

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 2018

THE MYTON HOSPICES
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1 - 2
Trustees' report	3 - 15
Independent auditor's report	16 - 18
Consolidated statement of financial activities	19
Consolidated balance sheet	21
Company balance sheet	22
Consolidated statement of cash flows	23
Notes to the financial statements	24 - 48

THE MYTON HOSPICES
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018**

Trustees

Mr N C Hunter, Chairman
Mr K Beer-Jones (appointed 20 September 2017)
Mr K W Demian
Dr R Girvan
Mr R Jones (resigned 20 September 2017)
Mrs M Morris
Mr G Nicoll
Ms S Patchett
Professor M Radford (resigned 20 September 2017)
Dr V Robson (appointed 20 September 2017)
Mr P D Taylor
Mrs A M Trye (resigned 20 September 2017)
Mrs N Virani-Bland (appointed 20 September 2017)

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
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 Business Development
Mr G Etule, Director of Human Resources
Miss C Ingram, Director of Income Generation

Independent auditor

Crowe U.K. LLP, Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG

THE MYTON HOSPICES
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018**

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

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

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 2017 to 31 March 2018

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 focused 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 and 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.

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

- 15 place Day Hospice at Rugby Myton.
- 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.
- 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, written in 2015, outlined the Hospices ambitions until 2020 (see above). There are five strategic enablers which we have put 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.

We were delighted to attain the Investors in People accreditation this year. The assessment revealed an organisation with a positive trend to be more inclusive and engaged with staff and volunteers with a greater focus on delivering high performance. There are a number of emerging strengths that include a sense of pride based upon a strong set of values, improving communications and the integration of HR processes supported by a cohesive Senior Leadership Team (SLT).

Nearly everyone interviewed indicated that Myton Hospices was a good or great place to work. The main reason was the difference they could make for patients and their families dealing with terminal illness. For many, the support and camaraderie of their colleagues was a significant factor and just over half indicated that it was also the organisation as a place of work.

We conducted a review of our staff support service which is provided by the Department of Clinical Health Psychology at Warwick Hospital and it was found to have provided tailored, confidential support to a number of staff who have been dealing with a variety of personal issues – this is an important service for Myton that the Senior Leadership Team are committed to continuing.

We ran our first Leadership and Management Development Programme for first and second line managers which was very highly evaluated and in light of our ambition to develop and sustain a coaching culture at Myton, we have introduced the opportunity for all line managers to work with a qualified coach. The aim is to support our managers to develop themselves and their teams.

We introduced a number of new formal documents and plans to support delivery of HR services to our staff including a Recruitment & Retention Strategy, a Recruitment & Retention Action Plan, a Myton HR Strategy & action plan and some Excellence & Recognition Guidance for Managers. The aim of these documents is to help us sustain Myton as an employer of choice.

We ran our second successful Health and Wellbeing week throughout the organisation in October 2017. There were events and initiatives designed to support staff to get involved with looking after their health

2. Data and outcome measurement

The Crosscare Clinical Implementation Group has rolled out further changes and developments to our electronic patient database over the past year, meaning that we are now almost paperless in our patient care. This has involved a great deal of work and training for our clinical staff but means that we are recording more

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

data than ever before and therefore able to report more accurately and easily on all the different aspects of our work.

In January 2018 we successfully completed the Department of Health Information Governance Toolkit for the second time. Once again we achieved level 2 compliance which will support us in progressing opportunities for more collaborative working with the NHS in the future.

3. Cost and resource efficiency

The responsibility of procurement has been devolved to budget holders whom are responsible for the use of their budget and ensuring value for money. Regular meetings are held between our finance team and our budget holders to closely monitor spending, and many finance procedures have been streamlined for efficiency.

A review of contracting arrangement with some suppliers has also brought cost savings in the organisation in the year.

A new integrated HR and payroll system has been introduced during the year and while there is still a lot of development of the system to be undertaken it is hoped that once fully utilised there will be efficiencies gained from having a more streamlined and efficient system for managing staff records and processing the payroll.

We now have three apprentices working for the organisation, in our HR, Finance and Marketing teams, and we are always looking for other opportunities to add to this number.

4. Marketing and Communications

Digital and social media has been a huge growth area for us with new initiatives and activities being trialled including #GivingTuesday and our first ever Thunderclap which had a social reach of 262,780. We have also created new video content to dispel myths about hospice care, introduced Facebook donations and held our first Facebook Live Q&A.

Our Community Engagement Manager's main focus over the last few months has been on the South Warwickshire area where she has been presenting information about Myton's services to GP's, Practice Nurses and a range of other healthcare professionals to educate them and increase referrals, following the success of a similar approach in Rugby. She has also started to meet with some hard to reach groups and we have introduced more diversity to our suite of imagery.

Brand consistency has continued to be an area of focus with the introduction of new patient information and a refresh of Warwick Myton Hospice's reception area, with a view to rolling this out to our other hospices in due course.

We have recently undertaken a piece of brand awareness research which shows stable awareness in Coventry and growth in Rugby, Warwick and Leamington Spa compared to 2014. The research shows that Myton has great brand awareness but is not yet well defined in people's minds. The results of the survey will help to inform the Marketing and Communications Strategy.

5. Relationships and collaboration

We have been working to develop closer relationships with the other hospices in the area, and now have regular meetings with the Chief Executives and Chairs of the other hospices in Warwickshire. We have also established a networking group of hospice Chief Executives from across the country and there are networking groups for leaders from nursing and care, HR, medical and Finance of which we are a part.

We continue to work with colleagues from the NHS, public and third sectors in Coventry and Warwickshire to

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

deliver improvements in palliative and end of life care. This is through local networks such as the Warwickshire North Palliative Care Forum and the Coventry End of Life Steering Group as well as the groups which have been set up to deliver improvements throughout the NHS and Social Care such as the Working Together Boards in Warwickshire, in which we are playing our part and pushing forwards the end of life care agenda.

New services for patients which were piloted during 2017/18 such as the Fatigue and Breathlessness Clinic and the Living Well project and are collaborative in their approach have continued to be successful and are now being rolled out across all three of our sites to benefit patients and families across the region.

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

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

STRATEGIC REPORT

Achievements and performance

a. REVIEW OF ACTIVITIES

In Patient Services

During 2017/18 the In Patient Units (IPU) treated a total of 776 patients representing the second year running where patient numbers have increased (2016/17 - 678 patient stays, 2015/16 - 501 patient stays). The 20 medically led beds in Warwick remained consistently open during the financial year and had 16% more patient through when compared to the prior year. (2017/18 - 458 patient stays, compared to 2016/17 - 393 patients stays). Coventry IPU has 10 medically led beds with the total number of patient stays in these beds being 303 (2016/17 - 289 patient stays). Coventry IPU also continued to provide services to 6 Nurse led beds with a total of 138 patient stays in these beds in the year (2016/17 - 124 patient stays).

Day Hospice

At the Day Hospices within Myton, 3,314 day Hospice sessions were attended in the year. Warwick Day Hospice saw 1,182 attendances, a reduction on last year (2016/17 - 1,246), while Coventry and Rugby saw increased numbers of patient attendances of 4% and 10% respectively. (Coventry 2017/18 - 982, 2016/17 - 944, Rugby 2017/18 - 1,150, 2016/17 - 1,043).

The Living Well project has proven to have great outcomes for patients, and has received exceptional feedback from its patients. As such, the board have agreed that the Living Well service in Coventry will continue as a core service in the coming year, and Living Well will be piloted across the Rugby and Warwick sites.

A Fatigue and breathlessness (FAB) clinic has continued 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 been involved in 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.

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Myton at Home

175 Patients were cared for through our Myton at Home services in the financial year, across Warwick and Rugby (2016/17 - 190).

Lymphoedema

During 2017/18 the provider of the Lymphoedema service at South Warwick NHS Trust (SWFT) gave notice to withdraw their support. The acute trust contracted Myton in order to seek assistance from the hospice team. Myton commissioned the service with the NHS trust from June 2017 on an interim basis until SWFT could arrange for formal procurement of the service. 609 Lymphoedema sessions were provided in the financial year.

b. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

Continuing to increase patient numbers remains high on Myton's list of objectives and the year has seen continued success; Myton provided clinical support for an additional 17% more patients than in the previous year and when those that were offered advice and signposting are factored in that figure increases to 41%. These figures clearly demonstrate our on-going commitment to extending the reach and improving equity of access to all services.

Myton also strives to reach patients earlier in their illness to ensure that they get our specialist support as soon as possible; enabling them to live their normal lives well for longer. With this in mind we introduced two new programmes at our Coventry Hospice in 2017: Living Well and Coping with Fatigue and Breathlessness, following their success we aim to roll these services out to our hospices in Warwick and Rugby later in 2018.

The beginning of 2018 saw the implementation of the new clinical database which will provide the data Myton needs to shape its services in the future to guarantee that patient needs are identified and met and that they and those that love them stay firmly at the heart of what Myton does.

Myton would not be the organisation it is without the skills, experience and passion of our staff and volunteers. During 17/18 the organisation focused on maintaining staffing levels in our hospices mindful of the national shortage of nurses and palliative care specialists and the resulting competition for experienced staff. We remain committed to being an attractive employer; one that invests in our people and their development, job satisfaction and wellbeing and we were therefore delighted to receive the Investors in People accreditation in 2017.

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 22 shops and warehouse.

The hospice is extremely lucky to receive the help and support of 822 (as at the 31st March 2017) Volunteers, without whom we could not provide the services and support that we do. Volunteers help within every aspect of the organisation; many undertake patient facing roles or work within our support services, volunteers are also fundamental in the delivery of our Fundraising activities.

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

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. 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. All fundraising activities are managed by the internal fundraising team whom are also in contact with any volunteers or groups whom fundraise on Myton's behalf.

Our fundraising standards

We have become members of the new Fundraising Regulator, and we abide by their Fundraising Code of Practice which covers various aspects of fundraising.

We have worked hard around protecting our supporters' data, as well as evolving our systems to ensure that our supporters can choose how they would like to be contacted and with what types of communication. We have made all possible efforts to comply with the new General Data Protection Regulations.

Monitoring our fundraising

We monitor our fundraising carefully. All supporter calls, emails and letters are logged with summaries and key issues communicated back to the management team to improve future communications.

This year we received and responded to 25 complaints from our supporters.

We're very aware of the potential of fundraising to become persistent of intrusive. We have established internal standards to guide how often we contact supporters and provide clear and simple ways for them to opt out in the future. We ask supporters for feedback on this issue and continue to monitor the issue closely.

Finally, we have established a policy to help us identify potentially vulnerable people, both when speaking to potential supporters or through our direct communications once they become a supporter, with the aim of ensuring we only make fundraising asks to appropriate people.

d. INVESTMENT POLICY AND PERFORMANCE

The value of investments is £2,936,030 (2016/17 - £2,914,285), in line with the charities reserves policy, and including £19,668 loss from investments (2016/17 - £314,378 gain as a result of the continued movement of funds during the year between brokers).

Financial review

a. 2017-18 FINANCIAL PERFORMANCE

The financial year end position is a net expenditure of £569,146, compared to the prior year being a net surplus of £53,474.

The Charities Management Board agreed a deficit budget of £662,757 inclusive of depreciation for the year 2017/18 recognising the need to grow the services in order to enable the Hospices to care for more people in Coventry and Warwickshire. During the financial year the charity increased its direct pay costs significantly, with recruitment and retention of clinical staff being a key focus and therefore also increased training costs as a result. The trustees agreed this increase in expenditure within the budget and plan to bring the organisation

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

back into balance in the coming year, with 2018/19 budget being a balanced cash budget prior to depreciation. Income from the retail expansion is planned to increase, as well as an expected growth in net contribution from the existing retail shops as the new branding and retail standard are introduced. The level of donations from families with loved ones cared for at the hospice is also expected to continue to grow as patient numbers increase.

Income

NHS Grant Income

NHS Grant income represents 23% of the unrestricted funds available to the charity. NHS Grants increased by 0.2% overall in 2017/18 to £2,554,563 from £2,549,828 in 2016/17.

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 main block funding reduced from £2,082,845 in 2016/17 to £2,040,396 in 2017/18. New funding relating to the Lymphodeama service and out of area patients totalled £47,188.

The Myton at Home Contract remained static (2017/18 - £154,080, 2016/17 - £154,080).

The Nurse Led Bed contract with Coventry and Rugby CCG also remained static at £312,903.

Donations and Legacies

During 2017/18 income from Donations and Legacies totalled £4,248,576, a small increase on the previous year (2016/17 - £4,114,169). Legacies left to the hospice in 2017/18 were £1,677,515, falling below the legacies received in the prior year (2016/17 - £1,845,824), and donations in 2017/18 being £2,571,061 (2016/17 - £2,268,345).

Trading Company Income (Myton Hospice Promotions Limited)

The retail portfolio saw expansion in the year with two new shops.

The retail expansion plan was agreed during 2016/17 and aims to open a total of 20 further shops, being a total of 40 shops by the end of 2022.

Gross retail income totalled £1,985,326 in 2017/18 (2016/17 - £1,933,170).

Gross income from Lottery has seen a decrease in 2017/18 £2,314,885 (2016/17 - £2,355,827) with the lottery teams staffing being depleted during the year and external canvassing companies underperforming. The total number of lottery lines being played at the 31st March being 41,255 (2016/17 - 42,794).

Investment Income

Investment income slightly decreased in 2017/18 to £88,955 (2016/17 - £90,502).

Direct Costs of Patient Care

Direct costs of patient care have increased 5% when compared to last year. (2017/18 - £7,317,193, 2016/17 - £6,966,019). This is reflective of the increased patient care activity and reflective of the staffing levels being somewhat closer to establishment during the year. Both Nursing and Medical establishment are improved when compared to 2016/17.

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Indirect Patient Care Costs

Indirect patient care costs have decreased by 2% during 2017/18 to £1,337,534 (2016/17 - £1,365,835) demonstrating that efficiency and the application of charitable funds is always considered to ensure value for money. A procurement policy was introduced in 2016/17 and really started to be reflected in the organisational culture in the current financial year.

Total Funds

At the year end, the total funds of the group stood at £13,360,598 (2016/17 - £13,929,744). Restricted Funds totalled £170,054 (2016 - £69,075).

The assets representing each of these funds are analysed in Note 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.

Myton is aware of the increasing pressure on the NHS commissioners but are confident that we offer value for money. Myton is gaining status within the local health economy providing a presence at all of the local Sustainability Transformation Plan discussions, and the Working Together Boards (collaborative boards with representation from the NHS, public health, local authorities, and third sector organisations whom are making decisions around the future of out of hospital care across Coventry and Warwickshire).

Donations will continue to face increasing pressure as forthcoming changes in GDPR legislation will further complicate the work of the fundraising team.

There is a reputational risk for all charities currently with recent publicity focusing on poor performance, governance or safeguarding issues of charities. The management board are kept informed of the issues and regularly discuss and review the Hospices governance structure to ensure that the charity performs in line with the charity commission's guidance.

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 reviewed during 2017/18 and ratified in March 2018 and states that £2.781m 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.

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Total funds of the group at the year end stood at £13,360,598 (2017: £13,929,744).

Free reserves of the group at the year end, inclusive of Designated Funds and funds held on investment stood at £4,568,748 (2017: £4,843,590).

The assets representing each of these funds are analysed in Note 22 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.

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.

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

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 Business Development
Director of Income Generation

*The Medical Director role is filled by Dr Mike Iredale, who worked as a consultant doctor employed by University Hospital Coventry and Warwickshire for three days per week, and as Hospice Medical Director for two days per week until August 2017. In September 2017 following his retirement from the NHS Dr Iredale continued his role as Hospice Medical Director for three days per week, and was directly employed by the Hospice.

The total annual costs during 2017/18 of the Senior Leadership Team whom are employed by Myton (excluding the medical director whilst he was employed by the NHS) are £448,000 pa (net of NI and pension costs). (2016/17 £414,000).

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

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

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

The committees are as follows:

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

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Charity Governance Code

The Trustees are aware of the new guidance and have asked the company secretary to undertake a review of the guidance and to produce recommendations and an action plan for the coming year in order to ensure that the charity takes positive steps towards working in line with the Code in all ways where it is practicable to do so.

f. 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 four risks for the Hospice at the 31st March 2017 are as follows:

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

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 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.

2. The current phone system is a risk currently for two reasons, firstly it is a web based system and reliant on users being logged into a PC or Lap top. This poses a risk in clinical areas where phones are needed to respond quickly. Mitigation of this has been to install a number of traditional style desktop phones at a cost to the organisation. Secondly the age of the servers and their ability to cope with the Telephone system is causing issues with call quality and phone line availability. The IT team are working constantly to monitor the systems to ensure that the phone system takes priority, and in the coming year the aging servers will be replaced.

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. Continuing clinical education of nurses is vital in retaining nurses, and 2017/18 has seen growth in this area with the Head of Clinical Education leading this.

4. Financial stability – Whilst there are no real concerns now about Myton's financial position in the short term the Management Board are acutely aware that a deficit position has occurred in the current financial year, in line with the budget, and therefore scrutiny of the finances are extremely important. The local health economy is changing shape and the Hospice leadership team are involved in shaping the future of community services across Coventry and Warwickshire, but is as yet unclear what these changes will

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

mean in terms of, opportunities or threats to the hospices contracts in the future.

New opportunities for the Hospice to commission services are always being explored and the contract with South Warwick Foundation Trust to provide Lymphoedema services is an example of this. The Leadership team continue to explore and consider opportunities when they arise.

In terms of sustaining the level of voluntary income for Myton the fundraising team are obtaining donors' preferences for communication in line with GDPR legislation and is hoping to protect the relationship Myton has with its donors.

Growth in Retail through expansion is planned and ongoing.

g. TRUSTEES' INDEMNITIES

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the charitable company. This cover is up to £500,000 and cost £1,279.

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 2017/18 was £2,561 (2016/17 - £2,561), 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 MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

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.

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 18/7/18 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

OPINION

We have audited the financial statements of The Myton Hospices (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 set out on pages 19 to 48. 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

USE OF OUR REPORT

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 opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion

THE MYTON HOSPICES
(A company limited by guarantee)

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

on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- the parent charitable company has not kept adequate and sufficient 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

THE MYTON HOSPICES
(A company limited by guarantee)

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



Kerry Brown (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

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

Date: 3 / 8 / 18

THE MYTON HOSPICES
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £	
Note					
INCOME FROM:					
Donations and legacies	3	4,101,896	146,680	4,248,576	4,114,169
Charitable activities	4	2,554,563	-	2,554,563	2,549,828
Other trading activities	5	4,300,211	-	4,300,211	4,288,997
Investments	6	88,955	-	88,955	90,502
TOTAL INCOME		11,045,625	146,680	11,192,305	11,043,496
EXPENDITURE ON:					
Raising funds:					
Voluntary and trading income	8	3,071,022	-	3,071,022	2,956,953
Investment management		16,034	-	16,034	15,593
Charitable activities		8,625,446	29,281	8,654,727	8,331,854
TOTAL EXPENDITURE	7	11,712,502	29,281	11,741,783	11,304,400
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		(666,877)	117,399	(549,478)	(260,904)
Net gains/(losses) on investments	16	(19,668)	-	(19,668)	314,378
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(686,545)	117,399	(569,146)	53,474
Transfers between Funds	22	16,420	(16,420)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(670,125)	100,979	(569,146)	53,474
NET MOVEMENT IN FUNDS		(670,125)	100,979	(569,146)	53,474
RECONCILIATION OF FUNDS:					
Total funds brought forward		13,860,669	69,075	13,929,744	13,876,270
TOTAL FUNDS CARRIED FORWARD		13,190,544	170,054	13,360,598	13,929,744

The notes on pages 24 to 48 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 2017**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
INCOME FROM:			
Donations and legacies	3,934,800	179,369	4,114,169
Charitable activities	2,549,828		2,549,828
Other trading activities	4,288,997		4,288,997
Investments	90,502		90,502
		179,369	
TOTAL INCOME	10,864,127		11,043,496
EXPENDITURE ON:			
Raising funds:			
Voluntary income	2,956,953		2,956,953
Investment management	15,593		15,593
Charitable activities	8,153,131	178,723	8,331,854
		178,723	
TOTAL EXPENDITURE	11,125,677		11,304,400
NET INCOME/ (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)			
Net gains on investments	(261,550)	646	(260,904)
	314,378		314,378
	52,828	646	53,474
NET INCOME BEFORE TRANSFERS			
Transfer between funds	56,341	(56,341)	
	109,169	(55,695)	53,474
NET INCOME/ (EXPENDITURE)			
	109,169	(55,695)	53,474
NET MOVEMENT IN FUNDS			
RECONCILIATION IN FUNDS			
Total funds at 1 April 2016	13,751,500	124,770	13,876,270
TOTAL FUNDS AT 31 MARCH 2017	<u>13,860,669</u>	<u>69,075</u>	<u>13,929,744</u>

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

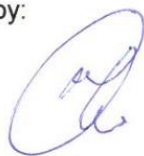
	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	14		73,150		42,985
Tangible assets	15		8,548,646		8,974,094
Investments	16		<u>2,936,030</u>		<u>2,914,285</u>
			11,557,826		11,931,364
CURRENT ASSETS					
Stocks	18	50,281		44,368	
Debtors	19	576,034		455,895	
Cash at bank and in hand			<u>2,428,087</u>	<u>3,064,458</u>	
			3,054,402	3,564,721	
CREDITORS: amounts falling due within one year	20		<u>(1,251,630)</u>	<u>(1,566,341)</u>	
NET CURRENT ASSETS			<u>1,802,772</u>		<u>1,998,380</u>
NET ASSETS			<u>13,360,598</u>		<u>13,929,744</u>
CHARITY FUNDS					
Restricted funds	22		170,054		69,075
Unrestricted funds	22		<u>13,190,544</u>		<u>13,860,669</u>
TOTAL FUNDS			<u>13,360,598</u>		<u>13,929,744</u>

The financial statements were approved and authorised for issue by the Trustees on

18/3/18

and

Mr N C Hunter
Chairman



The notes on pages 24 to 48 form part of these financial statements.

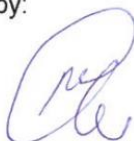
THE MYTON HOSPICES
(A company limited by guarantee)
REGISTERED NUMBER: 1628455

CHARITY BALANCE SHEET
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	14		73,150		42,985
Tangible assets	15		8,548,646		8,974,094
Investments	16		<u>2,981,384</u>		<u>2,959,639</u>
			11,603,180		11,976,718
CURRENT ASSETS					
Stocks	18	41,371		32,639	
Debtors	19	423,092		286,683	
Cash at bank and in hand			<u>2,223,299</u>	<u>2,859,402</u>	
			2,687,762	3,178,724	
CREDITORS: amounts falling due within one year	20		<u>(995,317)</u>	<u>(1,290,780)</u>	
NET CURRENT ASSETS			<u>1,692,445</u>		<u>1,887,944</u>
NET ASSETS			<u>13,295,625</u>		<u>13,864,662</u>
CHARITY FUNDS					
Restricted funds	22		170,054		69,075
Unrestricted funds	22		<u>13,125,571</u>		<u>13,795,587</u>
TOTAL FUNDS			<u>13,295,625</u>		<u>13,864,662</u>

The financial statements were approved and authorised for issue by the Trustees on 18/2/18 and signed on their behalf, by:

Mr N C Hunter
Chairman



The loss for the financial year dealt with in the financial statements of the parent Charity was £569,037 (2016 - gain £57,173).

The notes on pages 24 to 48 form part of these financial statements.

THE MYTON HOSPICES
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	24	<u>(532,493)</u>	<u>524,238</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		88,955	90,502
Proceeds from the sale of tangible fixed assets		178	-
Purchase of fixed assets		(151,598)	(386,655)
Proceeds from sale of investments		205,415	162,684
Purchase of investments		<u>(246,828)</u>	<u>(786,222)</u>
Net cash used in investing activities		<u>(103,878)</u>	<u>(919,691)</u>
Change in cash and cash equivalents in the year		(636,371)	(395,453)
Cash and cash equivalents brought forward		<u>3,064,458</u>	<u>3,459,911</u>
Cash and cash equivalents carried forward	25	<u><u>2,428,087</u></u>	<u><u>3,064,458</u></u>

The notes on pages 24 to 48 form part of these financial statements.

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. CHARITY INFORMATION

The Myton Hospices (the Charity) is a Company Limited by Guarantee (registered number 1628455), registered in England and Wales. Its 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 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 provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

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

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.

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (continued)

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.

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 section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

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 2018

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 2018

2. ACCOUNTING POLICIES (continued)

2.6 Expenditure

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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 Going concern

We have set out in the Trustees' Report a review of the financial performance and the charity's reserves position. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt the charity's ability to continue. The financial statements have therefore been prepared on the basis that the charity is a going concern.

2.8 Intangible fixed assets and amortisation

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

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

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (continued)

2.9 Tangible fixed assets and depreciation

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

A review for impairment of 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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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 or 50 years, whichever is less
Property improvements	-	3 - 10 years
Furniture, equipment and vehicles-	-	3 - 10 years
Computer and office equipment	-	3 - 10 years
Shop and office fittings	-	Over period of lease

2.10 Investments

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.

2.11 Interest receivable

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

2.12 Operating leases

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

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

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (continued)

2.13 Stocks and work in progress

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

2.14 Debtors

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

2.15 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.16 Creditors and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.17 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.18 Pensions

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

The Charity operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS17 'Retirement benefits', the Charity accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities represents contributions payable to the scheme in respect of the accounting period.

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. ACCOUNTING POLICIES (continued)

2.19 Significant judgements and estimates

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

Significant judgements

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

Significant estimates

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

2.20 Agency arrangements

The Charity acts as an agent in administering funds for the project "difficult conversations" on behalf of the NHS. Income and expenditure in relation to the project are excluded from the statement of financial activities as the Charity does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 21.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Donations	2,424,381	146,680	2,571,061	2,268,345
Legacies	1,677,515	-	1,677,515	1,845,824
	<u>4,101,896</u>	<u>146,680</u>	<u>4,248,576</u>	<u>4,114,169</u>
Total donations and legacies				
	<u>4,101,896</u>	<u>146,680</u>	<u>4,248,576</u>	<u>4,114,169</u>
<i>Total 2017</i>	<u>3,934,800</u>	<u>179,369</u>	<u>4,114,169</u>	

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
NHS grants and contracts for patient care	2,554,563	2,554,563	2,549,828
	<u>2,554,563</u>	<u>2,554,563</u>	<u>2,549,828</u>
<i>Total 2017</i>	<u>2,549,828</u>	<u>2,549,828</u>	

5. OTHER TRADING INCOME - FUNDRAISING INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Retail income	1,985,326	1,985,326	1,933,170
Lottery income	2,314,885	2,314,885	2,355,827
	<u>4,300,211</u>	<u>4,300,211</u>	<u>4,288,997</u>
<i>Total 2017</i>	<u>4,288,997</u>	<u>4,288,997</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Interest	4,557	4,557	3,084
Dividend income	84,398	84,398	87,418
	<u>88,955</u>	<u>88,955</u>	<u>90,502</u>
<i>Total 2017</i>	<u>90,502</u>	<u>90,502</u>	

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	<i>Total 2017 £</i>
Expenditure on raising voluntary and trading income	1,626,541	986	1,443,495	3,071,022	2,956,953
Expenditure on investment management	-	-	16,034	16,034	15,593
Costs of generating funds	1,626,541	986	1,459,529	3,087,056	2,972,546
Expenditure relating to delivery of NHS grants and contracts for patient care	6,281,426	534,744	1,838,557	8,654,727	8,331,854
	<u>7,907,967</u>	<u>535,730</u>	<u>3,298,086</u>	<u>11,741,783</u>	<u>11,304,400</u>
<i>Total 2017</i>	<u>7,354,431</u>	<u>511,982</u>	<u>3,437,987</u>	<u>11,304,400</u>	

8. EXPENDITURE ON RAISING VOLUNTARY AND TRADING INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Retail and lottery costs	1,273,949	1,273,949	1,290,262
Fundraising costs	169,546	169,546	119,704
Staff costs	1,626,541	1,626,541	1,543,671
Depreciation	986	986	3,316
	<u>3,071,022</u>	<u>3,071,022</u>	<u>2,956,953</u>
<i>Total 2017</i>	<u>2,956,953</u>	<u>2,956,953</u>	

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
NHS grants and contracts for patient care	<u>7,317,193</u>	<u>1,337,534</u>	<u>8,654,727</u>	<u>8,331,854</u>
<i>Total 2017</i>	<u>6,966,019</u>	<u>1,365,835</u>	<u>8,331,854</u>	

10. DIRECT COSTS - NHS GRANTS AND CONTRACTS

	2018 £	2017 £
Drugs	214,483	215,215
Medicinal supplies	97,709	121,791
Cleaning and laundry	39,845	40,462
Catering	89,480	77,939
Small equipment	31,457	65,801
Training	97,552	106,474
Governance	28,466	25,147
Contracted medical staff	436,775	502,430
Wages and salaries	5,413,706	5,020,098
National insurance	481,404	433,221
Pension cost	386,316	357,441
	<u>7,317,193</u>	<u>6,966,019</u>
<i>Total 2017</i>	<u>6,966,019</u>	

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. SUPPORT COSTS - NHS GRANTS AND CONTRACTS

	2018 £	2017 £
Premises costs	135,383	153,641
Travelling and subsistence	52,463	49,540
Office costs	148,570	145,057
Repairs and renewals	222,837	224,075
Legal and professional	33,405	63,926
Staff recruitment	3,888	17,590
Other costs	195,830	197,628
Amortisation	10,414	5,712
Depreciation	534,744	508,666
	1,337,534	1,365,835
<i>Total 2017</i>	<i>1,365,835</i>	

12. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charitable group	535,730	511,982
Auditor's remuneration - audit	16,750	16,250
Auditor's remuneration - non-audit	3,325	4,050
Auditor's remuneration - tax	1,250	800
Operating lease rentals	393,484	375,070

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. STAFF COSTS

Staff costs were as follows:

	2018	<i>2017</i>
	£	£
Wages and salaries	6,904,709	<i>6,426,989</i>
Social security costs	585,229	<i>535,128</i>
Other pension costs	418,029	<i>392,314</i>
	<hr/> 7,907,967 <hr/>	<hr/> <i>7,354,431</i> <hr/>

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

	2018	<i>2017</i>
	No.	<i>No.</i>
	364	<i>349</i>

Average headcount expressed as a full time equivalent:

	2018	<i>2017</i>
	No.	<i>No.</i>
	268	<i>237</i>

The number of higher paid employees was:

	2018	<i>2017</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	<i>3</i>
In the band £70,001 - £80,000	1	<i>2</i>
In the band £80,001 - £90,000	1	<i>0</i>
In the band £90,001 - £100,000	1	<i>1</i>

Of the higher paid employees there is 1 member of the medical team whom is paid on the NHS pay scale (2017:1)

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. INTANGIBLE FIXED ASSETS

Group and Company	Software £
Cost	
At 1 April 2017	79,385
Additions	<u>40,579</u>
At 31 March 2018	<u>119,964</u>
Amortisation	
At 1 April 2017	36,400
Charge for the year	<u>10,414</u>
At 31 March 2018	<u>46,814</u>
Carrying amount	
At 31 March 2018	<u><u>73,150</u></u>
At 31 March 2017	<u><u>42,985</u></u>

15. TANGIBLE FIXED ASSETS

Group	Freehold property £	Long Leasehold Property £	Furniture, equipment & vehicles £	Computer & office equipment £	Total £
Cost					
At 1 April 2017	3,737,516	7,753,510	1,777,842	375,684	13,644,552
Additions	-	-	98,566	12,453	111,019
Disposals	-	-	(2,991)	-	(2,991)
At 31 March 2018	<u>3,737,516</u>	<u>7,753,510</u>	<u>1,873,417</u>	<u>388,137</u>	<u>13,752,580</u>
Depreciation					
At 1 April 2017	1,488,646	1,847,391	1,154,871	179,550	4,670,458
Charge for the year	108,899	229,614	161,751	35,466	535,730
On disposals	-	-	(2,254)	-	(2,254)
At 31 March 2018	<u>1,597,545</u>	<u>2,077,005</u>	<u>1,314,368</u>	<u>215,016</u>	<u>5,203,934</u>
Net book value					
At 31 March 2018	<u><u>2,139,971</u></u>	<u><u>5,676,505</u></u>	<u><u>559,049</u></u>	<u><u>173,121</u></u>	<u><u>8,548,646</u></u>
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>

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. TANGIBLE FIXED ASSETS (continued)

Charity	Freehold property £	Long Leasehold Property £	Furniture, equipment & vehicles £	Computer & office equipment £	Total £
Cost					
At 1 April 2017	3,737,516	7,748,510	1,777,842	375,684	13,639,552
Additions	-	-	98,566	12,453	111,019
Disposals	-	-	(2,991)	-	(2,991)
At 31 March 2018	<u>3,737,516</u>	<u>7,748,510</u>	<u>1,873,417</u>	<u>388,137</u>	<u>13,747,580</u>
Depreciation					
At 1 April 2017	1,488,646	1,842,391	1,154,871	179,550	4,665,458
Charge for the year	108,899	229,614	161,751	35,466	535,730
On disposals	-	-	(2,254)	-	(2,254)
At 31 March 2018	<u>1,597,545</u>	<u>2,072,005</u>	<u>1,314,368</u>	<u>215,016</u>	<u>5,198,934</u>
Net book value					
At 31 March 2018	<u>2,139,971</u>	<u>5,676,505</u>	<u>559,049</u>	<u>173,121</u>	<u>8,548,646</u>
At 31 March 2017	<u>2,248,870</u>	<u>5,906,119</u>	<u>622,971</u>	<u>196,134</u>	<u>8,974,094</u>

16. FIXED ASSET INVESTMENTS

Group	Listed securities £	Land £	Total £
Market value			
At 1 April 2017	2,846,785	67,500	2,914,285
Additions	246,828	-	246,828
Disposals	(205,415)	-	(205,415)
Revaluations	(19,668)	-	(19,668)
At 31 March 2018	<u>2,868,530</u>	<u>67,500</u>	<u>2,936,030</u>

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. FIXED ASSET INVESTMENTS (continued)

Group investments at market value comprise:

	2018 £	2017 £
Listed investments	2,868,530	2,846,785
Other fixed asset investments	<u>67,500</u>	<u>67,500</u>
Total market value	<u><u>2,936,030</u></u>	<u><u>2,914,285</u></u>

All the fixed asset investments are held in the UK.

Group material investments

	31 March 2018 £			31 March 2017 £
Vanguard Funds Plc			167,367	168,718
Charity	Listed securities £	Land £	Subsidiaries £	Total £
Market value				
At 1 April 2017	2,846,785	67,500	45,354	2,959,639
Additions	246,828	-	-	246,828
Disposals	(205,415)	-	-	(205,415)
Revaluations	<u>(19,668)</u>	<u>-</u>	<u>-</u>	<u>(19,668)</u>
At 31 March 2018	<u><u>2,868,530</u></u>	<u><u>67,500</u></u>	<u><u>45,354</u></u>	<u><u>2,981,384</u></u>

Charity investments at market value comprise:

	2018 £	2017 £
Listed investments	2,868,530	2,846,785
Other fixed asset investments	67,500	67,500
Group	<u>45,354</u>	<u>45,354</u>
Total	<u><u>2,981,384</u></u>	<u><u>2,959,639</u></u>

All the fixed asset investments are held in the UK

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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. In addition to its trading results disclosed below, the company processed sales of £570,744 (2017: £528,032) relating to donated goods sold under the retail Gift Aid scheme. These figures are included as retail income on the Statement of Financial Activities.

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	3,745,315	-
Expenditure	(2,469,528)	(109)
Gift aid to the Charity	(1,275,787)	-
Loss in the period	<u>-</u>	<u>(109)</u>
	£	£
Net assets/(liabilities) at the year end	<u>110,299</u>	<u>27</u>

18. STOCKS

	<u>Group</u>		<u>Charity</u>	
	2018 £	2017 £	2018 £	2017 £
Consumables	39,833	31,002	39,833	31,002
Goods for resale	10,448	13,366	1,538	1,637
	<u>50,281</u>	<u>44,368</u>	<u>41,371</u>	<u>32,639</u>

Stock recognised as an expense in the Statement of Financial Activities during the year was £120,643 (2017: £124,447).

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	126,756	13,067	126,756	13,067
Amounts owed by group undertakings	-	-	7,670	7,670
Other debtors	126,187	116,446	75,729	104,367
Prepayments and accrued income	323,091	326,382	212,937	161,579
	<u>576,034</u>	<u>455,895</u>	<u>423,092</u>	<u>286,683</u>

20. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	274,464	702,895	237,337	649,665
Amounts owed to group undertakings	-	-	71,140	64,470
Other taxation and social security	193,121	205,058	193,116	205,053
Other creditors	73,756	16,605	73,316	16,199
Accruals and deferred income	710,289	641,783	420,408	355,393
	<u>1,251,630</u>	<u>1,566,341</u>	<u>995,317</u>	<u>1,290,780</u>

	<u>Group</u>		<u>Charity</u>	
	£	£	£	£
Deferred income				
Deferred income at 1 April 2017	239,080	196,454	50,368	17,337
Resources deferred during the year	194,830	229,080	5,982	40,368
Amounts released from previous years	<u>(229,080)</u>	<u>(186,454)</u>	<u>(40,368)</u>	<u>(7,337)</u>
Deferred income at 31 March 2018	<u>204,830</u>	<u>239,080</u>	<u>15,982</u>	<u>50,368</u>

Deferred income comprises lottery income received in advance by Myton Hospice (Promotions) Limited of £188,848 (2017: £188,712), Challenge Event income of £5,982 (2017: £40,368) and an NHS IT development grant of £10,000 (2017: £10,000).

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 2018 the Charity received £Nil (2017: £Nil) and disbursed £Nil (2017: £5,124) from the fund. An amount of £2,561 (2017: £2,561) is included in other creditors relating to undistributed funds.

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds						
Fixed asset fund	9,017,079	-	(546,881)	151,598	-	8,621,796
Investment fund	2,914,285	84,386	(16,034)	(26,939)	(19,668)	2,936,030
Service expansion	561,102	-	(44,221)	(78,558)	-	438,323
	<u>12,492,466</u>	<u>84,386</u>	<u>(607,136)</u>	<u>46,101</u>	<u>(19,668)</u>	<u>11,996,149</u>
General funds						
General Funds - all funds	<u>1,368,203</u>	<u>10,961,239</u>	<u>(11,105,366)</u>	<u>(29,681)</u>	<u>-</u>	<u>1,194,395</u>
Total Unrestricted funds	<u>13,860,669</u>	<u>11,045,625</u>	<u>(11,712,502)</u>	<u>16,420</u>	<u>(19,668)</u>	<u>13,190,544</u>
Restricted funds						
Other donations	69,075	47,670	(29,281)	(16,420)	-	71,044
Macmillan nurses, running costs for coventry IPU and Myton@Home	-	59,010	-	-	-	59,010
Coventry refurbishment	-	40,000	-	-	-	40,000
	<u>69,075</u>	<u>146,680</u>	<u>(29,281)</u>	<u>(16,420)</u>	<u>-</u>	<u>170,054</u>
Total of funds	<u>13,929,744</u>	<u>11,192,305</u>	<u>(11,741,783)</u>	<u>-</u>	<u>(19,668)</u>	<u>13,360,598</u>

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

22. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2017 £</i>
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
	<u>1,904,150</u>	<u>10,773,815</u>	<u>(10,397,717)</u>	<u>(912,045)</u>	<u>-</u>	<u>1,368,203</u>
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
	<u>124,770</u>	<u>179,369</u>	<u>(178,723)</u>	<u>(56,341)</u>	<u>-</u>	<u>69,075</u>
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

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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.

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds	12,492,466	84,386	(607,136)	46,101	(19,668)	11,996,149
General funds	1,368,203	10,961,239	(11,105,366)	(29,681)	-	1,194,395
	<u>13,860,669</u>	<u>11,045,625</u>	<u>(11,712,502)</u>	<u>16,420</u>	<u>(19,668)</u>	<u>13,190,544</u>
Restricted funds	69,075	146,680	(29,281)	(16,420)	-	170,054
	<u>13,929,744</u>	<u>11,192,305</u>	<u>(11,741,783)</u>	<u>-</u>	<u>(19,668)</u>	<u>13,360,598</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
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
	<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	124,770	179,369	(178,723)	(56,341)	-	69,075
	<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>

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	73,150	-	73,150
Tangible fixed assets	8,548,646	-	8,548,646
Fixed asset investments	2,936,030	-	2,936,030
Current assets	2,884,348	170,054	3,054,402
Creditors due within one year	(1,251,630)	-	(1,251,630)
	<u>13,190,544</u>	<u>170,054</u>	<u>13,360,598</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Intangible fixed assets	42,985	-	42,985
Tangible fixed assets	8,974,094	-	8,974,094
Fixed asset investments	2,914,285	-	2,914,285
Current assets	3,495,646	69,075	3,564,721
Creditors due within one year	(1,566,341)	-	(1,566,341)
	<u>13,860,669</u>	<u>69,075</u>	<u>13,929,744</u>

THE MYTON HOSPICES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

	Group	
	2018	2017
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(569,146)	53,474
Adjustment for:		
Depreciation and amortisation charges	546,144	517,694
(Gains)/losses on investments	19,668	(314,378)
Dividends, interest and rents from investments	(88,955)	(90,502)
Loss on the sale of fixed assets	559	-
Increase in stocks	(5,913)	(1,835)
(Increase)/decrease in debtors	(120,139)	214,530
(Decrease)/increase in creditors	(314,711)	145,255
Net cash (used in)/provided by operating activities	<u>(532,493)</u>	<u>524,238</u>

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2018	2017
	£	£
Cash in hand	<u>2,428,087</u>	<u>3,064,458</u>
Total	<u><u>2,428,087</u></u>	<u><u>3,064,458</u></u>

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% (2017: 1% and 10%) 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 14.38% (2017: 14.3%) of pensionable pay.

The pension cost charges, representing employer's contributions to both schemes, amounted to £418,029 (2017: £392,314). Contributions totalling £56,930 (2017: £28) were payable at the year end

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

26. PENSION COMMITMENTS (continued)

and are included in other creditors.

Future contributions are expected to be at a similar level.

No trustee qualified for benefits under either of these schemes.

27. OPERATING LEASE COMMITMENTS

At 31 March 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2018	2017
	£	£
Amounts payable:		
Within 1 year	285,269	285,470
Between 1 and 5 years	649,874	562,428
After more than 5 years	<u>257,184</u>	<u>124,083</u>
Total	<u><u>1,192,327</u></u>	<u><u>971,981</u></u>

At 31 March 2018 the Charity had annual commitments under non-cancellable operating leases as follows:

Charity

Amounts payable:

Within 1 year	23,220	23,220
Between 1 and 5 years	<u>65,801</u>	<u>69,440</u>
Total	<u><u>89,021</u></u>	<u><u>92,660</u></u>

28. RELATED PARTY TRANSACTIONS

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:

	2018	2017
	£	£
Management fees	98,642	91,836
Payroll costs recharged	1,125,504	1,058,245
Income from donated goods under the retail Gift Aid scheme	697,024	625,722
Gift aid transferred to the Charity	<u><u>1,275,787</u></u>	<u><u>1,357,816</u></u>

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

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

28. RELATED PARTY TRANSACTIONS (continued)

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.

Income from donated goods under the retail Gift Aid scheme are sales which were processed by Myton Hospice (Promotions) Limited on behalf of the Charity and are included under retail income.

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

The balance outstanding at the year end owed to Myton Hospice (Promotions) Limited was £71,140 (2017: £64,470).

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 (2017: £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 and the Medical Director. The total employee benefits of the key management personnel of the charity were £548,829 (2017 - £510,161).

29. FINANCIAL INSTRUMENTS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Financial assets				
Financial assets measured at fair value through income and expenditure	2,868,530	2,846,785	2,913,884	2,892,139
Financial assets that are debt instruments measured at amortised cost	2,841,728	3,297,332	2,589,733	3,063,505
Financial liabilities				
Financial liabilities measured at amortised cost	853,679	1,122,203	786,219	1,035,359

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.

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

29. FINANCIAL INSTRUMENTS (continued)

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

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Total investment income for financial assets measured at fair value through income and expenditure	84,398	<i>87,418</i>	84,398	<i>87,418</i>
Net gains on financial assets measured at fair value through income and expenditure	(19,668)	<i>314,378</i>	(19,668)	<i>314,378</i>
Total investment income for financial assets measured at amortised cost	4,557	<i>3,084</i>	4,557	<i>3,080</i>