

Charity No. 1039651

Company No. 2948500

Consolidated Financial Statements
For the period ended 30th September 2016



Demelza
Hospice Care for Children

We have obtained limited assurance that the financial statements for the period ending 30 September 2016, as prepared by Demelza House Children's Hospice, agree to the underlying accounting records and sufficient evidence has been obtained to draw such assurance.


Our work was limited to examinations of the following:

- Review of draft financial statements prepared by Demelza House Children's Hospice and trial balance;
- Financial statements agree to the underlying accounting records;
- Fixed asset register agrees to the financial statements;
- September 2016 investment report agrees to the financial statements;
- Debtor listings agree to the trial balance;
- Bank reconciliations have been prepared and agree to bank statements and trial balance;
- Creditor listings agree to the trial balance;
- Reserve schedules agree to the financial statements; and
- Payroll reconciliations agree to the trial balance.

Nothing has come to our attention as a result of the limited testing above that causes us to believe that the financial statements for the period ending 30 September 2016 has not been prepared in accordance with the relevant accounting standards.

This report is made solely to the Trustees of Demelza House Children's Hospice. Our work has been undertaken so that we might state to the trustees those matters we are required to state in a report and for no other purpose. It may not be relied upon by any third parties and we accept no responsibility to any third parties.

Yours faithfully,



haysmacintyre

26 Red Lion Square
London
WC1R 4AG

Date: 19 December 2016

The following financial statements represent the activity for the period 1st October 2015 to 30th September 2016 and are produced for information and comparative purposes only, following a change to the charity's financial year end to 31st March 2017, when the fully audited financial statements will be produced in conjunction with the annual report of the Trustees.



Ryan Campbell
Chief Executive Officer

Consolidated statement of financial activities (incorporating a consolidated income and expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income					
Income from donations and legacies	2	4,490,606	193,740	4,684,346	3,024,071
Income from other trading activities	3	4,100,769	0	4,100,769	3,384,013
Income from Investments	4	10,627	0	10,627	59,732
Income from Charitable activities	5				
Fundraising Events		58,974	0	58,974	444,673
NHS England Children's Hospice Grant		0	775,526	775,526	1,155,789
Funding from PCTs/Local Authorities		1,165,488	0	1,165,488	1,285,020
Other Grants		89,496	0	89,496	409,491
Total income		9,915,960	969,266	10,885,226	9,762,789
Expenditure					
Expenditure on Raising funds	6				
Generating donations and legacies		1,115,971	0	1,115,971	1,409,450
Fundraising events		323,427	0	323,427	348,821
Retail and Lottery expenditure		2,191,668	0	2,191,668	1,997,184
Investment management fees		25,830	0	25,830	20,379
Total Expenditure on Raising funds		3,656,896	0	3,656,896	3,775,834
Expenditure on Charitable activities	7				
Residential service		4,582,182	969,266	5,551,448	5,773,283
Community service		760,848	0	760,848	682,272
Continuing care		111,469	0	111,469	310,510
Total Expenditure on Charitable activities		5,454,499	969,266	6,423,765	6,766,065
Income before investment gains/(losses)		804,565	0	804,565	(779,111)
Net Gains / (losses) on investment	13	434,411	0	434,411	(15,038)
Net movement in funds		1,238,976	(0)	1,238,976	(794,149)
Fund balances brought forward at 1st Oct 2015		14,502,103	429,233	14,931,336	15,725,485
Fund balances carried forward at 30th Sep 2016		15,741,079	429,233	16,170,312	14,931,336

All the activities of the Group and the Charity are continuing. There are no other recognised gains or losses.
The notes on pages 6 – 16 form part of these financial statements

Balance Sheets

at 30 September 2016

	Note	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
Fixed Assets					
Tangible assets	12	7,375,024	7,508,234	7,363,346	7,490,701
Investments	13	3,483,448	3,074,866	3,483,448	3,074,866
		10,858,472	10,583,100	10,846,794	10,565,567
Current Assets					
Stock	14	41,982	41,027	0	0
Debtors	15	1,092,177	668,288	2,289,331	1,816,072
Cash on short term deposit		2,653,552	512,773	2,653,552	512,773
Cash at bank and in hand		2,180,974	4,023,036	710,502	2,717,673
		5,968,685	5,245,124	5,653,385	5,046,518
Creditors: Amounts falling due within one year	16	(656,845)	(896,888)	(473,336)	(680,623)
Net Current Assets		5,311,840	4,348,236	5,180,049	4,365,895
Total assets less current liabilities		16,170,312	14,931,336	16,026,843	14,931,462
Funds					
	17				
Restricted Funds		429,233	429,233	429,233	429,233
Unrestricted funds					
General		4,347,990	3,384,386	4,204,521	3,384,512
Designated		11,393,089	11,117,717	11,393,089	11,117,717
Total Funds		16,170,312	14,931,336	16,026,843	14,931,462

The notes on pages 6 –16 form part of these financial statements.

Consolidated cash flow statement

For the year ended 30 September 2016

	Note	2016 £	2015 £
Net Cash Inflow from Resources	19	703,318	336,964
Returns on Investments and Servicing of Finance			
Interest received		10,627	59,732
Capital Expenditure and Financial Investments			
Purchase of tangible fixed assets		(415,227)	(355,259)
Increase in investment working cash		0	(25,019)
Increase in Cash during the Year		298,718	16,418
Reconciliation of net cash flow to movement in funds	20		
Increase in cash during the year		298,717	16,418
Change in Net Funds resulting from Cash Flows		298,717	16,418
Movement in net debt during the year		298,717	16,418
Net Funds at 1 October		4,535,809	4,519,391
Net Funds at 30 September		4,834,526	4,535,809

Notes to the financial statements

For the year ended 30 September 2016

1 Accounting policies

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) issued on 16 July 2014 (charities SORP (FRS102)) and the Financial reporting Standard applicable in the United Kingdom and republic of Ireland (FRS 102) and the Charities Act 2011. Demelza House Childrens Hospice meets the definition of a public benefit entity under FRS 102.

These are the Charity's first financial statements prepared under the new Charities SORP (FRS 102). The transition from Charities SORP (2005) to Charities SORP (FRS 102) has resulted in a restatement of the 2015 financial results and the main changes in accounting policies and the resulting adjustments to the 2015 reported results are explained in Note 25.

The Trustees have reviewed Demelza House Childrens Hospice's financial position, considering the impact of future activities, to ensure 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.

a Basis of accounting

The financial statements are prepared under the historical cost basis of accounting, as modified by the periodic revaluation of properties and the inclusion of investments at market value.

b 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
- pension liabilities – the charity recognises its liability to its defined benefit pension scheme, which involves a number of estimations as disclosed in note 21.

c 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 of it is probable and amounts receivable can be measured with sufficient reliability.

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 Childrens Hospice is taken to be market value on the date when the documents of title are received.

d Cash at bank and short-term deposits

Cash at bank and short-term deposits includes cash and short-term highly liquid investments with a short maturity

of 3 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.

e 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.

f Tax

Demelza House Childrens 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 Dection 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 Childrens Hospice.

g 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.

h 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, ie 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.

i Fixed assets

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

Freehold buildings:

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

Leasehold land and buildings:

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

Building Improvements:

Between 3 to 6 years based on nature of usage, or if earlier, the unexpired portion of the lease.

(ii) Motor vehicles

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

(iii) Equipment

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

(iv) Investments

Investments are shown at the most recent valuation.

Any gain or loss on revaluation is taken to the statement of financial activities.

j 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.

k 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.

l Pensions

Demelza House Childrens 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.

k Liabilities

Future liabilities are recognised when Demelza House Childrens 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.

m Trading company

Income and expenditure have been included on a line by line Basis in the statement of financial activities. The summary of the results of the trading company is shown in Notes 11 to the accounts.

Notes to the financial statements

For the year ended 30 September 2016

2 Income from donations and legacies	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Donations	2,754,200	193,740	2,947,940	2,552,774
Legacies	1,736,406	0	1,736,406	471,297
	4,490,606	193,740	4,684,346	3,024,071

3 Income from other trading activities	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Lottery income	1,586,620	0	1,586,620	1,501,760
Shop income - sale of bought-in and donated goods	2,514,149	0	2,514,149	1,882,253
	4,100,769	0	4,100,769	3,384,013

4 Income from Investments	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Bank Interest	10,627	0	10,627	14,433
Investment portfolio income	0	0	0	45,299
	10,627	0	10,627	59,732

5 Income from Charitable Activities	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Fundraising events	58,974	0	58,974	444,673
NHS England Children's Hospice Grant Department of Health	0	775,526	775,526	1,155,789
Funding from PCTs/Local Authorities	1,165,488	0	1,165,488	1,285,020
Other Grants	89,496	0	89,496	409,491
	1,313,958	775,526	2,089,484	3,294,973

6 Expenditure on raising funds

	Direct Costs £	Support Costs £	2016 £	2015 £
Generating voluntary income	813,694	302,277	1,115,971	1,409,450
Fundraising events costs	323,427	0	323,427	348,821
Retail and lottery expenditure	2,191,668	0	2,191,668	1,997,184
Investment management fees	25,830	0	25,830	20,379
	3,354,619	302,277	3,656,896	3,775,834

7 Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Residential services	4,472,978	969,266	5,551,448	5,773,283
Community services	760,848	0	760,848	682,272
Continuing care	111,469	0	111,469	310,510
	5,454,499	929,266	6,423,765	6,766,065

Direct costs consist of:

	2016 £	2015 £
Care costs	3,997,628	4,327,478
Catering and Housekeeping	258,633	304,571
Centre costs	921,538	865,203
	5,177,799	5,497,252

8 Support costs

	Total 2016 £	Total 2015 £
Human resources and administration	590,460	620,755
Finance	246,902	242,803
Volunteer services	104,257	114,928
Governance costs	58,730	51,692
Depreciation	547,894	400,172
	1,548,243	1,430,350
Which is allocated:		
Generating funds	302,277	273,411
Charitable activities	1,245,966	1,156,939
	1,548,243	1,430,350

Support costs are allocated on the basis of number of employees (full time equivalents).

Governance costs consist of:

Audit and accountancy fees	13,550	13,550
Staffing costs	42,446	33,825
Trustee costs (recruitment, expenses)	2,734	4,318
	58,730	51,693

9 Staff Costs

	Total 2016 £	Total 2015 £
Wages and salaries	5,664,058	5,914,525
Employer's national insurance	484,909	486,464
Pension costs	351,852	373,714
	6,500,819	6,774,703

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

	No 2016 £	No 2015 £
Nursing and care services	127	127
Retail	50	34
Trading (Lottery and BIG)	7	5
Fundraising	34	27
Administrative support	58	34
	276	227

In the year one employee earned between £60k and £70k (2015: two) two employees earned between £70k and £90k (2015: two) and one employee earned over £90k (2015:nil). Total SMT pay for the year was £375,869 including pension costs.

10 Net incoming resources

	2016 £	2015 £
Net incoming resources for the year are stated after charging/(crediting):		
Operating leases – land and buildings	1,455,187	378,910
-other	151,171	67,091
Auditors remuneration (excluding VAT)		
- Audit of parent company	10,200	10,200
- Audit of subsidiary	3,350	3,350
Other	0	2,250
Depreciation of fixed assets	548,437	505,471

11 Net income of trading subsidiaries

	2016 £	2015 £
Demelza House Trading Limited		
Turnover	3,915,588	1,701,367
Cost of sales	(277,638)	(288,530)
Gross Profit	3,637,950	1,412,837
Interest receivable and similar income	3,878	3,806
Administration expenses	(1,851,187)	(455,949)
	1,790,641	960,694
Management charge to Demelza House Childrens Hospice	(60,000)	(5,881)
Net Profit	1,730,641	954,813
Gift Aid payment to Demelza House Childrens Hospice	(1,730,641)	(954,813)
Profit before/after tax	0	0
Retained profit brought forward	190	190
Retained profit carried forward	190	190

This company 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 Childrens Hospice.

South East Medical Services Limited

This company 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 Childrens Hospice buildings with the profit being gift aided to the charity.

12 Tangible Fixed Assets

Consolidated	Freehold Buildings	Improvements To leasehold property	Fixtures And Fittings	Motor Vehicles	Total Group
	£	£	£	£	£
Cost					
At 1 October 2015	8,474,134	141,236	3,106,348	271,399	11,993,117
Additions	0	0	406,002	9,225	415,227
Disposals	0	0	0	0	0
At 30 September 2016	8,474,134	141,236	3,512,350	280,624	12,408,344
Depreciation					
At 1 October 2015	1,669,068	114,161	2,520,650	181,005	4,484,883
Additions	167,983	9,940	337,312	33,201	548,437
Disposals	0	0	0	0	0
At 30 September 2016	1,837,051	124,101	2,857,962	214,206	5,033,320
Net Book Value					
At 30 September 2016	6,637,083	17,135	654,388	66,418	7,375,024
At 30 September 2015	6,805,066	27,075	585,698	90,394	7,508,234

Charity Cost	Freehold Buildings £	Improvements To leasehold property £	Fixtures And Fittings £	Motor Vehicles £	Total Charity £
At 1 October 2015	8,474,134	141,236	3,106,348	234,185	11,955,903
Additions	0	0	406,002	9,225	415,227
Disposals	0	0	0	0	0
At 30 September 2016	8,474,134	141,236	3,512,350	243,310	12,371,130
Depreciation					
At 1 October 2015	1,669,068	114,161	2,520,650	161,323	4,465,202
Additions	167,983	9,940	337,312	27,347	542,582
Disposals	0	0	0	0	0
At 30 September 2016	1,837,051	124,101	2,857,962	188,670	5,007,784
Net Book Value					
At 30 September 2016	6,637,083	17,135	654,388	54,740	7,363,346
At 30 September 2015	6,805,066	27,075	585,698	72,862	7,490,701

13 Investments

	2016		2015	
	Cost £	Market Value £	Cost £	Market Value £
Unlisted Investments				
Demelza House Trading Limited	100	100	100	100
South East Medical Services Limited	1	1	1	1
	101	101	101	101

The £101 unlisted investments represent a 100% share holding in Demelza House Trading Limited and a 100% share holding in South East Medical Services Limited. These are both subsidiaries of the charity Demelza house Childrens Hospice.

	Class of Shares held	% of shares held	Nature of business	Capital and Reserves at 30-Sep-16 £
Demelza House Trading Limited	Ordinary	100	Retailing	190
South East Medical Services Limited	Ordinary	100	Dormant	1

Charity & Group Investment Fund

	2016 £	2015 £
At 1 October	3,074,866	3,064,885
Invested in the year	0	0
Movement in investment working cash URG in the year	(25,829)	25,019
At 30 September	3,483,448	3,074,866

14 Stock

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Goods for resale	41,982	41,027	0	0

15 Debtors

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Amounts due from subsidiaries	0	0	1,209,742	1,127,227
Other debtors	367,720	295,052	367,720	294,355
Prepayments and accrued income	517,078	301,517	504,491	288,930
Income tax recoverable	0	10,299	0	10,299
VAT	207,379	61,420	207,378	95,261
	1,092,177	668,288	2,289,331	1,816,072

16 Creditors: amounts falling due within one year

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	221,500	398,522	210,475	370,637
Tax and social security costs	119,698	129,340	119,698	129,340
Other creditors	37,039	33,831	36,987	33,829
Accruals and deferred income	278,608	335,195	106,176	146,817
	656,845	896,888	473,336	680,623

All deferred income will be released in the following year

17 Funds

Restricted Funds	Balance at			Transfer between Funds	Balance at 30-Sep 2016
	01-Oct 2015	Incoming Resources	Resources Expended		
	£	£	£	£	£
NHS Childrens Hospice Grant	0	775,526	(775,526)	0	0
Department of Health Capital Grant	0	0	0	0	0
Others: see below	429,233	193,740	(193,740)	0	429,233
	429,233	969,266	(969,266)	0	429,233

Purpose of restricted funds	Balance at			Transfer between Funds	Balance at 30-Sep 2016
	01-Oct 2015	Incoming Resources	Resources Expended		
	£	£	£	£	£
Equipment	19,947	0	0	0	19,947
Sensory area & Pool	3,913	0	0	0	3,913
Trips & Events	83	0	0	0	83
Bereavement services & family fund	15,622	0	0	0	15,622
Laundry room	0	0	0	0	0
FJ Stone building fund	216,000	0	0	0	216,000
Minibus	6,393	0	0	0	6,393
Other specific small items or running costs	167,275	193,740	(193,740)	0	167,275
	429,233	193,740	(193,740)	0	429,233

Unrestricted funds Group	Balance at			Transfer between Funds	Balance at 30-Sep 2016
	01-Oct 2015	Incoming Resources	Resources Expended		
Designated funds	£	£	£	£	£
Fixed assets fund	7,508,234	0	(548,437)	415,227	7,375,024
Maintenance fund	499,200	0	0	0	499,200
Investments fund	3,110,283	434,411	(25,830)	0	3,518,865
	11,117,717	434,411	(574,267)	415,227	11,393,089
Unrestricted general funds	3,384,386	9,481,549	(8,102,717)	(415,227)	4,347,990
Total unrestricted funds	14,502,103	9,915,960	(8,676,984)	0	15,741,079

Designated funds

Fixed assets 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. Transfers represent a transfer from the fixed asset fund, representing the net decrease in tangible fixed assets primarily due to depreciation.

Unrestricted general funds

These represent the free funds 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			Transfer Between Funds	Balance at 30-Sep 2016
	01-Oct 2015	Incoming Resources	Resources Expended		
	£	£	£		
Restricted funds	429,233	969,266	(969,266)	0	429,233
Unrestricted funds	14,502,103	9,915,960	(8,676,984)	0	15,741,079
Total funds	14,931,336	10,885,226	(9,646,250)	0	16,170,312

18 Analysis of group net assets between funds

Group	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fund balances at 30 September 2016 are represented by:			
Tangible fixed assets and investments	10,858,472	0	10,858,472
Current assets	5,539,452	429,233	5,968,685
Creditors falling due within one year	(656,845)	0	(656,845)
	15,741,079	429,233	16,170,312

Charity

Fund balances at 30 September 2016 are represented by:			
Tangible fixed assets and investments	10,846,794	0	10,846,794
Current assets	5,224,152	429,233	5,653,385
Creditors falling due within one year	(473,336)	0	(473,336)
	15,597,610	429,233	16,026,843

19 Reconciliation of Net cash flow to movement in funds

	2016	2015
	£	£
Net incoming resources	1,238,976	(794,149)
Depreciation charges	548,437	505,471
Purchase of fixed assets	0	0
Net Investment (income)/charges	(419,208)	(44,694)
(Increase)/Decrease in stock	(955)	32,814
(Increase)/Decrease in debtors	(423,889)	918,262
Increase/(Decrease) in creditors	(240,043)	(280,740)
Net cash inflow from resources	703,318	336,964

20 Net cash inflow from resources

	Short term Deposit	Cash at bank and in hand	Total
	£	£	£
Balance at 1 October 2015	512,773	4,023,036	4,535,809
Net cash movement	2,140,779	(1,842,062)	298,717
Balance at 30 September 2016	2,653,552	2,180,974	4,834,526

21 Pensions

	2016	2015
	£	£
Defined Contribution Scheme	152,825	168,933
NHS Pension Scheme	199,027	204,781
Total Pension Costs	351,852	373,714

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 year were £152,825 (2015:£168,933).

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 Childrens 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 costs contributions are charged to operating expenses as and when they become due. The total employer contribution payable by Demelza in 2015-2016 was £199,027 (2015: £204,781). In addition employees who are members of the scheme pay contributions of 6% (manual staff 5%) of their pensionable pay.

In accordance with FRS17, 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. Copies can also be obtained from the Stationery Office.

22 Commitments - Operating Leases

The following lease commitments for the next twelve months existed at 30 September 2015 in respect of non-cancellable operating leases: -

	2016		2015	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Up to one year	306,940	67,091	329,822	14,508
Between two and five years	998,961	84,081	1,316,318	151,355
Over five years	149,286	0	280,450	0
	<hr/> 1,455,187	<hr/> 151,172	<hr/> 1,926,590	<hr/> 165,863

23 Related Party Transactions

Exemption from disclosing transactions within the group companies has been claimed, as all subsidiaries are wholly owned and included in these financial statements, which are publicly available. There are no other disclosure transactions.

24 Parent Company Disclosures

Income of the charity (parent company) amounted to £10,885,226 (2015: £9,762,789). Net incoming resources amount to a surplus of £1,238,977 (2015: £794,149).

25 Transition to charities SORP (FRS 102)

As stated in Note 1 accounting policies, these are the charities first financial statements prepared under the new Charities SORP (FRS 102). The transition from Charities SORP (2005) to Charities SORP (FRS 102) has resulted in a restatement of the 2015 financial results and the main changes in accounting policies and the resulting adjustments to the 2015 reported results are explained below.

- a SORP 2015 required reworkings of the pension cost and liability in respect of the accounting disclosures required under Section 28 of FRS 102.
- b SORP 2015 removed the requirement to disclose governance costs on the Statement of Financial activities, such costs are now apportioned on a reasonable basis across the other expenditure categories. The 2015 expenditure figures have been adjusted accordingly.
- c As part of the process of restatement, the cash holdings in investments were reclassified from non-current assets to current assets and a liability for paid liability for paid annual leave was included.
- d SORP 2015 requires donated goods for distribution to be valued and recognised as stock at the time of receipt. This was deemed impractical, because of the low value of items received. Therefore such items are recognised as income when the goods are sold or distributed.