

Company number: 02847086

KEMP House Trust (Hospice Shop) Limited

Report and financial statements
For the year ended 31 March 2019



KEMP House Trust (Hospice Shop) Limited

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For the year ended 31 March 2019

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KEMP House Trust (Hospice Shop) Limited

Reference and administrative details

For the year ended 31 March 2019

Status	The organisation is a company limited by share capital, incorporated on 24 August 1993
Company number	02847086
Registered office and operational address	41 Mason Road Kidderminster DY11 6AG
Directors	L R Baron Mrs M R Young S Taylor
Bankers	Santander Bridle Road Bootle L30 4GB
Solicitors	Painters 29 Church Street Kidderminster DY10 2AU
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

The directors 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 were as follows:

Mr Lee Russell Baron
Mr Shayne Taylor
Mrs Mary Rosina Young

Principal activities and review

Following some challenging trading conditions through the first half of the year, we were very pleased to end the year having increased our turnover from £530,025 in the previous year to £563,624 this year. Turnover excludes £164,318 (2018: £152,871) which relates to income from goods sold through the retail gift aid scheme. This turnover is included in the financial statements of the charity, KEMP House Trust Limited.

Particular highlights of the year include:

- The setting up of a Media Room in our Bewdley shop, utilising additional space we had acquired in financial year 2017/18, a key factor in Bewdley's positive financial result.
- A new dedicated Homewares section was introduced in our Coventry Street shop.
- We enjoyed increased income from online sales.
- We consider ourselves extremely fortunate to enjoy the support of our community, evident in the incredible levels and quality of donations we receive, when we see other charities making appeals for stock.
- Our retail team enjoyed another year of success with two key annual events: the 1940's weekends at Severn Valley Railway, specifically the lucrative sales of items at Bewdley Station and the Fashion Show held in Kidderminster Town Hall. Both these events not only raise vital funds but are important showcases of KEMP Hospice.

Our Retail operation would be, of course, impossible without the hard work and commitment of our team of staff and volunteers.

We remain thankful to the 200+ volunteers who support us in our six shops and warehouse and we were very pleased to have been able to hold our first Volunteer Seminar in this financial year, and with the engagement and feedback from our volunteers we have been able to build on the training we provide at induction and ongoing. We were able to more effectively utilise social media in this financial year too, in the recruitment of retail volunteers.

Our staff team were fully engaged in the development of our organisational five-year strategy and embraced the resulting aims and objectives. The continued development of our Retail Managers

meant that we were able to change Managers in our Warehouse and largest premises, Coventry Street, without any loss of income.

Looking Ahead

Following prolonged difficulties in maintaining a consistent level of footfall in our Oxford Street shop, an area of Kidderminster where passing trade has diminished irrevocably in recent years, a Bridal shop was trialled. Unfortunately, this did not raise sales sufficiently to be viable ongoing, however this was the first step towards our decision to convert the first floor in our Coventry Street premises to a dedicated Bridal shop. We anticipate this will prove successful through 2019/20 and look forward to this additional specific income within our retail portfolio. We look forward to relocating our Furniture shop to new premises, enjoying increased levels of passing footfall on Mill Street in Kidderminster early in 2019/20, and being able to utilise the vacated space in Lisle Avenue to streamline our vital warehouse and distribution centre activities.

Responsibilities of the directors

The directors are responsible for preparing the directors' annual 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
- Make judgements 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 assume that the company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the

Directors' annual report

For the year ended 31 March 2019

preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

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

Auditor

Sayer Vincent LLP were appointed as the company's auditor during the year.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the directors on 30 September 2019 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Shayne Taylor', with a large loop at the end.

Shayne Taylor
Director

Independent auditor's report

To the members of

KEMP House Trust (Hospice Shop) Limited

Opinion

We have audited the financial statements of KEMP House Trust (Hospice Shop) 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

Independent auditor's report

To the members of

KEMP House Trust (Hospice Shop) Limited

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 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

Independent auditor's report

To the members of

KEMP House Trust (Hospice Shop) Limited

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Independent auditor's report

To the members of

KEMP House Trust (Hospice Shop) Limited

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.

Fleur Holden (Senior statutory auditor)

8 October 2019

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

KEMP House Trust (Hospice Shop) Limited

Statement of Income and Retained Earnings

For the year ended 31 March 2019

	Note	2019 Total £	2018 Total £
Turnover	2	563,624	530,025
Cost of sales		(5,882)	(8,002)
Gross profit		557,742	522,023
Administrative expenses		(559,916)	(524,402)
Other operating income		500	-
(Loss) on ordinary activities before interest and taxation	3	(1,674)	(2,379)
Interest receivable and similar income		576	286
(Loss) on ordinary activities before taxation		(1,098)	(2,093)
Taxation on profit on ordinary activities		-	-
(Loss) for the financial year		(1,098)	(2,093)
Retained earnings			
Total retained earnings brought forward		434	2,527
(Loss) for the financial year		(1,098)	(2,093)
Distribution under Gift Aid to parent charity		-	-
Total retained earnings carried forward		(664)	434

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All movements in equity are included within the statement above.

KEMP House Trust (Hospice Shop) Limited**Balance sheet**

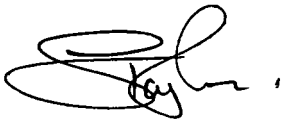
Company no. 02847086

As at 31 March 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	6		<u>29,230</u>		<u>32,872</u>
			29,230		32,872
Current assets:					
Stock	7	3,357		3,249	
Debtors	8	37,171		47,439	
Cash at bank and in hand	9	161,822		151,142	
			<u>202,350</u>	<u>201,830</u>	
Creditors:					
Amounts falling due within one year	10	227,242		<u>229,266</u>	
Net current assets / (liabilities)			<u>(24,892)</u>		<u>(27,436)</u>
Total assets less current liabilities			<u>4,338</u>		<u>5,436</u>
Net assets			<u>4,338</u>		<u>5,436</u>
Capital and reserves					
Called up share capital	11		5,002		5,002
Retained earnings			<u>(664)</u>		<u>434</u>
Shareholders' fund			<u>4,338</u>		<u>5,436</u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors on 30 September 2019 and signed on their



Mr Shayne Taylor
Director

1 Accounting policies

a) Statutory information

KEMP House Trust (Hospice Shop) Limited Ltd is a company limited by share capital and is incorporated in England and Wales. The registered office address (and principal place of business) is 41 Mason Road, Kidderminster, DY11 6AG.

b) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (September 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. The financial statements have been prepared on the historical cost basis.

c) Going concern

The directors consider that there are no material uncertainties about the company's ability to continue as a going concern.

d) Income

Turnover represents net invoiced sales of goods and services, exclusive of VAT.

Income is recognised when goods have been delivered to customers such that risks and rewards of ownership have transferred to them.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

f) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

g) Property, plant and equipment

Items of equipment are capitalised where the purchase price exceeds £500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment, other than freehold land, over their expected useful lives, using the straight line method. The rates applicable are:

- | | |
|------------------------------------|-------------------------|
| ● Leasehold improvements | 20% on cost |
| ● Fixtures, fittings and equipment | 25% on reducing balance |
| ● Motor vehicles | 25% on reducing balance |

KEMP House Trust (Hospice Shop) Limited

Notes to the financial statements

For the year ended 31 March 2019

1 Accounting policies (continued)

h) Inventories

Inventories have been valued at the lower of cost and estimated selling price less cost to sell. In general, cost is determined on a first in first out basis. A provision is made where necessary for obsolete, slow moving and defective stocks.

i) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

j) Cash at bank and in hand

Cash at bank and cash in hand 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.

k) Creditors

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

l) Deferred tax

Provision is made on the liability method for all taxation deferred in respect of timing differences to the extent that, in the opinion of the directors, a liability is likely to crystallise in the foreseeable future.

2 Turnover

Turnover is attributable to the principal activity of the company.

3 (Loss) before tax is stated after charging:

	2019 £	2018 £
Auditor's remuneration (excluding VAT):		
Audit	2,500	1,000
Other services	-	-
Depreciation	10,905	13,613
Operating lease rentals:		
Property	-	9,000

KEMP House Trust (Hospice Shop) Limited

Notes to the financial statements

For the year ended 31 March 2019

4 Directors' and employees' costs and emoluments

No emoluments are paid to any director.

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	265,780	239,498
Social security costs	14,699	8,514
Pension costs	4,382	4,191
	<u>284,861</u>	<u>252,203</u>

The average number of employees during the year was as follows:

	2019 Number	2018 Number
Management	0.8	0.8
Retail	16.6	16.5
Administration	0.7	0.7
	<u>18.1</u>	<u>18.0</u>

5 Taxation

	2019 £	2018 £
UK corporation tax at 19%	-	-

KEMP House Trust (Hospice Shop) Limited

Notes to the financial statements

For the year ended 31 March 2019

6 Property, plant and equipment

	Leasehold Improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At the start of the year	18,818	77,528	22,120	118,466
Additions in year	7,262	-	-	7,262
Disposals in year	-	-	-	-
At the end of the year	26,080	77,528	22,120	125,728
Depreciation				
At the start of the year	13,747	60,787	11,060	85,594
Charge for the year	3,955	4,184	2,765	10,904
Eliminated on disposal	-	-	-	-
At the end of the year	17,702	64,971	13,825	96,498
Net book value				
At the end of the year	8,378	12,557	8,295	29,230
At the start of the year	5,071	16,741	11,060	32,872

7 Inventories

	2019 £	2018 £
Finished goods	3,357	3,249
	3,357	3,249

8 Debtors

	2019 £	2018 £
Trade debtors	-	-
Other debtors	25	3,008
VAT debtor	7,036	6,841
Prepayments and accrued income	30,110	37,590
	37,171	47,439

9 Cash at bank and in hand

	2019 £	2018 £
	161,822	151,142

KEMP House Trust (Hospice Shop) Limited

Notes to the financial statements

For the year ended 31 March 2019

10 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts due to group undertakings	194,543	173,501
Trade creditors	4,485	33,161
Taxation and social security	2,573	2,331
Other creditors	7,500	7,500
Accruals and deferred income	18,141	12,773
	<u>227,242</u>	<u>229,266</u>

11 Share capital

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

	2019 No.	2018 No.
£1 ordinary shares:		
Authorised	5,002	5,002
Issued and fully paid	<u>5,002</u>	<u>5,002</u>

12 Related party transactions

The company has taken advantage of the exemptions not to disclose any transactions with its parent undertaking conferred by FRS 102 on the grounds that the company's results are included in the consolidated results of the parent undertaking.

13 Operating lease commitments payable as a lessee

The company's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property		Equipment	
	2019 £	2018 £	2019 £	2018 £
Less than one year	76,659	90,500	857	-
One to five years	141,743	192,000	3,365	-
Over five years	-	10,313	-	-
	<u>218,402</u>	<u>292,813</u>	<u>4,222</u>	<u>-</u>

14 Ultimate controlling party

The company's ultimate parent undertaking and controlling party is KEMP House Trust Limited, a [registered charity (number: 1146310) and company limited by guarantee (number: 07846810). Copies of the consolidated financial statements are available from the Charity Commission.