



**Demelza**  
Hospice Care for Children

**DEMELZA HOUSE TRADING LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2017**

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**DEMELZA HOUSE TRADING LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	B Skelton R Brooke P Brown (resigned 7 June 2016) N Josling (resigned 15 July 2016) R Campbell C Sykes J Vidler (appointed 16 January 2017)
<b>Company secretary</b>	J Vidler
<b>Registered number</b>	03090528
<b>Registered office</b>	Rook Lane Bobbing Sittingbourne Kent ME9 8DZ
<b>Independent auditors</b>	haysmacintyre 26 Red Lion Square London WC1R 4AG

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**DEMELZA HOUSE TRADING LIMITED**

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## DEMELZA HOUSE TRADING LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

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The directors present their report and the financial statements for the period ended 31 March 2017.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors**

The directors who served during the period were:

B Skelton  
R Brooke  
P Brown (resigned 7 June 2016)  
N Josling (resigned 15 July 2016)  
R Campbell  
C Sykes  
J Vidler (appointed 16 January 2017)

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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DEMELZA HOUSE TRADING LIMITED

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27 JULY 2017  
signed on its behalf.

and



Director

C SYKES

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**DEMELZA HOUSE TRADING LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DEMELZA HOUSE TRADING LIMITED**

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We have audited the financial statements of Demelza House Trading Limited for the period ended 31 March 2017, set out on pages 5 to 12. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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**DEMELZA HOUSE TRADING LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DEMELZA HOUSE TRADING LIMITED (CONTINUED)**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Richard Weaver (Senior Statutory Auditor)

for and on behalf of  
**haysmacintyre**

Statutory Auditors

26 Red Lion Square  
London  
WC1R 4AG

Date: 27 July 2017

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**DEMELZA HOUSE TRADING LIMITED**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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Note	2017 £	2015 £
Turnover	2,023,329	1,701,367
Cost of sales	(411,362)	(288,531)
<b>Gross profit</b>	<b>1,611,967</b>	<b>1,412,836</b>
Administrative expenses	(616,392)	(461,829)
<b>Operating profit</b>	<b>995,575</b>	<b>951,007</b>
Interest receivable and similar income	4,097	3,806
<b>Profit before tax</b>	<b>999,672</b>	<b>954,813</b>
<b>Profit after tax</b>	<b><u>999,672</u></b>	<b><u>954,813</u></b>
Retained earnings at the beginning of the period	190	190
	<u>190</u>	<u>190</u>
Profit for the period	999,672	954,813
Donation to parent under gift aid	(999,672)	(954,813)
<b>Retained earnings at the end of the period</b>	<b><u>190</u></b>	<b><u>190</u></b>

The notes on pages 7 to 12 form part of these financial statements.



**DEMELZA HOUSE TRADING LIMITED**  
**REGISTERED NUMBER:03090528**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

Note	31 March 2017 £	30 September 2015 £
<b>Fixed assets</b>		
Tangible assets	6	8,751
	<u>8,751</u>	<u>17,533</u>
<b>Current assets</b>		
Stocks	7	32,596
Debtors: amounts falling due within one year	8	5,679
Cash at bank and in hand	2,038,129	1,305,364
	<u>2,076,404</u>	<u>1,359,676</u>
Creditors: amounts falling due within one year	9	(2,084,865)
	<u>(8,461)</u>	<u>(1,376,919)</u>
<b>Net current liabilities</b>	<b>(8,461)</b>	<b>(17,243)</b>
<b>Total assets less current liabilities</b>	<b>290</b>	<b>290</b>
<b>Net assets</b>	<b><u>290</u></b>	<b><u>290</u></b>
<b>Capital and reserves</b>		
Called up share capital	100	100
Profit and loss account	190	190
	<u>290</u>	<u>290</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2017.

Director  C SYKES

The notes on pages 7 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**1. General information**

The company is a private limited company and incorporated in England and Wales.

The registered office is:

Rook Lane,  
Sittingbourne,  
Kent,  
ME9 8DZ. .

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 11.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.3 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**2. Accounting policies (continued)**

**2.3 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 25%
Fixtures and fittings	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

**2.4 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.7 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

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**DEMELZA HOUSE TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**2. Accounting policies (continued)****2.7 Financial instruments (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.9 Interest income**

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the process of applying its accounting policies, the company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

**4. Auditors' remuneration**

	2017 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>3,950</u>	<u>3,350</u>

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**DEMELZA HOUSE TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**5. Employees**

Staff costs were as follows:

	2017 £	2015 £
Wages and salaries	189,095	189,835
	<u>189,095</u>	<u>189,835</u>

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

The average monthly number of employees, including the directors, during the period was as follows:

	2017 No.	2015 No.
	<u>0</u>	<u>0</u>

**6. Tangible fixed assets**

<b>Cost or valuation</b>	Motor vehicles £	Fixtures and fittings £	Total £
At 1 October 2015	49,943	300	50,243
Disposals	(14,353)	-	(14,353)
At 31 March 2017	<u>35,590</u>	<u>300</u>	<u>35,890</u>

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**DEMELZA HOUSE TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**Depreciation**

At 1 October 2015	32,410	300	32,710
Charge for the period on owned assets	3,952	-	3,952
Disposals	(9,523)	-	(9,523)
At 31 March 2017	<u>26,839</u>	<u>300</u>	<u>27,139</u>

**Net book value**

At 31 March 2017	<u>8,751</u>	<u>-</u>	<u>8,751</u>
At 30 September 2015	<u>17,533</u>	<u>-</u>	<u>17,533</u>

**7. Stocks**

	31 March 2017 £	30 September 2015 £
Raw materials and consumables	<u>32,596</u>	<u>41,027</u>
	<u>32,596</u>	<u>41,027</u>

**8. Debtors**

31 March 2017 £	30 September 2015 £
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**DEMELZA HOUSE TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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Trade debtors	-	697
Other debtors	5,110	12,588
Tax recoverable	569	-
	<u>5,679</u>	<u>13,285</u>

**9. Creditors: Amounts falling due within one year**

	31 March 2017 £	30 September 2015 £
Trade creditors	17,763	27,773
Amounts owed to group undertakings	1,913,817	1,126,927
Other taxation and social security	-	33,841
Other creditors	152	-
Accruals and deferred income	153,133	188,378
	<u>2,084,865</u>	<u>1,376,919</u>

**10. Controlling party**

The ultimate parent company throughout the 18 month period was Demelza House Children's Hospice, a charity incorporated in the United Kingdom. Its registered office is Rook Lane, Bobbing, Sittingbourne, Kent, ME9 8DZ. £999,672 (2015: £954,813) was donated to the parent company in the year under Gift Aid.

The company has taken advantage of the exemption available not to disclose related party transactions with Demelza House Children's Hospice, as consolidated financial statements are prepared.

Group financial statements for Demelza House Children's Hospice are available to the public from Companies Registration Office, Crown Way, Cardiff on payment of the appropriate fee.

**11. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.