



Company number: 02582455

Havens Hospices Trading Company Limited

Report and Financial Statements

31 March 2022



Havens Hospices Trading Company Limited

Report of the directors

For the year ended 31 March 2022

Status	The organisation is a company limited by share capital, and was incorporated in the UK on 14 February 1991	
Company number	02582455	
Registered office and operational address	226 Priory Crescent Southend-on-Sea Essex SS2 6PR	
Directors	Mr T Abbott	(Appointed 7 September 2021)
	Mr R Ramm	
	Mr N Raven	(Chairman)
	B Linger	(Resigned 7 September 2021)
	Dr P Duell	
Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL	
Parent charity	Havens Hospices	
Principal bankers	National Westminster Bank plc South Essex Commercial Office 3rd Floor Phoenix Place Christopher Martin Road Basildon Essex SS14 3GQ	
Solicitors	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 2022

The directors are pleased to present their report and the audited financial statements for the year ended 31 March 2022.

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 HH's work, whilst net income generated from shops located in the wider Essex area is used to support the work of Little Havens. 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.

Trading shops reopened in April 2021 after the COVID lockdown. The gross sales of donated goods increased by 141.5% (£1,601,216) in the year to £2,732,238 (2021: £1,131,022). HHT acts as agent for HH in operating the gift aid scheme for donated goods, which enabled the charity to claim £181,357 in gift aid on these donations during the year (2021: £69,541). Sales of bought-in goods added £ 14,298 (2021: £15,336) to gross sales

An Agency Fee of £350,000 was charged by HHT to HH for the year ended March 2022 (2021: £350,000). It is expected that similar fees will be charged in future years, in recognition of the service offered by HHT to HH in operating its charity shops. A five per cent commission on donations relating to the retail gift aid scheme, amounting in the year to £36,360 (2021: £14,778), was also paid by the charity to the trading company in the year. Taxable profit for the company are gift aided over to the charity in the following financial 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

Havens Hospices Trading Company Limited

Report of the directors

For the year ended 31 March 2022

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
- 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 28 October 2022 and signed on their behalf by



P Duell
Director

Independent auditor's report

To the members of

Havens Hospices Trading Company Limited

Opinion

We have audited the financial statements of Havens Hospices Trading Company Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of income and retained earnings, balance sheet, statement of cash flows and the 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 FRS 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 2022 and of its profit 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

In auditing the financial statements, we have concluded that the directors' 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 Havens Hospices Trading Company Limited'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 directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the members of

Havens Hospices Trading Company Limited

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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; and
- 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 statement of directors' responsibilities set out in the directors' annual report, the directors are responsible for the preparation of the financial statements and for being

Independent auditor's report

To the members of

Havens Hospices Trading Company Limited

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.

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.

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 extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the directors', which included obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the company from our professional and sector experience.

Independent auditor's report

To the members of

Havens Hospices Trading Company Limited

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.

Fleur Holden (Senior statutory auditor)

15 December 2022

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 2022

	Note	2022 £	2021 £
Gross turnover		3,210,049	1,532,918
Gift aidable sales transferred to charity, net of commission and fees retained		(771,524)	(266,194)
Net Turnover	2	2,438,525	1,266,724
Cost of sales		(13,060)	(39,015)
Gross profit		2,425,465	1,227,709
Other operating income	3	164,927	1,277,774
Administrative expenses		(2,146,992)	(1,840,799)
Profit for the year before taxation		443,400	664,684
Tax on profit on ordinary activities for the year	7	-	-
Profit for the year after taxation		443,400	664,684
Retained earnings			
Total Retained Earnings brought forward	15	856,740	449,524
Profit for the financial year		443,400	664,684
Profits Distributed to Parent under Gift Aid		(718,074)	(257,468)
Total Retained Earnings carried forward		582,066	856,740

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

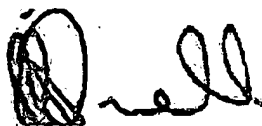
Balance sheet

Company number: 02582455

As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	<u>65,206</u>	<u>119,112</u>
Current assets			
Stocks	9	6,946	23,640
Debtors	10	614,561	843,746
Cash at bank and in hand		27,836	(2,950)
		<u>649,343</u>	<u>864,436</u>
Creditors: amounts due within one year	11	(57,383)	(39,708)
Net current assets		<u>591,960</u>	<u>824,728</u>
Total assets less current liabilities		657,166	943,840
Provisions for liabilities and charges	12	-	(12,000)
Net assets		<u>657,166</u>	<u>931,840</u>
Capital and reserves			
Share capital	13	75,100	75,100
Retained Earnings		582,066	856,740
Total funds		<u>657,166</u>	<u>931,840</u>

Approved by the directors on 28 October 2022 and signed on their behalf by



P Duell
Director

Havens Hospices Trading Company Limited

Notes to the financial statements

For the year ended 31 March 2022

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 226 Priory Crescent, Southend on Sea, Essex, SS2 6PR

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*), 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.

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.

c) Going concern

The company has a strong balance sheet. This is due to a regular transfer of cash to the parent charity, Havens Hospices, which is available to the company to meet its working capital requirements. Based on this and the continued value of the company to its parent charity, Havens Hospices, the directors consider that there are no material uncertainties about the company's ability to continue as a going concern.

d) Turnover and other operating income

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.

Other Operating Income: The company became eligible for retail hospitality & leisure grants from Government during the pandemic. These grants have been recognised in the periods for which the grants were intended. Coronavirus job retention scheme income and other Coronavirus support income is recognised when the company has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

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 or over useful life if shorter
Computers	- over 3 years or over useful life if shorter
Motor vehicles	- over 4 years

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 2022

1. Accounting policies (continued)

i) Taxation

All profits are paid to the parent entity by way of a distribution under gift aid and a corresponding tax credit is recorded at the point of the distribution, therefore there is no liability to corporation tax in either the current or prior financial year.

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:

	2022 £	2021 £
Sale of donated goods	<u>2,732,238</u>	<u>1,131,022</u>
Less gift aided sales transferred to parent charity as donations	(771,524)	(295,771)
Commission charged to donors on retail gift aid scheme, retained	38,577	14,788
Fee charged to parent company for retail gift aid scheme, retained	38,577	14,789
	<u>(694,370)</u>	<u>(266,194)</u>
Sale of donated goods net of transfer to charity for retail gift aid scheme	2,037,868	864,828
Fee from parent company for operating charity shops	350,000	350,000
Sale of bought-in goods	14,297	15,536
Recharge to parent company for the provision of executive / Fundraising services	36,360	36,360
	<u>2,438,525</u>	<u>1,266,724</u>

Havens Hospices Trading Company Limited

Notes to the financial statements

For the year ended 31 March 2022

3.	Other operating income	2022 £	2021 £
	Rental Income	9,200	9,600
	Loss on Disposal of Fixed Assets	(3,035)	(9,261)
	Local Authority Retail Grants	133,762	733,596
	Furlough Income	-	298,305
	Insurance Proceeds	25,000	245,534
		<u>164,927</u>	<u>1,277,774</u>

4. Employees

Staff costs consist of:

	2022 £	2021 £
Salaries and wages	1,003,604	824,350
National insurance	64,320	55,008
Employer's contributions to pension scheme (see Note 5)	59,051	56,065
Payroll related costs	<u>1,126,975</u>	<u>935,423</u>

The average number of employees during the year was:

	Headcount		Full time equivalent	
	2022 No.	2021 No.	2022 No.	2021 No.
Shops	43	46	34	36
Administration	18	14	14	11
	<u>61</u>	<u>60</u>	<u>48</u>	<u>47</u>

None of the directors who served during the year received any remuneration (2021:nil). T Abbott 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.

5. 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 £59,051 (2021: £56,065).

6. Operating profit

This has been arrived at after charging:	2022 £	2021 £
Depreciation charge for the year	59,317	88,270
Operating lease rentals - land and buildings	480,597	439,598
Operating lease rentals - motor vehicles	7,427	7,365
Operating lease rentals - printers and copiers	7,041	9,133
Auditors' remuneration:		
Audit fee	6,700	5,617
Other services	820	1,000

Havens Hospices Trading Company Limited

Notes to the financial statements

For the year ended 31 March 2022

7. 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.

8. Tangible assets

	Computers, fixtures & equipment £	Total £
COST:		
At 1 April 2021	524,844	524,844
Additions	8,446	8,446
Disposals	(16,395)	(16,395)
At 31 March 2022	516,895	516,895
DEPRECIATION:		
At 1 April 2021	405,732	405,732
Charge for year	59,317	59,317
Depreciation on disposals	(13,360)	(13,360)
At 31 March 2022	451,689	451,689
NET BOOK VALUE:		
At 31 March 2022	65,206	65,206
At 31 March 2021	119,112	119,112

9. Stocks

	2022 £	2021 £
Bought-in goods for resale in charity shops	6,946	23,640

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 2022

10. Debtors

	2022 £	2021 £
Amounts due from parent company and its subsidiary entities	448,119	692,922
Trade Debtors	20,394	-
Prepayments	103,079	131,191
Other debtors	42,969	19,633
	<u>614,561</u>	<u>843,746</u>

11. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	17,817
Accruals	57,383	21,891
	<u>57,383</u>	<u>39,708</u>

12. Provisions for liabilities and charges

	2022 £	2021 £
Balance at the beginning of the year	12,000	5,000
Released, utilised or transferred during the year	(12,000)	-
Provisions created during the year	-	7,000
Balance at the end of the year	<u>-</u>	<u>12,000</u>

The provision for liabilities and charges relates to potential shop dilapidations £nil (2021: £12,000). 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.

13. Called up share capital

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

	2022 No.	2021 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 2022

14. 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	
	2022	2021	2022	2021
	£	£	£	£
Minimum leases payments falling due:				
In year following balance sheet date	359,315	407,047	10,921	19,779
In years two to five	496,350	689,880	4,759	11,352
	<u>855,665</u>	<u>1,096,927</u>	<u>15,680</u>	<u>31,131</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 and trading company. Those held by the charitable company 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.

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.