

Registered number: 1628455
Charity number: 516287

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

THE MYTON HOSPICES
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2016**

Trustees

Mr A D Meehan, Chairman (until May 2015) (resigned 23 September 2015)
Mr N C Hunter, Chairman (from May 2015)
Mr K W Demian
Dr R Girvan
Mr R Jones
Mr R H Q B Moon
Mrs M Morris
Mr G Nicoll
Ms S Patchett (appointed 23 September 2015)
Professor M Radford
Mrs S A Shelton
Mr P D Taylor
Mrs A M Trye

Company registered number

1628455

Charity registered number

516287

Registered office

Myton Lane, Warwick, CV34 6PX

Company secretary

Mrs G Morgan

Chief executive officer

Mrs R Freeman

Senior management team

Mrs C Lee, Chief Executive (until November 2015)
Mrs R Freeman, Chief Executive (commenced Nov 2015)
Mrs M Linnane, Director of Nursing & Care Services (commenced August 2015)
Mrs G Morgan, Director of Finance and Facilities & Company Secretary
Mr D Pratt, Director of Strategy and Information (commenced May 2015)
Mr G Etule, Director of Human Resources (commenced February 2016)
Mrs C Tallon, Medical Director (until October 2015)

Independent auditor

Crowe Clark Whitehill LLP, Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2016**

Advisers (continued)

Bankers

Lloyds Bank Plc, High Street, Coventry, CV1 5RA

Solicitors

Wright Hassall, Olympus Avenue, Leamington Spa, CV34 6BF

Investment Managers

Brewin Dolphin, 9 Colmore Row, Birmingham, B3 2BJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Myton Hospices (the company and the group) for the year ended 31 March 2016. The Trustees confirm that the Annual report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trustees have complied with the duty in the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission.

Objectives and Activities

a. POLICIES AND OBJECTIVES

Our Vision

Myton Hospice believes everyone across Coventry and Warwickshire should live well towards the end of their life and have the right to a good, natural death, the way they want it to be and with their loved ones supported.

Our Mission

The Myton team provide high quality specialist care to people whose condition no longer responds to curative treatment, from diagnosis to death. We aim to meet their physical, psychological, spiritual and social needs and ensure their families are supported both through and after this difficult time. We are committed to training, supporting and encouraging other care providers to practise good palliative care.

Our Strategy

Myton launched its new five year strategy in 2015 after wide consultation with patients and families, staff and volunteers and a wide variety of stakeholders from across the community. The five strategic aims we set ourselves are:

1. Develop a truly person-centred approach
2. Widen access (and equity of access) to Myton
3. Increase our provision and extend our reach
4. Build our influence
5. Strengthen our financial position and the sustainability of our offer as a high quality provider

The aims, objectives and activities of the charity are reviewed each year. This review looks at what we have achieved and the outcomes of our work in the previous 12 months. The review helps to ensure the charity remains focussed on our stated purpose. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

Care & support for our patients and their families is currently delivered in the following ways:

- 20 bedded inpatient unit at Warwick Myton Hospice.
- 16 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

- 24/7 Hospice at Home team covering the Rugby, Warwick & Leamington Spa areas.
- Counselling Service operating across all 3 sites.
- Lymphoedema Service, mainly for those with secondary disease due to cancer living within Warwickshire. The service is based at Warwick Myton, but offers outpatient services to all.
- Complementary Therapy service operating across all three sites for patients.
- Physiotherapy, Occupational Therapy and Diversional Therapy services, including outpatient services, operating across all three sites.
- Psychological & spiritual support operating across all three sites.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Our five year strategy (2015-2020) outlined the Hospices ambitions for the next five years (see above). There are five strategic enablers which we are putting in place throughout the organisation to ensure that we are able to meet the challenges we have set ourselves. The enablers and the progress we have made in each during the last year are as follows:

1. Developing our people.

A Practice Facilitator was employed by the Hospice and is working closely to enrich the skills and confidence of both our clinical and non-clinical staff internally. The Head of Learning and Development role has been filled and has been completing an education strategy which will support the main strategic plan. A clear focus this year has been to ensure the levels of training of our own staff is the priority. We undertook a programme to improve the IT skills and abilities of around 100 of our staff who had identified themselves as having a training need in this area.

2. Data and outcome measurement

An information officer joined the team early in 2015/16, and the data being provided to both the leadership team and external stakeholders has improved immensely. Further work to refine our electronic patient information system, Crosscare, is on-going, which will improve the quality of the information we are able to supply to our commissioners and funders. We have been focussing on how we can better demonstrate the outcomes we achieve with our patients and service users. We have also been working to improve our Information Governance – how we handle and manage the data and information we collect and store.

3. Cost and resource efficiency

A Procurement User Group has been established with members representing all areas of the Hospice. The group is tasked with ensuring that the resources of the charity are used efficiently and effectively. The service level agreement for Pharmacy provision was negotiated and as a result, a recurrent saving of £20,000 achieved. The budget planning process was also reviewed and training was undertaken with budget holders to make the planning process more meaningful this year.

4. Marketing and Communications

The Corporate Marketing & Communications team have been improving all promotional and information materials that the hospice produces to clarify our messages and refine our branding, in order to promote better awareness of our work. Myton was represented in ITV's "Love your Local Hospice" advertisement which was aimed at building support and awareness of hospices within the Midlands.

5. Relationships and collaboration

Joint projects with stakeholders have occurred in 2015/16, for example, Hospice staff going to ward rounds within University Hospital Coventry and Warwickshire to ensure the appropriate patients are being referred to Hospices services. Visits to other Hospices have been undertaken throughout the year and possible collaboration to share knowledge and good practice and we are planning to work more collaboratively in the future.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

d. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

Our Charitable activities are focused on offering free care and support to patients and their families from the moment they receive a diagnosis that their illness is incurable. Referrals are accepted from a variety of sources and places allocated according to clinical need. We work closely with a range of health care professionals to ensure that the maximum benefits for the patients and the people that they love are achieved.

STRATEGIC REPORT

Achievements and performance

a. REVIEW OF ACTIVITIES

During the financial year 2015/16 the hospice helped a total of 474 patients within the in-patient units and a total of 5,277 day hospice sessions were received by people who have an in curable condition. Myton also delivered care to 153 people in their own homes via the Myton at Home service in both Rugby and Warwick.

During 2015 the hospice was able to respond to a demand within Coventry for Nurse Led Palliative Care beds. Working with Coventry and Rugby CCG, the Hospice was able to offer a solution to the issue of there being a lack of beds within nursing homes, where the nursing home staff were unable to care for patients with complex needs at the end of life, but those who did not meet the requirements for specialist palliative care. As a result the Hospice opened 6 Nurse Led Beds at the Coventry Hospice and was commissioned on a pilot basis by the CCG for this service. From September 2015 to March 2016, we cared for 57 patients within these beds.

b. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The success of the Myton Hospices depends on the skills, experience and passion of our staff and volunteers. In 2015/16 the executive team turned its focus on to the internal education of the hospices staff and invested in a Head of Learning and Development and a Practice Facilitator both have brought focus to the improvement of staff's training and skills.

Staff are consulted wherever possible in the decisions made and a staff forum made up of elected staff representatives from every area of the charity, meets every two months with the Chief Executive and members of the executive team to discuss policy, issues, and concerns.

Communication with staff is an area that the executive team have focused on in 2015/16, following feedback from the staff survey. The executive team hold monthly "Tea with SLT" sessions where both staff and volunteers are invited to join the executive team for an update of the current issues. There is also the opportunity for the staff to ask any questions they have of the team.

The hospice is extremely lucky to receive the help and support of 904 Volunteers, without whom we could not provide the services and support that we do. Volunteers help within every aspect of the organisation; many undertake Patient facing roles or work within our support services, volunteers are also fundamental in the delivery of our Fundraising activities.

The hospice respects the equality and diversity of all employees and volunteers, and treats them fairly and equally regardless of physical or mental disability, gender, sexual orientation, age or race. Wherever possible, applications for employment from disabled people are encouraged.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

c. MATERIAL FUNDRAISING ACTIVITIES

Myton Hospices are always conscious of minimising the costs of our fundraising activities. To ensure we are making the best use of generous donations we benchmark our different fundraising channels and techniques to ensure that they are competitive. We also work hard to ensure that we can report back to our donors on the results and impacts that their giving achieves for the hospice.

d. INVESTMENT POLICY AND PERFORMANCE

During 2015/16 the investment management on behalf of the charity was subject to a tender process, to ensure that the best possible investment manager was in place to actively manage the investments in line with the organisations strategy and culture. The tender process resulted in the charities investment being moved from Barclay's wealth to Brewin Dolphin.

The objective is to provide 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. During 2015/16 due to the movement of funds during the year, the charity has seen a £46,569 loss on investments, compared to a £109,171 gain in 2014/15.

In light of the change in investment management the reserves policy was also reviewed.

The new reserve policy (ratified in March 2015) states that £2.53m representative of six months running costs of services are put into a long term medium risk portfolio. Any remaining reserves will be invested into a shorter term medium risk portfolio as a development reserve for future development of the hospice activities. At the 31st March the new reserves policy had not yet been implemented fully and so the investments value in the 2015/16 accounts is £1,976,369. Some of the funds are seen in the increase in cash as at 31st March 2015/16 £3,008,551, compared to £2,135,719 in 2014/15.

Financial review

a. 2015-16 FINANCIAL PERFORMANCE

During 2015/16 income from Donations and Legacies totalled £4,202,017, an increase of 16% on the previous year (2014/15: £3,617,077) with Legacies left to the hospice being 49% higher than the previous year £1,824,680 (2014/15: £1,222,435). This year saw the first year where donations to the hospice decreased, £2,377,337 (2014/15: £2,394,642). It is expected that the closure of beds to ensure safe staffing levels had an impact on individual giving income.

The retail portfolio remained as 20 shops and an eBay outlet during the year, with gross retail income increasing by 6% to £1,996,371 (2014/15: £1,879,656). This year there were some planned shop closures for refurbishment, and the increase in income is very positive.

A retail review has been undertaken and recommendations from it have been budgeted for in the coming year. Developments within retail include investments in the EPOS system to allow improved stock control and gift aid claims, and a review of the warehouse and its set-up, and storage facilities.

Gross income from Lottery has seen an increase in 2015/16 (£2,337,701) compared to 2014/15 (£2,143,325), with the total number of lottery lines being played at the 31st March being 42,624 compared to 41,648 at the same point in 2014/15 this does however represent a decline in growth in the lottery and Myton are very aware that there is increasing competition in this area.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

Contributions from Clinical Commissioning Groups (CCG's) increased due to the commissioning of the nurse led beds, where activity was paid for by Coventry and Rugby CCG (£153,206 for the activity from 1st September 2015 to 31st March 2016). The block grant funding from CCG's remained the same in 2015/16 as it had for the previous years at £2,096,696.

In 2015/16 there was investment income of £61,180 made up of both dividend income and interest, compared to £102,749 in the previous year, this reduction was due to the movement of investments manager during the year and the decreased level of dividends.

Direct costs of patient care have increased in 2015/16 from £5,952,350 in 2014/15 to £6,302,332, largely due to increased clinical staff salaries as nursing establishments and support staff has increased in order to increase the patient care provided by the hospice. Related pension and national insurance costs have also increased year on year.

b. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The principal financial risks for Myton are declining income either via voluntary or statutory sources. Myton are aware of the increasing pressure on the NHS commissioners but are confident that we offer value for money. Donations will face increasing pressure as forthcoming changes in legislation around contacting donors and supporters will further complicate the work of the fundraising team.

The top 5 risks and ways they are mitigated are detailed in the Risk Management section of this report.

d. RESERVES POLICY

The reserves policy was ratified in March 2015 and states that £2.53m representative of six months running costs of services are held in a long term medium risk portfolio.

Total reserves of the group at the year end stood at £13,876,270 (2015: £13,692,444).

Free reserves of the group at the year end, inclusive of Designated Funds and funds held on investment stood at £4,603,382 (2015: £4,250,069).

The assets representing each of these funds are analysed in Note 22 to the financial statements.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

e. PRINCIPAL FUNDING

Statutory funding from the NHS has remained the same for some time. The Hospice is aware that the commissioning of end of life services across Coventry and Warwickshire is likely to change in the next financial year as CCG's work collaboratively to commission services. Myton is ensuring its presence in these commissioning rounds, and working to protect and grow this valuable income.

Structure, governance and management

a. CONSTITUTION

The company and the group is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 25th February 2009.

The company and the group is constituted under a Memorandum of Association dated 25th February 2009 and is a registered charity number 516287.

The principal object of the company and the group is to provide care to patients and their families in the Coventry and Warwickshire area, from the time that they receive the diagnosis that their illness is incurable.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the company and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The directors of the company also act as trustees of the charity.

Trustees 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 Trustee's 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.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees are provided with a programme of induction including meeting with all of the executive team and any other key personnel in order to gauge an understanding of how the hospice works on a day to day basis. Trustees are encouraged to spend time within the clinical areas of the hospice, and to attend fundraising events.

d. PAY POLICY FOR SENIOR STAFF

Working in the Charity sector Myton believes that it is important to be transparent about the pay levels of its senior managers and how those salaries are set. Our salaries are benchmarked against similar roles both in the Charity and the Hospice sector. Myton generally use the median salary for the Charity sector, however some flexibility is applied to take into consideration the specific requirements for each post and to ensure that we can recruit and retain the best people for the role with both the skills required and the passion for the service.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

Our executive team is made up of the following roles :

Chief Executive Officer
Medical Director *
Director of Nursing
Director of Finance and Facilities
Director of HR, Learning and Development
Director of Strategy and Information
Director of Income Generation

*A new Medical Director is being actively recruited this role will be employed by the NHS and the pay scale will be determined by the NHS in relation to the experience of this Consultant, and the number of sessions that they work for Myton.

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

There are clear distinctions between the roles of Trustees and the executive team. The board of trustees holds a range of reserved matters and delegates certain authority to the executive team in order to run the organisation efficiently. Matters such as policy, strategy and budgets are prepared by the executive team for consideration and approval by the trustees who then monitor the implementation of these plans.

There are a number of board committees with clear terms of reference. They have elected members of both the board of trustees and the executive team who have been selected for their particular skills, experience and knowledge. Committee's meet at least once per quarter and report into the main board meetings.

The committees are as follows:

- Clinical Governance Committee, which is responsible for patient care, safety, activity and quality.
- Finance and Audit Committee, which monitors the Charity's Financial position.
- The Income Generation Committee (Trading Board for the Myton Hospice Promotions Company) which monitors the fundraising activities of the trading company
- The People and Workforce Committee, this committee is responsible for staff wellbeing, recruitment and retention, and training.
- The Information Governance Committee, which monitors data security and information governance of the organisation.

f. RELATED PARTY RELATIONSHIPS

The Charity operates two trading subsidiaries:

Myton Hospice (Promotions) Limited: the issued share capital of this company is held by the charity. This company was formed to generate income through Hospice Shops and the Hospice Lottery. The charity purchased additional shares in the company in March 2013.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

g. RISK MANAGEMENT

The hospice is committed to effective risk management as an integral part of ensuring good corporate governance. Risk can be to patients and relatives, staff, financial, or reputational. The executive team have recognised a need for ongoing management of risks to the organisation.

When risks are identified they are allocated to a member of the executive team, and that team member becomes responsible for identifying actions to be taken to mitigate the risk.

Each governing committee reviews the risks associated with their area of expertise. As trustees, the board concentrates its efforts on ensuring the most serious risks are being managed effectively. The Hospice continues to improve and refine the risk management processes. The top five risks for the Hospice are as follows:

1. Financial- risk of Statutory income being reduced
2. Clinical risks , patient safety
3. Clinical staff recruitment and retention
4. Financial- risk of declining voluntary income
5. The sustainability of the current estate

The Trustees have assessed the major risks to which the company and the group is exposed, in particular those related to the operations and finances of the company and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Mitigation of risks

1. Financial - risk of statutory income being reduced

Good working relationships with the three CCG's are being built and communication about the future of funding for Myton is being undertaken. Myton are evidencing activity and the value for money that the hospice presents for the NHS in reports provided to CCG's.

2. Clinical - patient safety

Clinical risks are being identified and mitigated as soon as feasible. Incidents are investigated or root cause analysis is undertaken to gather learning for the organisation when appropriate. Continued improvement in this area is evidenced to the senior leadership team and the Board.

3. Clinical - staff recruitment and retention

A working group is looking at areas of recruitment and retention in relation to Nursing staff, and improving the hospices offer to prospective employees through improved induction and training, and enabling progression within the hospice.

4. Financial - risk of declining voluntary income

The fundraising team are always aware of new possibilities and ideas within fundraising and have been authorised to invest in new forms of fundraising activities to trial new opportunities. Evidence around donor and the information we have on donors habits is gained and used to ensure that we protect this ongoing relationship.

5. The sustainability of the current estate

The Senior Leadership team and board are aware that in order to meet the strategic needs of the organisation long term, the site at Warwick may not be large enough. This site is also aging and will need some modernisation within the next 5-10 years. The maintenance of this site is becoming a higher priority and is expected to impact financially and possibly operationally in the coming years. A planning programme is being put into place the review this and to understand the need and timescale involved.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

Plans for future periods

a. FUTURE DEVELOPMENTS

Whilst the five year strategy remains the focus for the future in the coming year the three key objectives for the immediate future are as follows:

1. To maintain and maximise the bed levels on our In Patient Units (to 36 beds in total across all sites).
2. To complete a review of the Day Hospice with a view to increase the number of patients we can support via this service enabling us to reach them earlier in their illness.
3. To improve the environments within the hospices where patients and relatives spend their time, including the opening of a small café in Coventry.

FUNDS HELD AS CUSTODIAN

Myton hosted a project titled "difficult conversations" whereby £12,000 was received by Myton in order to fund the education programme which was led by one of Myton's consultants. The totals remaining in this fund at the end of 2015/16 was £7,684, this will be fully allocated to the project in line with the programmed activities.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Myton Hospices for the purposes of company law) are responsible for preparing the Trustees' report 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. Under company law the Trustees 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 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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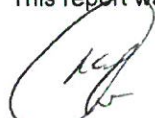
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

This report was approved by the Trustees on 20 July 2016 and signed on their behalf by:



Mr N C Hunter
Chairman

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MYTON HOSPICES

We have audited the financial statements of The Myton Hospices for the year ended 31 March 2016 set out on pages 15 to 44. 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 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 requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MYTON HOSPICES

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 charitable company 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 charitable company 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.


Helen Drew (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 20 July 2016

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:					
Donations and legacies	3	4,146,495	55,522	4,202,017	3,617,077
Charitable activities	4	2,524,346	-	2,524,346	2,415,577
Other trading activities	5	4,304,072	-	4,304,072	4,022,981
Investments	6	61,180	-	61,180	102,749
TOTAL INCOME		11,036,093	55,522	11,091,615	10,158,384
EXPENDITURE ON:					
Raising funds:					
Voluntary income	7	3,278,068	-	3,278,068	3,301,283
Investment management		16,456	-	16,456	20,194
Charitable activities		7,542,032	24,664	7,566,696	7,054,903
TOTAL EXPENDITURE	10	10,836,556	24,664	10,861,220	10,376,380
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		199,537	30,858	230,395	(217,996)
Net gains/(losses) on investments	16	(46,569)	-	(46,569)	109,171
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		152,968	30,858	183,826	(108,825)
Transfers between Funds	21	24,000	(24,000)	-	-
NET INCOME / (EXPENDITURE)		176,968	6,858	183,826	(108,825)
NET MOVEMENT IN FUNDS		176,968	6,858	183,826	(108,825)
RECONCILIATION OF FUNDS:					
Total funds at 1 April 2015		13,574,532	117,912	13,692,444	13,801,269
TOTAL FUNDS AT 31 MARCH 2016		13,751,500	124,770	13,876,270	13,692,444

All activities relate to continuing operations.

The notes on pages 20 to 44 form part of these financial statements.

THE MYTON HOSPICES
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2015**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
INCOME FROM:			
Donations and legacies	3,514,512	102,565	3,617,077
Charitable activities	2,415,577	-	2,415,577
Other trading activities	4,022,981	-	4,022,981
Investments	102,749	-	102,749
TOTAL INCOME	10,055,819	102,565	10,158,384
EXPENDITURE ON:			
Raising funds	3,321,477	-	3,321,477
Charitable activities	7,010,002	44,901	7,054,903
TOTAL EXPENDITURE	10,331,479	44,901	10,376,380
NET INCOME/ (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)	(275,660)	57,664	(217,996)
Net gains on investments	109,171	-	109,171
NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS	(166,489)	57,664	(108,825)
Transfer between funds	82,826	(82,826)	-
NET INCOME/ (EXPENDITURE)	(83,663)	(25,162)	(108,825)
NET MOVEMENT IN FUNDS	(83,663)	(25,162)	(108,825)
RECONCILIATION IN FUNDS			
Total funds at 1 April 2014	13,658,195	143,074	13,801,269
TOTAL FUNDS AT 31 MARCH 2015	13,574,532	117,912	13,692,444

THE MYTON HOSPICES
(A company limited by guarantee)
REGISTERED NUMBER: 1628455

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	14		12,617		16,085
Tangible assets	15		9,135,501		9,308,378
Investments	16		1,976,369		2,548,704
			<u>11,124,487</u>		<u>11,873,167</u>
CURRENT ASSETS					
Stocks	17	42,533		50,980	
Debtors	18	670,505		492,323	
Cash at bank and in hand		3,459,911		2,267,530	
		<u>4,172,949</u>		<u>2,810,833</u>	
CREDITORS: amounts falling due within one year	19	(1,421,166)		(991,556)	
NET CURRENT ASSETS			<u>2,751,783</u>		<u>1,819,277</u>
NET ASSETS			<u><u>13,876,270</u></u>		<u><u>13,692,444</u></u>
CHARITY FUNDS					
Restricted funds	21		124,770		117,912
Unrestricted funds	21		13,751,500		13,574,532
TOTAL FUNDS			<u><u>13,876,270</u></u>		<u><u>13,692,444</u></u>

The financial statements were approved by the Trustees on 20 July 2016 and signed on their behalf, by:


Mr N C Hunter
Chairman

The notes on pages 20 to 44 form part of these financial statements.

THE MYTON HOSPICES
(A company limited by guarantee)
REGISTERED NUMBER: 1628455

CHARITY BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	14		12,617		16,085
Tangible assets	15		9,135,501		9,111,747
Investments	16		2,021,723		2,594,058
			<u>11,169,841</u>		<u>11,721,890</u>
CURRENT ASSETS					
Stocks	17	32,941		37,250	
Debtors	18	648,271		417,111	
Cash at bank and in hand		3,008,551		2,135,719	
		<u>3,689,763</u>		<u>2,590,080</u>	
CREDITORS: amounts falling due within one year	19	(1,052,115)		(575,012)	
NET CURRENT ASSETS			<u>2,637,648</u>		<u>2,015,068</u>
NET ASSETS			<u><u>13,807,489</u></u>		<u><u>13,736,958</u></u>
CHARITY FUNDS					
Restricted funds	21		124,770		117,912
Unrestricted funds	21		13,682,719		13,619,046
TOTAL FUNDS			<u><u>13,807,489</u></u>		<u><u>13,736,958</u></u>

The financial statements were approved by the Trustees on 20 July 2016 and signed on their behalf, by:

Mr N C Hunter
Chairman

The notes on pages 20 to 44 form part of these financial statements.

THE MYTON HOSPICES
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	23	<u>926,451</u>	<u>276,534</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		61,180	102,749
Purchase of property, plant and equipment		(321,015)	(237,844)
Proceeds from sale of investments		2,499,235	470,100
Purchase of investments		<u>(1,973,470)</u>	<u>(146,144)</u>
Net cash provided by investing activities		<u>265,930</u>	<u>188,861</u>
Change in cash and cash equivalents in the year	24	<u>1,192,381</u>	<u>465,395</u>
Cash and cash equivalents brought forward		<u>2,267,530</u>	<u>1,802,135</u>
Cash and cash equivalents carried forward	24	<u><u>3,459,911</u></u>	<u><u>2,267,530</u></u>

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. CHARITY INFORMATION

The Myton Hospices (the Charity) is a Company Limited by Guarantee, registered in England. The registered office and principal place of business is Myton Lane, Warwick, CV34 6PX.

Its principal activities are specialist palliative and end of life care for the people of Coventry and Warwickshire, and provision of education in palliative and end of life care to healthcare professionals in Coventry and Warwickshire.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Myton Hospices meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

The Trustees have a reasonable expectation that The Myton Hospices has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties about the charity's ability to continue and therefore the Trustees adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a "true and fair view". This departure has involved following the SORP rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

2.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

Software assets have been reclassified from Tangible Fixed Assets to Intangible Fixed Assets in accordance with FRS 102.

No other restatements were required.

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.3 Company status

The company is a company limited by guarantee, incorporated in the United Kingdom. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The registered office and principal place of business is Myton Lane, Warwick, CV34 6PX.

2.4 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. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.5 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and the economic benefit can be measured reliably.

Clothing and other items donated for resale through the charity's shops are included as incoming resources within other trading activities when they are sold. They are not included at valuation prior to being sold as it has been deemed impractical to measure the fair value of the goods and the cost of valuation would outweigh the benefit to the users of the accounts.

The hospice receives the help and support of 904 Volunteers, who help in every aspect of the organisation, and are both Patient facing and within support services, as well as fundamental in the delivery of fundraising activities. Due to an absence of a reliable measurement basis, the contribution of these general volunteers has not been accounted for.

Lottery income is recognised when receivable.

Investment income is included when receivable.

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. ACCOUNTING POLICIES (continued)

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Specifically, it comprises those costs of trading for fundraising purposes including the charity's shops and Lottery.

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 resources. Costs relating to a particular activity are allocated directly. Remaining support costs are all charged to charitable expenditure since those relating to fundraising are considered immaterial.

2.7 Basis of consolidation

The financial statements consolidate the accounts of The Myton Hospices and all of its subsidiary undertakings ('subsidiaries').

The Charity has taken advantage of the exemption contained within s. 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the Charity was £70,532 (2015 - £109,807).

2.8 Intangible fixed assets and amortisation

Software assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of intangible assets, over their expected useful lives which is estimated at between 5 - 10 years.

Amortisation is charged to expenditure on charitable activities in the Statement of financial activities.

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.9 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

A review for impairment of fixed assets is carried out where events or changes in circumstances indicate that the carrying amount of the fixed asset may otherwise be overstated. Such events or changes in circumstances include changes in useful life arising from changes in business activities or environment, significant decline in an asset's market value during the period, or evidence of obsolescence or physical damage to the asset. Impairment losses arising are charged to the statement of financial activities.

Where the impairment is subsequently reduced or removed the carrying value is reinstated to the lower of the revised value or the amount at which it would have been carried had no impairment occurred, the amount of impairment released being credited to the statement of financial activities.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	20 - 40 years
L/Term Leasehold Property	-	Over the period of lease of 50 years, whichever is less
Property improvements	-	3 - 10 years
Furniture, equipment and vehicles	-	3 - 10 years
Computer and office equipment	-	3 - 10 years
Shop and office fittings	-	Over period of lease

2.10 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.

2.11 Interest receivable

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

2.12 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (continued)

2.13 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.14 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

2.15 Cash at Bank and in hand

Cash at bank and 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.

2.16 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2.17 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently at their settlement value at the balance sheet date.

2.18 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

The Charity operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS 102, the Charity accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities represents contributions payable to the scheme in respect of the accounting period.

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. ACCOUNTING POLICIES (continued)

2.19 Significant judgements and estimates

Preparation of the financial statements may require management to make significant judgements and estimates.

Significant judgements

Donated goods for resale are not included at valuation prior to being sold as it has been deemed impractical to measure the fair value of the goods and the cost of valuation would outweigh the benefit to the users of the accounts.

Significant estimates

There are no significant estimates having a material effect on the financial statements.

2.20 Agency arrangements

The Charity acts as an agent in administering funds for the project "difficult conversations" on behalf of the NHS. Income and expenditure in relation to the project are excluded from the statement of financial activities as the Charity does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 20.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Donations	2,321,815	55,522	2,377,337	2,394,642
Legacies	1,824,680	-	1,824,680	1,222,435
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	4,146,495	55,522	4,202,017	3,617,077
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and legacies, £ 3,647,327 was to unrestricted funds and £ 102,565 was to restricted funds

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2015</i> <i>£</i>
NHS grants and contracts for patient care	2,404,812	2,404,812	2,282,762
Other NHS grant income	119,534	119,534	132,815
	<u>2,524,346</u>	<u>2,524,346</u>	<u>2,415,577</u>

In 2015, of the total income from charitable activities, £ 2,415,577 was to unrestricted funds and £ NIL was to restricted funds.

5. FUNDRAISING INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total</i> <i>funds</i> <i>2015</i> <i>£</i>
Retail income	1,966,371	1,966,371	1,879,656
Lottery income	2,337,701	2,337,701	2,143,325
	<u>4,304,072</u>	<u>4,304,072</u>	<u>4,022,981</u>

In 2015, of the total fundraising income, £ 4,022,981 was to unrestricted funds and £ NIL was to restricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total</i> <i>funds</i> <i>2015</i> <i>£</i>
Interest	22,802	22,802	17,559
Dividend income	38,378	38,378	85,190
	<u>61,180</u>	<u>61,180</u>	<u>102,749</u>

In 2015, of the total investment income, £ 102,749 was to unrestricted funds and £ NIL was to restricted funds.

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. EXPENDITURE ON RAISING VOLUNTARY AND TRADING INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Retail and lottery costs	1,339,139	1,339,139	1,463,864
Fundraising costs	225,294	225,294	187,026
Staff costs	1,638,205	1,638,205	1,584,315
Depreciation	75,430	75,430	66,078
	<u>3,278,068</u>	<u>3,278,068</u>	<u>3,301,283</u>

In 2015, of the total voluntary income, £ 3,301,283 was to unrestricted funds and £ NIL was to restricted funds.

8. DIRECT COSTS - NHS GRANTS AND CONTRACTS

	Total 2016 £	Total 2015 £
Drugs	204,823	218,910
Medicinal supplies	110,436	134,982
Cleaning and laundry	36,213	49,666
Catering	63,505	70,933
Small equipment	28,470	26,055
Training	57,255	59,422
Governance	21,506	12,325
Contracted medical staff	506,463	511,131
Wages and salaries	4,581,765	4,246,246
National insurance	371,109	330,473
Pension cost	320,787	292,207
	<u>6,302,332</u>	<u>5,952,350</u>

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

9. SUPPORT COSTS - NHS GRANTS AND CONTRACTS

	Total 2016 £	Total 2015 £
Premises costs	135,048	142,981
Travelling and subsistence	46,146	44,646
Office costs	129,355	131,680
Repairs and renewals	179,639	146,266
Legal and professional	133,832	54,416
Staff recruitment	58,136	20,498
Other costs	160,278	139,497
Amortisation	3,468	3,468
Depreciation	418,462	419,101
	<u>1,264,364</u>	<u>1,102,553</u>

10. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	1,638,205	75,430	1,564,433	3,278,068	3,301,283
Expenditure on investment management	-	-	16,456	16,456	20,194
Costs of generating funds	<u>1,638,205</u>	<u>75,430</u>	<u>1,580,889</u>	<u>3,294,524</u>	<u>3,321,477</u>
Expenditure relating to delivery of NHS grants and contracts for patient care	5,273,661	418,462	1,874,573	7,566,696	7,054,903
	<u>6,911,866</u>	<u>493,892</u>	<u>3,455,462</u>	<u>10,861,220</u>	<u>10,376,380</u>

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
NHS grants and contracts for patient care	<u>6,302,332</u>	<u>1,264,364</u>	<u>7,566,696</u>	<u>7,054,903</u>

12. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	493,892	485,179
Operating lease rentals:		
- land and buildings	354,270	356,724
- other operating leases	8,249	26,639
Auditor's remuneration	15,900	15,400
Auditor's remuneration - non-audit	5,500	1,500
Auditor's remuneration - tax	800	700
Auditor's remuneration - VAT advice	<u>9,700</u>	<u>-</u>

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	6,066,527	5,674,708
Social security costs	482,500	440,347
Other pension costs	362,839	338,186
	<u>6,911,866</u>	<u>6,453,241</u>

The average monthly number of employees was: 285 (2015: 269) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	2016 No.	2015 No.
	<u>234</u>	<u>222</u>

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	0	1
	<u>4</u>	<u>5</u>

Termination payments totalling £17,068 were paid during the year.

The key management personnel of the charity comprise the CEO and Directors of Income Generation, Finance and Facilities, Nursing and Care, Strategy and Information (2016 only), HR Learning and Development (2016 only), and the Medical Director. The total employee benefits of the key management personnel of the charity were £518,859 (2015 - £482,426).

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. INTANGIBLE FIXED ASSETS

	Software £
Group and Charity	
Cost	
At 1 April 2015 and 31 March 2016	43,305
Amortisation	
At 1 April 2015	27,220
Charge for the year	3,468
At 31 March 2016	30,688
Net book value	
At 31 March 2016	12,617
At 31 March 2015	16,085

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long Leasehold Property £	Furniture, equipment & vehicles £	Computer & office equipment £	Other fixed assets £	Total £
Group						
Cost						
At 1 April 2015	3,663,553	7,753,510	942,323	166,532	447,044	12,972,962
Additions	19,001	-	90,838	68,157	143,019	321,015
At 31 March 2016	3,682,554	7,753,510	1,033,161	234,689	590,063	13,293,977
Depreciation						
At 1 April 2015	1,279,581	1,388,163	609,906	136,521	250,413	3,664,584
Charge for the year	102,965	229,614	73,081	20,405	67,827	493,892
At 31 March 2016	1,382,546	1,617,777	682,987	156,926	318,240	4,158,476
Net book value						
At 31 March 2016	2,300,008	6,135,733	350,174	77,763	271,823	9,135,501
At 31 March 2015	2,383,972	6,365,347	332,417	30,011	196,631	9,308,378

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15. TANGIBLE FIXED ASSETS (continued)

Charity	Freehold property £	Long Leasehold Property £	Furniture, equipment & vehicles £	Computer & office equipment £	Total £
Cost					
At 1 April 2015	3,663,553	7,748,510	927,623	162,950	12,502,636
Additions	19,001	-	80,576	68,157	167,734
Transfers intra group	-	-	615,025	3,582	618,607
At 31 March 2016	3,682,554	7,748,510	1,623,224	234,689	13,288,977
Depreciation					
At 1 April 2015	1,279,581	1,383,163	595,206	132,939	3,390,889
Charge for the year	102,965	229,614	71,371	20,405	424,355
Transfers intra group	-	-	334,650	3,582	338,232
At 31 March 2016	1,382,546	1,612,777	1,001,227	156,926	4,153,476
Net book value					
At 31 March 2016	2,300,008	6,135,733	621,997	77,763	9,135,501
At 31 March 2015	2,383,972	6,365,347	332,417	30,011	9,111,747

16. FIXED ASSET INVESTMENTS

Group	Listed securities £	Other investments £	Total £
Market value			
At 1 April 2015	2,481,204	67,500	2,548,704
Additions	1,973,469	-	1,973,469
Disposals	(2,499,235)	-	(2,499,235)
Revaluations	(46,569)	-	(46,569)
At 31 March 2016	1,908,869	67,500	1,976,369
Historical cost			
	1,896,755	-	1,896,755

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16. FIXED ASSET INVESTMENTS (continued)

Group investments at market value comprise:

	2016 £	2015 £
Listed investments	1,908,869	2,481,204
Other fixed asset investments	67,500	67,500
Total market value	<u>1,976,369</u>	<u>2,548,704</u>

All the fixed asset investments are held in the UK.

Group material investments

	31 March 2016 £	31 March 2015 £
Goldman Sachs 3 yr GBP FTSE & S&P	-	198,557
Barclays Wealth Global Beta	-	1,263,667
Vanguard Funds	103,493	-
	<u>103,493</u>	<u>1,462,224</u>

	Listed securities £	Land £	Subsidiaries £	Total £
Charity				
Market value				
At 1 April 2015	2,481,204	67,500	45,354	2,594,058
Additions	1,973,469	-	-	1,973,469
Disposals	(2,499,235)	-	-	(2,499,235)
Revaluations	(46,569)	-	-	(46,569)
At 31 March 2016	<u>1,908,869</u>	<u>67,500</u>	<u>45,354</u>	<u>2,021,723</u>
Historical cost	<u>1,896,755</u>	<u>-</u>	<u>-</u>	<u>1,896,755</u>

Charity investments at market value comprise:

	2016 £	2015 £
Listed investments	1,908,869	2,481,204
Other fixed asset investments	67,500	67,500
Group	45,354	45,354
Total	<u>2,021,723</u>	<u>2,594,058</u>

All the fixed asset investments are held in the UK

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17. STOCKS

	<u>Group</u>		<u>Charity</u>	
	2016	2015	2016	2015
	£	£	£	£
Consumables	30,982	36,945	30,982	35,069
Goods for resale	11,551	14,035	1,959	2,181
	<u>42,533</u>	<u>50,980</u>	<u>32,941</u>	<u>37,250</u>

Stock recognised as an expense in the Statement of Financial Activities during the year was £183,891 (2015: £219,706).

18. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	179,534	99,050	179,534	99,042
Amounts owed by group undertakings	-	-	160,016	51,502
Other debtors	92,549	54,523	73,360	38,992
Prepayments and accrued income	398,422	338,750	235,361	227,575
	<u>670,505</u>	<u>492,323</u>	<u>648,271</u>	<u>417,111</u>

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19. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	626,230	342,772	560,868	276,590
Other taxation and social security	182,752	119,537	182,752	119,537
Other creditors	74,214	33,238	74,050	33,237
Accruals and deferred income	537,970	496,009	234,445	145,648
	<u>1,421,166</u>	<u>991,556</u>	<u>1,052,115</u>	<u>575,012</u>

	<u>Group</u>	<u>Charity</u>
	£	£
Deferred income		
Deferred income at 1 April 2015	224,023	14,518
Resources deferred during the year	186,455	7,339
Amounts released from previous years	(214,024)	(4,520)
Deferred income at 31 March 2016	<u>196,454</u>	<u>17,337</u>

Deferred income comprises lottery income received in advance by Myton Hospice (Promotions) Limited of £179,116, Challenge Event income of £7,339 and an NHS IT development grant of £10,000.

20. AGENCY ARRANGEMENTS

The Charity acts as an agent in administering funds for the project "difficult conversations" on behalf of the NHS. In the accounting period ending 31 March 2016 the Charity received £20,000 and disbursed £12,316 from the fund. An amount of £7,684 is included in other creditors relating to undistributed funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Fixed asset fund	9,324,463	-	(464,448)	288,103	-	9,148,118
Investment fund	2,548,704	55,337	(16,456)	(597,559)	(46,569)	1,943,457
Service expansion	755,775	-	-	-	-	755,775
	<u>12,628,942</u>	<u>55,337</u>	<u>(480,904)</u>	<u>(309,456)</u>	<u>(46,569)</u>	<u>11,847,350</u>
General funds						
General Funds - all funds	945,590	10,980,756	(10,355,652)	333,456	-	1,904,150
Total Unrestricted funds	<u>13,574,532</u>	<u>11,036,093</u>	<u>(10,836,556)</u>	<u>24,000</u>	<u>(46,569)</u>	<u>13,751,500</u>
Restricted funds						
Other donations	117,912	55,522	(24,664)	(24,000)	-	124,770
Total of funds	<u>13,692,444</u>	<u>11,091,615</u>	<u>(10,861,220)</u>	<u>-</u>	<u>(46,569)</u>	<u>13,876,270</u>

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.

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21. STATEMENT OF FUNDS (continued)

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.

Service expansion

In the year ended 31 March 2014, the Trustees designated funds of £750,000 to seed fund a number of new services between 2015 and 2018. These funds include £220,000 matched funding received from NHS South Warwickshire CCG for the Good to Great project.

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.

The majority of transfers between funds represent the amount spent on fixed assets, which, now that the income has been spent in accordance with the donor's wishes, have been transferred to the designated fixed asset fund. During the year the charity changed investment manager and £597,559 has been transferred to general funds for future use and reinvestment.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	12,628,942	55,337	(480,904)	(309,456)	(46,569)	11,847,350
General funds	945,590	10,980,756	(10,355,652)	333,456	-	1,904,150
	13,574,532	11,036,093	(10,836,556)	24,000	(46,569)	13,751,500
Restricted funds	117,912	55,522	(24,664)	(24,000)	-	124,770
	13,692,444	11,091,615	(10,861,220)	-	(46,569)	13,876,270

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	9,135,501	-	9,135,501	9,308,378
Intangible fixed assets	12,617	-	12,617	16,085
Fixed asset investments	1,976,369	-	1,976,369	2,548,704
Current assets	4,048,179	124,770	4,172,949	2,810,833
Creditors due within one year	(1,421,166)	-	(1,421,166)	(991,556)
	<u>13,751,500</u>	<u>124,770</u>	<u>13,876,270</u>	<u>13,692,444</u>

**23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	183,826	(108,825)
Adjustment for:		
Depreciation and amortisation charges	497,360	488,647
(Gains)/losses on investments	46,569	(109,171)
Dividends, interest and rents from investments	(61,180)	(102,749)
Loss on the sale of fixed assets	-	94
Decrease in stocks	8,447	4,215
(Increase)/decrease in debtors	(178,182)	113,247
Increase/(decrease) in creditors	429,611	(8,924)
Net cash provided by operating activities	<u>926,451</u>	<u>276,534</u>

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	3,459,911	2,267,530
Total	<u>3,459,911</u>	<u>2,267,530</u>

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25. PENSION COMMITMENTS

Staff may opt to join a 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 between 1% and 7% (2015: 1% and 7%) of pensionable pay.

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 pension scheme. However, the scheme is a multiple employer scheme and the group is unable to identify its share of the underlying assets and liabilities. The scheme is therefore accounted for as a defined contribution scheme. Contributions are charged to the SOFA so as to spread the cost of pensions over employees' working lives with the charity.

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

The employer's contribution to the scheme is 14% (2015: 14%) of pensionable pay.

The pension cost charges, representing employer's contributions to both schemes, amounted to £360,019 (2015: £338,186). Contributions totalling £53,723 (2015: £20,691) were payable at the year end and are included in creditors.

Future contributions are expected to be at a similar level.

No trustee qualified for benefits under either of these schemes.

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26. OPERATING LEASE COMMITMENTS

At 31 March 2016 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		2016	Other
	2016	2015		
	£	£	£	2015
Expiry date:				£
Within 1 year	337,183	354,270	-	8,249
Between 2 and 5 years	763,083	890,708	-	-
After more than 5 years	223,650	290,175	-	-
Total	1,323,916	1,535,153	-	8,249

At 31 March 2016 the Charity had annual commitments under non-cancellable operating leases as follows:

Charity	Land and buildings		2016	Other
	2016	2015		
	£	£	£	2015
Expiry date:				£
Within 1 year	24,200	-	-	5,205
Between 2 and 5 years	96,800	-	-	-
After more than 5 years	22,033	-	-	-
Total	143,033	-	-	5,205

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NOTES TO THE FINANCIAL STATEMENTS
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27. RELATED PARTY TRANSACTIONS

A trustee Mr R H Q B Moon, is a partner of Blythe Liggins. The value of the legal services provided by Blythe Liggins during the year was £1,185 (2015: £600). There were no sums outstanding at the 31 March 2016 (2015: £Nil).

There have been no other related party transactions that require disclosure other than transactions with the subsidiary company, Myton Hospice (Promotions) Limited, as set out below:

	2016 £	2015 £
Management fees	89,792	72,357
Payroll costs recharged	1,106,384	1,001,189
Gift aid transferred to the Charity	1,333,502	1,054,058
Waive intercompany debt	200,000	-
Transfer of fixed assets to the Charity	280,374	-

Management fees were calculated as a proportion of the senior leadership teams salaries, and overheads of the management company.

Payroll costs relate to the salaries of the employees whom are paid by Myton Hospice, yet work within one of Myton Hospice Promotions Limited services.

Gift aid relates to gift aid recovered by Myton Hospice Promotions Limited on behalf of the Charity.

During the year the debt owed by Myton Hospice Promotions Limited was waived to resolve the potential tax issue in respect of gift aid of profits to the Charity in previous years. Assets with a net book value of £280,374 were transferred to the Charity from Myton Hospice Promotions Limited to ensure that there is not a difference between taxable profits and distributable profits in future years.

The balance outstanding at the year end owed from Myton Hospice (Promotions) Limited at the year end was £152,346 (2015: £43,322).

There have been no transactions with the subsidiary company, Myton Hamlet Hospice Development Limited during the year. The balance outstanding at the year end owed from Myton Hamlet Hospice Development Limited was £7,670 (2015: £8,180)

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28. PRINCIPAL SUBSIDIARIES

100% of the issued share capital of Myton Hospice (Promotions) Limited and Myton Hamlet Hospice Development Limited is held by the Charity.

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. The company is registered in England and its company number is 2663993.

Myton Hamlet Hospice Development Limited develops and builds properties which are then sold to the Charity. The company is registered in England and its company number is 3059410.

	Myton Hospice (Promotions) Limited £	Myton Hamlet Hospice Development Limited £
Gross income	3,787,336	-
Expenditure	(2,339,937)	(603)
Gift aid to the Charity	(1,333,502)	-
Profit/(loss) in the period	113,897	(603)
Net assets/(liabilities) at the year end	113,899	235

29. FINANCIAL INSTRUMENTS

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Financial assets				
Financial assets measured at fair value through income and expenditure	1,908,869	2,481,204	1,954,223	2,526,558
Financial assets that are debt instruments measured at amortised cost	3,917,631	2,535,731	3,582,014	2,434,135
Financial liabilities				
Financial liabilities measured at amortised cost	700,444	647,995	852,024	373,455

Financial assets measured at fair value through income and expenditure comprises investments in UK listed securities.

Financial assets measured at amortised cost comprise cash at bank, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

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FINANCIAL INSTRUMENTS (continued)

The group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Total investment income for financial assets measured at fair value through income and expenditure	38,378	85,190	38,378	85,190
Net gains on financial assets measured at fair value through income and expenditure	(46,569)	109,171	(46,569)	109,171
Total investment income for financial assets measured at amortised cost	22,802	17,559	16,959	17,559

30. TRANSITION TO FRS 102

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS102 and the FRS 102 SORP the restatement of comparative items was required.

At the date of transition, 1 April 2014, software assets have been reclassified from Tangible Fixed Assets to Intangible Fixed Assets in accordance with FRS 102.

The transition to the accounting standard FRS 102 has created different classifications of Income and Expenditure in the Statement of Financial Activities compared with the prior year, which the Trustees consider have been fairly presented.

All other policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on the funds or result of the Charity.