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**Havens Hospices  
Trading Company  
Limited**

Company Registration Number 02582455



# **Havens Hospices Trading Company Limited**

## **Report and Financial Statements**

### **31 March 2019**

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## **Havens Hospices Trading Company Limited**

### **Reference and administrative details**

**For the year ended 31 March 2019**

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<b>Status</b>	The organisation is a company limited by share capital, and was incorporated in the UK on 14 February 1991
<b>Company number</b>	02582455
<b>Registered office and operational address</b>	Stuart House 47 Second Avenue Westcliff-on-Sea Essex SS0 8HX
<b>Directors</b>	Mr T Johnson Mr R Ramm Mrs R Morris (Resigned 16 May 2018) Mr N Raven (Chairman) Mr M Belham (Appointed 10 November 2018, resigned August 2019) Mr B Linger (Appointed 10 November 2018)
<b>Company secretary</b>	Mr A Smith (Resigned 15 March 2019)
<b>Auditors</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL
<b>Parent charity</b>	Havens Hospices
<b>Principal bankers</b>	National Westminster Bank plc South Essex Commercial Office 3rd Floor Phoenix Place Christopher Martin Road Basildon Essex SS14 3GQ
<b>Solicitors</b>	Gisby Harrison Goffs Oak House Goffs Lane Goffs Oak Cheshunt Hertfordshire EN7 5HG

# **Havens Hospices Trading Company Limited**

## **Report of the directors**

**For the year ended 31 March 2019**

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The directors are pleased to present their report and the audited financial statements for the year ended 31 March 2019.

### **The directors and their interests**

The directors who served during the year and up to the date of signing these financial statements are shown on page 2. No director held any interest in the ordinary share capital of the company.

### **Principal activity and trading review**

The principle activity of Havens Hospices Trading Company Limited (HHT) continues to be that of operating charity shops for the benefit of the parent charitable company, Havens Hospices (HH), which operates an adult hospice (Fair Havens) and children's hospice (Little Havens), including community hospice services.

Funds generated from shops located within the catchment area of Fair Havens are used to support all of HCH's work, whilst net income generated from shops located in the wider Essex area is used to support the work of Little Havens with funds generated from the Clacton shop applied towards the charitable purpose of the J's Hospice. During the year, diversified means of generating future income were considered by the directors and the trading strategy reviewed, recognising that the potential for future growth in the number of charity shops may be limited.

Gross sales of donated goods increased by 4.2% (£100,185) in the year to £2,460,134 (2018: £2,359,949). HHT acts as agent for HCH in operating the gift aid scheme for donated goods, which enabled the charity to claim £150,086 in gift aid on these donations during the year (2018: £124,023). Sales of bought-in goods added £ 108,420 (2018: £137,808) to gross sales

To reflect the true value of the trading company to its parent charity in terms of the £4.6 million of net income generated for the charity since the inception of the retail gift aid scheme (comprising the gift aid and associated donations transferred to the hospice resulting from this scheme together with other trading profits generated by HHT over this period), a fee of £350,000 was charged by HHT to HCH for the year ended March 2019 (2018: £350,000). It is expected that similar fees will be charged in future years, in recognition of the service offered by HHT to HCH in operating its charity shops. A five per cent commission on donations relating to the retail gift aid scheme, amounting in the year to £31,917 (2018: £26,370), was also paid by the charity to the trading company in the year.

### **Statement of the directors' responsibilities**

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

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

- select suitable accounting policies and then apply them consistently

## **Havens Hospices Trading Company Limited**

### **Report of the directors**

**For the year ended 31 March 2019**

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- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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

Each of the directors confirms that, to the best of his or her knowledge, there is no information relevant to the audit of which the auditors are unaware. Each of the directors also confirms that he or she has taken all necessary steps to ensure that they are aware of all relevant audit information and that this information has been communicated to the auditors.

### **Auditors**

Sayer Vincent LLP were re-appointed as the company's auditors during the year and have expressed their willingness to continue in that capacity.

The directors' report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the directors on 4 October 2019 and signed on their behalf by



R Ramm  
Director

## **Independent auditor's report**

To the members of

**Havens Hospices Trading Company Limited**

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### **Opinion**

We have audited the financial statements of Havens Hospices Trading Company Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, balance sheet and the notes to the financial statements, including a summary of 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 company's affairs as at 31 March 2019 and of its result for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the directors' annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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. In connection with our audit of the financial statements, our responsibility is to read the other

## **Independent auditor's report**

To the members of

### **Havens Hospices Trading Company Limited**

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information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The directors' annual 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, set out in the directors' annual report, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Independent auditor's report**

To the members of

**Havens Hospices Trading Company Limited**

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

13 November 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

# Havens Hospices Trading Company Limited

## Statement of income and retained earnings

For the year ended 31 March 2019

	Note	2019 £	2018 £
Gross turnover		2,954,914	2,695,211
Gift aidable sales transferred to charity, net of commission and fees retained		(574,507)	(474,655)
<b>Net Turnover</b>	2	<b>2,380,407</b>	2,220,556
Cost of sales		(89,710)	(92,108)
<b>Gross profit</b>		<b>2,290,698</b>	2,128,448
Other operating income		17,954	9,050
Administrative expenses		(2,079,235)	(1,864,594)
<b>Profit for the year before taxation</b>		<b>229,417</b>	272,904
Tax on profit on ordinary activities for the year	6	-	-
<b>Profit for the year after taxation</b>		<b>229,417</b>	272,904
<b>Retained earnings</b>			(Restated)
Accumulated profit at the start of the year		336,341	220,497
Prior year adjustment		157,060	-
Accumulated profit at the start of the year (restated)	14	493,401	220,497
Profit for the financial year		229,416	272,904
Profits distributed to parent under Gift Aid (restated)		(157,060)	-
<b>Accumulated profit at the end of the year</b>		<b>565,757</b>	493,401

All of the above results are derived from continuing activities, and include all comprehensive income.

There were no other recognised gains or losses other than the profit or loss for the year.



# Havens Hospices Trading Company Limited

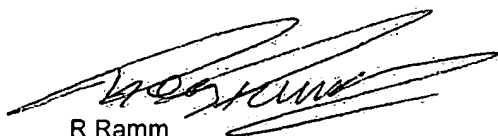
## Balance sheet

Company no. 02582455

As at 31 March 2019

	Note	2019 £	2018 £ (Restated)
<b>Fixed assets</b>			
Tangible assets	7	<u>252,264</u>	<u>343,148</u>
<b>Current assets</b>			
Stocks	8	104,803	124,101
Debtors	9	204,558	172,855
Cash at bank and in hand		139,994	32,856
		<u>449,355</u>	<u>329,812</u>
Creditors: amounts due within one year	10	(46,762)	(90,459)
<b>Net current assets</b>		<u>402,593</u>	<u>239,353</u>
<b>Total assets less current liabilities</b>		<b>654,857</b>	<b>582,501</b>
Provisions for liabilities and charges	11	(14,000)	(14,000)
<b>Net assets</b>		<u><b>640,857</b></u>	<u><b>568,501</b></u>
<b>Capital and reserves</b>			
Share capital	12	75,100	75,100
Profit and loss account		565,757	493,401
<b>Total funds</b>		<u><b>640,857</b></u>	<u><b>568,501</b></u>

Approved by the directors on 4 October 2019, and signed on their behalf by

  
R Ramm  
Director

# Havens Hospices Trading Company Limited

## Notes to the financial statements

For the year ended 31 March 2019

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### 1. Accounting policies

#### a) Statutory information

Havens Hospices Trading Company Limited is a company limited by share capital and is incorporated in the UK. The registered office is Stuart House, 47 Second Avenue, Westcliff-on-Sea, Essex SS0 8HX

#### b) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applying in the UK and Republic of Ireland (*FRS 102 - effective 1 January 2015*), and with the Companies Act 2006. The directors have taken advantage of the reduced disclosure framework exemptions as noted in FRS 102 section 1.12. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or Note.

#### c) Going concern

In view of the strengthened balance sheet during the year and the continued value of the company to its parent charity, Havens Hospices, including the value of gift aided sales which are passed each year to Havens as donations under the retail gift aid scheme, the directors consider that there are no material uncertainties about the company's ability to continue as a going concern. The directors do not consider that there are any areas of uncertainty affecting accounting estimations at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### d) Turnover

Turnover represents sales net of value added tax where applicable. Sales of goods that have been subject to gift aid declarations from the donors are transferred to the parent company in order for that charity to be able to claim the gift aid on those gifts.

#### e) Goods and services donated

Sale proceeds of goods donated for resale are credited to the profit and loss account in the period of sale.

#### f) Depreciation

Items of equipment or other assets of an enduring nature are capitalised where the purchase price, individually or as part of a single project, exceeds £5,000.

Depreciation charges commence when an asset is brought into use, and are spread evenly at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. Depreciation is calculated at the following rates:

Fixtures, fittings and equipment, including shop fitting out costs	- over 7 years
Computers	- 33.3% straight line
Motor vehicles	- 25% straight line

#### g) Operating leases

Annual rentals, net of all aggregated lease inducements where applicable, are charged to the profit and loss account on a straight-line basis over the whole term of the lease.

#### h) Pension costs

A number of the company's employees contribute to a Group Personal Pension Scheme operated by the parent charitable company. Further details are set out in Note 4. The company's contributions to this scheme are charged to the profit and loss account when they fall due.

# Havens Hospices Trading Company Limited

## Notes to the financial statements

For the year ended 31 March 2019

### 1. Accounting policies (continued)

#### i) Taxation

It is the directors' policy to distribute available taxable profits, when they arise, to the parent charitable company under gift aid (see Note 6).

#### j) Stocks

Stocks of donated items for sale in the charity shops are not valued, as the directors consider it impractical to apply a value to them and that the costs of attempting to do so would outweigh any benefit. The stock value carried in the company's balance sheet therefore relates entirely to bought-in goods not yet sold. These stocks are valued at the lower of cost and net realisable value, with cost based on purchase prices - including any invoiced delivery or packaging cost - on a first in, first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for costs of sale. Provision is made where necessary for obsolete, slow moving or defective stock.

#### k) Creditors and provisions

Creditors and provisions are recognised where the company 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 any trade discounts due. The company only has financial assets and liabilities of a kind that qualify as basic financial instruments.

### 2. Turnover

Net turnover can be analysed as follows:

	2019 £	2018 £
Sale of donated goods	<u>2,460,134</u>	<u>2,359,949</u>
Less gift aided sales transferred to parent charity as donations	(638,341)	(527,395)
Commission charged to donors on retail gift aid scheme, retained	31,917	26,370
Fee charged to parent company for retail gift aid scheme, retained	31,917	26,370
	<u>(574,507)</u>	<u>(474,655)</u>
Sale of donated goods net of transfer to charity for retail gift aid scheme	1,885,627	1,696,388
Fee from parent company for operating charity shops	350,000	350,000
Sale of bought-in goods	108,420	137,808
Recharge to parent company for the provision of executive / HR services	36,360	36,360
	<u>2,380,407</u>	<u>2,220,556</u>

# Havens Hospices Trading Company Limited

## Notes to the financial statements

For the year ended 31 March 2019

### 3. Employees

Staff costs consist of:

	2019 £	2018 £
Salaries and wages	960,827	982,381
National insurance	63,529	66,821
Employer's contributions to pension scheme (see Note 4)	53,889	52,931
Redundancy and termination costs	-	10,000
Payroll related costs	<u>1,078,245</u>	<u>1,112,133</u>

The average number of employees during the year was:

	Headcount		Full time equivalent	
	2019 No.	2018 No.	2019 No.	2018 No.
Shops	40	54	32	42
Administration	16	8	14	7
	<u>56</u>	<u>62</u>	<u>46</u>	<u>49</u>

None of the directors who served during the year received any remuneration (2018:nil). T Johnson is paid as an employee of the parent charity, Havens Hospices, and part of his salary and an amount for his Exec time spent is recharged to the company.

### 4. Pension costs

The company contributes to a group personal pension scheme operated by Scottish Widows, the assets of which are held separately from those of the company in independently administered funds. Employee members of the scheme have an option to commit to taking a salary sacrifice that is equivalent to the amount of their chosen personal contribution. Contributions paid into the scheme are charged to the profit and loss account when due. The pension charge disclosed in these accounts represents contributions payable by the company to the scheme and amounted to £53,889 (2018: £52,931).

### 5. Operating profit

	2019 £	2018 £
This has been arrived at after charging:		
Depreciation charge for the year	78,034	93,107
Operating lease rentals - land and buildings	467,862	469,282
Operating lease rentals - motor vehicles	3,856	8,591
Operating lease rentals - printers and copiers	884	884
Auditors' remuneration:		
Audit fee	5,525	5,500
Other services	<u>600</u>	<u>600</u>

# Havens Hospices Trading Company Limited

## Notes to the financial statements

For the year ended 31 March 2019

### 6. Taxation on profit on ordinary activities

No provision is made for corporation tax as taxable profits are intended to be gift aided to the parent charitable company.

7. Tangible assets	Computers, fixtures & equipment £	Motor vehicles £	Total £
<b>COST:</b>			
At 1 April 2018	546,434	16,072	562,506
Additions	2,587	-	2,587
Disposals	(26,398)	-	(26,398)
<b>At 31 March 2019</b>	<b>522,623</b>	<b>16,072</b>	<b>538,695</b>
<b>DEPRECIATION:</b>			
At 1 April 2018	203,286	16,072	219,358
Charge for year	78,034	-	78,034
Depreciation on disposals	(10,961)	-	(10,961)
<b>At 31 March 2019</b>	<b>270,359</b>	<b>16,072</b>	<b>286,431</b>
<b>NET BOOK VALUE:</b>			
At 31 March 2019	252,264	-	252,264
At 31 March 2018	343,148	-	343,148

### 8. Stocks

	2019 £	2018 £
Bought-in goods for resale in charity shops	104,803	124,101

Stocks of donated items for sale in the charity shops are not valued, as the directors consider it impractical to apply a value to them and that the costs of attempting to do so would outweigh any benefit.

# Havens Hospices Trading Company Limited

## Notes to the financial statements

For the year ended 31 March 2019

### 9. Debtors

	2019 £	2018 £
Amounts due from parent company and its subsidiary entities	55,238	33,752
Prepayments	143,133	131,577
Other debtors	6,187	7,526
	<u>204,558</u>	<u>172,855</u>

### 10. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank overdraft	-	30,356
Trade creditors	9,907	22,846
Accruals	30,472	36,071
VAT	6,383	1,186
	<u>46,762</u>	<u>90,459</u>

### 11. Provisions for liabilities and charges

	2019 £	2018 £
Balance at the beginning of the year	14,000	42,200
Released, utilised or transferred during the year	(7,000)	(28,200)
Provisions created during the year	7,000	-
Balance at the end of the year	<u>14,000</u>	<u>14,000</u>

The provision for liabilities and charges relates to potential shop dilapidations (2018: £14,000). This is derived after considering the specific dilapidations provisions contained within the property leases, and the condition of the individual shop, warehouse or office premises.

### 12. Called up share capital

The company's share capital at the end of the year was:

	2019 No.	2018 No.
£1 ordinary shares:		
Called up, allotted and fully paid	<u>75,100</u>	<u>75,100</u>

# Havens Hospices Trading Company Limited

## Notes to the financial statements

For the year ended 31 March 2019

### 13. Commitments under operating leases

The company's total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and property		Motor vehicles, printers and photocopiers	
	2019	2018	2019	2018
	£	£	£	£
Minimum leases payments falling due:				
In year following balance sheet date	420,341	393,398	14,672	14,793
In years two to five	646,100	771,422	24,232	38,904
From year five until end of commitment	-	6,233	-	-
	<u>1,066,441</u>	<u>1,171,053</u>	<u>38,904</u>	<u>53,697</u>

The commitments relating to land and property result from rental of shop premises which are subject to non-cancellable operating leases held in the name of the parent charitable company. These are licensed by the charity to Havens Hospices Trading Ltd, which occupies the premises for the purpose of operating charity shops. The minimum lease payments computed for the purpose of this Note have been calculated to the earliest of the lease expiry date or next tenant's break clause date.

### 14. Prior year adjustment

Havens Hospices Trading Company Limited makes an annual gift aid transfer to Havens Hospices. The company had previously accounted for this transfer in the year in which the surplus had been generated and made the actual payment in the following year. The company has changed its accounting policy to record the gift aid transfer in the year it is actually paid.

As this is a change in accounting policy this has been disclosed as a prior year adjustment.

	2019	2018
	£	£
Accumulated profit brought forward before prior year adjustment	336,341	220,497
Prior year adjustment - gift aid recognised as paid	157,060	-
Total accumulated profit brought forward (as restated)	<u>493,401</u>	<u>220,497</u>

Following this change, the prior year creditors were reduced by £123,308, and debtors increased by £33,752, to reflect movements in inter-company balances due between the company and its parent, Havens Hospices, reflecting this change in how gift aid is now recognised on payment. This resulted in an increase in total net assets at 31 March 2018 of £157,060.

### 15. Ultimate controlling party

The company's ultimate parent undertaking and controlling party is Havens Hospices, a registered charity (number: 1022119) and company limited by guarantee (number: 2805007). Copies of the consolidated financial statements are available from the Charity Commissioners or from Companies House.