



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



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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	Moving forward
<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• 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	Moving forward
<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• 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	Moving forward
<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• 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	Moving forward
<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• 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 sector and care at home, in ways that better meet the current needs of our families

Achievements and performance	Moving forward
<p>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.</p> <p>Collaborating with other providers:</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 inclusion and care at home, in ways that better meet the current needs of our families

Achievements and performance	Moving forward
<ul style="list-style-type: none"> 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. 	<p>We want to ensure that:</p> <ul style="list-style-type: none"> 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 impact and care at home, in ways that better meet the current needs of our families

Achievements and performance	Moving forward
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	Moving forward
<p>We had record breaking income days achieved across our chain of shops after successive relaunches.</p> <p>Voluntary Services Department:</p> <ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> 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.

Emissions Scope / Activity:	Current year: 2020-21		2019-20	% change
	Energy Equivalent (kWh)	Carbon Emissions (tCO2e)	Carbon Emissions (tCO2e)	
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 £000	Restricted Funds £000	Total 2021 £000	Total 2020 £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 1 st 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.

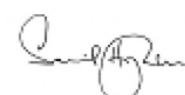
Balance Sheets at 31 March 2021

Company No: 02948500

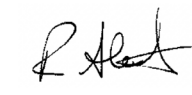
	Note	Group		Charity	
		2021 £000	2020 £000	2021 £000	2020 £000
Fixed Assets					
Tangible assets	13	7,024	7,258	7,020	7,253
Intangible assets	14	48	-	48	-
Investment property	15	3,208	4,420	-	-
Investments	16	11,781	7,675	15,128	11,684
		22,061	19,353	22,196	18,937
Current Assets					
Stock	17	12	45	-	-
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.



Notes to the financial statements for the year ended 31 March 2021

2 Donations & Legacies	Unrestricted	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£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	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£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	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£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	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£000
Bank Interest	3	-	3	15	-	15
Investment portfolio income	194	-	194	92	-	92
	197	-	197	107	-	107
6 Government Covid Support	Unrestricted	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£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.

Notes to the financial statements for the year ended 31 March 2021

7 Expenditure on Raising Funds	Direct	Support		Direct	Support	
	Costs	Costs	Total	Costs	Costs	Total
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£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	Support		Direct	Support	
	Costs	Costs	Total	Costs	Costs	Total
	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£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			2020		
	£000			£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		

Notes to the financial statements for the year ended 31 March 2021

9	Support Costs	Total	Total
		2021	2020
		£000	£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	2020
		£000	£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)		

Notes to the financial statements for the year ended 31 March 2021

10	Staff Costs	2021	2021	2020	2020
		£000	£000	£000	£000
		TOTAL	TOTAL	TOTAL	TOTAL
		GROUP	CHARITY	GROUP	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	FTE	NO	NO
		2021	2020	2021	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)				

Notes to the financial statements for the year ended 31 March 2021

11	Net Income for the Year	2021 £000	2020 £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 £000	2020 £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.

Notes to the financial statements for the year ended 31 March 2021

12	Net Income of Trading Subsidiaries (continued)	2021 £000	2020 £000
	ACG Lettings Ltd		
	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.

Notes to the financial statements for the year ended 31 March 2021

13 Tangible fixed assets	Freehold buildings £000	Improvements to leasehold property £000	Fixtures and fittings £000	Motor vehicles £000	Total group £000
Consolidated					
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					
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

Notes to the financial statements for the year ended 31 March 2021

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.

Notes to the financial statements for the year ended 31 March 2021

16 Investments - Charity

	2021 £000	2020 £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)

Notes to the financial statements for the year ended 31 March 2021

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 £000	2020 £000
B/fwd	(503)	394
Amounts deferred in the year	(398)	(503)
Amounts released in the year	503	(394)
C/fwd	(398)	(503)

Notes to the financial statements for the year ended 31 March 2021

20 Funds

	Balance at	Incoming	Resources	Transfer	Balance at
Restricted Funds	1 April	Resources	Expended	Between	31 March
	2020	Resources	Expended	Funds	2021
	£000	£000	£000	£000	£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	Incoming	Resources	Transfer	Balance at
	1 April	Resources	Expended	Between	31 March
	2019	Resources	Expended	Funds	2020
	£000	£000	£000	£000	£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

Notes to the financial statements for the year ended 31 March 2021

20 Funds (continued)

Unrestricted Funds	Balance at	Incoming	Resources	Transfer	Balance at
	1 April	Resources	Expended	Between	31 March
	2020	Resources	Expended	Funds	2021
	£000	£000	£000	£000	£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

	Balance at	Incoming	Resources	Transfer	Balance at
	1 April	Resources	Expended	Between	31 March
	2019	Resources	Expended	Funds	2020
	£000	£000	£000	£000	£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	Incoming	Resources	Transfer	Balance at
	1 April	Resources	Expended	Between	31 March
	2020	Resources	Expended	Funds	2021
	£000	£000	£000	£000	£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	Incoming	Resources	Transfer	Balance at
	1 April	Resources	Expended	Between	31 March
	2019	Resources	Expended	Funds	2020
	£000	£000	£000	£000	£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

Notes to the financial statements for the year ended 31 March 2021

21 Analysis of Group Net Assets Between Funds

	Unrestricted	Restricted		Unrestricted	Restricted	
	Funds	Funds	Total	Funds	Funds	Total
Group	2021	2021	2021	2020	2020	2020
	£000	£000	£000	£000	£000	£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	2020
	£000	£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	Cash at bank and in hand	Total
	Deposit	£000	£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

Notes to the financial statements for the year ended 31 March 2021

24 Analysis in changes of net debt

	At 1 April 2020	Cash movements	At 31 March 2021
	£000	£000	£000
Cash at bank	3,433	1,896	5,329
	At 1 April 2019	Cash movements	At 31 March 2020
Cash at bank	5,092	(1,659)	3,433

25 Pensions

	2021	2020
	£000	£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.

Notes to the financial statements for the year ended 31 March 2021

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.

Notes to the financial statements for the year ended 31 March 2021

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
Rhianedd 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
Rhianedd 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



Demelza

Hospice Care for Children

www.demelza.org.uk