



Demelza Hospice Care for Children

Annual report and financial statements

for the period ended 31 March 2024

Registered Charity Number 1039651 Company Number 02948500

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Introduction from our CEO

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

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

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

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

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

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

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

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

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

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



Lavinia Jarrett
CEO



We are Demelza

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

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

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

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

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

Vision

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

Mission

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



Our Values

Fiercely committed to quality

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

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

Passion Performance and Pride

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

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

Human is our nature

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

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

Always honest, always authentic

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

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

Innovate, develop & improve

Each member of team demelza is driven to do better.

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



Isla

Isla's story



Isla was a happy, bright, bubbly five-year-old; she'd just started school, and she loved animals and Formula 1! We never had any reason to believe she was unwell and the first five years of her life were totally amazing. Sadly, this all changed overnight when she was diagnosed with an aggressive brain tumour called DIPG. Within nine months of that diagnosis, Isla was gone.

When we were referred to Demelza, Sacha, a Demelza nurse, told us some of the services we could access but I just thought 'we don't need a hospice, leave us alone!' Thankfully, she kept trying, and eventually we said yes to a home visit so she could do some activities with Isla. I really wish I could turn back time and say yes sooner because Isla absolutely loved it.

The fun was important, but we also felt like we could talk about the worst-case stuff with Sacha – like what would happen if Isla needed a nasogastric tube to eat, or what would happen after she died. Demelza were the only people we felt we could trust to speak openly and have those conversations with us.

When Isla's health deteriorated, it happened quickly. We went to bed at about 10pm on Saturday, and when I woke up at 1am Isla had gone. It was that quick. It was the worst moment of our lives, but I'm so grateful we had Demelza there to support us

– it wasn't a stranger who came out to see us, it was Sacha. That bond made it easier.

We took Isla to Demelza after she passed, and we spent five days with her there. 'Amazing' isn't the right word for the time we spent there because it was such an awful thing – we'd lost our little girl – but I'm so grateful for it. There was a night during that time that was, to me, more important than Isla's actual funeral. Isla loved our pizza and prosecco nights – we would order in pizza, the grownups would have prosecco and Isla would have her own glass with lemonade in it! That night at Demelza we invited all our closest family, ordered takeaway pizza, and opened a bottle of prosecco for one more pizza and prosecco night with Isla – it was so special to have everyone all together, doing what Isla would have wanted.

They still support us now, more than a year on; we attend their bereavement events which give us a chance to remember Isla, and to connect with other families who 'get it'. I do actually want to talk about Isla, and I want to hear other people talk about her and say her name, but it can be awkward – so going to Demelza for these events is really special. I don't like to imagine what things would have been like without Demelza; some of Isla's favourite memories were made there, and some of ours too. I'm so grateful for all the support we've had."

Steph, mum to Isla

Our achievements and performance

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

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

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

Nursing care is only one part of the support we provide to children and their families. Providing joy and helping families make memories is

also integral to what we do at Demelza and the introduction of a new seasonal programme of events is helping us do just that. This includes art therapy groups, music experience days for siblings, Black History month, Dads Day out, choir, online events for different ages and groups and 18-24 activity days.

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

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



705

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

216

We welcomed 216 new families onto our caseload

492

The Hydro pool was used 492 times

254

We provided 254 day care sessions

533

We provided 533 overnight short breaks

3,489

We provided 3,489 short break sessions within our community

59

We provided 59 siblings with support, activities and events

1,604

Family events attended by 1,604 children and family members

2,797

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

454

We provided 454 counselling sessions to 54 children and family members

114

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

Strategic report

Trustees report

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

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

Charitable Objects

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

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

(1) by establishing, maintaining and conducting residential nursing and convalescent homes for the reception and care of young persons of either sex, and whether or not a member of the charity (without regard to race or creed) who are suffering

from any chronic or terminal illness, or from any other physical or mental infirmity, disability or disease and for the reception and care of the members of the family of such persons whether adult or otherwise, and so that any such home may be restricted to patients (and the families of patients) of under a certain age limit or of one sex only or (whether or not so restricted as aforesaid) to patients suffering from any particular type or types of illness, disability, disease or infirmity, and by providing medical or other treatment or attention for any such persons and their families in their own homes;

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

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

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



Fundraising and Lottery

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

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

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

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

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

Compliance with fundraising regulations

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

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

Section 172 (1) statement

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

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

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

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

Employee Relations

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

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

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

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

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

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

we attach to building relationships with our committed, generous donors and supporters is affirmed on page 18.

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

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

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

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

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

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

Diversity and Inclusion

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

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

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

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

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

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

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

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

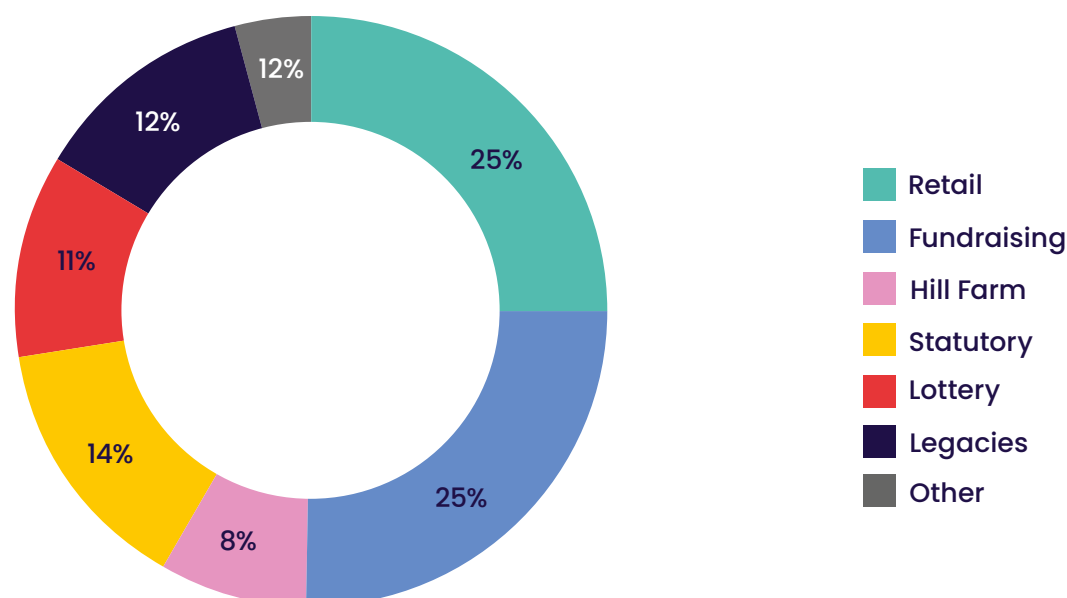


Financial review

Income

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

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



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

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

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

Lottery income was steady at £1,848k (2023: £1,817k).

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

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

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

Expenditure

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

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

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

Reserves

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

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

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

1. The operational deficit was £577k better than planned.
2. The gain on investments of £659k and reductions in the value of investment property portfolio of £27k are included in the unrestricted reserves total.
3. £1,200k of unrestricted expenditure was made in 23–24 from the Care and Resources Strategy Fund. This was the continuation of expenditure on new elements of Care and Resources implemented first year of the strategy.
4. £359k of unrestricted expenditure was made from the Digital Transformation Fund. On 31st March 2024 the balance of funds in this fund (£549k) were de-designated. This was approved by the Resources Committee in acknowledgment that Digital Transformation must be embedded as business as usual to keep pace with advances in digital technology and improve our business processes.

Risks

Principal Strategic Risks and Mitigations

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

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

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

Investments

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

As set out in the financial notes on page 39; we held £11,740k at the start of the year. Dividends

of £338k were received during the year and withdrawals of £1.4m were made. There was an unrealised gain of £659k in the year and the fees charged by our investment manager were £42k. The value of investments at the end of the year was £11,294k.

Political and charity donations

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

SECR

Greenhouse Gas emissions and energy consumption

Energy and Carbon Calculation

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

Intensity ratio

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

Energy and Carbon Year on Year Comparison

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

Efficiency narrative

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

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

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

Quantification and Reporting Methodology

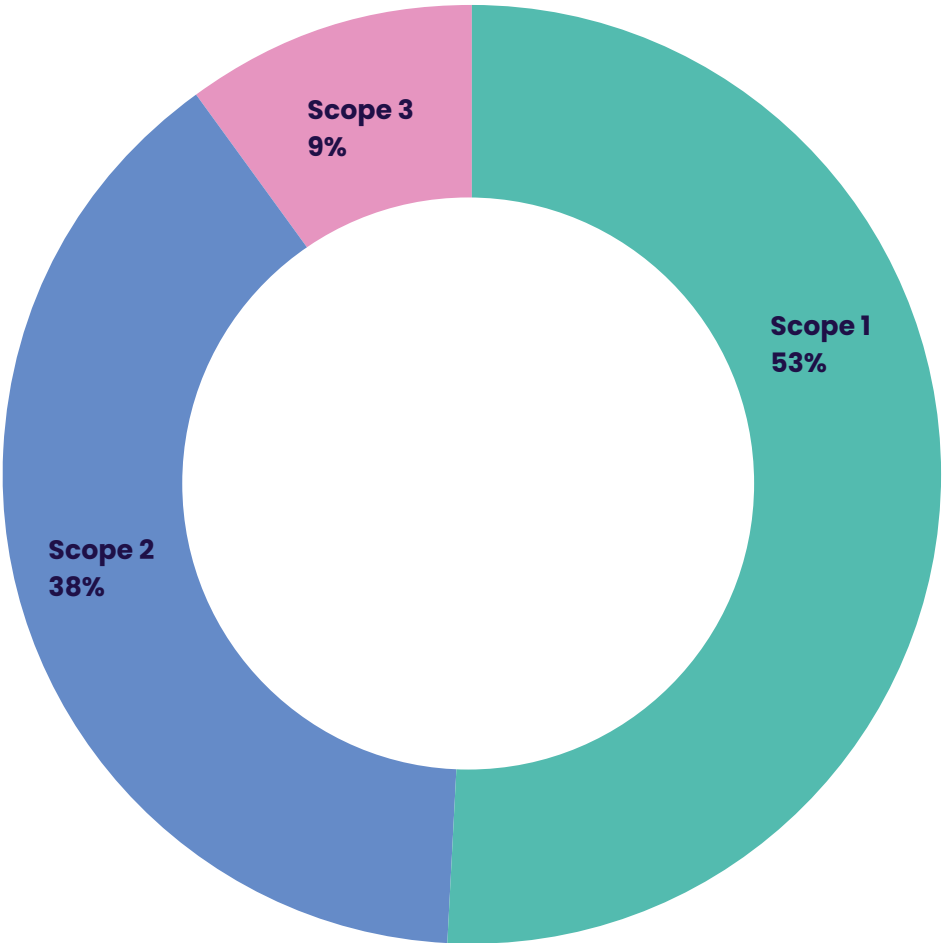
The methodology we have used is The GHG Protocol Corporate Accounting and Reporting Standard.

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

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

Organisational boundary
We have used the financial control approach.

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



Statement of Responsibilities

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities

Act 2011, applicable accounting regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditor

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


Air Marshal Sean Reynolds CB CBE DFC, Chair of Trustees

Independent auditors report

Opinion

We have audited the financial statements of Demelza Hospice Care for Children (the ‘parent charitable company’) and its subsidiaries (the ‘group’) for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, group balance sheet, charity balance sheet, consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as of 31 March 2024 and of the group’s incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

- In our opinion, based on the work undertaken during the audit:
- the information given in the Trustees’ Annual Report which includes the Directors’ Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
 - the Trustees’ Annual Report which includes the Directors’ Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees’ Responsibilities set out on page 21, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the group and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Audit response to risks identified:

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

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

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less

likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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

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

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date

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

Financial Statements

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

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

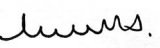
All the activities of the Group and the Charity are continuing. There are no other recognised gains or losses. Full comparative figures for the period ended 31st March 2023 are shown in note 31. The notes on pages 28-47 form part of these financial statements.

Demelza Hospice Care for Children
Balance Sheet at 31 March 2024

Company No: 02948500

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

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

S. K. P. 

Sean Reynolds
Chair



Richard Douglas
Treasurer

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

Consolidated Cash Flow Statement for the Year Ended 31 March 2024

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

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

Note 1. Accounting Policies

Statement of compliance

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

General information

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

Basis of consolidation

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

Going concern

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

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

Significant judgements and estimates

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

summarised below:

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

Accounting for income

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

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

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

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

Expenditure

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

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

Note 1. Accounting Policies (continued)

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

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

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

Tax

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

Leases

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

Fixed assets

Land and buildings

Land and buildings are stated in the balance sheet at the most recent valuation or, in the case of purchases or additions subsequent to the date of such valuation, at cost, less depreciation provided in relation to such valuation or cost, as appropriate,

to write off the assets other than freehold land over the following periods.

Freehold buildings

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

Leasehold land and buildings

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

Building improvements

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

Motor vehicles

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

Equipment

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

Intangible fixed assets

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

Fund accounting

Restricted funds

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

Unrestricted funds

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

Designated funds

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

Short term employee benefits

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

Pensions

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

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

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

Liabilities

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

Financial instruments

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

Debtors recognition

Debtors which arise from contracts for the sale of non-financial items (such as goods or services), which are entered into in accordance with the

Charity's normal sale or usage requirements, are recognised when, and to the extent that, performance occurs, i.e. when delivery of the goods or services is made. Regular Note 1. Accounting Policies (continued) sales are recognised and de-recognised, as applicable, using the trade date.

De-recognition

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

Investments

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

Investment properties

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

Stock

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

Creditors and provisions

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

Donated goods

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

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

2 Donations & Legacies	Unrestricted	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2024	2024	2024	2023	2023	2023
	£000	£000	£000	£000	£000	£000
Donations	3,245	277	3,522	2,366	745	3,111
Gifts In Kind	1,392	0	1,392	2	0	2
Legacies	2,150	0	2,150	1,817	0	1,817
	6,786	277	7,063	4,185	745	4,930
3 Trading Activities	Unrestricted	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2024	2024	2024	2023	2023	2023
	£000	£000	£000	£000	£000	£000
Lottery income	1,848	0	1,848	1,818	0	1,818
Retail sales	4,369	0	4,369	4,034	0	4,034
Rental income	150	0	150	131	0	131
	6,367	0	6,367	5,983	0	5,983
4 Income from Charitable Activities	Unrestricted	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2024	2024	2024	2023	2023	2023
	£000	£000	£000	£000	£000	£000
Fundraising events	526	0	526	735	0	735
Grant contribution funded by NHS England	0	1,668	1,668	0	1,398	1,398
Funding from CCGs/Local Authorities	755	0	755	593	0	593
Other Grants	109	206	315	243	154	397
Other Income	213	0	213	87	0	87
	1,603	1,874	3,477	1,658	1,552	3,210
5 Income from Investment	Unrestricted	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2024	2024	2024	2023	2023	2023
	£000	£000	£000	£000	£000	£000
Bank Interest	14	0	14	29	0	29
Investment portfolio income	338	0	338	325	0	325
	353	0	353	354	0	354
6 Government Covid Support	Unrestricted	Restricted		Unrestricted	Restricted	
	Funds	Funds		Funds	Funds	
	2024	2024	2024	2023	2023	2023
	£000	£000	£000	£000	£000	£000
Business Continuity Grants	0	0	0	0	0	0
Job Retention Scheme	0	0	0	0	0	0
NHS England COVID-19 Grant	0	0	0	8	0	8
	0	0	0	8	0	8

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

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

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

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

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

9 Support Costs	Total	Total
	2024	2023
	£000	£000
Support costs consist of:		
Human Resources and administration	878	753
Finance	331	482
IT	1,077	1,122
Volunteer Services	163	159
Marketing	622	751
Governance Costs	83	89
Depreciation	476	426
	3,630	3,782

Which is allocated:		
Generating funds	1,090	1,165
Charitable activities	2,540	2,617
	3,630	3,782

Governance Costs consist of:	2024	2023
	£000	£000
Audit and accountancy fees	34	35
Staffing costs	49	54
	83	89

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

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

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

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

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

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

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

Total Senior Management Team salary, inclusive of pension, was £636k (Restated 2023: £566k).

This has been restated to include employee's pension contributions.

The CEO salary, inclusive of pension, was £115k (2023: £111K).

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

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

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

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

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

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

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

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

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

13	Tangible Fixed Assets	Freehold Buildings	Donated Freehold Buildings	Improvements to leasehold property	Fixtures And Fittings	Motor Vehicles	Total Group
	CONSOLIDATED	£000	£000	£000	£000	£000	£000
	Cost						
	At 1 April 2023	9,330	0	6	1,580	274	11,190
	Reclassification of Assets	607	0	205	(813)	0	(0)
	Additions	420	1,379	243	244	30	2,317
	Disposals	0	0	0	0	(55)	(55)
	At 31 March 2024	10,357	1,379	455	1,012	249	13,452
	Depreciation						
	At 1 April 2023	3,010	0	1	1,111	214	4,336
	Reclassification of Assets	568	0	88	(656)	0	(0)
	Charge for the year	229	8	74	128	21	460
	Disposals	0	0	0	0	(44)	(44)
	At 31 March 2024	3,806	8	163	583	192	4,752
	Net Book Value						
	At 31 March 2024	6,551	1,371	292	429	57	8,700
	At 31 March 2023	6,320	0	5	469	59	6,854
	CHARITY	Freehold Buildings	Donated Freehold Buildings	Improvements to leasehold property	Fixtures And Fittings	Motor Vehicles	Total Charity
		£000	£000	£000	£000	£000	£000
	Cost						
	At 1 April 2023	9,330	0	6	1,514	232	11,082
	Reclassification of Assets	607	0	205	(813)	0	(0)
	Additions	420	1,379	243	235	30	2,309
	Disposals	0	0	0	0	(55)	(55)
	At 31 March 2024	10,357	1,379	455	937	207	13,335
	Depreciation						
	At 1 April 2023	3,010	0	1	1,093	200	4,304
	Reclassification of Assets	568	0	88	(656)	0	(0)
	Charge for the year	229	8	74	116	10	437
	Disposals	0	0	0	0	(44)	(44)
	At 31 March 2024	3,806	8	163	553	167	4,697
	Net Book Value						
	At 31 March 2024	6,551	1,371	292	384	40	8,638
	At 31 March 2023	6,320	0	5	421	31	6,777

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

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

14 Intangible Fixed Assets - Group	Website	Goodwill	Total Group
	£000	£000	£000
Cost			
At 1 April 2023	76	40	116
Additions	0	0	0
At 31 March 2024	76	40	116
Depreciation			
At 1 April 2023	7	7	14
Charge for the year	9	7	15
At 31 March 2024	16	13	29
Net Book Value			
At 31 March 2024	60	27	87
At 31 March 2023	69	33	102
Intangible Fixed Assets - Charity	Website		Total Charity
	£000		£000
Cost			
At 1 April 2023	76		76
Additions	0		0
At 31 March 2024	76		76
Depreciation			
At 1 April 2023	7		7
Charge for the year	9		9
At 31 March 2024	16		16
Net Book Value			
At 31 March 2024	60		60
At 31 March 2023	69		69
15 Investment Property		Freehold Buildings	Total Group
Consolidated		£000	£000
At 1 April 2023		3,494	3,494
(Loss)/Gain on Revaluation		(142)	(142)
At 31 March 2024		3,353	3,353
Net Book Value			
At 31 March 2024		3,353	3,353
At 31 March 2023		3,494	3,494

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

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

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

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

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

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

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

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

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

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

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

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

Accruals and deferred income includes deferred income as follows:

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

20 Provisions for Liabilities	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Provisions	0	(72)	0	(72)
	0	(72)	0	(72)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 Funds (continued)

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

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

Designated Funds

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

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

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

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

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

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

21 Funds (continued)

Summary of Total Group Funds

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

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

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

22 Analysis of Group Net Assets Between Funds

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

23 Reconciliation of Net cash flow to movement in funds

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

24 Analysis of cash and cash equivalents

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

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

25 Analysis in Changes of Net Debt

	At 1 April 2023 £000	Cash movements £000	At 31 March 2024 £000
Cash at bank	2,627	(1,095)	1,532
	At 1 April 2022	Cash movements	At 31 March 2023
Cash at bank	5,086	(2,459)	2,627
26 Pensions		2024 £000	2023 £000
Defined Contribution Scheme		386	328
NHS Pension Scheme		305	290
Total Pension Costs (Note 10)		692	618

Defined Contribution Scheme

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

NHS Pension Scheme

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

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

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



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

27 Capital Commitments

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

28 Operating Leases

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

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

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

29 Commitments by Lessors

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

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

Related Party Transactions

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

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

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

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

Structure, governance and management

Organisational structure

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

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

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

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

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

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

The charity's subsidiary (ACG Lettings Ltd No 03031999) is a wholly owned subsidiary

incorporated in England and Wales and has a separate Board of Directors which reports to the Board of Trustees of the charity. The trading subsidiary owns, maintains and lets residential property in East Kent.

Trustee induction and training

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

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

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

Clinical governance

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

The Clinical Governance Committee (which is a sub-committee of the Board):

- Analyses, benchmarks, evaluates, reviews and monitors all aspects of service delivery to ensure national minimum guidelines and evidence-based practice are met
- Ensures that policies, procedures and training support our practice to best meet the needs of our service
- Reviews, identifies, monitors and manages risk.

Key performance indicators

The Senior Leadership Team monitors a variety of key performance indicators (KPIs) to check

achievement of strategic and operational objectives, reporting on them to trustees. These KPIs monitor the amount and type of care provided, management of resources, and income generation.

Statement on public benefit

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

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

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

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

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

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

Corporate Information

Demelza Hospice Care for Children

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

Subsidiary companies:

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

Trustee board

David Highton to May 2023
Sean Reynolds appointed May 2023

Trustees

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

Founder president

Derek Phillips

President

Richard Oldfield OBE DL

Vice Presidents

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

Company Secretary

James Niblett to October 2023
Lavinia Jarrett (October–November 2023)
Charlotte Chamberlain appointed November 2023

Chief Executive Officer

Lavinia Jarrett

Deputy Chief Executive Officer

Hayley Richardson appointed February 2024

Director of Finance & Business Planning

James Niblett to October 2023
Charlotte Chamberlain appointed November 2023

Director of Clinical Services

Paul Truesdale to June 2023
Katie Stevens (Acting) from June 2023
Katie Stevens appointed October 2023

Director of People, Culture & Resources

Hayley Clark

Director of Fundraising & Marketing

Hayley Richardson to February 2024

Director of Retail

Ashley Henson

Director of Quality Improvement & Clinical Governance

Liz Bray

Director of Business Development & Support

Claire Ellis-Waghorn appointed November 2023

Auditors

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

Bankers

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

Principal Solicitor

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

A tribute to Demelza’s founder president

Derek Phillips, Demelza’s founder president, has sadly died, aged 83. Along with his late wife Jennifer, Derek established the charity in memory of their daughter Demelza, who tragically died of a brain tumour aged 24. The charity has been dedicated to supporting care for local children with complex conditions ever since, helping families to make precious memories during challenging times.

Demelza’s Legacy

After a mammoth four-year fundraising effort which amassed £4 million, the couple opened Demelza’s first hospice in 1998 in Sittingbourne, Kent – a beautiful building with its iconic oast house which Derek, an architect, had designed himself.

Derek’s wife, Jennifer, sadly died three years later. She is remembered in the Kent hospice’s Garden of Tranquility, along with many of the children and young people who have benefited from Demelza’s care and support.

Paying tribute to the founder, Demelza CEO Lavinia Jarrett, who joined Demelza in 1999, said, “We owe a great deal to the insight, dedication and fortitude of Derek Phillips. He had great vision and belief that the people of the South East would support the needs of a hospice for the children in our area.

Our supporters have never disappointed and have never failed to ensure Derek’s vision lives on, providing specialist care and support to children and their families.”

Derek, who was living in Southampton at the time of his death, stepped down as chairman of the Board of Trustees in 2001, taking on the role of Demelza’s founder president.

Sean Reynolds, Chair of Trustees, added, “Demelza had worked at Acorns Children’s Hospice in Birmingham. After her funeral, Derek and Jennifer visited the hospice and saw that it was not a place of sadness and regret; instead,



it radiated cheerfulness. They had a vision to create something just as special in the south east of England in her memory and the courage and energy to bring that to reality. The board of trustees owe a debt of gratitude for Derek’s long years of service as founder president and support for the children’s hospice movement. Our sincere condolences go to Derek’s family.”

Richard Oldfield, President added, “We are all so sad to hear the news of Derek’s death. He was the force of nature that made Demelza possible. It was his dynamism, optimism, determination that created the house in Bobbing, as founder of the organisation which has helped so many children and their families. We will miss him greatly.”

In May 2022, Derek received a Prime Minister’s daily Points of Light award, which recognises outstanding individuals who are making a change in their community and inspiring others.

If you would like to share your condolences and memories, please visit:
derek-phillips-2024.muchloved.com



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Find out more at:

demelza.org.uk

Registered Charity No. 1039651



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