures for the period ended 31 March 2020 are shown in note 29. The notes on pages 22 to 40 form part of these financial statements.

Balance Sheets at 31 March 2021

Company No: 02948500

	Note	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Fixed Assets					
Tangible assets	13	7,024	7,258	7,020	7,253
Intangible assets	14	48	-	48	-
Investment property	15	3,208	4,420	-	-
Investments	16	11,781	7,675	15,128	11,684
		22,061	**19,353**	**22,196**	**18,937**
Current Assets					
Stock	17	12	45	-	-
Debtors	18	1,241	2,159	1,643	2,956
Cash at bank and in hand		5,329	3,433	4,596	2,872
		6,582	**5,637**	**6,239**	**5,828**
Creditors: Amounts falling due within one year	19	(890)	(1,176)	(682)	(951)
Net Current Assets		**5,692**	**4,461**	**5,557**	**4,877**
Total assets less current liabilities		**27,753**	**23,814**	**27,753**	**23,814**
Funds	20				
Restricted Funds		487	293	487	293
Unrestricted funds					
General		15,736	11,843	15,736	11,843
Designated		11,530	11,678	11,530	11,678
		27,753	**23,814**	**27,753**	**23,814**

The financial statements were approved by the Board of Trustees and authorised for issue on 22 September 2021 and signed on its behalf by:

David Highton
Chair

Robert Alexander
Treasurer

The surplus for the charity only in the period is £4,510,641 (2020: £4,198,578)

Consolidated Cash Flow Statement for the Year Ended 31 March 2021

	Note	2021 £000	2020 £000
Net Cash Inflow from Resources	22	**2,894**	**866**
Cashflows from Investing activities			
Purchase of fixed assets and intangible fixed assets		(207)	(377)
Investment income		3	107
Purchase of investments in the year		(2,000)	(2,255)
Proceeds from sale of investment properties		1,206	-
Net cash provided by (used in) financing activities		**(1,000)**	**(2,525)**
Change in cash and cash equivalents in the reporting period	23	**1,896**	**(1,659)**
Cash and cash equivalents at 1st April 2020		3,433	5,092
Cash and cash equivalents at 31st March 2021		**5,329**	**3,433**

Notes to the financial statements For the Period ended 31 March 2021

Note 1. Accounting Policies

Statement of compliance
The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102 second edition)) and the Financial Reporting Standard applicable in the United Kingdom and republic of Ireland (FRS 102) and the Charities Act 2011. Demelza House Children's Hospice meets the definition of a public benefit entity under FRS 102. The functional currency is £ Sterling.

General information
The Charity is a company limited by guarantee, incorporated in England and Wales (company number 2948500) and a charity registered in England and Wales (charity number: 1039651). The Charity's registered office address is: Demelza House, Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ.

Basis of consolidation
These financial statements consolidate the results, assets and liabilities of the charity's trading subsidiary Demelza Trading Ltd (company number: 03090528) and ACG Lettings Ltd (company number: 03031999 on a line-by-line basis.

Going concern
The trustees have reviewed Demelza House Children's Hospice's financial position, considering the impact of future activities, and concluded that it is appropriate to produce the accounts on a going concern basis for the 12 months from the date the accounts are signed.

A summary of the accounting policies, which have been consistently applied, is set out below.

Significant judgements and estimates
The key sources of uncertainty in our estimations that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- residuary legacies – the charity recognises residuary legacies once probate has been granted, which therefore requires an estimation of the amount receivable.

Accounting for income
Income received by way of donations, collecting boxes or from functions, shops or flag days is not recorded in the financial statements until the cash, or document of title to the investment or property is received at headquarters. Legacy income is recognised in the SOFA when receipt is probable, amounts receivable can be measured with sufficient reliability and the charity is entitled to the income.

No account is taken of monies or other assets in the hands of outside or voluntary helpers until such monies are banked or other assets are remitted to headquarters. Contracted fees receivable and grants invoiced to local authorities, as well as investment income and accrued tax recoverable, are accrued. Other grants from central government and local authorities are recorded in the financial statements when they are receivable.

Contracted fee income specifically received in advance of expenditure in the next financial year is deferred in the balance sheet.

The value of investments and property bequeathed or donated to Demelza House Children's Hospice is taken to be market value on the date when the documents of title are received.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Central overhead costs are allocated to operational and fundraising functions on the basis of their use of central support services.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of the charitable activities.

Support costs, which include central or regional functions such as general management, budgeting and accounting, payroll administration, human resources, information technology, facilities and estates, are allocated across charitable and fundraising activities under the following categories, financial management, people and organisational development, information systems, facilities and estates.

Where information about the aims, objectives and projects of the Charity is provided in the content of fundraising material in an educational manner in the furtherance of the Charity's objectives, those costs are apportioned to charitable activities. Irrecoverable value added tax (VAT) is included in the relevant expense categories.

Support and governance costs are apportioned on the basis of usage of a resource in terms of time taken, capacity used and requests made.

Tax
Demelza House Children's Hospice is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income from capital gains received within categories covered by Chapter 3 Part II corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. Profit from the subsidiaries is gift aided to Demelza House Children's Hospice.

Leases
All leases are operating leases. Costs in respect of these leases are charged to the statement of financial activities over the term of the lease.

Fixed assets
Land and buildings
Land and buildings are stated in the balance sheet at the most recent valuation or, in the case of purchases or additions subsequent to the date of such valuation, at cost, less depreciation provided in relation to such valuation or cost, as appropriate, to write off the assets other than freehold land over the following periods.

Freehold buildings
The period of the estimated useful life up to a maximum of 50 years from the date of purchase.

Leasehold land and buildings
The unexpired portion of the lease up to a maximum of 50 years from the date of the most recent revaluation or, if later, the date of the purchase.

Building improvements
Between three to 25 years based on nature of usage, or if earlier, the unexpired portion of the lease.

Motor vehicles
Motor vehicles are stated in the Balance Sheet at cost, less depreciation provided to write off the vehicles over a period of four years.

Equipment
Equipment is stated in the Balance Sheet at cost less depreciation to write off the equipment over a period of four years.

Intangible fixed assets
Intangible fixed assets such as the website and software are amortised over a period of three to six years.

Fund accounting
Restricted funds
These funds are restricted by the donor for specific purposes. Revenue funds restricted by the donor are held in restricted reserves and funds are matched against expenditure as appropriate.

Unrestricted funds
These funds comprise accumulated surpluses and deficits on general funds that are expendable at the discretion of the Trustees in furtherance of the objects of the charity and that have not been designated for other purposes.

Designated funds
These are unrestricted funds that have been set aside at the discretion of the Trustees for particular purposes.

Short term employee benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pensions
Demelza House Children's Hospice operates a defined contribution scheme available to the majority of its permanent employees. The charity and its subsidiaries also make contributions to the National Health Service Pension Scheme for certain employees which is a defined benefit scheme. However, the scheme is a multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities. As a result, this scheme is also accounted for by the charity as a defined contribution scheme.

All the pension schemes are administered by separate Trustees and are run independently of the charity.

The costs of providing pensions for employees are therefore all charged in the statement of financial activities for the year in which the contributions are payable.

Liabilities
Future liabilities are recognised when Demelza House Children's Hospice has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

Financial instruments
Cash at bank and short-term deposits includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. All cash and short-term deposits are basic instruments and are measured at amortised cost.

Debtors recognition
Debtors which arise from contracts for the sale of non-financial items (such as goods or services), which are entered into in accordance with the charity's normal sale or usage requirements, are recognised when, and to the extent that, performance occurs, i.e. when delivery of the goods or services is made. Regular sales are recognised and de-recognised, as applicable, using the trade date.

De-recognition
All debtors are de-recognised when the rights to receive cash flows from the assets have expired or the charity has transferred substantially all of the risks and rewards of ownership.

Investments
Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets.

Realised and unrealised gains are accounted for within the statement of financial activities.

Investment properties
Investment properties are valued at the year end. Gains or losses are recognised in the accounts of the relevant subsidiary and shown within the statement of financial activities.

Stock
Stocks comprise finished goods and are stated at the lower of cost and net realisable value.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

Donated goods
The Trustees have concluded and agreed that the valuing of shops donated goods for resale on receipt is impractical due to the high volume of low value items, lack of stock system for recording these items and the administrative cost involved. Instead, the income is recognised in the accounts when these goods are sold.



2 Donations & Legacies

	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	2020 £000
Donations	1,990	198	2,188	2,477	349	2,826
Gifts In Kind	40	-	40	25	-	25
Legacies	1,905	-	1,905	5,755	-	5,755
	3,935	**198**	**4,133**	**8,257**	**349**	**8,606**

3 Trading Activities

	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	2020 £000
Lottery income	1,760	-	1,760	1,808	-	1,808
Retail sales	1,063	-	1,063	2,776	-	2,776
Rental income	125	-	125	-	-	-
	2,948	**-**	**2,948**	**4,584**	**-**	**4,584**

4 Income from Charitable Activities

	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	2020 £000
Fundraising events	73	-	73	614	-	614
Grant contribution funded by NHS England	-	867	867	-	841	841
Funding from PCTs/Local Authorities	841	170	1,011	941	-	941
Other Grants	286	167	453	-	453	453
Other Income	51	-	51	60	-	60
	1,251	**1,204**	**2,455**	**1,615**	**1,294**	**2,909**

5 Income from Investment

	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	2020 £000
Bank Interest	3	-	3	15	-	15
Investment portfolio income	194	-	194	92	-	92
	197	**-**	**197**	**107**	**-**	**107**

6 Government Covid Support

	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	2021 £000	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	2020 £000
Business Continuity Grants	316	-	316	455	-	455
Job Retention Scheme	867	-	867	22	-	22
NHS England COVID-19 Grant	-	1,840	1,840	-	-	0
	1,183	**1,840**	**3,023**	**477**	**-**	**477**

The Business Continuity Grants were awarded to the 26 charity shops by councils according to government guidance.

£404,000 of Job Retention Scheme income related to retail staff.

7 Expenditure on Raising Funds

	Direct Costs 2021 £000	Support Costs 2021 £000	Total 2021 £000	Direct Costs 2020 £000	Support Costs 2020 £000	Total 2020 £000
Generating voluntary income	1,034	292	1,326	1,217	296	1,514
Fundraising events costs	64	18	82	278	68	345
Retail expenditure	2,093	237	2,330	2,231	35	2,266
Lottery Expenditure	510	26	536	673	38	711
Property lettings costs	100	5	105	-	-	-
Investment management fees	36	-	36	37	-	37
	3,837	**578**	**4,415**	**4,437**	**437**	**4,873**

8 Charitable Activities

	Direct Costs 2021 £000	Support Costs 2021 £000	Total 2021 £000	Direct Costs 2020 £000	Support Costs 2020 £000	Total 2020 £000
Residential Services	4,180	1,322	5,502	4,131	1,552	5,684
Community Services	685	155	840	889	182	1,071
	4,865	**1,477**	**6,342**	**5,020**	**1,734**	**6,755**

	2021 £000	2020 £000
Direct charitable costs consist of:		
Care Costs	4,124	4,202
Catering and Housekeeping	303	320
Centre costs	440	499
	4,867	**5,020**

9 **Support Costs**

	Total 2021 £000	Total 2020 £000
Support costs consist of:		
Human Resources and administration	565	613
Finance	430	406
IT	513	543
Volunteer Services	113	133
Governance Costs	68	65
Depreciation	366	411
	2,055	**2,171**
Which is allocated:		
Generating funds	578	437
Charitable activities	1,477	1,734
	2,055	**2,171**

Governance Costs consist of:

	2021 £000	2020 £000
Audit and accountancy fees	23	21
Staffing costs	45	45
Trustee costs (recruitment, expenses)	-	-
	68	**65**

No Trustees received remuneration during the period was nil (2020: nil). Trustee expenses reimbursed amounted to £0 (2020: £19)

No Trustees made any restricted donations during the year (2020:nil)

10 Staff Costs

	2021 £000 TOTAL GROUP	2021 £000 TOTAL CHARITY	2020 £000 TOTAL GROUP	2020 £000 TOTAL CHARITY
Wages and salaries	6,397	6,104	6,569	6,288
Employer's National Insurance	543	522	560	537
Pension costs	488	475	479	467
	7,430	**7,101**	**7,608**	**7,292**

Redundancy payments of £11k were made in the year.

The average number of full-time equivalent employees during the year was:

	FTE 2021	FTE 2020	NO 2021	NO 2020
Nursing and care services	122	125	148	145
Retail	52	54	72	73
Fundraising	27	30	32	37
Administrative Support	26	23	30	29
TOTAL CHARITY	**227**	**232**	**282**	**284**
Lottery	7	9	9	9
	234	**241**	**291**	**293**

Higher Salary Band (Gross Annual Salary)	31/03/2021	31/03/2020
£60,001 - £70,000	3	3
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
	5	**5**

Total Senior Management Team gross pay for the year was £421k (2020: £421k).

The CEO salary excluding pension and National Insurance was £96k (2020: £96k)

11 Net Income for the Year

	2021	2020
	£000	£000
Net income for the year is stated after charging/(crediting):		
Operating leases - land and buildings	546	580
- other	75	71
Auditors' remuneration(excluding VAT)		
- audit of parent company	12	12
- audit of subsidiaries	10	9
- preparation of tax return for parent company	1	1
- preparation of tax return for subsidiaries	3	3
Depreciation of fixed assets	392	413

12 Net Income of Trading Subsidiaries

	2021	2020
	£000	£000
Demelza House Trading Ltd		
Turnover	1,890	2,142
Cost of sales	(290)	(318)
Gross profit	1,600	1,825
Administration expenses	(505)	(663)
Management Charge to Demelza House Children's Hospice	(75)	(90)
Other operating income	126	
Operating Profit	1,146	1,162
Net Profit	**1,146**	**1,072**
Gift Aid payment to Demelza House Children's Hospice	(1,146)	(1,072)
Retained Profit for the Year	**-**	**-**
Retained profit brought forward	-	-
Retained profit carried forward	**-**	**-**

Demelza House Trading Ltd (company number 03090528) is a wholly owned trading subsidiary of the charity, which is incorporated in the UK. The subsidiary operates a number of retail outlets selling donated goods, cards and other merchandise and runs a lottery scheme. The company made a Gift Aid payment of its taxable profits to Demelza House Children's Hospice.

12 Net Income of Trading Subsidiaries (continued)

ACG Lettings Ltd	2021	2020
	£000	£000
Turnover	120	128
Administrative Expenses	(100)	(53)
Management Charge to Demelza House Children's Hospice	(5)	0
Gross Profit	**15**	**75**
Revaluation of Property	-	555
Operating Profit	**15**	**630**
Interest receivable and similar income	-	-
Net Profit	**15**	**630**
Gift Aid payment to Demelza House Children's Hospice	(676)	(80)
Tax on profit	90	(64)
Retained profit / (loss) carried forward	**(571)**	**486**

ACG Lettings Ltd (company number: 03031999) was bequeathed to the charity as part of a legacy. The shares were transferred on 31st March 2020. The company is a residential property lettings company owning property in Dover, Deal and Ash. The company continues to be committed to providing a high quality of housing to its tenants at no more than the market rate.

South East Medical Services Limited (company number: 06042090) is a wholly owned subsidiary of the charity, which is incorporated in the UK. The company was dormant in the current and prior year having net assets of £1. The principal activity of the company was the construction of children's hospice buildings with the profit being gift aided to the charity.

13 Tangible fixed assets

Consolidated	Freehold buildings £000	Improvements to leasehold property £000	Fixtures and fittings £000	Motor vehicles £000	Total group £000
Cost					
At 1 April 2020	9,320	147	3,239	278	12,984
Additions	-	-	158	-	158
Disposals	-	(123)	(1,931)	(8)	(2,062)
At 31 March 2021	**9,320**	**24**	**1,466**	**270**	**11,080**
Depreciation					
At 1 April 2020	2,453	141	2,882	251	5,727
Charge for the year	185	1	190	16	392
Disposals	-	(124)	(1,931)	(8)	(2,063)
At 31 March 2021	**2,638**	**18**	**1,141**	**259**	**4,056**
Net book value					
At 31 March 2021	**6,682**	**6**	**325**	**11**	**7,024**
At 31 March 2020	6,867	7	357	27	7,258

Charity	Freehold buildings £000	Improvements to leasehold property £000	Fixtures and fittings £000	Motor vehicles £000	£000
Cost					
At 1 April 2020	9,320	147	3,235	242	12,944
Transfers from trading company	-	-	-	36	36
Additions	-	-	132	-	132
Disposals	-	(123)	(1,909)	(8)	(2,040)
At 31 March 2021	**9,320**	**24**	**1,458**	**270**	**11,072**
Depreciation					
At 1 April 2020	2,453	141	2,881	215	5,690
Transfers from trading company	-	-	-	36	36
Charge for the year	185	1	165	16	367
Disposals	-	(124)	(1,909)	(8)	(2,041)
At 31 March 2021	**2,638**	**18**	**1,137**	**259**	**4,052**
Net book value					
At 31 March 2021	**6,682**	**6**	**321**	**11**	**7,020**
At 31 March 2020	6,867	7	353	27	7,253

14 Intangible Fixed Assets

	Website £000	Total Group £000
At 1 April 2020	-	-
Additions	48	48
At 31 March 2021	**48**	**48**
Net Book Value		
At 31 March 2021	**48**	**48**
At 31 March 2020	-	-

15 Investment Property

Consolidated	Freehold Buildings £000	Total Group £000
At 1 April 2020	4,420	4,420
Disposal	(1,212)	(1,212)
At 31 March 2021	**3,208**	**3,208**
Net Book Value		
At 31 March 2021	**3,208**	**3,208**
At 31 March 2020	4,420	4,420

All investment properties are held by ACG Lettings Ltd which was acquired through a legacy on 31 March 2020.
The freehold investment properties were valued based on two Chartered Surveyors' valuations in February 2020.
The Directors consider this valuation to be appropriate at 31 March 2021.

16 Investments - Charity

	2021	2020
	£000	£000
Unlisted investments		
Demelza House Trading Limited	-	-
South East Medical Services Limited	-	-
ACG Lettings Ltd	3,347	4,009
Total	**3,347**	**4,009**

The £101 unlisted investments represent a 100% share holding in Demelza House Trading Limited and a 100% share holding in South East Medical Services Ltd. The charity has three subsidiaries as follows:

	Class of Shares held	% of shares Held	Nature of Business	Capital and Reserves at 31-Mar-21 £000
Demelza House Trading Limited	Ordinary	100	Retailing	-
South East Medical Services Ltd	Ordinary	100	Dormant	-
ACG Lettings Ltd	Ordinary	100	Property Lettings	3,377

Charity & Group Investment Fund	2021 £000	2020 £000
At 1 April	7,675	6,275
Invested in the year	2,000	2,200
Dividends & Interest received	194	92
Investment Managers' Charge	(36)	(37)
Unrealised gains in the year	1,948	(856)
At 31 March	**11,781**	**7,675**

The historic cost of the investments was £9,618k (2020: £7,618k)

17 Stock

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Goods for resale	12	45	-	-

18 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts due from subsidiaries	-	-	421	808
Trade debtors	280	367	273	356
Bad Debt Provision	(24)	(20)	(20)	(20)
Prepayments & Accrued Income	969	1,753	953	1,751
VAT	16	60	16	60
	1,241	**2,159**	**1,643**	**2,956**

19 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	(169)	(419)	(159)	(375)
Tax and social security costs	(229)	(208)	(132)	(146)
Other creditors	(17)	(25)	(92)	(79)
Accruals and deferred income	(475)	(524)	(299)	(350)
	(890)	**(1,176)**	**(682)**	**(951)**

All the deferred income of £398k will be released in the following year. This represents ticket payments in advance by supporters for events in the following year and payments in advance by lottery players

Accruals and deferred income includes deferred income as follows:

	2021	2020
	£000	£000
B/fwd	(503)	394
Amounts deferred in the year	(398)	(503)
Amounts released in the year	503	(394)
C/fwd	**(398)**	**(503)**

20 Funds

Restricted Funds	Balance at 1 April 2020 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2021 £000
NHS England Covid funding	-	1,840	(1,840)	-	-
Grant contribution funded by NHS England	-	868	(868)	-	-
East Kent CCGs Grant	-	170	-	-	170
Care Where You Are	-	62	(56)	-	6
Bereavement Services and Family Fund	44	47	(49)	-	42
Building and Ground Improvement Projects	48	142	(125)	-	65
East Sussex Community Team Equipment and Running Costs	96	33	(53)	-	76
Kent Hospice Equipment and Running Costs	82	38	(29)	-	91
South East London Hospice Equipment and Running Costs	23	43	(29)	-	37
	293	**3,243**	**(3,049)**	**-**	**487**

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

Care Where You Are represents the delivery of palliative care in a variety of settings to enable access by those who cannot reach a residential hospice.

East Kent CCGs Grant will fund the expansion of Demelza's Care at Home service, the development of a plan for meaningful provider collaboration and development of a programme of joint training.

The Lord and Lady Lurgan Trust made a grant of £2,000 restricted to online music therapy for families in SEL. This is included in "South East London Hospice Equipment and Running Costs"

	Balance at 1 April 2019 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2020 £000
Grant contribution funded by NHS England	-	841	(841)	-	-
Care Where You Are	174	247	(421)	-	-
Bereavement Services and Family Fund	20	99	(75)	-	44
Building and Ground Improvement Projects	115	156	(224)	-	47
East Sussex Community Team Equipment and Running Costs	108	27	(38)	-	96
Kent Hospice Equipment and Running Costs	99	143	(160)	-	82
South East London Hospice Equipment and Running Costs	4	130	(111)	-	23
	520	**1,642**	**(1,869)**	**-**	**293**

20 Funds (continued)

Unrestricted Funds Group	Balance at 1 April 2020 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2021 £000
Designated funds					
Fixed assets & Investment Property fund	11,678	-	(392)	(1,006)	10,280
Digital transformation Fund	-	-	-	1,000	1,000
Capital Covid Recovery Fund	-	-	-	250	250
Unrestricted general funds	11,843	11,455	(7,318)	(244)	15,736
Total unrestricted funds	**23,521**	**11,455**	**(7,710)**	**-**	**27,266**

Group	Balance at 1 April 2019 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2020 £000
Designated funds - Fixed Assets Fund	7,293	4,424	(375)	335	11,678
Unrestricted general funds	11,803	10,616	(10,240)	(335)	11,843
Total unrestricted funds	**19,095**	**15,040**	**(10,615)**	**-**	**23,521**

Designated funds

Fixed assets & Investment Property fund – Represents unrestricted funds tied up in fixed assets. At the balance sheet date the balance of fixed asset designated reserves equates to the net book value of fixed assets held.

Digital transformation Fund represents funds designated for Demelza to make all its services digitally accessible to users and to harness digital processing of data to bring greater accuracy and efficiency. The funds will be used between 2021 and 2024.
Capital Recovery Fund is designated for accelerated capital expenditure following the lockdowns on 2020-21 when little capital work was possible.

Unrestricted general funds

These represent the unrestricted reserves of the Charity, which are not designated for particular purposes, and therefore the Trustees can utilise as they see fit in accordance with its charitable objects.

Summary of Total Group Funds

	Balance at 1 April 2020 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2021 £000
Restricted funds	293	3,242	(3,048)	-	487
Unrestricted funds	23,521	11,455	(7,710)	-	27,266
Total funds	**23,814**	**14,698**	**(10,758)**	**-**	**27,753**

	Balance at 1 April 2019 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	Balance at 31 March 2020 £000
Restricted funds	520	1,642	(1,869)	-	293
Unrestricted funds	19,095	15,040	(10,615)	-	23,521
Total funds	**19,615**	**16,682**	**(12,484)**	**-**	**23,814**

21 Analysis of Group Net Assets Between Funds

Group	Unrestricted Funds 2021 £000	Restricted Funds 2021 £000	Total 2021 £000	Unrestricted Funds 2020 £000	Restricted Funds 2020 £000	Total 2020 £000
Fund balances at 31 March are represented by:						
Fixed assets and investments	22,061	-	22,061	19,353	-	19,353
Current assets	6,095	487	6,582	5,344	293	5,637
Creditors falling due within one year	(890)	-	(890)	(1,176)	-	(1,176)
	27,266	**487**	**27,753**	**23,521**	**293**	**23,814**
Charity						
Fund balances at 31 March are represented by:						
Fixed assets and investments	22,196	-	22,196	18,938	-	18,938
Current assets	5,752	487	6,239	5,534	293	5,827
Creditors falling due within one year	(682)	-	(682)	(951)	-	(951)
	27,266	**487**	**27,753**	**23,521**	**293**	**23,814**

22 Reconciliation of Net cash flow to movement in funds

	2021 £000	2020 £000
Net incoming resources	3,939	4,198
Depreciation charges	392	413
Loss on sale of investment property	7	-
(Gain) on sale of fixed assets	(3)	-
Less increase in Investment Property	-	(4,420)
(Gains)/Losses on investments	(1,948)	856
Less Investment Income	(194)	(107)
Add investment management fee	36	-
(Increase)/ Decrease in stock	33	2
(Increase)/Decrease in debtors	918	(464)
Increase/(Decrease) in creditors	(286)	389
Net cash inflowing resources	**2,894**	**866**

23 Analysis of cash and cash equivalents

	Short term Deposit £000	Cash at bank and in hand £000	Total £000
Balance at 1 April 2020	-	3,433	3,433
Net cash movement	1,900	(4)	1,896
Balance at 31 March 2021	**1,900**	**3,429**	**5,329**
Balance at 1 April 2019	-	5,092	5,092
Net cash movement	-	(1,659)	(1,659)
Balance at 31 March 2020	**-**	**3,433**	**3,433**

24 Analysis in changes of net debt

	At 1 April 2020 £000	Cash movements £000	At 31 March 2021 £000
Cash at bank	3,433	1,896	5,329

	At 1 April 2019 £000	Cash movements £000	At 31 March 2020 £000
Cash at bank	5,092	(1,659)	3,433

25 Pensions

	2021 £000	2020 £000
Defined contribution scheme	246	238
NHS pension scheme	242	241
Total pension costs (Note 10)	**488**	**479**

Defined contribution scheme

The charity and its subsidiaries operate a defined contribution scheme available to the majority of its permanent employees. Contributions are charged in the financial statements as they are incurred and there were no outstanding contributions as at the balance sheet date. Pension costs charged in the period were £245,972 (2020: £238,339).

NHS pension scheme

The NHS pension scheme is an unfunded, defined benefit scheme that covers NHS employees, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence, it is not possible for Demelza House Children's Hospice Ltd to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost is the contributions payable to the scheme for this accounting period.

Employers' pension contributions are charged to operating expenses as and when they become due. The total employer contribution payable by Demelza in 2020-21 was £241,893 (2020: £240,754). In addition, employees who are members of the scheme pay contributions of 5.6% to 12.5% depending on their pensionable pay.

In accordance with FRS102, a valuation of the scheme liability is carried out annually by the scheme actuary as at the scheme's balance sheet date by updating the results of the full actuarial valuation. The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS pension scheme (England and Wales) resource account, published annually. These accounts can be viewed on the NHS pensions website.

26 Commitments

Operating leases

The following lease commitments for the next twelve months existed at 31 March 2021 in respect of non-cancellable operating leases: -

	2021 Land and buildings £000	2021 Other £000	2020 Land and buildings £000	2020 Other £000
Up to one year	398	70	518	80
Between one and five years	508	152	771	221
Over five years	105	-	142	17
	1,010	**221**	**1,430**	**319**

27 Commitments by lessors

	2021 £000	2020 £000
Up to one year	51	32
Between one and five years	3	10
Over five years	-	-
	54	**41**

28 Related party transactions

Other than amounts shown in notes 9, 10, 12 and 18, there were no related party transactions.

29 Comparative Statement of Financial Activities for the year ended 31 March 2020

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000
Income			
Donations and legacies	8,257	349	8,606
Other trading activities	4,584	-	4,584
Income from Charitable Activities	1,615	1,294	2,909
Government COVID Support	477	-	477
Income from Investments	107	-	107
Total income	**15,040**	**1,643**	**16,683**
Expenditure			
Expenditure on Raising funds			
Generating donations and legacies	1,514	-	1,514
Fundraising events	345	-	345
Retail and Lottery expenditure	2,977	-	2,977
Investment management fees	37	-	37
Total Expenditure on Raising funds	**4,873**	**-**	**4,873**
Expenditure on Charitable activities			
Residential service	4,349	1,335	5,684
Community service & Continuing care	537	534	1,071
Total Expenditure on Charitable activities	**4,886**	**1,869**	**6,755**
Total Expenditure	**9,759**	**1,869**	**11,628**
Income before investment gains/(losses)	**5,281**	**(226)**	**5,055**
Net Gains / Loss on investment	(856)	-	(856)
Net income / (expenditure)	4,425	(226)	4,199
Transfers between funds	-	-	-
Net movement in funds	4,425	(226)	4,199
Fund balances brought forward at 1st Apr 2019	19,095	520	19,615
Fund balances carried forward at 31st March 2020	**23,521**	**293**	**23,814**

Structure, governance and management

Organisational structure
The charity operates as a company limited by guarantee, under the terms of its memorandum and articles of association. Legal responsibility for the management and stewardship of the hospice is vested in the Board of Trustees.

Day to day operational decisions are delegated to a Senior Leadership Team. During the period covered by this report this consisted of a Chief Executive, Deputy Chief Executive, Director of Care, Director of Fundraising & Marketing, Director of Trading and Director of Finance & Business Planning (none of whom are directors within the meaning of the Companies Act).

Key management personnel are those individuals who have authority and responsibility for planning, directing and controlling the activities of the charity, directly or indirectly, including any director (whether executive or otherwise). The Appraisal and Remuneration Committee is responsible for setting the pay for these personnel, comparing to industry benchmarks as appropriate.

The Trustees, directors and management are shown on page 42 of this document.

The Trustees held four board meetings during the year. The five sub-committees also met regularly throughout the year, reporting respectively for matters concerned with clinical governance, service development, fundraising & marketing, resources, and appraisal & remuneration.

The trading company (Demelza House Trading Limited No. 03090528) is a wholly owned subsidiary incorporated in England and Wales, and has a separate board of directors which reports to the board of trustees of the charity. The trading subsidiary runs shops and a weekly lottery to support the objects of the charity.

The charity's subsidiary (South East Medical Services Limited (SEMS) No. 06042090), which built the Eltham hospice, had no turnover this year and is dormant.

The charity's subsidiary (ACG Lettings Ltd No 03031999 is a wholly owned subsidiary incorporated in England and Wales, and has a separate Board of Directors which reports to the Board of Trustees of the charity. The trading subsidiary owns, maintains and lets residential property in East Kent.

Trustee induction and training
The Board of Trustees maintains a skills matrix of all trustees to identify any shortfall in desired competencies. If any shortfall is identified the trustees actively seek a suitable candidate to fill that role on the board. Candidates are interviewed, and those selected are invited to join the board for one meeting and given a tour of the hospice to assess whether they are deemed suitable by all the trustees; this also allows candidates to judge whether the role is one they feel they could comfortably fulfil.

New board members are then given an induction pack, including relevant Charity Commission publications, statutory accounts, and explanations of their duties and copies of previous board meeting minutes. They also attend an induction session with selected Trustees and staff.

All members of the Board are encouraged to attend appropriate internal and external training events where these facilitate the undertaking of their role.

Clinical governance
Demelza has a comprehensive Clinical Governance Policy and appropriate procedures in place. Demelza will demonstrate accountability for, and ensure continuous improvement in, the quality of services for children and families and safeguard high standards of care by creating an environment in which excellence in clinical care will flourish.

The Clinical Governance Committee (which is a sub-committee of the Board):

- Analyses, benchmarks, evaluates, reviews and monitors all aspects of service delivery to ensure national minimum guidelines and evidence-based practice are met.
- Ensures that policies, procedures and training support our practice to best meet the needs of our service.
- Reviews, identifies, monitors and manages risk.

Key performance indicators
The senior leadership team monitors a variety of key performance indicators (KPIs) to check achievement of strategic and operational objectives, reporting on them to trustees. These KPIs monitor the amount and type of care provided, management of resources, and income generation.

Statement on public benefit
The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard for public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. In the interest of transparency, the Trustees make the following observations on the two key principles of public benefit.

Firstly, Demelza is clear on the beneficiaries of its work in this report and in its general communications. The beneficiaries are children and young people with terminal and serious conditions and their families, within Kent, East Sussex and South East London. A referral process is in place with clear guidelines on criteria, with anyone being able to refer a child subject to appropriate consent, including families themselves. The Trustees have paid due regard to the latest demographic and other research and data on the number of actual and potential beneficiaries, and their needs.

Secondly, our business-planning and monitoring/ reporting are structured around the benefits delivered to the beneficiaries through our work, including monitoring the impact we have had on their lives. This is reflected in the Trustees' report.

The benefits are respite care, therapeutic services, and other related activities, with access to emergency and end of life care when required. This can be at either of the hospices or within the family home via the community teams. Support services include family support, therapies and pre and post bereavement support the child and their immediate family.

The monitored benefits include whether assessed needs within individual care plans have been met, and improvements (including increased social functioning, resilience, and emotional wellbeing) monitored through standardised tools. We also regularly consult with our beneficiaries, for example in surveys and representatives' forums, to gain information on our impact.

The Trustees review the activities of the charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to its aims.

The charity does not exclude or give priority on any basis other than medical and social need.

Any private benefits are incidental, with Trustees receiving no remuneration, and any personal or business involvement is listed under the related party transaction section.



Corporate Information

Demelza Hospice Care for Children

A company limited by guarantee Company No. 2948500
(Demelza House Children's Hospice) Charity No. 1039651

Registered office
Demelza House, Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ
www.demelza.org.uk **Telephone: 01795 845200**

Subsidiary company:
Demelza House Trading Limited, Company No. 03090528. A private limited company

Trustee board
David Highton (Chairman)
Robert Alexander
Darren Anstee
Pippa Barber
Paul Smith
Kate Stephens
Susan Lowson
Yvonne Parks
Matthew Kepple
Rhiannedd Brooke retired 23.09.2020
Debbie Kemp
Pedro Avery
Nicola Porter (Tyers)
Charlotte Parry-Jones appointed 19.01.2021

Founder president
Derek Phillips

President
Richard Oldfield, OBE DL

Vice presidents
The Most Reverend and Right Honourable
Justin Welby, Archbishop of Canterbury
Daniel Radcliffe
Sally Lindsay
Sir Martyn Lewis, CBE
Len Goodman
Dave Berry
Jayne Torvill, OBE
Cheryl Baker
Robin Cousins, MBE
Gary Lineker, OBE
Lady Kingsdown, OBE
Paul Auston, DL
Turrloo Parrett
Fiona Sunley
Des Crampton, DL
James Kelly
Rhiannedd Brooke appointed 23.09.2020

Chief Executive Officer
Ryan Campbell CBE

Deputy Chief Executive Officer
Lavinia Jarrett

Company Secretary
James Niblett

Director of Finance & Business Planning
James Niblett

Director of Fundraising & Marketing
Tamsyn Clark

Director of Clinical Services
Liz Bray appointed 01.06.20

Director of Retail
Ashley Henson

Auditors
Saffery Champness LLP
71 Queen Victoria Street,
London, EC4V 4BE

Bankers
National Westminster Bank Plc
2nd Floor County Gate,
Stacey's Street, Maidstone,
Kent ME14 1ST

Principal Solicitor
Mayo Wynne Baxter Solicitors
3 Bell Lane, Lewes,
East Sussex BN7 1JU

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*Photos in this document were taken pre Covid-19