



THE MYTON HOSPICES
(a company Limited by Guarantee)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2011

THE MYTON HOSPICES

REPORT OF THE TRUSTEES

31 March 2011

The Trustees present their annual report and audited financial statements for the year ended 31 March 2011.

1. Reference and Administrative Details

Charity Name:	THE MYTON HOSPICES	
Charity Registration Number:	516287	
Company Registration Number:	1628455	
Principal and Registered Office:	Myton Lane Warwick CV34 6PX	
Directors and Trustees:	Mr M J Lodge Mr T C I McKenzie Mr A D Meehan (Chairman) Dr A D Stockdale resigned 30th September 2010 Mrs S A Shelton Mr D J Moon Mr R H Q B Moon Mr N C Hunter OBE Mr A J Brown Mrs A M Trye Dr R Girvan Mr M Attwood	
Senior Management Team:	Ms G Young	Chief Executive (resigned 30th September 2010)
	Mrs C Lee	Chief Executive (appointed 1st December 2010)
	Dr C Tallon	Medical Director
	Mr F Meek	Director of Nursing & Care Services (resigned 31st August 2010)
	Ms M Emery	Director of Nursing & Care Services (appointed 1st March 2011)
	Mrs G Gimes	Director of Finance
	Mrs R Freeman	Director of Fundraising
	Mr T Wooding	Director of Facilities
	Mrs E Willoughby	Director of HR
Auditors:	Baker Tilly UK Audit LLP Chartered Accountants St Philips Point Birmingham B2 5AF	
Bankers:	Lloyds Bank Plc High Street Coventry CV1 5RA	
Solicitor:	D J Dumbleton Esq Rotherham & Co. 8 & 9 The Quadrant Coventry CV1 2EG	
Investment managers:	Barclays Wealth Management 1 Colmore Square Birmingham B4 6ES	

THE MYTON HOSPICES

REPORT OF THE TRUSTEES

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2. Structure, Governance and Management

2.1 Governing Document

The charity is a Company Limited by Guarantee, registered in England. The Company was formerly known as Myton Hamlet Hospice Management Ltd, with a change of name being approved by Companies House on 24th March 2009. The Company operates under a Memorandum and Articles, amendments to which were approved by the Trustees on 25th February 2009.

2.2 Group Structure

On 1st April 2009 the assets and liabilities of Myton Hamlet Hospice Trust (registered charity No 508768) were transferred to the charity. Subsequently, the two charities were united under a uniting direction granted by the Charities Commission on 8th December 2009.

Myton Hospice (Promotions) Limited

The issued share capital of this company is held by nominees of the charity. This company was formed to generate income through Hospice Shops and the Hospice Lottery.

Myton Hamlet Hospice Development Limited

The issued share capital of this company is also held by nominees of the charity. This company was formed for the purpose of building and developing new premises for the use of The Myton Hospices.

2.3 Recruitment and Appointment of Directors and Trustees

The Directors of the Company also act as trustees of the Charity. Directors must be nominated by existing Directors and their appointment is governed by procedures defined in the Memorandum & Articles. Directors are appointed for an initial period of 4 years, after which they may apply for re-election to serve a second period of 4 years. They must then stand down, but may be nominated for re-election following a gap of 12 months if there is a vacancy. The Directors appoint a chairman from within their number, who can serve two periods of three years. If his/her Directorship expires during his/her period of chairmanship then the Directorship is automatically extended until the termination date of chairmanship. When a Director retires every effort is made to replace him/her with a person of similar qualities/experience. This is done mainly through professional bodies, the Chamber of Commerce and word of mouth.

The appointment process is thorough whilst remaining as informal as possible. Potential Directors meet with the Chairman and the Chief Executive, having previously furnished their curriculum vitae. If both parties wish to proceed the candidate will meet with the appointments committee, comprising three Directors, who will then decide whether or not to recommend the candidate to the next Board meeting.

2.4 Induction and Training

Directors undergo formal induction by spending two half days in the Hospices and meeting individually with all Senior Managers and appropriate department heads. Additionally, they are encouraged to spend time in the Inpatient unit and one of the Day Hospices. Directors are encouraged to attend appropriate external training events where these will assist them in their role.

THE MYTON HOSPICES

REPORT OF THE TRUSTEES

31 March 2011

2. Structure, Governance and Management (continued)

2.5 Organisation

The Board of Directors administers the charity. The Board meets at least six times per year, but any Director can call an extraordinary meeting by following due process. A Chief Executive is appointed by the Board to manage the day to day operations of the charity.

2.6 Related parties

As mentioned in 2.2 above, the charity is supported by a subsidiary promotional company, which raises money via its retail outlets and lottery to support the main objectives of the Hospice. Charitable Trusts, support groups and individuals also raise money for the Hospice via charity events, individual donations and legacies.

2.7 Risk Management

The Hospice has a Risk Management strategy, which is reviewed annually by the Board with exceptions reported throughout the year at Board meetings. It is also reviewed by our regulatory body the Care Quality Commission. We have established systems and procedures to mitigate those risks identified. We continually review our risk management within the clinical areas to ensure that identified risks are addressed and the learning is continuous. Running parallel with the Clinical Governance Structure, which ensures high quality patient care, a Risk Management Review is undertaken annually to ensure financial and corporate probity.

3. Public Benefit

The Trustees have complied with the duty in Section 4 of the Charities Act 2006, to have due regard to public benefit guidance published by the Charity Commission. The objectives of the Hospice are to provide specialist palliative and end of life care for the people of Coventry and Warwickshire, their families and carers at no cost to the beneficiaries of the service. Referrals are accepted from a variety of sources and places allocated according to clinical need.

Care is currently delivered in the following ways:

- 24 bedded inpatient unit at Warwick Myton Hospice
- 10 bedded inpatient unit at Coventry Myton Hospice
- 15 place Day Hospice at Warwick Myton
- 12 place Day Hospice, operating 3 days per week, at Coventry Myton
- 15 place Day Hospice based at Rugby Myton
- Counselling Service operating across all 3 sites
- Lymphoedema Service, mainly for those with secondary disease due to cancer living within Warwickshire based at Warwick Myton, but offering outpatient services
- Complementary Therapy service, including outpatient services, operating across all three sites for patients, carers and staff.
- Physiotherapy, Occupational Therapy and Diversional Therapy services, including outpatient services, operating across all three sites.
- Psychological & spiritual support operating across all three sites.

THE MYTON HOSPICES

REPORT OF THE TRUSTEES

31 March 2011

4. Achievements and Performance

We are delighted that this year's results show a surplus on operating activities of £229,139, compared to a deficit of £136,990 for the previous year. In addition we received a capital grant from the Department of Health, the net effect of which has resulted in net incoming resources before revaluation of investments, of £401,688 for the period. (2010 £(136,990)). These figures include a full 12 month running cost for the new Coventry hospice. The Trustees intend that this surplus will be used to meet our plans for future periods as set out in section 6 of this report.

Our Chief Executive, Gill Young, resigned to take up a new post in September after 12 years of service and we also had a lengthy vacancy in the Director of Nursing & Care Services post, making this very much a period of consolidation rather than major change. Our new Chief Executive, Kate Lee, took up her post on 1st December 2010 and her first task was to begin work on the formulation of a 5 year strategy for the organisation. Following the changes made in the two preceding years, we have seen a rise in the number of admissions to the In Patient units, with 409 admissions into the Warwick In Patient Unit and 212 at Coventry, an increase of 30% over the previous year with a 25% increase in bed numbers, and a greater geographic spread of admissions.

The Day Hospices at Warwick and Rugby continued to provide 15 places per day and Coventry Day Hospice increased its' patient numbers from 8 on 3 days per week to 12 on each of 3 days. The three day hospices together cared for more than 300 individual patients and their carers. The counselling service continued to provide support for almost 400 patients and carers, its Rainbow Ripples programme supporting 117 bereaved children with 3 activity weekends and various other one day sessions throughout the year. The Complementary Therapy, Physiotherapy and Occupational Therapy services all increased their services during the year, Complementary Therapy providing an average of 280 sessions per month, and Physiotherapy & Occupational Therapy services providing almost 200 home and outpatient visits in addition to their work with In Patient and Day Hospice patients.

Our Consultant team earlier this year commenced work on a Health Innovation Education Cluster project for Advanced Care Planning in conjunction with Warwick Medical School and we continue to provide placements for nurses and doctors, medical students and social workers on both the In-Patient units and Day Hospices

Our unrestricted income rose by more than 20% above last year's figures, thanks to an increase of 28% in voluntary donations and higher than anticipated legacy income for the year. The voluntary income figure included the sales of goods donated under the Gift Aid scheme, an initiative which was introduced towards the end of 2009/10.

Income from the shops and lottery also increased by 15%, with the opening of additional shops in Nuneaton, Bedworth and Radford & Riley Square in Coventry, bringing the total number to 16. There was also a continuing increase in lottery memberships.

We also received a grant of £200,000 from the Department of Health for the improvement of patients' facilities at Warwick. This grant has been put towards new beds & bathing facilities together with improvements to the reception and general areas of the In-Patient unit.

THE MYTON HOSPICES

REPORT OF THE TRUSTEES

31 March 2011

5. Financial Review

5.1 Accounting basis

The accounts for the year have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) and comply with all statutory requirements and the Charity's governing instrument. The accounts consolidate the results of the Trust and its two subsidiary companies.

5.2 Income, expenditure and results

The Hospice's principal sources of income are donations, gifts and legacies which this year totalled £3,977,421 (2010: £2,908,540), including some £249,919 representing the Department of Health grant and other donations for specific purposes. Fundraising costs were £587,218 (2010: £491,032).

Contributions from NHS Trusts amounted to £1,896,575 (2010: £1,719,946) equating to 33% of the costs of operating the Hospice activities which this year amounted to £5,717,477 (2010: £4,992,054). Operating costs include the full year costs of Coventry Myton Hospice which opened in December 2009.

The Hospice trading subsidiary, Myton Hospice (Promotions) Limited contributed some £738,613 (2010: £590,751) from the sale of donated goods through Hospice shops and the Lottery.

Investment income amounted to £ 50,218 (2010: £78,333) whilst investment management fees were £18,344 (2010: £15,005). Realised and unrealised gains on investment assets totalled £ 71,361 (2010: gains £500,125).

At the year end, the total funds of the charity stood at £13,229,651 (2010: £12,756,602), Restricted Funds totalled £ 136,084 (2010: £133,031), Designated Funds £12,222,528 (2010: £12,341,988) and General Funds £ 871,039 (2010: £281,583).

The assets representing each of these funds are analysed in Note 12 to the financial statements.

5.3 Investment policy and performance

In 2000/2001, the Trustees designated £2million to an investment fund with the objective of providing an ongoing investment return to be used towards funding future operations. The Trustees aim to maintain a balanced portfolio of reliable income producing assets combined with capital growth in the longer term.

Following advice from the charity's investment managers, funds were invested in a portfolio of gilts, fixed investment bonds, UK and overseas equities. At the year end, the value of the investment portfolio was £ 2,199,337 (2010: £2,033,434).

5.4 Reserves Policy

The free reserves of the charity at the year-end, inclusive of funds held on investment, stood at £ 3,070,376 (2010: £2,517,405) The previous policy of holding free reserves equating to one year's running costs net of contributions from NHS Trusts is under review, as the Trustees feel that the current level of reserves is sufficient to both cushion any short term impact of a drop in voluntary or NHS funding and to provide investment funding for an expansion of our services.

THE MYTON HOSPICES

REPORT OF THE TRUSTEES

31 March 2011

6. Plans for Future Periods

With the appointment of a new Chief Executive in December 2010 the Board instigated a major strategy review and over the last few months there has been consultation with patients and their families, external stakeholders, staff and volunteers to determine the shape of the organisation over the next 5 years. This work, together with our robust financial position, will form the basis for an expansion of our services over the next few years and enable us to provide greater patient choice, wider access to our services both in our facilities and patients' homes and better access to our services for non cancer patients.

In order to achieve this, in the next twelve months we intend to :

- Commence delivery of the Myton at Home service across Rugby
- Be working towards expanding the Myton at Home service to the rest of South Warwickshire
- Carry out a review of our referral & discharge systems for in-patients
- Finalise the structural review of the Medical and Nursing & Care Services Directorates
- Improve our outcome measures through the implementation of the Crosscare IT system
- Review our Governance structure
- Open 3 additional shops
- Expand our lottery membership

7. Our supporters

Throughout the year, the Hospice has enjoyed the continuing support of our volunteers. We currently have over 800 volunteers who work in all areas of Hospice operations, both patient focused and support and fundraising roles. Our Counselling, Complementary Therapy and Spiritual services are staffed in the main by volunteers and we rely heavily on volunteers in our shops. Our volunteers play an absolutely vital role in the work of the Hospice, representing a value of almost £1.1m to the Hospice this year based on paying at minimum wage rate per hour. This figure has not been included in the Statement of Financial Activities.

The Hospice has also continued to receive extensive support from community groups, individuals, charitable trusts and companies within Coventry & Warwickshire.

Without this splendid support, The Myton Hospice could not develop services and provide the high quality of care it now offers. We would like to thank all of our volunteers and donors, both large and small, without whose generosity and hard work we would not be able to achieve what we do.

THE MYTON HOSPICES

REPORT OF THE TRUSTEES

31 March 2011

8. Conclusion

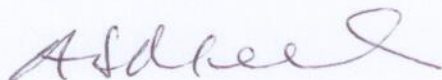
The year 2010 – 2011 was very much a period of consolidation following the tremendous effort involved in getting Coventry Myton Hospice commissioned and opened. Our fundraising efforts, in a continuing difficult climate, exceeded expectations and this, together with the expansion of both the lottery and the number of retail outlets provides a firm base for future developments.

The level of financial support and desire of people to give up their time to support our work indicate that our high standards of patient care and support continue to be widely recognised. The challenge ahead is to maintain the levels of income required to allow us to continue and expand the vital work that we do. We are grateful to the management team, staff, volunteers and supporters of all kinds for the hard work that they do in making this a very special organisation.

9. Statement as to Disclosure of Information to Auditors

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the Trustees



A D Meehan
Chairman

Myton Lane
Myton Road
WARWICK
CV34 6PX

20 July 2011

THE MYTON HOSPICES

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

31 March 2011

The trustees (who are also directors of The Myton Hospices for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE MYTON HOSPICES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MYTON HOSPICES

We have audited the group and parent charity financial statements of The Myton Hospices ("the financial statements") for the year ended 31 March 2011 on pages 10 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page ... the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

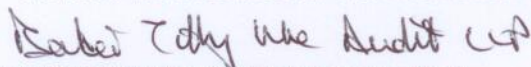
Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



GARY MORETON (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date: 16 August 2011

THE MYTON HOSPICES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2011

	Note	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
- Donations and grants		2,026,558	249,919	2,276,477	1,685,640
- Legacies		1,700,944	-	1,700,944	1,222,900
Activities for generating funds:					
- Retail income	14	1,025,717	-	1,025,717	1,074,891
- Lottery income	14	1,412,042	-	1,412,042	1,051,245
- Investment income	2	50,218	-	50,218	78,333
Incoming resources from charitable activities:					
- NHS grants		1,896,575	-	1,896,575	1,719,946
- Other grants		70,000	-	70,000	68,466
Total incoming resources		8,182,054	249,919	8,431,973	6,901,421
Resources expended					
Costs of generating funds:					
- Fundraising costs		587,218	-	587,218	491,032
- Retail costs	14	986,788	-	986,788	798,888
- Lottery costs	14	712,358	-	712,358	736,497
- Investment management fees		18,344	-	18,344	15,005
Charitable activities:					
- Residential and day care costs		5,670,660	46,817	5,717,477	4,992,054
Governance costs		8,100	-	8,100	4,935
Total resources expended	3	7,983,468	46,817	8,030,285	7,038,411
Net incoming/(outgoing) resources before transfers being net income for the year		198,586	203,102	401,688	(136,990)
Transfer between funds		200,049	(200,049)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		398,635	3,053	401,688	(136,990)
Unrealised gains on revaluation of investments	7	71,361	-	71,361	500,125
Net movement in funds		469,996	3,053	473,049	363,135
Total funds brought forward	11	12,623,571	133,031	12,756,602	12,393,467
Total funds carried forward	11	13,093,567	136,084	13,229,651	12,756,602

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended are derived from continuing activities.

THE MYTON HOSPICES

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 March 2011

	2011 £	2010 £
Income	8,209,206	6,823,088
Operating costs	(8,030,285)	(7,038,411)
	<hr/>	<hr/>
Operating surplus/(deficit)	178,921	(215,323)
Investment income	50,218	78,333
	<hr/>	<hr/>
Surplus/(deficit) on ordinary activities for the year	229,139	(136,990)
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- The summary income and expenditure account is derived from the Consolidated Statement of Financial Activities on page 10 which, together with the notes to the accounts on pages 15 to 28 provides full information on the movements during the period on all the funds of the group.
- No separate statement of total recognised gains and losses is required as all gains and losses recognised in the year are included in the consolidated statement of financial activities.
- All incoming resources and resources expended derive from continuing activities.

THE MYTON HOSPICES

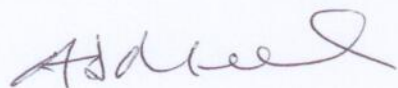
BALANCE SHEETS

31 March 2011

Registered Company No. 1628455

		Group		Charity	
	Note	2011 £	2010 £	2011 £	2010 £
Fixed assets					
Tangible assets	6	10,023,191	10,106,166	9,915,668	10,056,235
Investments	7	2,199,337	2,033,434	2,199,337	2,033,434
		<u>12,222,528</u>	<u>12,139,600</u>	<u>12,115,005</u>	<u>12,089,669</u>
Current assets					
Stock	8	37,601	38,733	26,481	24,714
Debtors	9	453,619	1,052,184	349,655	1,036,329
Cash at bank and in hand		2,363,114	1,320,834	2,305,033	1,203,335
		<u>2,854,334</u>	<u>2,411,751</u>	<u>2,681,169</u>	<u>2,264,378</u>
Creditors: amounts falling due within one year	10	(1,847,211)	(1,794,749)	(1,521,170)	(1,552,095)
Net current assets		<u>1,007,123</u>	<u>617,002</u>	<u>1,159,999</u>	<u>712,283</u>
Net assets		<u>13,229,651</u>	<u>12,756,602</u>	<u>13,275,004</u>	<u>12,801,952</u>
Income funds					
Restricted funds	11	136,084	133,031	136,084	133,031
Unrestricted funds	11	13,093,567	12,623,571	13,138,920	12,668,921
Total funds	11	<u>13,229,651</u>	<u>12,756,602</u>	<u>13,275,004</u>	<u>12,801,952</u>

The financial statements on pages 10 to 28 were approved by the Board of Trustees and authorised for issue on 20 July 2011 and are signed on its behalf by:



A D Meehan
Chairman

THE MYTON HOSPICES
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2011

	2011	2010
	£	£
Reconciliation of changes in resources to net cash inflow/(outflow) from operating activities		
Net incoming/(outgoing) resources	401,688	(136,990)
Depreciation	418,837	308,237
Gift of investment	(67,500)	-
Decrease/(increase) in stock	1,132	(12,216)
Decrease/(increase) in debtors	598,565	(765,602)
Increase in creditors	52,457	57,623
Interest received	(7,031)	(13,405)
Dividends received	(43,187)	(64,928)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	1,354,961	(627,281)
Returns on investments and servicing of finance	50,218	78,333
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(335,862)	(1,483,552)
Net proceeds from purchase and sale of fixed asset investments	(27,037)	237,868
	<hr/>	<hr/>
	(362,899)	(1,245,684)
Increase in cash	1,042,280	(1,794,632)
Cash at 31 March 2010	1,320,834	3,115,466
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Cash at 31 March 2011	2,363,114	1,320,834
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THE MYTON HOSPICES

CONSOLIDATED CASHFLOW STATEMENT (continued) for the year ended 31 March 2011

NOTES ON THE CASHFLOW STATEMENT For the year ended 31 March 2011

Returns on investments and servicing of finance		2011 £	2010 £
Interest received		7,031	13,405
Dividends received		43,187	64,928
		<u>50,218</u>	<u>78,333</u>
Analysis of changes in net funds during the year			
	31 March 2010 £	Cashflows £	31 March 2011 £
Cash at bank and in hand	1,320,834	1,042,280	2,363,114
	<u>1,320,834</u>	<u>1,042,280</u>	<u>2,363,114</u>

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value and in accordance with the Companies Act 2006 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in March 2005.

The Statement of Financial Activities and group balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

No separate Statement of Financial Activities or Summary Income and Expenditure account are presented for the parent undertaking as provided by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP. Net movement in funds for the Parent Charity for the year ended 31 March 2011 were £473,052.

On 1 April 2009, all assets, liabilities and contracts of the Myton Hamlet Hospice Trust were transferred to The Myton Hospices.

The transfer has been accounted for in accordance with the principles of merger accounting as if the assets and liabilities were included in The Myton Hospices for both the current and previous period. Under these principles the assets and liabilities of the Trust have been brought in at their book value under the accounting policies of The Myton Hospices. The prior period proforma comparatives included in the financial statements are therefore the results as if assets and liabilities had been included in The Myton Hospice throughout the previous year.

The transfer has not resulted in any material changes of accounting policy.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Income is deferred only when the provider specifies that the grant must be used in future periods.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Clothing and other items donated for resale through the charity's shops are included as incoming resources within activities for generating funds when they are sold.
- Investment income is included when receivable.

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

1 Accounting policies (continued)

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops and Lottery.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Remaining support costs are all charged to charitable expenditure since those relating to fundraising and governance are considered immaterial.

Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal. Provision is made for obsolete and slow moving items.

Pension costs

Retirement benefits to employees are provided by way of the two pension schemes as set out in Note 4. Contributions to both schemes are charged in the Statement of Financial Activities as they fall due. Differences between contributions payable in the year and contributions actually paid are included within accruals in the balance sheet.

Operating leases

Rentals applicable to operating leases are charged in the Statement of Financial Activities over the period in which the cost is incurred.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation of fixed assets is charged by annual instalments commencing with the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives which are as follows:

Freehold property	20 - 40 years
Long leasehold property	Over period of lease or 50 years whichever is less
Furniture, equipment & vehicles	3 to 10 years
Computer and office equipment	3 to 10 years
Shop and office fittings	Over period of lease

Assets in the course of construction are not depreciated.

Assets costing less than £2,000 per individual item are written off in the Statement of Financial Activities in the period of acquisition.

THE MYTON HOSPICES
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 March 2011

2 Investment income

	2011 £	2010 £
Interest receivable	7,031	13,405
Dividends receivable	43,187	64,928
	<u>50,218</u>	<u>78,333</u>

3 Analysis of total resources expended

	Staff costs £	Support costs £	Direct costs £	Depreciation £	2011 Total £	2010 Total £
Cost of generating funds						
Fundraising costs	460,174	123,737	928	2,379	587,218	491,032
Retail costs	514,335	396,057	52,100	24,296	986,788	798,888
Lottery costs	153,107	-	559,251	-	712,358	736,497
Investment management fees	-	-	18,344	-	18,344	15,005
	<u>1,127,616</u>	<u>519,794</u>	<u>630,623</u>	<u>26,675</u>	<u>2,304,708</u>	<u>2,041,422</u>
Charitable expenditure						
Costs of activities in Furtherance of the charity's objectives:						
Patient care	4,191,614	612,260	481,405	392,162	5,677,441	4,947,007
Training	-	-	40,036	-	40,036	45,047
	<u>4,191,614</u>	<u>612,260</u>	<u>521,441</u>	<u>392,162</u>	<u>5,717,477</u>	<u>4,992,054</u>
Governance costs						
Audit fees	-	-	8,100	-	8,100	4,935
	<u>-</u>	<u>-</u>	<u>8,100</u>	<u>-</u>	<u>8,100</u>	<u>4,935</u>
Total resources expended	<u>5,319,230</u>	<u>1,132,054</u>	<u>1,160,164</u>	<u>418,837</u>	<u>8,030,285</u>	<u>7,038,411</u>

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

3 Analysis of total resources expended

	2011 £	2010 £
Charitable expenditure:		
Support costs		
Premises costs	158,357	187,640
Travelling and subsistence	55,613	54,357
Office costs	126,763	121,978
Repairs and renewals	196,412	219,466
Legal and professional	27,119	22,426
Staff recruitment	31,281	19,193
Other costs	16,715	14,019
	<hr/>	<hr/>
	612,260	639,079
	<hr/>	<hr/>
Charitable expenditure	2011	2010
Direct costs	£	£
Drugs	234,284	213,576
Medical supplies	112,977	108,320
Cleaning and laundry	47,208	36,582
Catering	75,766	65,516
Small equipment	11,170	19,461
Training	40,036	45,047
	<hr/>	<hr/>
	521,441	488,502
	<hr/>	<hr/>

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

4 Staff costs

	2011 £	2010 £
Wages and salaries	4,466,125	3,671,882
Social security costs	355,686	299,612
Other pension costs	222,060	185,775
Contracted medical staff*	275,360	250,629
	<u>5,319,231</u>	<u>4,407,898</u>

* Certain members of our medical team are employed by the NHS and their time spent working for The Myton Hospices is invoiced to the charity.

	Number	Number
Average number employed	255	205
Employees earning more than £60,000		
£60,000-£70,000	1	2
£70,000-£80,000	1	3
£90,000-£100,000	1	1

Included in the above are pension contributions of £8,880 (2010: £39,185).

The number of higher paid staff accruing retirement benefits was 1 (2010: 5).

	£	£
Trustees' emoluments and expenses	-	-

Pension costs

Staff previously employed by the National Health Service and who were members of the NHS Superannuation Scheme continue to be members of that scheme. The NHS scheme is a defined benefit scheme. This is a multi employer pension scheme based on final pensionable pay, contributions being charged to the SOFA so as to spread the cost of pensions over employees' working lives with the company. Because we are unable to identify our share of the scheme's liabilities and assets on a consistent and reasonable basis, the scheme is accounted for as a defined contribution scheme.

Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.pensions.nhsbsa.nhs.uk.

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

Pension costs (continued)

The last valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay.

All other staff may opt to join a separate defined contribution pension scheme, the assets of which are held separately from those of the charity in independently administered funds. The employer's contribution to this scheme is 7% (2010 7%) of pensionable pay.

The pensions cost charges, representing employer's contributions payable to both schemes, amounted to £220,060 (2010: £185,775). Contributions totalling £34,373 (2010: £26,946) were payable at year end and are included in creditors.

Future contributions are expected to be at a similar level.

None of the Trustees qualified for benefits under either of these schemes.

	2011 £	2010 £
5 Net (outgoing)/incoming resources		
Net (outgoing)/incoming resources is stated after charging/(crediting):		
Auditors' remuneration - Audit		
- Charity (including irrecoverable VAT)	8,100	4,935
- Subsidiary undertakings	9,958	9,115
Auditors' remuneration - other services		
- charity	6,600	-
- subsidiary undertakings	-	3,350
	<hr/>	<hr/>
Depreciation of tangible fixed assets - owned assets	418,837	308,237
	<hr/>	<hr/>
Operating leases		
- other	37,440	36,260
- land and buildings	230,445	187,656
Profit on disposal of fixed assets	(1,110)	-
	<hr/>	<hr/>

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

6 Tangible fixed assets

	Freehold property £	Long leasehold property £	Furniture, equipment & vehicles £	Computer & office equipment £	Shop & office fittings £	Total £
GROUP Cost						
31 March 2010	3,143,041	7,725,279	670,966	189,818	120,386	11,849,490
Additions	3,748	15,679	198,138	37,848	80,449	335,862
Disposals	-	-	(114,395)	(53,732)	(16,833)	(184,960)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2011	3,146,789	7,740,958	754,709	173,934	184,002	12,000,392
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
31 March 2010	837,828	242,826	472,097	107,868	82,705	1,743,324
Charge for the year	89,077	227,782	50,585	32,277	19,116	418,837
On disposals	-	-	(114,395)	(53,732)	(16,833)	(184,960)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2011	926,905	470,608	408,287	86,413	84,988	1,977,201
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount						
31 March 2011	2,219,884	7,270,350	346,422	87,521	99,014	10,023,191
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2010	2,305,213	7,482,453	198,869	81,950	37,681	10,106,166
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Furniture and equipment includes £172,549 (2010: £Nil) of assets in the course of development.

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

6	Tangible fixed assets (continued)	Freehold property £	Long leasehold property £	Furniture and equipment £	Computer and office equipment £	Total £
	CHARITY					
	Cost					
	1 April 2010	3,143,041	7,720,279	641,853	185,996	11,691,169
	Additions	3,748	15,679	198,138	36,409	253,974
	Disposals	-	-	(114,395)	(50,686)	(165,081)
	31 March 2011	3,146,789	7,735,958	725,596	171,719	11,780,062
	Depreciation					
	1 April 2010	837,828	237,826	455,234	104,046	1,634,934
	Charge for the year	89,077	227,782	45,685	31,997	394,541
	Disposals	-	-	(114,395)	(50,686)	(165,081)
	31 March 2011	926,905	465,608	386,524	85,357	1,864,394
	Net book amount					
	31 March 2011	2,219,884	7,270,350	339,072	86,362	9,915,668
	31 March 2010	2,305,213	7,482,453	186,619	81,950	10,056,235

At 31 March 2011 the Group had capital commitments of £NIL (2010: £230,000).

7	Fixed assets – investments	2011 £	2010 £
	Group and charity		
	UK listed investments		
	Market value at 1 April	2,033,434	1,771,177
	Additions during the year	39,432	1,441,744
	Proceeds from disposals	(12,390)	(1,679,612)
	Net gain on revaluation	71,361	500,125
	Listed investment Market value at 31 March	2,131,837	2,033,434
	Investment land	67,500	-
		2,199,337	2,033,434
	Historical cost at 31 March - Unlisted	1,912,298	1,959,715
	- Land	67,500	-
		1,979,798	1,959,715

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

7 Fixed assets – investments (continued)

	2011 £	2010 £
UK listed investments are represented by:		
Fixed interest securities	207,273	205,009
Equities	531,233	285,769
Investment trusts and similar funds	1,393,331	1,542,656
	<u>2,131,837</u>	<u>2,033,434</u>

The investments are held primarily to provide a return for the charity.

The following investments represented more than 5% of the portfolio:

	2011 £	2010 £
Barclays Bank Plc 5Y GBP CAP	260,226	249,166
Barclays Wealth Global Beta	1,044,576	1,013,538
	<u>1,304,802</u>	<u>1,262,704</u>

8 Stock

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Consumables	26,481	24,714	26,481	24,714
Goods for resale	11,120	14,019	-	-
	<u>37,601</u>	<u>38,733</u>	<u>26,481</u>	<u>24,714</u>

9 Debtors: amounts falling due within one year

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	134,739	922,185	134,739	922,185
Income tax recoverable	25,202	9,441	25,055	-
Value added tax recoverable	31,415	12,909	-	-
Amount owed by group undertakings	-	-	8,756	63,809
Other debtors	-	9,444	-	5,199
Prepayments	138,727	93,205	57,569	30,784
Accrued income	123,536	5,000	123,536	14,352
	<u>453,619</u>	<u>1,052,184</u>	<u>349,655</u>	<u>1,036,329</u>

THE MYTON HOSPICES
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 March 2011

10	Creditors: amounts falling due within one year	Group		Charity	
		2011 £	2010 £	2011 £	2010 £
	Trade creditors	232,642	145,522	166,059	106,903
	Amount due to group undertakings	-	-	24,194	328,174
	Other taxation and social security	109,674	95,958	109,674	95,958
	Other creditors	51,816	28,732	51,811	28,732
	Accruals	329,160	631,983	178,051	232,328
	Deferred income	1,123,919	892,554	991,381	760,000
		<u>1,847,211</u>	<u>1,794,749</u>	<u>1,521,170</u>	<u>1,552,095</u>
	Deferred income	Group		Charity	
		2011 £	2010 £	2011 £	2010 £
	Brought forward	892,554	672,714	760,000	-
	Released to Statement of Financial Activities	(882,554)	(672,714)	(750,000)	-
	Deferred income received in year	<u>1,113,919</u>	<u>892,554</u>	<u>981,381</u>	<u>760,000</u>
	Carried forward	<u>1,123,919</u>	<u>892,554</u>	<u>991,381</u>	<u>760,000</u>

Deferred income includes NHS grant for 2011/12 of £911,381; NHS contribution to employer's NHS pension costs for 2011/12 of £70,000; lottery income received in advance by Myton Hospice (Promotions) Limited of £132,538 and NHS IT development grant of £10,000.

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

11 Statement of Funds

Group	Brought forward £	Income £	Expenditure £	Investment (losses)/ gains £	Transfers £	Carried Forward £
General funds	483,971	8,182,054	(7,593,806)	-	(201,180)	871,039
Designated funds						
Fixed assets fund	10,106,166	-	(389,662)	-	306,687	10,023,191
Investment fund	2,033,434	-	-	71,361	94,542	2,199,337
Total unrestricted funds	12,623,571	8,182,054	(7,983,468)	71,361	200,049	13,093,567
Restricted funds						
Department of Health	-	200,000	(27,451)	-	(172,549)	-
Other donations for specific purposes	133,031	49,919	(19,366)	-	(27,500)	136,084
Total restricted funds	133,031	249,919	(46,817)	-	(200,049)	136,084
Total funds	12,756,602	8,431,973	(8,030,285)	71,361	-	13,229,651

Designated funds

- Fixed assets fund

A large part of the unrestricted funds of the charity are represented by tangible fixed assets (mainly land and buildings) required for the charity to continue operating. As these assets are considered not normally realisable, the Trustees have designated funds equal to their book value.

- Investment fund

In the year ended 31 March 2001, the Trustees set aside £2,000,000 in an investment fund with the aim of providing a regular source of income each year. Gains and losses on the investments held are credited or charged to the fund each year and the year end balance equals the market value of investments held.

Restricted Funds

- Department of Health

In 2010/11 Warwick Myton Hospice was awarded £200,000 under a Department of Health grant for improving hospice environments. The grant was spent replacing the bathroom facilities, the beds and pressure mattresses and improving the public areas and reception and the mortuary. The grant was spent in full and as the works are now complete the fund has been transferred to the fixed asset fund.

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

11 Statement of Funds (continued)

Restricted funds

- Specific Purposes fund

Various donations received for other specific purposes laid down by the donors are carried forward as restricted funds until spent. The majority of the Fund comprises funding for End of Life Care Education and the HIEC research project.

12 Analysis of group net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Total net assets £
Restricted funds				
Other donations for specific use	-	-	136,084	136,084
	<u>-</u>	<u>-</u>	<u>136,084</u>	<u>136,084</u>
Unrestricted funds				
Designated				
Fixed Asset Fund	10,023,191	-	-	10,023,191
Investment fund	-	2,199,337	-	2,199,337
	<u>10,023,191</u>	<u>2,199,337</u>	<u>-</u>	<u>12,222,528</u>
General fund	-	-	871,039	871,039
	<u>10,023,191</u>	<u>2,199,337</u>	<u>871,039</u>	<u>13,093,567</u>
Total funds 2011	<u>10,023,191</u>	<u>2,199,337</u>	<u>1,007,123</u>	<u>13,229,651</u>
Total funds 2010	<u>10,106,166</u>	<u>2,033,434</u>	<u>617,002</u>	<u>12,756,602</u>

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

13 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 2011.

	2011 Land and Buildings £	2011 Other £	2010 Land and buildings £	2010 Other £
Expiring				
Within one year	46,450	-	44,150	-
Within two to five years	117,796	40,207	72,250	29,734
After five years	77,000	-	103,000	6,125
	<hr/>	<hr/>	<hr/>	<hr/>
	241,246	40,207	219,400	35,859
	<hr/>	<hr/>	<hr/>	<hr/>

14 Subsidiary companies

The issued share capital of Myton Hospice (Promotions) Limited and Myton Hamlet Hospice Development Limited is held by nominees of the Charity. These companies, registered in England, are also therefore considered subsidiary undertakings of the Charity.

The Trust has taken advantage of the exemption not to disclose any transactions with its two subsidiary companies conferred by Financial Reporting Standard No. 8 on the grounds that the companies are 100% owned and their results are included in the consolidated financial statements which are publicly available.

Myton Hospice (Promotions) Limited operates charity shops and a lottery to raise funds for the Charity. The company pays its taxable profits to the Charity by way of Gift Aid. A summary of its trading results is shown below.

	2011 £	2010 £
Myton Hospice (Promotions) Limited		
Turnover	2,437,759	2,124,186
Cost of sales	(574,777)	(701,862)
	<hr/>	<hr/>
Gross profit	1,862,982	1,422,324
Administration expenses	(1,124,369)	(831,573)
Investment income	-	-
	<hr/>	<hr/>
Net profit	738,613	590,751
Amount donated to The Myton Hospices	(738,613)	(590,751)
	<hr/>	<hr/>
Deficit retained in subsidiary	-	-
	<hr/>	<hr/>
Net liabilities at year end	(45,352)	(45,352)
	<hr/>	<hr/>

THE MYTON HOSPICES

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 March 2011

14 Subsidiary companies (continued)

Myton Hamlet Hospice Development Limited

Myton Hamlet Hospice Development Limited develops and builds properties which are then sold to the Charity. During the year, the company sold assets in the course of construction for £15,679 (2010: £1,271,935) resulting in a profit for the year of £Nil (2009: profit £Nil). The net assets of the company at the year end were £2 (2010: £2).

Audited financial statements for both subsidiary companies are filed with the Registrar of Companies.

The results of all subsidiaries have been consolidated on a line for line basis in the Statement of Financial Activities.

15 Related party transactions

During the year, the Trust entered into transactions with Wright Hassall LLP with respect to legal advice with approval of the Charity Commission.

A Trustee, Mr T C I McKenzie, is a partner of Wright Hassall LLP. The value of the legal services provided by Wright Hassall LLP during the year was £699 (2010: £2,247). At 31 March 2011, the Trust owed Wright Hassall LLP £Nil (2010: £Nil).

A Trustee, Mr D J Moon is a Director of South Warwickshire NHS Foundation Trust with which the Trust entered into transactions during the year. The value of the services received from South Warwickshire NHS Foundation Trust was £316,511 (2010: £272,070). At 31 March 2011, the Trust owed £14,500 (2010: £2,096) to South Warwickshire NHS Foundation Trust.

A Trustee, Mr R H Q B Moon, is a partner of Blythe Liggins LLP. The value of the legal services provided by Blythe Liggins LLP during the year was £2,449 (2010: £Nil). There were no amounts outstanding at 31 March 2011.

The Trustees are satisfied that the above related party transactions were at arms length.