

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 2019

THE MYTON HOSPICES
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees

Mr N C Hunter, Chairman
Mr K Beer-Jones
Mr K W Demian
Dr R Girvan (resigned 19 September 2018)
Mrs M Morris
Mr G Nicoll
Ms S Patchett
Dr V Robson
Mr P D Taylor
Mrs N Virani-Bland
Dr D Morgan (appointed 19 September 2018, deceased 6 April 2019)

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Advisers (continued)

Bankers

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

Solicitors

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

Investment Managers

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

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 2018 to 31 March 2019.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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.
- 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.
- Living Well Service
- FAB Programme

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 continued to focus on the development of our people, both staff and volunteers, during the last 12 months. The new HR database, iTrent, has enabled us to ensure all training and development is up to date, and shows gaps if they exist. Our Learning and Development team have strengthened our training portfolio, and we have seen particular development in our Clinical Education function, which we are now starting to sell to external customers. All this brings significant benefit to both patients and staff.

The Management and Leadership Development Programme for aspiring and new managers is now on its third cohort and helping with succession planning and nurturing and retaining talent from within the organisation. We continue to build on our value of "One Myton" by encouraging staff and volunteers to join in with the various ways we communicate and share information with them, such as briefings led by the CEO, and our Health and Wellbeing activities remain prominent with our third annual Health and Wellbeing week being the best supported yet.

2. Data and outcome measurement

We continue to focus on developing our data to enable us to make evidence based decisions. Crosscare continues to be used more widely and the majority of the information we keep on our patients is electronic. We are rolling out OACC outcome measures, initially in our Day Hospice service, which will enable us to monitor patients' conditions and wellbeing so that we can better demonstrate the impact of what we do.

The Income Generation team have seen a recent upgrade to their database which is enabling better use of the data stored on it. Our Insights Manager is able to use this data to help us improve our events and better target

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

our marketing.

3. Cost and resource efficiency

We have introduced a procurement role in collaboration with LOROS and we are looking to involve other hospice partners in this which we hope will generate more savings for the organisation. We undertook a Cost Improvement Programme at the end of the year with a view to reducing our expenditure for the year to come which will be monitored closely by senior managers and the Board.

iTrent, our new HR and payroll system is generating savings and enabling processes to be streamlined and more efficient.

4. Marketing and Communications

Digital marketing goes from strength to strength and we now have the fastest growing hospice Facebook following. We have joined the Hospice Biographers Charity and now have the facility to collect patient's stories for their families to keep, which is proving very popular and we have recently trained four more volunteers to enable us to offer this service more widely.

Community Engagement focus has been on South Warwickshire Foundation Trust (SWFT) this year, with lots of work going in within Warwick Hospital to promote what we do, to facilitate increased referrals and earlier admissions to the hospice. Early signs are that this work is having positive results.

The team continue to improve our branding and our information for patients and families so that it is all more consistent in appearance and message.

5. Relationships and collaboration

We continue to work collaboratively with other hospice organisations at many levels and this year we have introduced some shared posts with LOROS in Leicestershire which reduce our costs and enable us to look at areas like procurement with more buying power.

We have collaborated with SWFT, Shakespeare Hospice and Shipston Home Nursing to introduce the Rapid Response service to South Warwickshire which aims to keep palliative and end of life care patients at home and out of hospital out of hours if that is their choice.

We continue to be involved with other providers of end of life care both in hospital and in the community to put the patients and their families at the centre of the services which are delivered and we are always working collectively to improve what is on offer.

We have rolled out the Living Well and Fatigue and Breathlessness service across all three of our sites, and these collaborative and patient centred approaches are working well and now benefitting many more people. There is a continued focus within our Income Generation Team to build close relationships with our valued donors and supporters without whom we could not continue our work with a view to ensuring the sustainability of our organisation for years to come.

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

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

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TRUSTEES' REPORT (continued)
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STRATEGIC REPORT

Achievements and performance

a. REVIEW OF ACTIVITIES

In Patient Services

Our In Patient Units (IPU) are at both our Coventry and Warwick Hospices. Our beds are available to anyone in the Coventry or Warwickshire area, and occasionally as a charitable organisation we help patients who do not live in the area, however they express a wish to die in a hospice close to relatives who do live in the area we service.

The Warwick Hospice has 20 Specialist Palliative Care beds, available to palliative patients who have complex medical needs. In the financial year there were 411 patients (2017/18 416) who stayed in our IPU in Warwick with 454 patient stays (2017/18 461) with 58.5% of these stays resulting in the end of life.

In Coventry IPU we have 10 Specialist Palliative Care beds, and 6 Nurse Led beds, which are commissioned by Coventry and Rugby Clinical Commissioning Group (CCG). Nurse Led beds are for those palliative patients who do not meet the criteria for a specialist palliative care bed, but are too complex for a nursing home to care for them.

In the financial year there were 246 patients (2017/18 280) who stayed in our IPU in Coventry and occupied our specialist beds with 267 patient stays (2017/18 304) with 63% of these stays resulting in the end of life. 101 patients stayed in our Nurse Led Beds (2017/18 138) with 103 patient stays (2017/18 139) with 91% of these stays resulting in the end of life.

During the year there was a period of two months where admissions to Coventry IPU were limited to ensure patient safety due to staff vacancies, this explains the slight decrease in activity during the year when compared to last year. Staffing in Coventry is now fully established and working to capacity.

Day Hospice

At the Day Hospices within Myton, 2916 Day Hospice sessions were attended in the year (2017/18 3314). With all three day hospices seeing a decrease in attendances during the year. Warwick Day Hospice saw 1014 attendances, a reduction on last year (2017/18 1182), Coventry saw 954 attendances (2017/18 982), and Rugby saw 948 attendances (2017/18 1150). This trend in terms of attendances to Day Hospices across Myton has prompted a full service review of Day Hospice which was underway at the year end, and is expected to shape services going forward.

The Living Well service was extended on a pilot basis to all three of the Hospice sites and 58 patients had the benefit of this service during the year.

The Fatigue and Breathlessness (FAB) service continued in Coventry Day Hospice with 105 patients using this service in a year.

Myton at Home

196 Patients were cared for through our Myton at Home services in the financial year, across Warwick, Leamington and Rugby (175 - 2017/18).

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Lymphoedema

During 2018/19 our Lymphoedema team have continued to treat patients who have been referred by the Aylesford Centre in South Warwick and to treat patients under the Service Level Agreement (SLA) with South Warwick NHS Foundation Trust. 291 outpatient appointments were undertaken by Myton as part of this agreement in 2018/19.

University Hospital Coventry and Warwickshire have an SLA with Mary Ann Evans for their Lymphoedema service, however during the year Coventry and Warwickshire patients referred by UHCW requested Myton as their chosen place of care, and as a result Myton was able to work collaboratively and arrange an SLA with UHCW for the treatment of these patients. Although numbers were small in the year this is an area that Myton is hopeful of growth.

b. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

During 2018/19 Myton was invited to join a project group working collaboratively to provide Rapid Response to Palliative patients out of hours who may need assistance. The aim of this project was to stop palliative patients being admitted into hospital, when often their symptoms could be managed within the home with the right support from an appropriately trained healthcare professional. South Warwick NHS Foundation Trust led the project with collaboration from Myton Hospice, Shakespeare Hospice and Shipston Home Nursing. The service is planned to commence in April 2019 and the Rapid Response team will be based at the Warwick Myton Hospice allowing strong links to be forged between this team and the Myton teams both on the IPU and Myton @Home.

The new integrated HR and Payroll system started implementation in April 2018, with the payroll being run in parallel with the new system for the twelve months of the financial year. HR records are now being kept on the iTrent system including annual leave, sickness records, performance management, and appraisals. Reports relating to the payroll and HR are created through iTrent.

Also during the year the recording of Learning and Development records have moved onto the electronic system. iTrent has increased the ability for managers to see their staff records and has increased the manager's responsibilities around managing their staff. Staff are also able to view and check their records, and are responsible for keeping their personal information up to date and can access payslips via iTrent.

Other areas of iTrent that are also being implemented in the coming year include the recording of Health and Safety incidents, management of recruitment online, and rostering.

Four new shops were opened during the year, Earlsdon and Hertford Street both in Coventry were opened in April and June 2018. A new shop in Alcester was opened in October 2018. The first shop in Stratford-upon-Avon for Myton was opened in March 2019. Our objective to open a total of 40 Myton shops has changed due to the shop income not being at the levels that were expected and so the plan has been adapted in that the total number of shops will be 27 (following the opening of the final shop in Stratford-upon-Avon). This will allow the current management team to focus on the performance of the 27 shops and maximise the benefit that can be realised from these shops.

Our fundraising team organised a new event in response to feedback from our supporters. Two abseils down the Coventry Cathedral were organised by the team, with the response from the public being fantastic! Over £90k was raised through the events. As such the team are looking at repeating this or other similar events during the coming financial year.

A formal review of the Day Hospice Services commenced in January 2019. Engagement events were held at each of the hospice sites and involved staff and volunteers from all areas of the organisation. These engagement events and the feedback received from them will help to shape Day Hospice Services provided in the future, with changes being implemented early in 2019/20.

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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 who are also in contact with any volunteers or groups who fundraise on Myton's behalf.

Lottery canvassing is performed by an internal team of our own staff, and also external contractors. The staff receive an in-depth induction when they join Myton to ensure that their standards and practises when dealing with the public are to the highest standard. The performance and practices of external lottery canvassing teams are also monitored, in order to ensure that those teams represent the Hospice in to the standards expected. Staff employed by the external companies will also visit the hospice and undertake training from our lottery team whenever possible. Any complaints received regarding the lottery team are dealt with directly by the Lottery Manager, and the Director of Income Generation to ensure that they are responded to in an appropriate manner.

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, in compliance with the new General Data Protection Regulations.

Monitoring our fundraising

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

We're very aware of the potential of fundraising to become persistent or 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. During the financial year 47 complaints were received and responded to.

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 £3,005,370 (2017/18 £2,936,030), in line with the charities reserves policy. The investment fund includes £67,500 relating to the value of the land at Braunstone of which Myton holds a share and £45,354 being the shareholdings in the Promotions Company. The remaining balance is held in a long term investment portfolio managed by Brewin Dolphin, the returns on the investments during the year are paid as an income to the charity.

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FOR THE YEAR ENDED 31 MARCH 2019

Financial review

a. 2018-19 FINANCIAL PERFORMANCE

The financial year end position is a net deficit of £577,936, compared to the prior year being a net deficit of £569,146.

The Charity's Management Board agreed a deficit budget of £552,988 inclusive of depreciation for the year 2018/19, a net balancing budget prior to depreciation.

The Trust Board recognise that the Hospice should run the services that maximise the ability to care for as many people as possible, whilst also being aware that the financial stability of the organisation is a priority. A review of Day Hospice is underway at the year end - the aim of which is to establish the needs of the patients and to ensure that we are meeting those needs and being efficient with our resources when we do so.

A Cost Improvement Programme has been set for the coming year, with the aim that efficiencies and collaboration can create savings, with all budget holders being engaged in the process.

Service reviews are being undertaken to support service departments to improve efficiency and working practices. New methods of income generation are being encouraged, and the development of our clinical education sessions are being marketed externally with the intention that we can receive income for providing services in this area.

The charity's Trustee Board recognise the need to evolve to meet the changes and the needs of our patients, and the economic climate, and as such feel that these steps will ensure that we strengthen our financial stability.

Income

NHS Grant Income

NHS Grant income represents 22% of the unrestricted funds available to the charity. NHS Grants increased by 0.5% overall in 2017/18 to £2,566,293 from £2,554,563 in 2017/18.

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 Myton at Home Contract remained static (2018/19 £154,080, 2017/18 £154,080). The Nurse Led Bed contract with Coventry and Rugby CCG also remained static at £312,903.

Donations and Legacies

During 2018/19 income from Donations and Legacies totalled £4,300,551, a 3% increase on the previous year (2017/18 - £4,183,226). Legacies left to the hospice in 2018/19 were £1,598,781, falling below the legacies received in the prior year (2017/18 - £1,677,515) for the second year running. Donations saw an increase year on year with a total of £2,665,833 being donated by our supporters in 2018/19 (2017/18 - £2,505,711).

Trading Company Income (Myton Hospice Promotions Limited)

The retail portfolio saw expansion in the year with four new shops, taking us to a total of 26 Myton Hospice shops at the end of the financial year with a further shop due to open early in the coming year.

The retail expansion programme will cease in 2019/20 commencing with the opening of the 27th shop, as

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returns from the shops have not been as high as expected, the retail management team are going to focus on maximising the income from the current portfolio of shops.

Gross retail income totalled £2,154,417 in 2018/19 (2017/18 - £1,985,326).

Gross income from Lottery has seen a decrease in 2018/19 £2,279,354 (2017/18 - £2,314,885) due to a continued struggle to recruit internal lottery canvassers and external companies not meeting the targets set. The total number of lottery lines being played at the 31st March is 42,109 (2017/18 41,255).

Investment Income

Investment income increased in 2018/19 to £97,714 (2017/18 - £88,955).

Direct Costs of Patient Care

Direct costs of patient care totalled £7,402,293 (2017/18 - £7,317,193). Increased costs largely related to the costs of drugs, and salary costs.

Indirect Patient Care Costs

Indirect patient care costs have decreased by 2% during 2018/19 to £1,307,544 (2017/18 - £1,337,534) demonstrating that efficiency and the application of charitable funds is always considered to ensure value for money.

Total Funds

At the year end, the total funds of the group stood at £12,782,662 (2017/18 - £13,360,598) including restricted funds which totalled £76,835 (2018 - £170,054). The assets representing each of these funds are analysed in Note 23 to the financial statements.

b. GOING CONCERN

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

c. PRINCIPAL RISKS AND UNCERTAINTIES

A risk register for the charity is maintained and reviewed by the Trustees at each committee (bi-monthly) and then annually at the Trust Board meeting. Currently the top five corporate risks are as follows:

1. Financial sustainability - due to increased pressure on funding from the NHS, and declining income in areas such as Legacies, Retail and Lottery which are struggling to maintain their levels of contribution to the charity, if this continues there is concern about the impact on the long term financial sustainability of the organisation. In reaction to this, the organisation is involving all areas in cost improvement and efficiency plans with major service reviews being undertaken in areas such as Day Hospice, Catering and Housekeeping in the coming year the aim of balancing the cash position in 2019/20 and moving into cash surplus in the following years.
2. Nurse Led Bed Contract - The CCG who fund the Nurse Led Beds have indicated that they plan to review the contract for these beds at the Hospice. This is a significant risk to the Hospice in terms of the

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income that will be lost.

3. The impact of efficiency plans and service reviews on staff - There may be an impact on staff when changes are made to services which may result in displaced staff, and a feeling of uncertainty that may expand beyond those immediately affected.
4. The trend of legacy income reducing year on year - In the past Legacies have been an area of growth, and in the past two years this trend for Myton has reversed. Legacies provide a substantial proportion of income for Myton. Whilst support for Myton is strong the current economic climate is not helping the situation as estates are being delayed as a result of the slowing of the housing market. In reaction to this the a role is being introduced within the Fundraising team to focus on maximising legacy income and ensuring that we receive cash payments, including interim payments from solicitors as quickly as possible.
5. The Counselling team have experienced low staffing levels during the year and this has affected the service being provided which in turn could affect the reputation of the Hospice. Steps are being taken with the aim being that the team will return to usual capacity in the coming year.

d. RESERVES POLICY

The reserves policy was reviewed during the year and ratified in April 2018 and states that £2.781m representative of three months running costs of services are held in a long term medium risk portfolio. Additional reserves are held for the purpose of a future Estates Strategy.

Total funds of the group at the year end stood at £12,782,662 (2018: £13,360,598). Restricted funds totalled £76,835 (2018: £170,054) and unrestricted funds totalled £12,705,827 (2018: £13,190,544).

Free reserves of the group at the year end, stood at £976,388 (2018: £1,194,395). Designated funds totalled £11,729,439 (2018: £11,996,149) which is made up of the fixed asset fund of £8,484,569 (2018: £8,621,796), investment fund of £3,005,370 (2018: £2,936,030) and the service expansion fund of £239,500 (2018: £438,323).

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

e. PRINCIPAL FUNDING

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 to offer commissioned services where appropriate 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

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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 Board of the Myton Hospices is made up of not less than 4 Trustees, and no more than 12, of which 2 of the roles must be medical representatives. All Trustees are appointed for an initial period of three years, commencing with the first Annual General Meeting following their appointment and may apply for re-election to serve up to three terms, each of which is a period of three years. After serving a third period, the Director must step down, but may offer him/herself for re-election after a period of twelve months.

All Trustees are registered volunteers, recognised as Directors of The Myton Hospices on the Companies' House records and members of the charity. The Board is ultimately responsible for Myton Hospices care, finances, buildings and compliance.

The Trustee Board are accountable to the Care Quality Commission, Companies House, the Gambling Commission, and the Charity Commission for their activities and those of the hospices related companies.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

d. PAY POLICY FOR SENIOR STAFF

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

Our executive team is made up of the following roles :

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

*The Medical Director worked for the Hospice for three days per week, and was directly employed by the Hospice.

The total annual costs during 2018/19 of the Senior Leadership Team who are employed by Myton are £482,000 pa (net of NI and pension costs). (2017/18 £448,000).

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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 and external communications.

Charity Governance Code

The trustees are aware of the new guidance and a governance review was undertaken to assess the charity's compliance with the guidelines. Many areas of recommended practice were already being followed by the organisations and an action plan was devised to address any areas where improvement could be made. Areas such as the trustee induction programme have been reviewed and strengthened, as have the administration and storage of the minutes and papers from committee and board meetings. The trustees' declarations and registers of the charities have been improved and formalised in line with the guidance. Progress against the plan is monitored at the Management Board meetings.

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 2018 are as follows:

1. Financial stability
2. The Nurse Led bed contract – loss of the service due to occupancy levels.
3. The impact of efficiency plans and service reviews on staff
4. The trend of legacy income reducing year on year

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

5. The Counselling Service reduced services.

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.

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 £1,105.

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 2019/20 are as follows:

1. Maintain maximum bed availability (36 beds) across both inpatient units
2. To extend the Hospices reach and improve equity of access to hospice services
3. Increase collaborative working and partnerships
4. Develop a plan for sustainability of the organisation

FUNDS HELD AS CUSTODIAN

The Charity acts as an agent in administering funds for "GP PMS Education" on behalf of the NHS. An amount of £28,240 (2018: £Nil) is included in other creditors relating to undistributed funds.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The company and the group carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The company and the group has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the company and the group's Equal opportunities policy, the company and the group has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the company and the group's offices.

THE MYTON HOSPICES
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 24/07/19 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 2019 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 2019 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.

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 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

THE MYTON HOSPICES
(A company limited by guarantee)

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

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 the financial year 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 the 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' remuneration specified by law are 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

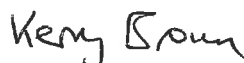
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.

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.



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: 21/8/19

THE MYTON HOSPICES
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and legacies	3	4,069,541	231,010	4,300,551	4,183,226
Charitable activities	4	2,593,557	-	2,593,557	2,577,383
Other trading activities	5	4,478,724	-	4,478,724	4,342,741
Investments	6	97,714	-	97,714	88,955
TOTAL INCOME		11,239,536	231,010	11,470,546	11,192,305
EXPENDITURE ON:					
Raising funds:					
Voluntary and trading income	8	3,417,371	-	3,417,371	3,071,022
Investment management		15,541	-	15,541	16,034
Charitable activities		8,490,986	218,851	8,709,837	8,654,727
TOTAL EXPENDITURE	7	11,923,898	218,851	12,142,749	11,741,783
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)		(684,362)	12,159	(672,203)	(549,478)
Net gains/(losses) on investments	16	94,267	-	94,267	(19,668)
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(590,095)	12,159	(577,936)	(569,146)
Transfers between Funds	22	105,378	(105,378)	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(484,717)	(93,219)	(577,936)	(569,146)
NET MOVEMENT IN FUNDS		(484,717)	(93,219)	(577,936)	(569,146)
RECONCILIATION OF FUNDS:					
Total funds brought forward		13,190,544	170,054	13,360,598	13,929,744
TOTAL FUNDS CARRIED FORWARD		12,705,827	76,835	12,782,662	13,360,598

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 2018

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
INCOME FROM:			
Donations and legacies	4,036,546	146,680	4,183,226
Charitable activities	2,554,563		2,554,563
Other trading activities	4,300,211		4,300,211
Investments	88,955		88,955
TOTAL INCOME	10,980,275	146,680	11,126,955
EXPENDITURE ON:			
Raising funds:			
Voluntary income	3,071,022		3,071,022
Investment management	16,034		16,034
Charitable activities	8,625,446	29,281	8,654,727
TOTAL EXPENDITURE	11,712,502	29,281	11,741,783
NET INCOME/ (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)	(732,227)	117,399	(614,828)
Net gains on investments	(19,668)		(19,668)
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS	(751,895)	117,399	(634,496)
Transfer between funds	16,420	(16,420)	
NET INCOME/ (EXPENDITURE)	(670,125)	100,979	(569,146)
NET MOVEMENT IN FUNDS	(670,125)	100,979	(569,146)
RECONCILIATION IN FUNDS			
Total funds at 1 April 2017	13,860,669	69,075	13,929,744
TOTAL FUNDS AT 31 MARCH 2018	13,190,544	170,054	13,360,598

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Intangible assets	14		114,947		73,150
Tangible assets	15		8,369,622		8,548,646
Investments	16		3,005,370		2,936,030
			<u>11,489,939</u>		<u>11,557,826</u>
CURRENT ASSETS					
Stocks	18	48,441		50,281	
Debtors	19	515,213		576,034	
Cash at bank and in hand		1,969,079		2,428,087	
		<u>2,532,733</u>		<u>3,054,402</u>	
CREDITORS: amounts falling due within one year	20	<u>(1,240,010)</u>		<u>(1,251,630)</u>	
NET CURRENT ASSETS			<u>1,292,723</u>		<u>1,802,772</u>
NET ASSETS			<u><u>12,782,662</u></u>		<u><u>13,360,598</u></u>
CHARITY FUNDS					
Restricted funds	22		76,835		170,054
Unrestricted funds	22		12,705,827		13,190,544
TOTAL FUNDS			<u><u>12,782,662</u></u>		<u><u>13,360,598</u></u>

The financial statements were approved and authorised for issue by the Trustees on 24/07/19 and signed on their behalf, by:

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 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Intangible assets	14		114,947		73,150
Tangible assets	15		8,369,622		8,548,646
Investments	16		3,050,724		2,981,384
			<u>11,535,293</u>		<u>11,603,180</u>
CURRENT ASSETS					
Stocks	18	43,651		41,371	
Debtors	19	399,674		423,092	
Cash at bank and in hand		1,676,549		2,223,299	
		<u>2,119,874</u>		<u>2,687,762</u>	
CREDITORS: amounts falling due within one year	20	(930,783)		(995,317)	
NET CURRENT ASSETS			<u>1,189,091</u>		<u>1,692,445</u>
NET ASSETS			<u>12,724,384</u>		<u>13,295,625</u>
CHARITY FUNDS					
Restricted funds	22		76,835		170,054
Unrestricted funds	22		12,647,549		13,125,571
TOTAL FUNDS			<u>12,724,384</u>		<u>13,295,625</u>

The financial statements were approved and authorised for issue by the Trustees on 24/07/19 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 £571,241 2018 - loss £569,037).

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 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	24	<u>(152,761)</u>	<u>(532,493)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		97,714	88,955
Proceeds from the sale of tangible fixed assets		-	178
Purchase of fixed assets		(428,888)	(151,598)
Proceeds from sale of investments		313,947	205,415
Purchase of investments		<u>(289,020)</u>	<u>(246,828)</u>
Net cash used in investing activities		<u>(306,247)</u>	<u>(103,878)</u>
Change in cash and cash equivalents in the year		(459,008)	(636,371)
Cash and cash equivalents brought forward		<u>2,428,087</u>	<u>3,064,458</u>
Cash and cash equivalents carried forward	25	<u>1,969,079</u>	<u>2,428,087</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 2019

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 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.

2.2 Company status

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

THE MYTON HOSPICES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation

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

The Charity has taken advantage of the exemption contained within 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 2019

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 2019

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 2019

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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 and in administering funds for "GP PMS Education" on behalf of the NHS. Income and expenditure in relation to the projects 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 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	2,567,952	97,881	2,665,833	2,505,711
Legacies	1,465,652	133,129	1,598,781	1,677,515
Grants	35,937	-	35,937	-
Total donations and legacies	4,069,541	231,010	4,300,551	4,183,226
<i>Total 2018</i>	<i>4,036,546</i>	<i>146,680</i>	<i>4,183,226</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
NHS grants and contracts for patient care	2,566,293	2,566,293	2,554,563
Education and training income	27,264	27,264	22,820
	<u>2,593,557</u>	<u>2,593,557</u>	<u>2,577,383</u>
<i>Total 2018</i>	<u>2,577,383</u>	<u>2,577,383</u>	

5. OTHER TRADING INCOME - FUNDRAISING INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Retail income	2,154,417	2,154,417	1,985,326
Lottery income	2,279,354	2,279,354	2,314,885
Other income	44,953	44,953	42,530
	<u>4,478,724</u>	<u>4,478,724</u>	<u>4,342,741</u>
<i>Total 2018</i>	<u>4,342,741</u>	<u>4,342,741</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest	8,713	8,713	4,557
Dividend income	89,001	89,001	84,398
	<u>97,714</u>	<u>97,714</u>	<u>88,955</u>
<i>Total 2018</i>	<u>88,955</u>	<u>88,955</u>	

THE MYTON HOSPICES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising voluntary and trading income	1,840,826	480	1,576,065	3,417,371	3,071,022
Expenditure on investment management	-	-	15,541	15,541	16,034
Costs of raising funds	1,840,826	480	1,591,606	3,432,912	3,087,056
Expenditure relating to delivery of NHS grants and contracts for patient care	6,519,609	549,183	1,641,045	8,709,837	8,654,727
	8,360,435	549,663	3,232,651	12,142,749	11,741,783
<i>Total 2018</i>	<i>7,907,967</i>	<i>535,730</i>	<i>3,298,086</i>	<i>11,741,783</i>	

8. EXPENDITURE ON RAISING VOLUNTARY AND TRADING INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Retail and lottery costs	1,417,212	1,417,212	1,273,949
Fundraising costs	158,853	158,853	169,546
Staff costs	1,840,826	1,840,826	1,626,541
Depreciation	480	480	986
	3,417,371	3,417,371	3,071,022
<i>Total 2018</i>	<i>3,071,022</i>	<i>3,071,022</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
NHS grants and contracts for patient care	7,402,293	1,307,544	8,709,837	8,654,727
<i>Total 2018</i>	7,317,193	1,337,534	8,654,727	

10. DIRECT COSTS - NHS GRANTS AND CONTRACTS

	2019 £	2018 £
Drugs	240,973	214,483
Medicinal supplies	101,631	97,709
Cleaning and laundry	40,739	39,845
Catering	93,858	89,480
Small equipment	22,914	31,457
Training	69,547	97,552
Governance	15,913	28,466
Contracted medical staff	297,109	436,775
Wages and salaries	5,624,112	5,394,036
National insurance	483,602	501,074
Pension cost	411,895	386,316
	7,402,293	7,317,193
<i>Total 2018</i>	7,317,193	

THE MYTON HOSPICES
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. SUPPORT COSTS - NHS GRANTS AND CONTRACTS

	2019 £	2018 £
Premises costs	161,135	135,383
Travelling and subsistence	45,644	52,463
Office costs	134,632	148,570
Repairs and renewals	178,658	222,837
Legal and professional	15,599	33,405
Staff recruitment	13,437	3,888
Other costs	192,804	195,830
Amortisation	16,452	10,414
Depreciation	549,183	534,744
	<u>1,307,544</u>	<u>1,337,534</u>
<i>Total 2018</i>	<u>1,337,534</u>	

12. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	549,663	535,730
Auditor's remuneration - audit	17,250	16,750
Auditor's remuneration - non-audit	3,375	3,325
Auditor's remuneration - tax	1,250	1,250
Operating lease rentals	<u>419,750</u>	<u>393,484</u>

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £NIL).

THE MYTON HOSPICES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. STAFF COSTS

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	7,303,154	6,885,039
Social security costs	601,648	604,899
Other pension costs	455,633	418,029
	8,360,435	7,907,967

Non-statutory/non-contractual termination payments totalling £14,004 (2018: £Nil) were made to 2 (2018: 0) employees.

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

2019	2018
No.	No.
368	364

The number of higher paid employees was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	1

Of the higher paid employees there is 1 member of the medical team whom is paid on the NHS pay scale (2018:1)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. INTANGIBLE FIXED ASSETS

	Software £
Group and Company	
Cost	
At 1 April 2018	119,964
Additions	58,249
At 31 March 2019	178,213
Amortisation	
At 1 April 2018	46,814
Charge for the year	16,452
At 31 March 2019	63,266
Carrying amount	
At 31 March 2019	114,947
At 31 March 2018	73,150

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long Leasehold Property £	Furniture, equipment & vehicles £	Computer & office equipment £	Total £
Group					
Cost					
At 1 April 2018	3,737,516	7,753,510	1,873,417	388,137	13,752,580
Additions	47,411	-	242,046	81,182	370,639
At 31 March 2019	3,784,927	7,753,510	2,115,463	469,319	14,123,219
Depreciation					
At 1 April 2018	1,597,545	2,077,005	1,314,368	215,016	5,203,934
Charge for the year	110,476	229,614	168,028	41,545	549,663
At 31 March 2019	1,708,021	2,306,619	1,482,396	256,561	5,753,597
Net book value					
At 31 March 2019	2,076,906	5,446,891	633,067	212,758	8,369,622
At 31 March 2018	2,139,971	5,676,505	559,049	173,121	8,548,646

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Charity	Freehold property £	Long Leasehold Property £	Furniture, equipment & vehicles £	Computer & office equipment £	Total £
Cost					
At 1 April 2018	3,737,516	7,748,510	1,873,417	388,137	13,747,580
Additions	47,411	-	242,046	81,182	370,639
At 31 March 2019	<u>3,784,927</u>	<u>7,748,510</u>	<u>2,115,463</u>	<u>469,319</u>	<u>14,118,219</u>
Depreciation					
At 1 April 2018	1,597,545	2,072,005	1,314,368	215,016	5,198,934
Charge for the year	110,476	229,614	168,028	41,545	549,663
At 31 March 2019	<u>1,708,021</u>	<u>2,301,619</u>	<u>1,482,396</u>	<u>256,561</u>	<u>5,748,597</u>
Net book value					
At 31 March 2019	<u>2,076,906</u>	<u>5,446,891</u>	<u>633,067</u>	<u>212,758</u>	<u>8,369,622</u>
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>

16. FIXED ASSET INVESTMENTS

Group	Listed securities £	Land £	Total £
Market value			
At 1 April 2018	2,868,530	67,500	2,936,030
Additions	289,020	-	289,020
Disposals	(313,947)	-	(313,947)
Revaluations	94,267	-	94,267
At 31 March 2019	<u>2,937,870</u>	<u>67,500</u>	<u>3,005,370</u>

Group investments at market value comprise:

	2019 £	2018 £
Listed investments	2,937,870	2,868,530
Other fixed asset investments	67,500	67,500
Total market value	<u>3,005,370</u>	<u>2,936,030</u>

All the fixed asset investments are held in the UK.

Group material investments

	31 March 2019 £	31 March 2018 £
Vanguard Funds Plc	193,470	167,367

THE MYTON HOSPICES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

16. FIXED ASSET INVESTMENTS (continued)

	Listed securities £	Land £	Subsidiaries £	Total £
Charity				
Market value				
At 1 April 2018	2,868,530	67,500	45,354	2,981,384
Additions	289,020	-	-	289,020
Disposals	(313,947)	-	-	(313,947)
Revaluations	94,267	-	-	94,267
	<u>2,937,870</u>	<u>67,500</u>	<u>45,354</u>	<u>3,050,724</u>
At 31 March 2019	<u>2,937,870</u>	<u>67,500</u>	<u>45,354</u>	<u>3,050,724</u>

Charity investments at market value comprise:

	2019 £	2018 £
Listed investments	2,937,870	2,868,530
Other fixed asset investments	67,500	67,500
Group	<u>45,354</u>	<u>45,354</u>
Total	<u>3,050,724</u>	<u>2,981,384</u>

All the fixed asset investments are held in the UK

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 £680,034 (2018: £570,744) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

	Myton Hospice (Promotions) Limited £	Myton Hamlet Hospice Development Limited £
Gross income	3,771,918	-
Expenditure	(2,797,498)	543
Gift aid to the Charity	(981,089)	(568)
Loss in the period	<u>(6,669)</u>	<u>(25)</u>
Net assets/(liabilities) at the year end	<u>£</u> <u>1,084,719</u>	<u>£</u> <u>2</u>

18. STOCKS

	<u>Group</u>		<u>Charity</u>	
	2019 £	2018 £	2019 £	2018 £
Consumables	41,416	39,833	41,416	39,833
Goods for resale	7,025	10,448	2,235	1,538
	<u>48,441</u>	<u>50,281</u>	<u>43,651</u>	<u>41,371</u>

Stock recognised as an expense in the Statement of Financial Activities during the year was £109,185 (2018: £120,643).

19. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	57,419	126,756	57,419	126,756
Amounts owed by group undertakings	-	-	66,513	7,670
Other debtors	120,196	126,187	93,121	75,729
Prepayments and accrued income	337,598	323,091	182,621	212,937
	<u>515,213</u>	<u>576,034</u>	<u>399,674</u>	<u>423,092</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	260,683	274,464	221,588	237,337
Amounts owed to group undertakings	-	-	-	71,140
Other taxation and social security	125,908	193,121	125,908	193,116
Other creditors	117,151	73,756	117,151	73,316
Accruals and deferred income	736,268	710,289	466,136	420,408
	1,240,010	1,251,630	930,783	995,317

	Group		Charity	
	£	£	£	£
Deferred income				
Deferred income at 1 April 2018	204,830	239,080	15,982	50,368
Resources deferred during the year	265,601	194,830	81,222	5,982
Amounts released from previous years	(194,830)	(229,080)	(5,982)	(40,368)
Deferred income at 31 March 2019	275,601	204,830	91,222	15,982

Deferred income comprises lottery income received in advance by Myton Hospice (Promotions) Limited of £184,379 (2018: £188,848), Challenge Event income of £38,567 (2018: £5,982), an NHS IT development grant of £10,000 (2018: £10,000), GP Alliance funding £10,000 (2018: £Nil), Funding for Poultney £6,180 (2018: £Nil) and Funding for Quality end of Life care for all training courses of £26,475 (2018: £Nil).

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 2019 the Charity received £Nil (2018: £Nil) and disbursed £2,542 (2018: £Nil) from the fund. An amount of £19 (2018: £2,561) is included in other creditors relating to undistributed funds.

The Charity acts as an agent in administering funds for "GP PMS Education" on behalf of the NHS. In the accounting period ending 31 March 2019 the Charity received £40,000 (2018: £Nil) and disbursed £11,759 (2018: £Nil) from the fund. An amount of £28,240 (2018: £Nil) is included in other creditors relating to undistributed funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
Designated funds						
Fixed asset fund	8,621,796	-	(566,115)	428,888	-	8,484,569
Investment fund	2,936,030	89,001	(15,541)	(98,387)	94,267	3,005,370
Service expansion	438,323	-	(83,525)	(115,298)	-	239,500
	<u>11,996,149</u>	<u>89,001</u>	<u>(665,181)</u>	<u>215,203</u>	<u>94,267</u>	<u>11,729,439</u>
General funds						
General Funds - all funds	1,194,395	11,150,535	(11,258,717)	(109,825)	-	976,388
Total Unrestricted funds	<u>13,190,544</u>	<u>11,239,536</u>	<u>(11,923,898)</u>	<u>105,378</u>	<u>94,267</u>	<u>12,705,827</u>
Restricted funds						
Other donations	71,044	97,881	(55,663)	(65,378)	-	47,884
Macmillan nurses, running costs for coventry IPU and Myton@Home	59,010	-	(59,010)	-	-	-
Coventry refurbishment	40,000	-	-	(40,000)	-	-
Coventry day hospice	-	133,129	(104,178)	-	-	28,951
	<u>170,054</u>	<u>231,010</u>	<u>(218,851)</u>	<u>(105,378)</u>	<u>-</u>	<u>76,835</u>
Total of funds	<u>13,360,598</u>	<u>11,470,546</u>	<u>(12,142,749)</u>	<u>-</u>	<u>94,267</u>	<u>12,782,662</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR 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	1,368,203	10,961,239	(11,105,366)	(29,681)	-	1,194,395
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>

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

22. STATEMENT OF FUNDS (continued)

Service expansion

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

Restricted funds

Specific Purposes fund

Various donations received for other specific purposes laid down by the donors are carried forward as restricted funds until spent.

The majority of 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 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
Designated funds	11,996,149	89,001	(665,181)	215,203	94,267	11,729,439
General funds	1,194,395	11,150,535	(11,258,717)	(109,825)	-	976,388
	<u>13,190,544</u>	<u>11,239,536</u>	<u>(11,923,898)</u>	<u>105,378</u>	<u>94,267</u>	<u>12,705,827</u>
Restricted funds	170,054	231,010	(218,851)	(105,378)	-	76,835
	<u>13,360,598</u>	<u>11,470,546</u>	<u>(12,142,749)</u>	<u>-</u>	<u>94,267</u>	<u>12,782,662</u>

SUMMARY OF FUNDS - PRIOR 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>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (continued)

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Intangible fixed assets	114,947	-	114,947
Tangible fixed assets	8,369,622	-	8,369,622
Fixed asset investments	3,005,370	-	3,005,370
Current assets	2,455,898	76,835	2,532,733
Creditors due within one year	(1,240,010)	-	(1,240,010)
	<u>12,705,827</u>	<u>76,835</u>	<u>12,782,662</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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>

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

	2019	Group
	£	2018
		£
Net expenditure for the year (as per Statement of Financial Activities)	(577,936)	(569,146)
Adjustment for:		
Depreciation and amortisation charges	566,115	546,144
(Gains)/losses on investments	(94,267)	19,668
Dividends, interest and rents from investments	(97,714)	(88,955)
Loss on the sale of fixed assets	-	559
Decrease/(increase) in stocks	1,840	(5,913)
Decrease/(increase) in debtors	60,821	(120,139)
Decrease in creditors	(11,620)	(314,711)
Net cash used in operating activities	(152,761)	(532,493)

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	Group
	£	2018
		£
Cash in hand	1,969,079	2,428,087
Total	1,969,079	2,428,087

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 2% and 10% (2018: 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% (2018: 14.38%) of pensionable pay.

The pension cost charges, representing employer's contributions to both schemes, amounted to £455,633 (2018: £418,029). Contributions totalling £71,910 (2018: £56,930) were payable at the year end and are included in other creditors.

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26. PENSION COMMITMENTS (continued)

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 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2019	2018
	£	£
Amounts payable:		
Within 1 year	346,662	285,269
Between 1 and 5 years	996,936	649,874
After more than 5 years	377,960	257,184
Total	1,721,558	1,192,327

At 31 March 2019 the Charity had annual commitments under non-cancellable operating leases as follows:

Charity		
Amounts payable:		
Within 1 year	200,720	87,897
Between 1 and 5 years	745,834	320,051
After more than 5 years	336,751	178,290
Total	1,283,305	586,238

Just after the year end the Charity entered into two additional operating leases. This commits the Charity to an additional £385,000 of lease payments over the next 10 years.

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:

	2019	2018
	£	£
Management fees	100,201	98,642
Payroll costs recharged	1,239,864	1,125,504
Income from donated goods under the retail Gift Aid scheme	829,446	697,024

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NOTES TO THE FINANCIAL STATEMENTS
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28. RELATED PARTY TRANSACTIONS (continued)

Gift aid transferred to the Charity	981,089	1,275,787
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Management fees were calculated as a proportion of the senior leadership teams salaries, and overheads of the management company.

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

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 from Myton Hospice (Promotions) Limited was £65,945 (2018: £nil). The balance outstanding at the year end owed to Myton Hospice (Promotions) Limited was £nil (2018: £71,140).

There only transaction with the subsidiary company, Myton Hamlet Hospice Development Limited during the year was gift aid transferred to the Charity of £543 (2018: £Nil). The balance outstanding at the year end owed from Myton Hamlet Hospice Development Limited was £568 (2018: £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 £584,525 (2018 : £548,829).

29. FINANCIAL INSTRUMENTS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Financial assets				
Financial assets measured at fair value through income and expenditure	2,937,870	2,868,530	2,983,224	2,913,884
Financial assets that are debt instruments measured at amortised cost	2,316,420	2,841,728	2,031,604	2,589,733
Financial liabilities				
Financial liabilities measured at amortised cost	848,501	853,679	723,653	786,219

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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29. FINANCIAL INSTRUMENTS (continued)

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

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Total investment income for financial assets measured at fair value through income and expenditure	89,001	84,398	89,001	84,398
Net gains on financial assets measured at fair value through income and expenditure	94,267	(19,668)	94,267	(19,668)
Total investment income for financial assets measured at amortised cost	8,713	4,557	8,713	3,080