Company Number: 02417607

# Isabel Hospice Trading Limited

## Annual Report and

## Financial Statements

## For the Year Ended 31 March 2020

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Isabel Hospice
Together we care

**Isabel Hospice Trading Limited**

**Company Information**
**for the Year Ended 31 March 2020**

| | |
|---|---|
| **STATUS:** | The organisation is a company limited by share capital, incorporated on 29 August 1989. |
| **DIRECTORS:** | Adam Dury<br>Rodney Leggetter<br>Keith Warnell<br>Terence Philpott (Appointed 6.11.19)<br>Amy Reeve (Appointed 6.11.19)<br>Sam Wade (Appointed (6.11.19)<br>Justyna Pyra (Resigned (1.7.19<br>John B Morris (Resigned 9.7.19)<br>William Mitchell (Resigned 9.7.19) |
| **SECRETARY:** | Robin Webb (Resigned 31.1.20)<br>Helen Glenister (Appointed 1.3.20 |
| **REGISTERED OFFICE:** | 61 Bridge Road East<br>Welwyn Garden City<br>Hertfordshire<br>AL7 1JR |
| **REGISTERED NUMBER:** | 02417607 |
| **BANKERS:** | The Co-operative Bank<br>St Paul's House<br>10 Warwick Lane<br>London<br>EC4M 7BP |
| **AUDITORS:** | Sayer Vincent LLP<br>Chartered Accountants and Statutory Auditors<br>Invicta House<br>108-114 Golden Lane<br>London<br>EC1Y 0TL |

## Report of the Directors for the Year Ended 31 March 2020

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of selling donated and purchased goods, all for the ultimate benefit of Isabel Hospice Limited (a registered charity providing care for patients with life-limiting illnesses resident in east Hertfordshire).

### REVIEW OF BUSINESS

The company trades from fifteen locations in Hertfordshire; in addition, the company has a sizeable online sales presence. Turnover excludes sales made under the Retail Gift Aid Scheme (whereby individuals donate the proceeds of shop sales to Isabel Hospice Limited), which the company administers as agent for Isabel Hospice Limited.

Profits from continuing operations decreased from £432k to £358k mainly due to an increase in the cost of sales during the year. After distributing the full amount of profits to Isabel Hospice Limited, the company had no retained profits.

### DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

Adam Dury
Rodney Leggetter
Keith Warnell
Terence Philpott (Appointed 6.11.19)
Amy Reeve (Appointed 6.11.19)
Sam Wade (Appointed (6.11.19)
Justyna Pyra (Resigned (1.7.19
John B Morris (Resigned 9.7.19)
William Mitchell (Resigned 9.7.19)

Other changes in directors holding office are as follows:

Robin Webb (Resigned 31.1.20)
Helen Glenister (Appointed 1.3.20

All directors hold their shares on trust for Isabel Hospice Limited, a company limited by guarantee and a registered charity.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the report of the directors 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 of 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 presume that the company will continue in business.

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 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Sayer Vincent LLP were appointed as the company's auditor during the year and has expressed its willingness to continue in that capacity.

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 5th October 2020 and signed on their behalf by

R.A. Leggetter

R A Leggetter - Director

Date: 28th October 2020

Independent auditor's report to the members of Isabel Hospice Trading Limited

## Opinion

We have audited the financial statements of Isabel Hospice Trading Limited (the 'company') for the year ended 31 March 2020 which comprise the profit and loss account, 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 2020 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 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.

## 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

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.

Judith Miller (Senior statutory auditor)
4 November 2020
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

*Isabel Hospice Trading Ltd*

**Statement of Income and Retained Earnings**

**For the year ended 31 March 2020**

| | Note | **2020 Total £** | 2019 Total £ |
|---|---|---|---|
| Turnover | 2 | **2,602,347** | 2,259,366 |
| Cost of sales | | **(2,244,607)** | (1,827,819) |
| **Gross profit / (loss)** | | **357,740** | 431,547 |
| **Profit/(loss) on ordinary activities before interest and taxation** | 3 | **357,740** | 431,547 |
| Interest receivable and similar income | | **-** | - |
| **Profit/(loss) on ordinary activities before taxation** | | **357,740** | 431,547 |
| **Retained earnings** | | | |
| Total retained earnings brought forward | | **147,160** | 147,160 |
| Profit/(loss) for the financial year | | **357,740** | 431,547 |
| Distribution under Gift Aid to parent charity | | **(357,740)** | (431,547) |
| **Total retained earnings carried forward** | | **147,160** | 147,160 |

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.

Isabel Hospice Trading Ltd

**Balance sheet**

Company no. 03056823

**As at 31 March 2020**

| | Note | £ | 2020 £ | £ | 2019 £ |
|---|---|---|---|---|---|
| **Fixed assets:** | | | | | |
| Tangible assets | 5 | | **206,290** | | 305,732 |
| | | | **206,290** | | 305,732 |
| **Current assets:** | | | | | |
| Stocks | 6 | **11,395** | | 11,395 | |
| Debtors | 7 | **165,390** | | 236,398 | |
| Cash at bank and in hand | | **161,624** | | - | |
| | | **338,409** | | 247,793 | |
| **Creditors:** | | | | | |
| Amounts falling due within one year | 8 | **373,179** | | 385,592 | |
| **Net current assets** | | | **(34,770)** | | (137,799) |
| **Total assets less current liabilities** | | | **171,520** | | 167,933 |
| ***Provisions for liabilities*** | 9 | | **24,360** | | 20,773 |
| **Net assets** | | | **147,160** | | 147,160 |
| **Capital and reserves** | | | | | |
| Retained earnings | | | **147,160** | | 147,160 |
| **Total reserves** | | | **147,160** | | 147,160 |

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 5 October 2020 and signed on their behalf by:

RA Leggetter
Director

## 1 Accounting policies

### a) Statutory information

Isabel Hospice Trading Limited Ltd is a company limited by guarantee and is incorporated in the England and Wales. The registered office address is 61 Bridge Road East, Welwyn Garden City, Hertfordshire, AL7 1JR.

### 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) 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.

A reduction in Isabel Hospice Trading's financial performance is expected in the next reporting period, due to the implications COVID has had on the economy and the entity's ability to trade, however this is offset by the entity forecasting sufficient working capital during this uncertain period.

### 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 £1,000. 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:

| | |
|---|---|
| ● Short leasehold | Over duration of lease |
| ● Fixtures and fittings | 20% on cost |
| ● Motor vehicles | 25% on cost |
| ● Computer equipment | Varying over no more than 5 years. |

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

### h) Stocks

Stock 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 after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**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) Foreign exchange**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in profit or loss in the period in which they arise.

**m) Pensions**

Employees are entitled to a defined contribution pension scheme, with the cost being recognised in the statement of income and retained earnings when paid.

**2 Turnover**

Turnover is attributable to the principal activity of the company.

The company is eligible to receive a Retail, Hospitality and Leisure Grant from the local authority. The directors have opted to recognise the grant in the financial year to 31 March 2021 based on an entitlement date of 1 April 2020 as per the guidance issued by the Department for Business, Energy and Industrial Strategy. The directors also consider that this means that the income is being appropriately recognised in the same financial period when the majority of the costs will be incurred that it has been designed to offset.

**3 Profit before tax is stated after charging:**

| | **2020** | 2019 |
|---|---|---|
| | **£** | £ |
| Auditor's remuneration (excluding VAT): | | |
| Audit | **10,000** | 10,000 |
| Other services | **2,000** | - |
| Depreciation | **36,959** | 54,451 |
| Loss or profit on disposal of fixed assets | **16,610** | - |
| Operating lease rentals: | | |
| Property | **314,323** | 293,568 |

## 4 Directors' and employees' costs and emoluments

No emoluments are paid to any director.

Staff costs during the year were as follows:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Wages and salaries | **1,041,114** | 947,095 |
| Social security costs | **62,374** | 57,884 |
| Pension costs | **36,872** | 34,035 |
| | **1,140,360** | 1,039,014 |

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

| 2020 | 2019 |
|---|---|
| **93** | 63 |

## 5 Tangible fixed assets

| | Short leasehold | Fixtures & fittings | Motor vehicles | Computer equipment | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **COST** | | | | | |
| At 1 April 2019 | 548,397 | 130,668 | 26,444 | 169,399 | 874,908 |
| Additions | - | 2,829 | 5,001 | - | 7,830 |
| Disposals | (69,379) | (13,190) | - | - | (82,569) |
| At 31 March 2020 | 479,018 | 120,307 | 31,445 | 169,399 | 800,169 |
| **DEPRECIATION** | | | | | |
| At 1 April 2019 | 367,530 | 42,061 | 12,299 | 147,286 | 569,176 |
| Charge for the year | - | 19,215 | 7,861 | 9,883 | 36,959 |
| Eliminated on disposal | (12,256) | - | - | - | (12,256) |
| At 31 March 2020 | 355,274 | 61,276 | 20,160 | 157,169 | 593,879 |
| **NET BOOK VALUE** | | | | | |
| At 31 March 2020 | 123,744 | 59,031 | 11,285 | 12,230 | 206,290 |
| At 31 March 2019 | 180,867 | 88,607 | 14,145 | 22,113 | 305,732 |

## 6 Stocks

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Finished goods | **11,395** | 11,395 |
| | **11,395** | 11,395 |

## 7 Debtors

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trade debtors | **11,752** | - |
| Other debtors | **64,730** | 144,874 |
| Prepayments | **88,908** | 91,524 |
| | **165,390** | 236,398 |

## 8 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Bank overdraft | **-** | 5,303 |
| Trade creditors | **42,291** | 159,995 |
| Amounts owed to group undertakings | **243,280** | 160,608 |
| Social security and other taxes | **22,581** | 19,554 |
| Accrued expenses | **65,027** | 40,132 |
| | **373,179** | 385,592 |

## 9 Provisions for liabilities

All leased premises are kept in a good state of repair, but the company has obligations under its leases to redecorate periodically and to leave the premises in a previously-agreed condition. Having assessed the current condition of its properties, the directors consider that, at the balance sheet date, the cost of any such remedial works would not exceed £24,360 (2019: £20,773) and so a provision for this sum has been included in these accounts.

## 10 Share capital

The company is limited by guarantee and has no share capital.

Every member of the company undertakes to contribute such amount as may be required, but not exceeding £1, to the company if it should be wound up while that person is a member, or within one year after they cease to be a member, and such payment is required as a contribution towards settlement of such of the company's debts and liabilities as were contracted before they ceased to be a member.

## 11 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.

## 12 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

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Less than one year | **272,887** | 314,323 |
| One to five years | **593,963** | 790,133 |
| Over five years | **42,983** | 82,000 |
| | **909,833** | 1,186,456 |

## 13 Ultimate controlling party

The company's ultimate parent undertaking and controlling party is Isabel Hospice Limited, a registered charity (number: 1046826) and company limited by guarantee (number: 03056823). Copies of the consolidated financial statements are available from the Charity Commission. The company donates available profits to its parent undertaking.