

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 2017

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 2017**

Trustees

Mr N C Hunter, Chairman
Mr K W Demian
Dr R Girvan
Mr R Jones
Mr R H Q B Moon (resigned 21 September 2016)
Mrs M Morris
Mr G Nicoll
Ms S Patchett
Professor M Radford
Mrs S A Shelton (resigned 21 September 2016)
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 R Freeman, Chief Executive
Mr M Iredale, Medical Director (commenced 1st July 2016)
Mrs M Linnane, Director of Nursing & Care Services
Mrs G Morgan, Director of Finance and Facilities & Company Secretary
Mr D Pratt, Director of Strategy and Information
Mr G Etule, Director of Human Resources
Miss C Ingram, Director of Income Generation (commenced 9th May 2016)

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
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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 2017

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 1 April 2016 to 31 March 2017

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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- 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.

In the past year we have invested a lot of resources in developing our people. Our Head of Learning and Development and Head of Clinical Education have refreshed our programme of training for all staff and made significant steps in changing the culture at Myton into that of a learning organisation. As well as a new programme of mandatory e-learning, we have a new improved induction programme and several nursing staff who are pursuing post-graduate qualifications.

Our HR team have delivered a successful review of our pay and reward structure to ensure we are paying our staff fairly and are competitive in the health sector. We are seeing increased levels of staff being promoted throughout the organisation.

In October 2016 we held our first Health and Wellbeing Week for staff which was the first part of our on-going programme of activities and awareness raising in this area. A second week is planned for 2017.

2. Data and outcome measurement

Further work has been undertaken to redevelop and re-launch Crosscare, our electronic patient information database. We have also improved the management information we collect and report so our senior managers and trustees have more information to support service review and decision making.

In 2017 we successfully completed the Department of Health Information Governance Toolkit, achieving level 2 compliance which will support us in progressing opportunities for more collaborative working with the NHS in the future.

We also implemented our research project group which will help support those in the organisation who want to take part in external research projects.

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. We now have an apprentice working in our Finance team and have plans to recruit further apprentices in the coming year.

Regular monitoring meetings are now being held between our finance team and our budget holders to monitor spending, and many finance procedures have been streamlined for efficiency.

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4. Marketing and Communications

Our newly established corporate Marketing and Communications team have been busy this year. We have launched our new website at www.mytonhospice.org, which contains virtual tours of our buildings to help prospective patients and visitors experience what they will see before they visit us.

A big part of our Marketing and Communications work this year has been about dispelling the fear that people can have when they think about a hospice, the aim is that more people will understand the benefit of accessing our services.

Our new Community Engagement Manager is now in post and raising awareness of our work and services amongst health professionals and referrers. She has been initially targeting the Rugby area to improve attendance at our Rugby Myton Day hospice, with positive and exciting results, consequently we intend to take a similar approach across Coventry and the rest of Warwickshire in the coming months.

We have also launched a style guide to develop brand consistency and support staff delivering communications and presentations outside of the organisation.

5. Relationships and collaboration

We have been working to develop closer relationships with the other hospices in the area, as well as with the acute hospitals and commissioners. An example of progress here is the establishment of the Warwickshire North Palliative Care Forum which we have been involved in. This group of commissioners and providers is working to improve palliative and end of life care services in that area.

New services for patients which have been piloted during 2016/17 such as the Fatigue and Breathlessness Clinic and the Living Well project have been collaborative in their approach and we hope to see these services and others like them develop in the year to come.

6. Corporate achievements

During 2016 we achieved "Good" ratings in our CQC inspections for all three Myton Hospices sites. We have seen increases in patient numbers across all our services compared to the previous year which is very encouraging.

In February 2017 Myton opened the first coffee shop within the Coventry Myton Hospice reception area. The Coffee shop is run purely by volunteers and is aimed for both existing patients and relatives as well as to encourage future patients and relatives to spend time in the Hospice in order to dispel any worries or anxiety they may be feeling about coming into a Hospice.

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.

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STRATEGIC REPORT

Achievements and performance

a. REVIEW OF ACTIVITIES

During the financial year 2016/17 Myton helped a total of 678 patients within the in-patient units, (204 more patients than in the financial year 2015/16). The 20 beds in Warwick Myton were fully open and available to patients from June 2016, and the 10 complex patient beds and 6 nurse led beds in Coventry remained available for patients all year. This increase in patients is particularly pleasing as the Warwick Hospice had to close for a period of three weeks during August due to essential electrical maintenance works.

At the Day Hospices within Myton, 3,233 day Hospice sessions were attended in the year. In addition to these, the new initiatives within Day Hospice commenced. The Living Well project is an outcomes focused service offering an holistic approach for patients earlier in their journey. The project is an 18 month pilot and will continue into the coming year in order to assess demand for non-traditional style of day hospice support.

A Fatigue and Breathlessness (FAB) clinic has started in Coventry Day Hospice, enabling patients to manage their fatigue and breathlessness caused by their illness and improves their quality of life as a result.

Myton has also supported the RIPPLE project in Coventry Day Hospice. RIPPLE is a project that aimed to increase the social inclusion of people with severe chronic obstructive pulmonary disease (COPD), improve their wellbeing, increase their confidence in self-managing their condition and reduce hospital admissions.

190 Patients were cared for through our Myton at Home services in the financial year, this represents a 25% increase in patients for this service in the year.

b. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The success of the Myton Hospices depends on the skills, experience and passion of our staff and volunteers. During 16/17 the organisation has struggled to maintain staffing levels in our hospices because of a national shortage of nurses and palliative care specialists. To mitigate this situation the executive team have focused on a number of recruitment programmes and been dedicated to a range of initiatives intended to retain staff. This included a variety of Health and Wellbeing initiatives and the on-going development of our Learning and Development programme

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 Director of Human Resources and the Chief Executive to discuss policy, issues, and concerns. There are also a number of cross organisational groups made up of staff from different departments within the organisation to look at areas of our work such as marketing, learning, development and training, our environment and Health and wellbeing.

Communication with staff is an area that the executive team have focused on in 2016/17, 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. In addition, the Chief Executive writes a monthly update which is shown on the homepage and on posters in the three hospices and in our 20 shops and warehouse.

The hospice is extremely lucky to receive the help and support of 878 (as at the 31st March 2017) Volunteers, without whom we could not provide the services and support that we do. Volunteers help with 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.

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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.

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 organisation's strategy and culture. The tender process resulted in the charity's investment being moved from Barclays 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.

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 31 March 2016 the new reserves policy had not yet been implemented fully and so the investments value in the 2015/16 accounts was £1,976,369. 2016/17 the value of investments is £2,914,285, including £314,378 gains from investments (£46,569 loss in 2015/16).

Financial review

a. 2015-16 FINANCIAL PERFORMANCE

During 2016/17 income from Donations and Legacies totalled £4,114,169, a small decrease on the previous year (2015/16 £4,202,017). Legacies left to the hospice in 2016/17 were £1,845,824, remaining consistent with the prior year (2015/16 £1,824,680). This year saw the second year where donations to the Hospice decreased slightly, in 2016/17 donations totalled £2,268,345, compared to £2,377,337 in the previous year.

The retail portfolio remained as 20 shops and an eBay outlet during the year, gross retail income totalled £1,933,170 in 2016/17 (2015/16 £1,966,371).

The retail team introduced a new EPOS system during the year, implementation in all shops was completed by December 2016, and the benefits were being seen in the last quarter of 2016/17. In addition within retail the warehouse was refurbished and modernised to allow more efficient stock control and storage of donations. The full benefits from these two improvements in retail will become evident in the coming year. The retail expansion plan was agreed during 2016/17 and aims to open 20 further shops in the coming 5 years.

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Gross income from Lottery has seen an increase in 2016/17 £2,355,827 compared to 2015/16 £2,337,701, with the total number of lottery lines being played at the 31st March being 42,794.

NHS Grant income has increased overall in 2016/17 to £2,549,828, from £2,524,346 in 2015/16.

There are three elements to the NHS funding, the main block contract with three local CCG's (Coventry and Rugby CCG (CRCCG), South Warwickshire CCG (SWCCG), and Warwickshire North CCG (WNCCG)), the Myton at Home contract for the service in the Rugby area (CRCCG), and the Nurse Led Bed contract which commenced in November 2015 (CRCCG).

The NHS block contract reduced for the first time in the past nine years. Warwickshire North CCG gave 3 months' notice in September of a permanent reduction in their proportion of the contract, due to the inequity in patient numbers treated within Myton whom came from the North of Warwickshire. A 1% increase was awarded by the other two CCG's resulting in a small overall reduction in the block contract (2016/17 £2,082,845, 2015/16 £2,096,969).

The Myton at Home Contract remained static (2016/17 £154,080, 2015/16 £154,080).

The Nurse Led Bed contract with Coventry and Rugby CCG accounted for an increase in income in 2016/17 due to the contract being in place for a full year compared to five months in 2015/16 (£312,903 in 2016/17, £153,206 in 2015/16).

In 2016/17 there was investment income of £90,502 made up of both dividend income and interest, compared to £61,180 in 2015/16. The increase was a result of the change in investment broker during the financial year 2015/16 and the decreased level of dividends as a result of the changes, 2016/17 has seen a stable position, and therefore has increased when compared to the previous year.

Direct costs of patient care have increased to £6,966,019 in 2016/17 (2015/16, £6,302,332), as a direct result of having 36 beds open for the care of patients during the majority of the year, and an increased focus on the training and development of our staff. Recruitment to clinical roles has been increasingly successful as Myton's reputation as an employer grows, resulting in increased staffing costs. Furthermore, key Managerial posts such as Head of Learning and Development, and Head of Marketing and Communications have also increased pay costs compared to the prior year.

At the year end, the total funds of the charity stood at £13,929,744 (2016: £13,876,270). Restricted Funds totalled £69,075 (2016: £124,770).

The assets representing each of these funds are analysed in Note 23 to the financial statements

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, and the sustainability of the Nursing and Medical teams to the levels required to maintain high levels of patient safety within the in-patient units.

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Myton is aware of the increasing pressure on the NHS commissioners but are confident that we offer value for money. Recent negotiations with Warwickshire North CCG have strengthened our relationship with this CCG, while Myton is gaining status within the local health economy providing a presence at all of the local Sustainability Transformation Plan discussions with the NHS.

Donations will continue to face increasing pressure as forthcoming changes in legislation around contacting donors and supporters will further complicate the work of the fundraising team.

Nursing and Medical staffing levels have increased when compared to the previous financial year however teams are small and so are fragile if even a small number staff leave the organisation or are absent through sickness. The organisation is investing in the health and wellbeing of staff as well as training and education. Both of these initiatives are aimed to improve recruitment and retention of staff.

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. Additional reserves are held for the purposes of a future Estates strategy.

Total funds of the group at the year end stood at £13,929,744 (2016: £13,876,270).

Free reserves of the group at the year end, inclusive of Designated Funds and funds held on investment stood at £4,843,590 (2016: £4,728,152).

The assets representing each of these funds are analysed in Note 23 to the financial statements.

e. PRINCIPAL FUNDING

Statutory funding from the NHS has remained the same for some time until this current year when the reduction from Warwickshire North CCG occurred. The Hospice is aware that the commissioning of end of life services across Coventry and Warwickshire is likely to change in the coming years 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.

Myton is also working collaboratively with other healthcare organisations and hospices within the Coventry and Warwickshire area.

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.

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FOR THE YEAR ENDED 31 MARCH 2017

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 Trustees 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 bench marked 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.

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

*The Medical Director role is filled by Dr Mike Iredale whom is a consultant doctor employed by University Hospital Coventry and Warwickshire. Dr Iredale works for Myton Hospice 2 days per week. Myton receives charges for Dr Iredale's time from the NHS trust.

The total annual cost of the Senior Leadership team whom are employed by Myton (excluding the medical director) when all individuals are in post for a full year is £414,000 pa (net of NI and pension costs).

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.

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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.

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 at the 31st March 2017 are as follows:

1. The resilience of the medical team
2. The Nurse Led bed contract – loss of the service due to occupancy levels.
3. Nurse recruitment and retention
4. The resilience of the catering team
5. Financial stability

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TRUSTEES' REPORT (continued)
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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.

1. The resilience of the medical team – discussions are ongoing between Myton and the local acute providers whom are advertising joint posts for clinicians to work across the Hospice and acute providers jointly. This joint approach aims to attract high calibre candidates due to the variety within the role, and in turn strengthen the resilience within the team whom currently have challenges around covering 30 medically led beds across two sites when team members are off sick or on annual leave.

2. The Nurse Led bed contract – loss of the service due to occupancy levels. Myton is in constant communication with Coventry and Rugby CCG to provide evidence of the referrals received for patients to come into the Myton Nurse led beds. As a result of referral numbers falling Myton has deployed a Myton nurse to work within University Hospital Coventry and Warwickshire with the objective to identify suitable patients whom meet the criteria to come to Myton.

3. Nurse recruitment and retention- A working group is looking at area of recruitment and retention in relation to Nursing staff, and improving the hospices offer to prospective employees through improved induction and training. Progression within Myton is starting to become evident with many of the nursing staff benefitting from internal promotion within 2016/17.

4. The resilience of the catering team- in the past year Myton has struggled to recruit to vacancies within the catering teams. The new Hospitality and Catering manager is currently liaising with recruitment agencies as the normal recruitment process that Myton follows for vacancies has been unsuccessful. In addition, existing Kitchen assistants within the team are receiving training via an apprenticeship to raise their skills and competencies and enable them to assist the chefs.

5. Financial stability - Whilst there are no real concerns now about Myton's financial position the Management Board are acutely aware that a deficit position has been predicted for the coming year and therefore scrutiny of the finances are extremely important. Budget holders have received budget holder training and have the skills and knowledge to manage their budgets, and answer questions for the Senior Leadership Team.

In terms of sustaining the level of voluntary income for Myton the process of obtaining donors' preferences for communication in line with future legislation is well underway and is hoped to protect the relationship Myton has with its donors. Evidence around donor habits and trends will be better utilised with the introduction of a data analyst within the Fundraising team (commenced June 2017). A new Head of Retail has been recruited to in order to drive the future Retail Strategy. Retail is planned to be the area of highest growth in contribution in the next five years.

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TRUSTEES' REPORT (continued)
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Plans for future periods

a. FUTURE DEVELOPMENTS

Whilst the five year strategy remains the focus for the future, in the coming year the four organisational priorities for 2017/18 are as follows:

1. Maintain maximum bed availability (36 beds) across both inpatient units
2. Reach out to patients earlier in their illness
3. Assess demand for all of our services to inform future service delivery decisions
4. Develop a plan for sustainability of the organisation

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 2016/17 was £2,561 (2016: £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.

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

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 19 July 2017 and signed on their behalf by:



Mr N C Hunter
Chairman

THE MYTON HOSPICES
(A company limited by guarantee)

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 2017 set out on pages 17 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) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2017 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, based on the work undertaken in the course of the audit, the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

THE MYTON HOSPICES
(A company limited by guarantee)

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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: 16 August 2017

THE MYTON HOSPICES
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | |
| Donations and legacies | 3 | 3,934,800 | 179,369 | 4,114,169 | 4,202,017 |
| Charitable activities | 4 | 2,549,828 | - | 2,549,828 | 2,524,346 |
| Other trading activities | 5 | 4,288,997 | - | 4,288,997 | 4,304,072 |
| Investments | 6 | 90,502 | - | 90,502 | 61,180 |
| TOTAL INCOME | | 10,864,127 | 179,369 | 11,043,496 | 11,091,615 |
| EXPENDITURE ON: | | | | | |
| Raising funds: | | | | | |
| Voluntary income | 8 | 2,956,953 | - | 2,956,953 | 3,278,068 |
| Investment management | | 15,593 | - | 15,593 | 16,456 |
| Charitable activities | | 8,153,131 | 178,723 | 8,331,854 | 7,566,696 |
| TOTAL EXPENDITURE | 7 | 11,125,677 | 178,723 | 11,304,400 | 10,861,220 |
| NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES) | | (261,550) | 646 | (260,904) | 230,395 |
| Net gains/(losses) on investments | 16 | 314,378 | - | 314,378 | (46,569) |
| NET INCOME BEFORE TRANSFERS | | 52,828 | 646 | 53,474 | 183,826 |
| Transfers between Funds | 22 | 56,341 | (56,341) | - | - |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | 109,169 | (55,695) | 53,474 | 183,826 |
| NET MOVEMENT IN FUNDS | | 109,169 | (55,695) | 53,474 | 183,826 |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | | 13,751,500 | 124,770 | 13,876,270 | 13,692,444 |
| TOTAL FUNDS CARRIED FORWARD | | 13,860,669 | 69,075 | 13,929,744 | 13,876,270 |

The notes on pages 22 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 2016

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Total funds 2016 £ |
|---|---------------------------------|-------------------------------|--------------------------|
| INCOME FROM: | | | |
| Donations and legacies | 4,146,495 | 55,522 | 4,202,017 |
| Charitable activities | 2,524,346 | | 2,524,346 |
| Other trading activities | 4,304,072 | | 4,304,072 |
| Investments | 61,180 | | 61,180 |
| TOTAL INCOME | 11,036,093 | 55,522 | 11,091,615 |
| EXPENDITURE ON: | | | |
| Raising funds: | | | |
| Voluntary income | 3,278,068 | | 3,278,068 |
| Investment management | 16,456 | | 16,456 |
| Charitable activities | 7,542,032 | 24,664 | 7,566,696 |
| TOTAL EXPENDITURE | 10,836,556 | 24,664 | 10,861,220 |
| NET INCOME/ (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES) | 199,537 | 30,858 | 230,395 |
| Net gains on investments | (46,569) | | (46,569) |
| NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS | 152,968 | 30,858 | 183,826 |
| Transfer between funds | 24,000 | (24,000) | - |
| NET INCOME/ (EXPENDITURE) | 176,968 | 6,858 | 183,826 |
| NET MOVEMENT IN FUNDS | 176,968 | 6,858 | 183,826 |
| RECONCILIATION IN FUNDS | | | |
| Total funds at 1 April 2015 | 13,574,532 | 117,912 | 13,692,444 |
| TOTAL FUNDS AT 31 MARCH 2016 | 13,751,500 | 124,770 | 13,876,270 |

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|---|------|--------------------|--------------------------|--------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 14 | | 42,985 | | 12,617 |
| Tangible assets | 15 | | 8,974,094 | | 9,135,501 |
| Investments | 16 | | 2,914,285 | | 1,976,369 |
| | | | <u>11,931,364</u> | | <u>11,124,487</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 18 | 44,368 | | 42,533 | |
| Debtors | 19 | 455,895 | | 670,425 | |
| Cash at bank and in hand | | 3,064,458 | | 3,459,911 | |
| | | <u>3,564,721</u> | | <u>4,172,869</u> | |
| CREDITORS: amounts falling due within one year | 20 | <u>(1,566,341)</u> | | <u>(1,421,086)</u> | |
| NET CURRENT ASSETS | | | <u>1,998,380</u> | | <u>2,751,783</u> |
| NET ASSETS | | | <u><u>13,929,744</u></u> | | <u><u>13,876,270</u></u> |
| CHARITY FUNDS | | | | | |
| Restricted funds | 22 | | 69,075 | | 124,770 |
| Unrestricted funds | 22 | | 13,860,669 | | 13,751,500 |
| TOTAL FUNDS | | | <u><u>13,929,744</u></u> | | <u><u>13,876,270</u></u> |

The financial statements were approved by the Trustees on 19 July 2017 and signed on their behalf by:



Mr N C Hunter
Chairman

The notes on pages 22 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 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|---|------|------------------|-------------------|------------------|-------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 14 | | 42,985 | | 12,617 |
| Tangible assets | 15 | | 8,974,094 | | 9,135,501 |
| Investments | 16 | | 2,959,639 | | 2,021,723 |
| | | | <u>11,976,718</u> | | <u>11,169,841</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 18 | 32,639 | | 32,941 | |
| Debtors | 19 | 286,683 | | 648,271 | |
| Cash at bank and in hand | | 2,859,402 | | 3,008,551 | |
| | | <u>3,178,724</u> | | <u>3,689,763</u> | |
| CREDITORS: amounts falling due within one year | 20 | (1,290,780) | | (1,052,115) | |
| NET CURRENT ASSETS | | | <u>1,887,944</u> | | <u>2,637,648</u> |
| NET ASSETS | | | <u>13,864,662</u> | | <u>13,807,489</u> |
| CHARITY FUNDS | | | | | |
| Restricted funds | 22 | | 69,075 | | 124,770 |
| Unrestricted funds | 22 | | 13,795,587 | | 13,682,719 |
| TOTAL FUNDS | | | <u>13,864,662</u> | | <u>13,807,489</u> |

The financial statements were approved by the Trustees on 19 July 2017 and signed on their behalf, by:


Mr N C Hunter
Chairman

The gain for the financial year dealt with in the financial statements of the parent Charity was £57,173 (2016 - £70,532).

The notes on pages 22 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 2017**

| | Note | 2017 £ | 2016 £ |
|--|------|-----------|-------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 24 | 524,238 | 926,451 |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 90,502 | 61,180 |
| Purchase of tangible fixed assets | | (386,655) | (321,015) |
| Proceeds from sale of investments | | 162,684 | 2,499,235 |
| Purchase of investments | | (786,222) | (1,973,470) |
| Net cash (used in)/provided by investing activities | | (919,691) | 265,930 |
| Change in cash and cash equivalents in the year | | (395,453) | 1,192,381 |
| Cash and cash equivalents brought forward | | 3,459,911 | 2,267,530 |
| Cash and cash equivalents carried forward | 25 | 3,064,458 | 3,459,911 |

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. CHARITY INFORMATION

The Myton Hospices (the Charity) is a Company Limited by Guarantee (registered number 1628455), registered in England and Wales. It's charity registration number is 516287. 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 undertakings. The results of the subsidiaries 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.

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 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 MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES (continued)

2.3 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 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 £57,173 (2016 - £70,532).

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 2017

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 878 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 2017

2. ACCOUNTING POLICIES (continued)

2.6 Expenditure

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Expenditure is recognised once there is a legal or constructive obligation to make a 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 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 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.

2.8 Tangible fixed assets and depreciation

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

A review for impairment of a fixed asset 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.

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried 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 |

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

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

2.10 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.

2.11 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.

2.12 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.

2.13 Debtors

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

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. ACCOUNTING POLICIES (continued)

2.14 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.

2.15 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 allowing for any trade discounts due.

2.16 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.

2.17 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.

2.18 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.

2.19 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 21.

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | <i>Total funds 2016 £</i> |
|-----------|------------------------------------|----------------------------------|-----------------------------|---------------------------------------|
| Donations | 2,191,191 | 77,154 | 2,268,345 | 2,377,337 |
| Legacies | 1,743,609 | 102,215 | 1,845,824 | 1,824,680 |
| | <u>3,934,800</u> | <u>179,369</u> | <u>4,114,169</u> | <u>4,202,017</u> |

In 2016, of the total income from donations and legacies, £4,146,495 was to unrestricted funds and £55,522 was to restricted funds

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2017 £ | Total funds 2017 £ | <i>Total funds 2016 £</i> |
|---|------------------------------------|-----------------------------|---------------------------------------|
| NHS grants and contracts for patient care | 2,549,828 | 2,549,828 | 2,404,812 |
| Other NHS grant income | - | - | 119,534 |
| | <u>2,549,828</u> | <u>2,549,828</u> | <u>2,524,346</u> |

In 2016, of the total income from charitable activities, £2,524,346 was to unrestricted funds and £ NIL was to restricted funds.

5. OTHER TRADING INCOME - FUNDRAISING INCOME

| | Unrestricted funds 2017 £ | Total funds 2017 £ | <i>Total funds 2016 £</i> |
|----------------|------------------------------------|-----------------------------|---------------------------------------|
| Retail income | 1,933,170 | 1,933,170 | 1,966,371 |
| Lottery income | 2,355,827 | 2,355,827 | 2,337,701 |
| | <u>4,288,997</u> | <u>4,288,997</u> | <u>4,304,072</u> |

In 2016, of the total income from other trading activities, £4,304,072 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 2017**

6. INVESTMENT INCOME

| | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-----------------|------------------------------------|-----------------------------|-----------------------------|
| Interest | 3,084 | 3,084 | 22,802 |
| Dividend income | 87,418 | 87,418 | 38,378 |
| | <u>90,502</u> | <u>90,502</u> | <u>61,180</u> |

In 2016, of the total investment income, £61,180 was to unrestricted funds and £ NIL was to restricted funds.

7. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

| | Staff costs 2017 £ | Depreciation 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|---|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Expenditure on raising voluntary income | 1,543,671 | 3,316 | 1,409,966 | 2,956,953 | 3,278,068 |
| Expenditure on investment management | - | - | 15,593 | 15,593 | 16,456 |
| Costs of generating funds | <u>1,543,671</u> | <u>3,316</u> | <u>1,425,559</u> | <u>2,972,546</u> | <u>3,294,524</u> |
| Expenditure relating to delivery of NHS grants and contracts for patient care | 5,810,760 | 508,666 | 2,012,428 | 8,331,854 | 7,566,696 |
| | <u>7,354,431</u> | <u>511,982</u> | <u>3,437,987</u> | <u>11,304,400</u> | <u>10,861,220</u> |

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. EXPENDITURE ON RAISING VOLUNTARY AND TRADING INCOME

| | Unrestricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------|------------------------------------|-----------------------------|-----------------------------|
| Retail and lottery costs | 1,290,262 | 1,290,262 | 1,339,139 |
| Fundraising costs | 119,704 | 119,704 | 225,294 |
| Staff costs | 1,543,671 | 1,543,671 | 1,638,205 |
| Depreciation | 3,316 | 3,316 | 75,430 |
| | <u>2,956,953</u> | <u>2,956,953</u> | <u>3,278,068</u> |

In 2016, of the total voluntary income, £3,278,068 was to unrestricted funds and £ NIL was to restricted funds.

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly 2017 £ | Support costs 2017 £ | Total 2017 £ | Total 2016 £ |
|---|---|-------------------------------|--------------------|--------------------|
| NHS grants and contracts for patient care | <u>6,966,019</u> | <u>1,365,835</u> | <u>8,331,854</u> | <u>7,566,696</u> |

10. DIRECT COSTS - NHS GRANTS AND CONTRACTS

| | 2017 £ | 2016 £ |
|--------------------------|------------------|------------------|
| Drugs | 215,215 | 204,823 |
| Medicinal supplies | 121,791 | 110,436 |
| Cleaning and laundry | 40,462 | 36,213 |
| Catering | 77,939 | 63,505 |
| Small equipment | 65,801 | 28,470 |
| Training | 106,474 | 57,255 |
| Governance | 25,147 | 21,506 |
| Contracted medical staff | 502,430 | 506,463 |
| Wages and salaries | 5,020,098 | 4,581,765 |
| National insurance | 433,221 | 371,109 |
| Pension cost | 357,441 | 320,787 |
| | <u>6,966,019</u> | <u>6,302,332</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. SUPPORT COSTS - NHS GRANTS AND CONTRACTS

| | 2017 £ | 2016 £ |
|----------------------------|------------------|------------------|
| Premises costs | 153,641 | 135,048 |
| Travelling and subsistence | 49,540 | 46,146 |
| Office costs | 145,057 | 129,355 |
| Repairs and renewals | 224,075 | 179,639 |
| Legal and professional | 63,926 | 133,833 |
| Staff recruitment | 17,590 | 58,136 |
| Other costs | 197,628 | 160,277 |
| Amortisation | 5,712 | 3,468 |
| Depreciation | 508,666 | 418,462 |
| | <u>1,365,835</u> | <u>1,264,364</u> |

12. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Depreciation of tangible fixed assets: - owned by the charitable group | 511,982 | 493,892 |
| Operating lease rentals: - land and buildings | 375,070 | 354,270 |
| - other operating leases | - | 8,249 |
| Auditor's remuneration | 16,250 | 15,900 |
| Auditor's remuneration - non-audit | 4,050 | 5,500 |
| Auditor's remuneration - tax | 800 | 800 |
| Auditor's remuneration - VAT advice | - | 9,700 |
| | <u>-</u> | <u>-</u> |

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

THE MYTON HOSPICES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 6,426,989 | 6,066,527 |
| Social security costs | 535,128 | 482,500 |
| Other pension costs | 392,314 | 362,839 |
| | <u>7,354,431</u> | <u>6,911,866</u> |

The average number of persons employed by the company during the year was as follows:

| 2017 No. | 2016 No. |
|-------------|-------------|
| 293 | 285 |

Average headcount expressed as a full time equivalent:

| 2017 No. | 2016 No. |
|-------------|-------------|
| 237 | 234 |

The number of higher paid employees was:

| | 2017 No. | 2016 No. |
|--------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 3 | 1 |
| In the band £70,001 - £80,000 | 2 | 1 |
| In the band £80,001 - £90,000 | 0 | 2 |
| In the band £90,001 - £100,000 | 1 | 0 |

Of the higher paid employees there is 1 member of the medical team whom is paid on the NHS pay scale (2016:1)

Termination payments totalling £Nil (2016: £17,068) were paid during the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. INTANGIBLE FIXED ASSETS

| Group and Company | Software £ |
|--------------------------|-----------------------|
| Cost | |
| At 1 April 2016 | 43,305 |
| Additions | 36,080 |
| At 31 March 2017 | <u>79,385</u> |
| Amortisation | |
| At 1 April 2016 | 30,688 |
| Charge for the year | 5,712 |
| At 31 March 2017 | <u>36,400</u> |
| Carrying amount | |
| At 31 March 2017 | <u><u>42,985</u></u> |
| At 31 March 2016 | <u><u>12,617</u></u> |

15. TANGIBLE FIXED ASSETS

| Group | Freehold property £ | Long Leasehold Property £ | Furniture, equipment & vehicles £ | Computer & office equipment £ | Total £ |
|-----------------------|------------------------------------|--|--|--|-------------------------|
| Cost | | | | | |
| At 1 April 2016 | 3,682,554 | 7,753,510 | 1,623,224 | 234,689 | 13,293,977 |
| Additions | 54,962 | - | 154,618 | 140,995 | 350,575 |
| At 31 March 2017 | <u>3,737,516</u> | <u>7,753,510</u> | <u>1,777,842</u> | <u>375,684</u> | <u>13,644,552</u> |
| Depreciation | | | | | |
| At 1 April 2016 | 1,382,546 | 1,617,777 | 1,001,227 | 156,926 | 4,158,476 |
| Charge for the year | 106,100 | 229,614 | 153,644 | 22,624 | 511,982 |
| At 31 March 2017 | <u>1,488,646</u> | <u>1,847,391</u> | <u>1,154,871</u> | <u>179,550</u> | <u>4,670,458</u> |
| Net book value | | | | | |
| At 31 March 2017 | <u><u>2,248,870</u></u> | <u><u>5,906,119</u></u> | <u><u>622,971</u></u> | <u><u>196,134</u></u> | <u><u>8,974,094</u></u> |
| At 31 March 2016 | <u><u>2,300,008</u></u> | <u><u>6,135,733</u></u> | <u><u>621,997</u></u> | <u><u>77,763</u></u> | <u><u>9,135,501</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

15. TANGIBLE FIXED ASSETS (continued)

| Charity | Freehold property £ | Long Leasehold Property £ | Furniture, equipment & vehicles £ | Computer & office equipment £ | Total £ |
|-----------------------|---------------------------|------------------------------------|--|--|------------|
| Cost | | | | | |
| At 1 April 2016 | 3,682,554 | 7,748,510 | 1,623,224 | 234,689 | 13,288,977 |
| Additions | 54,962 | - | 154,618 | 140,995 | 350,575 |
| At 31 March 2017 | 3,737,516 | 7,748,510 | 1,777,842 | 375,684 | 13,639,552 |
| Depreciation | | | | | |
| At 1 April 2016 | 1,382,546 | 1,612,777 | 1,001,227 | 156,926 | 4,153,476 |
| Charge for the year | 106,100 | 229,614 | 153,644 | 22,624 | 511,982 |
| At 31 March 2017 | 1,488,646 | 1,842,391 | 1,154,871 | 179,550 | 4,665,458 |
| Net book value | | | | | |
| At 31 March 2017 | 2,248,870 | 5,906,119 | 622,971 | 196,134 | 8,974,094 |
| At 31 March 2016 | 2,300,008 | 6,135,733 | 621,997 | 77,763 | 9,135,501 |

16. FIXED ASSET INVESTMENTS

| Group | Listed securities £ | Land £ | Total £ |
|---------------------|---------------------------|-----------|------------|
| Market value | | | |
| At 1 April 2016 | 1,908,869 | 67,500 | 1,976,369 |
| Additions | 786,222 | - | 786,222 |
| Disposals | (162,684) | - | (162,684) |
| Revaluations | 314,378 | - | 314,378 |
| At 31 March 2017 | 2,846,785 | 67,500 | 2,914,285 |

Group investments at market value comprise:

| | 2017 £ | 2016 £ |
|-------------------------------|-----------|-----------|
| Listed investments | 2,846,785 | 1,908,869 |
| Other fixed asset investments | 67,500 | 67,500 |
| Total market value | 2,914,285 | 1,976,369 |

All the fixed asset investments are held in the UK.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16. FIXED ASSET INVESTMENTS (continued)

Group material investments

| | 31 March 2017 £ | <i>31 March 2016 £</i> |
|---------------------------------------|--------------------------------|--------------------------------|
| Vanguard Funds Plc | 168,718 | 103,493 |
| Artemis Fund Managers US Select Instl | 102,689 | - |
| Fundsmith LLP Equity | 96,831 | - |
| JP Morgan Asset Management UK Limited | 106,651 | - |
| SSGA SPDR | 99,008 | - |
| | <u>573,897</u> | <u>103,493</u> |

| | Listed securities £ | Land £ | Subsidiaries £ | Total £ |
|---------------------|------------------------------------|-------------------|---------------------------|--------------------|
| Charity | | | | |
| Market value | | | | |
| At 1 April 2016 | 1,908,869 | 67,500 | 45,354 | 2,021,723 |
| Additions | 786,222 | - | - | 786,222 |
| Disposals | (162,684) | - | - | (162,684) |
| Revaluations | 314,378 | - | - | 314,378 |
| | <u>2,846,785</u> | <u>67,500</u> | <u>45,354</u> | <u>2,959,639</u> |
| At 31 March 2017 | <u>2,846,785</u> | <u>67,500</u> | <u>45,354</u> | <u>2,959,639</u> |

Charity investments at market value comprise:

| | 2017 £ | <i>2016 £</i> |
|-------------------------------|-------------------|-------------------|
| Listed investments | 2,846,785 | 1,908,869 |
| Other fixed asset investments | 67,500 | 67,500 |
| Group | 45,354 | 45,354 |
| | <u>2,959,639</u> | <u>2,021,723</u> |
| Total | <u>2,959,639</u> | <u>2,021,723</u> |

All the fixed asset investments are held in the UK

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

17. 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 | 3,794,559 | - |
| Expenditure | (2,440,343) | (99) |
| Gift aid to the Charity | (1,357,816) | - |
| | <u>(3,600)</u> | <u>(99)</u> |
| Loss in the period | | |
| | £ | £ |
| Net assets/(liabilities) at the year end | <u>110,299</u> | <u>136</u> |

18. STOCKS

| | <u>Group</u> | | <u>Charity</u> | |
|------------------|---------------|---------------|----------------|---------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Consumables | 31,002 | 30,982 | 31,002 | 30,982 |
| Goods for resale | 13,366 | 11,551 | 1,637 | 1,959 |
| | <u>44,368</u> | <u>42,533</u> | <u>32,639</u> | <u>32,941</u> |

Stock recognised as an expense in the Statement of Financial Activities during the year was £124,447 (2016: £183,891).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

19. DEBTORS

| | <u>Group</u> | | <u>Charity</u> | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Trade debtors | 13,067 | 179,534 | 13,067 | 179,534 |
| Amounts owed by group undertakings | - | - | 7,670 | 160,016 |
| Other debtors | 116,446 | 92,469 | 104,367 | 73,360 |
| Prepayments and accrued income | 326,382 | 398,422 | 161,579 | 235,361 |
| | <u>455,895</u> | <u>670,425</u> | <u>286,683</u> | <u>648,271</u> |

20. CREDITORS: Amounts falling due within one year

| | <u>Group</u> | | <u>Charity</u> | |
|------------------------------------|------------------|------------------|------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Trade creditors | 702,895 | 626,230 | 649,665 | 560,868 |
| Amounts owed to group undertakings | - | - | 64,470 | - |
| Other taxation and social security | 205,058 | 182,672 | 205,053 | 182,752 |
| Other creditors | 16,605 | 74,214 | 16,199 | 74,050 |
| Accruals and deferred income | 641,783 | 537,970 | 355,393 | 234,445 |
| | <u>1,566,341</u> | <u>1,421,086</u> | <u>1,290,780</u> | <u>1,052,115</u> |

| | <u>Group</u> | | <u>Charity</u> | |
|--------------------------------------|----------------|----------------|----------------|---------------|
| | £ | £ | £ | £ |
| Deferred income | | | | |
| Deferred income at 1 April 2016 | 196,454 | 224,023 | 17,337 | 14,518 |
| Resources deferred during the year | 229,080 | 186,455 | 40,368 | 7,339 |
| Amounts released from previous years | (186,454) | (214,024) | (7,337) | (4,520) |
| Deferred income at 31 March 2017 | <u>239,080</u> | <u>196,454</u> | <u>50,368</u> | <u>17,337</u> |

Deferred income comprises lottery income received in advance by Myton Hospice (Promotions) Limited of £188,712 (2016: £179,116), Challenge Event income of £40,368 (2016: £7,339) and an NHS IT development grant of £10,000 (2016: £10,000).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

21. 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 2017 the Charity received £Nil (2016: £20,000) and disbursed £5,124 (2016: £12,316) from the fund. An amount of £2,561 (2016: £7,684) is included in other creditors relating to undistributed funds.

22. STATEMENT OF FUNDS

| | Brought Forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---------------------------|-------------------------|-------------------|---------------------|--------------------------|-------------------------|-------------------------|
| Designated funds | | | | | | |
| Fixed asset fund | 9,148,118 | - | (517,694) | 386,655 | - | 9,017,079 |
| Investment fund | 1,943,457 | 90,312 | (15,593) | 581,731 | 314,378 | 2,914,285 |
| Service expansion | 755,775 | - | (194,673) | - | - | 561,102 |
| | <u>11,847,350</u> | <u>90,312</u> | <u>(727,960)</u> | <u>968,386</u> | <u>314,378</u> | <u>12,492,466</u> |
| General funds | | | | | | |
| General Funds - all funds | 1,904,150 | 10,773,815 | (10,397,717) | (912,045) | - | 1,368,203 |
| Total Unrestricted funds | <u>13,751,500</u> | <u>10,864,127</u> | <u>(11,125,677)</u> | <u>56,341</u> | <u>314,378</u> | <u>13,860,669</u> |
| Restricted funds | | | | | | |
| Other donations | 124,770 | 179,369 | (178,723) | (56,341) | - | 69,075 |
| Total of funds | <u>13,876,270</u> | <u>11,043,496</u> | <u>(11,304,400)</u> | <u>-</u> | <u>314,378</u> | <u>13,929,744</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.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

22. STATEMENT OF FUNDS (continued)

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 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.

COMPARATIVE STATEMENT OF FUNDS

| | Brought Forward £ | Income £ | Expenditure £ | 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 | 10,980,766 | (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>12,746,854</u> | <u>11,091,615</u> | <u>(10,861,220)</u> | <u>-</u> | <u>(46,569)</u> | <u>13,876,270</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

SUMMARY OF FUNDS

| | Brought Forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------|-------------------------|-------------------|---------------------|--------------------------|-------------------------|-------------------------|
| Designated funds | 11,847,350 | 90,312 | (727,960) | 968,386 | 314,378 | 12,492,466 |
| General funds | 1,904,150 | 10,773,815 | (10,397,717) | (912,045) | - | 1,368,203 |
| | 13,751,500 | 10,864,127 | (11,125,677) | 56,341 | 314,378 | 13,860,669 |
| Restricted funds | 124,770 | 179,369 | (178,723) | (56,341) | - | 69,075 |
| | 13,876,270 | 11,043,496 | (11,304,400) | - | 314,378 | 13,929,744 |

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Intangible fixed assets | 42,985 | - | 42,985 | 12,617 |
| Tangible fixed assets | 8,974,094 | - | 8,974,094 | 9,135,501 |
| Fixed asset investments | 2,914,285 | - | 2,914,285 | 1,976,369 |
| Current assets | 3,495,646 | 69,075 | 3,564,721 | 4,172,869 |
| Creditors due within one year | (1,566,341) | - | (1,566,341) | (1,421,086) |
| | 13,860,669 | 69,075 | 13,929,744 | 13,876,270 |

COMPARATIVE OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds £ | Restricted funds £ | Total funds 2016 £ |
|-------------------------------|----------------------------|--------------------------|--------------------------|
| Intangible fixed assets | 12,617 | - | 12,617 |
| Tangible fixed assets | 9,135,501 | - | 9,135,501 |
| Fixed asset investments | 1,976,369 | - | 1,976,369 |
| Current assets | 4,048,099 | 124,770 | 4,172,869 |
| Creditors due within one year | (1,421,086) | - | (1,421,086) |
| Total | 13,751,500 | 124,770 | 13,876,270 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Net income for the year (as per Statement of financial activities) | 53,474 | 183,826 |
| Adjustment for: | | |
| Depreciation and amortisation charges | 517,694 | 497,360 |
| (Gains)/losses on investments | (314,378) | 46,569 |
| Dividends, interest and rents from investments | (90,502) | (61,180) |
| (Increase)/decrease in stocks | (1,835) | 8,447 |
| Decrease/(increase) in debtors | 214,530 | (178,182) |
| Increase in creditors | 145,255 | 429,611 |
| Net cash provided by operating activities | 524,238 | 926,451 |

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2017 £ | 2016 £ |
|--------------|------------------|------------------|
| Cash in hand | 3,064,458 | 3,459,911 |
| Total | 3,064,458 | 3,459,911 |

26. 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 10% (2016: 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 14.3% (2016: 14%) of pensionable pay.

The pension cost charges, representing employer's contributions to both schemes, amounted to £392,314 (2016: £362,839). Contributions totalling £28 (2016: £53,723) 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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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

27. OPERATING LEASE COMMITMENTS

At 31 March 2017 the total of the group's future minimum lease payments under non-cancellable operating leases was:

| Group | 2017 | 2016 |
|-------------------------|----------------|-------------|
| | £ | £ |
| Amounts payable: | | |
| Within 1 year | 285,470 | 337,183 |
| Between 1 and 5 years | 562,428 | 763,083 |
| After more than 5 years | 124,083 | 223,650 |
| Total | 971,981 | 1,323,916 |

At 31 March 2017 the Charity had annual commitments under non-cancellable operating leases as follows:

| | | |
|-------------------------|---------------|---------|
| Charity | | |
| Amounts payable: | | |
| Within 1 year | 23,220 | 24,200 |
| Between 1 and 5 years | 69,440 | 96,800 |
| After more than 5 years | - | 22,033 |
| Total | 92,660 | 143,033 |

28. 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 £Nil (2016: £1,185). There were no sums outstanding at the 31 March 2017 (2016: £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:

| | 2017 | 2016 |
|---|------------------|-------------|
| | £ | £ |
| Management fees | 91,836 | 89,792 |
| Payroll costs recharged | 1,058,245 | 1,106,384 |
| Gift aid transferred to the Charity | 1,357,816 | 1,333,502 |
| 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.

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28. RELATED PARTY TRANSACTIONS (continued)

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

During the year ended 31 March 2016 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 was £64,470 (2016: £152,346).

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 (2016: £7,670).

The key management personnel of the charity comprise the CEO and Directors of Income Generation, Finance and Facilities, Nursing and Care, Strategy and Information, HR Learning and Development (2016 only), and the Medical Director. The total employee benefits of the key management personnel of the charity were £510,161 (2016 - £518,859).

29. FINANCIAL INSTRUMENTS

| | Group | | Charity | |
|---|------------------|------------------|------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Financial assets | | | | |
| Financial assets measured at fair value through income and expenditure | 2,846,785 | 1,908,869 | 2,892,139 | 1,954,223 |
| Financial assets that are debt instruments measured at amortised cost | 3,297,332 | 3,917,631 | 3,063,505 | 3,582,014 |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | 1,122,203 | 1,041,960 | 1,035,359 | 852,024 |
| 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 | |
|--|----------------|-----------------|----------------|-----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Total investment income for financial assets measured at fair value through income and expenditure | 87,418 | 38,378 | 87,418 | 38,378 |
| Net gains on financial assets measured at fair value through income and expenditure | 314,378 | (46,569) | 314,378 | (46,569) |
| Total investment income for financial assets measured at amortised cost | 3,084 | 22,802 | 3,080 | 16,959 |