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**THE MARY STEVENS HOSPICE**  
**REPORT AND ACCOUNTS**  
**31 MARCH 1998**

**DH - ACCOUNTANTS AND  
REGISTERED AUDITORS**  
Wychbury Chambers  
78, Worcester Road  
West Hagley, Stourbridge  
West Midlands DY9 0NJ



THE MARY STEVENS HOSPICE

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THE MARY STEVENS HOSPICE

COMPANY INFORMATION

COUNCIL OF MANAGEMENT:

Chairman	B.M. Marshall
Secretary	Hon. Alderman J.P.S. Poyner MBE
Treasurer	F. Rawcliffe J.P. FCCA CPFA
	D.J.C. Johnson FCA
	Mrs. P.M. Tilley
	J.J. Higgs FCIB
	G. Hill
	Miss. J.V. Faulkner
	Councillor I.M. Kettle *
	Councillor A.J. Taylor *
	Councillor T.W. Powell *

\* These are ex officio members, being the Councillors for Pedmore and Stourbridge East ward on the Borough Council of Dudley.

REGISTERED OFFICE:

221, Hagley Road  
Oldswinford  
Stourbridge  
West Midlands  
DY8 2JR

REGISTERED NUMBER:

1963989 22.11.85.  
Limited by Guarantee, not having a share capital.

REGISTERED CHARITY NUMBER:

517656

AUDITORS:

DHH  
Registered Auditors  
Wychbury Chambers  
78, Worcester Road  
West Hagley, Stourbridge  
West Midlands DY9 0NJ

## THE MARY STEVENS HOSPICE

### REPORT OF THE COUNCIL OF MANAGEMENT

YEAR ENDED 31 MARCH 1998

#### 1. REPORT OF THE COUNCIL

The Council of Management submits its Report and Statement of Accounts for the year ended 31 March 1998.

#### 2. OBJECTS OF THE CHARITY, PRINCIPAL ACTIVITIES AND ORGANISATION OF OUR WORK

The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

The charity's object and its principal activity continues to be that of providing day care and, eventually, a residential home for those suffering from chronic or terminal illness. The Day Centre commenced accepting patients in November 1991.

A 10 bedded residential unit has been built, is presently being equipped with the anticipation that the first patients will be received later in 1998.

The charity is organised so that the council meets regularly to manage its affairs.

#### 3. FINANCIAL RESULTS

The surplus for the year was £490,789. £250,000 has been transferred to the Property Endowment Fund to cover some of the costs relating to the residential unit whilst £10,000 has been transferred to the Property Repair Fund. This splendid result, which includes £225,000 from The Mary Stevens Hospice Trading Company Limited, is due in large measure to the bands of helpers, organisers of fund raising events and contributions from charitable trusts and individuals. Heartfelt thanks go out to all of them for their hard work and dedication. The results for the year and financial position at 31 March 1998 are considered satisfactory.

#### 4. TANGIBLE FIXED ASSETS

Changes in these assets are set out in Note 10 of the Accounts.

#### 5. FUND RAISING

Our grateful thanks must go to all members of the various Fund Raising Groups throughout the area for the very valuable and continued support they give to the Hospice.

#### 6. HOSPICE EXTENSION

The Hospice extension provides much needed additional facilities but there will be a substantial increase in running costs. Budgets indicate that future annual expenditure will be in the order of £1,000,000 compared with £250,000 presently.

#### 7. THE SHOPS AND LOTTERY

Although these are administered through a separate limited company, The Mary Stevens Hospice Trading Company Limited, all profits are gift-aided to the Hospice. In addition to providing excellent financial benefit, these activities constantly remind members of the public of the Hospice's work.

#### 8. HOSPICE STAFF AND VOLUNTEERS

The Council wishes to express sincere thanks to all staff and volunteers, who give their utmost to make the stay of all day patients so comfortable.

THE MARY STEVENS HOSPICE

REPORT OF THE COUNCIL OF MANAGEMENT (Continued)

YEAR ENDED 31 MARCH 1998

9. FUNDS AVAILABLE

The present level of funding is adequate to support the day unit but additional income will be required on a regular basis once the residential unit is opened. The Council believes that the community will increase its support as the additional facilities are much needed in the area.

10. MEMBERS OF COUNCIL AND TRUSTEES

Please refer to page 1 for names of council members. It is considered that all elected council members are also trustees. With effect from 25 April 1997 members of council have liability cover.

11. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the trustees are required to:


- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

12. AUDITORS

A resolution proposing the re-appointment of DHH, will be submitted to the Annual General Meeting.

OLDSWINFORD  
14 July 1998

  
J.P.S. POYNER  
Hon Secretary

**THE MARY STEVENS HOSPICE**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 MARCH 1998**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 1998 £	Total Funds 1997 £
<b>INCOME AND EXPENDITURE</b>					
<b>INCOMING RESOURCES</b>					
Donations and fund-raising	3	261,373	-	261,373	213,825
Legacies		26,712	-	26,712	25,592
Health Authorities		120,527	-	120,527	119,493
Investment income	4	69,763	-	69,763	58,259
Other income	5	245,273	-	245,273	181,399
<b>TOTAL INCOMING RESOURCES</b>		<b>723,648</b>	<b>-</b>	<b>723,648</b>	<b>598,568</b>
<b>RESOURCES EXPENDED</b>					
Direct charitable expenditure	6	160,069	-	160,069	154,370
Fund-raising and publicity	7	41,745	-	41,745	38,773
Management and administration of the charity	8	31,045	-	31,045	55,845
<b>TOTAL RESOURCES EXPENDED</b>		<b>232,859</b>	<b>-</b>	<b>232,859</b>	<b>248,988</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>490,789</b>	<b>-</b>	<b>490,789</b>	<b>349,580</b>
Transfers between funds	14	(260,000)	260,000	-	-
<b>NET INCOMING RESOURCES FOR THE YEAR</b>		<b>230,789</b>	<b>260,000</b>	<b>490,789</b>	<b>349,580</b>
Gains on investments unrealised	15	8,377	-	8,377	-
<b>NET MOVEMENT IN FUNDS</b>		<b>239,166</b>	<b>260,000</b>	<b>499,166</b>	<b>349,580</b>
Balance brought forward at 1 April 1997		1,328,783	1,020,000	2,348,783	1,999,203
<b>BALANCES CARRIED FORWARD AT 31 MARCH 1998</b>		<b>1,567,949</b>	<b>1,280,000</b>	<b>2,847,949</b>	<b>2,348,783</b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the surpluses for the current and previous years.


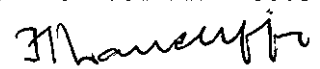
The notes on pages 6 to 11 form part of these accounts

THE MARY STEVENS HOSPICE

BALANCE SHEET

AS AT 31 MARCH 1998

	Note	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>					
Tangible assets	10		1,724,092		929,910
Investments	11		500,000		1,000,000
			<hr/>		<hr/>
			2,224,092		1,929,910
<b>CURRENT ASSETS</b>					
Debtors and Prepayments	12	53,949		42,648	
Investments	11	523,639		376,674	
Cash at Bank and in Hand		58,974		13,414	
		<hr/>		<hr/>	
		636,562		432,736	
CREDITORS (Amounts falling due within one year)	13	12,705		13,863	
		<hr/>		<hr/>	
<b>NET CURRENT ASSETS</b>			623,857		418,873
			<hr/>		<hr/>
<b>TOTAL NET ASSETS</b>			2,847,949		2,348,783
			<hr/> <hr/>		<hr/> <hr/>
Represented by:-					
<b>FUNDS</b>					
Unrestricted			1,567,949		1,328,783
Restricted	14		1,280,000		1,020,000
			<hr/>		<hr/>
			2,847,949		2,348,783
			<hr/> <hr/>		<hr/> <hr/>

  
 J.P.S. POYNER - Secretary  
  
 F. RAWCLIFFE - Treasurer

Approved: 14 July 1998

The notes on pages 6 to 11 form part of these accounts.

## THE MARY STEVENS HOSPICE

### NOTES TO THE ACCOUNTS

31 MARCH 1998

#### 1. STATUS OF THE COMPANY

The company is limited by guarantee and does not have a share capital. The liability of members is limited, but is not to exceed £1 per member. The company is also a registered charity, non profit making and, as such, qualifies for exemption from Income and Corporation Tax.

#### 2. PRINCIPAL ACCOUNTING POLICIES

##### **Basis of preparation of accounts**

The accounts are prepared under the historical cost convention and include the results of the charity's operations which are described in the Council's and Trustees' Report and all of which are continuing.

The accounts have been prepared in compliance with the Statement of Recommended Practice on Charity Accounts.

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement.

##### **Voluntary Income**

Voluntary income, including that covenanted from the Hospice lottery and shops via The Mary Stevens Hospice Trading Co Ltd, is accounted for on a cash received basis although the associated income tax recoverable on covenants and gift aid is accounted for on an accruals basis.

Where significant assets are donated a cash equivalent is included in voluntary income.

##### **Fixed assets and depreciation**

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Leasehold buildings	-	Straight line from bringing into use to the end of the lease in October 2040
Motor vehicles	-	25% reducing balance
Furniture & equipment	-	20% reducing balance
Computer equipment	-	25% straight line

##### **Legacies**

Credit is taken for these in the year in which received.

##### **Investments**

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income plus associated tax recoverable is credited to income as received.

##### **Value Added Tax**

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

##### **Pensions**

In respect of former National Health Service personnel the hospice operates a defined contributions pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities.



THE MARY STEVENS HOSPICE

NOTES TO THE ACCOUNTS

		<u>31 MARCH 1998</u>	
		1998	1997
		£	£
3.	<b>DONATIONS AND FUND-RAISING</b>		
	General	232,411	193,804
	In memoriam gifts	28,962	20,021
		<u>261,373</u>	<u>213,825</u>
4.	<b>INVESTMENT INCOME</b>		
	Building Society interest	39,872	41,228
	Bank interest	29,800	17,031
	Dividends	91	-
		<u>69,763</u>	<u>58,259</u>
5.	<b>OTHER INCOME</b>		
	Gift Aid - Shops and Lottery	225,000	170,000
	Gift Aid & covenants - Others	18,021	5,154
	Sundries	2,252	6,245
		<u>245,273</u>	<u>181,399</u>
6.	<b>DIRECT CHARITABLE EXPENDITURE</b>		
	Provision of hospice day care services	<u>160,069</u>	<u>154,370</u>
7.	<b>FUND RAISING AND PUBLICITY</b>		
	Appeals department	26,200	26,617
	Publications	3,620	2,895
	Goods for resale, hire of rooms equipment etc for events	11,925	9,261
		<u>41,745</u>	<u>38,773</u>
8.	<b>MANAGEMENT AND ADMINISTRATION OF CHARITY</b>		
	Salaries and office costs	28,751	26,037
	Legal and professional fees:-		
	general	-	1,175
	re proposed residential unit	-	26,518
	Audit fees	2,294	2,115
		<u>31,045</u>	<u>55,845</u>

THE MARY STEVENS HOSPICE

NOTES TO THE ACCOUNTS

31 MARCH 1998

9. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	Total 1998 £	Total 1997 £
Hospice services	95,509	22,225	42,335	160,069	154,370
Fund raising and publicity	27,491	1,193	13,061	41,745	38,773
Management and administration of the charity	25,134	1,193	4,718	31,045	55,845
	<u>148,134</u>	<u>24,611</u>	<u>60,114</u>	<u>232,859</u>	<u>248,988</u>

	1998 £	1997 £
Staff costs:		
Wages and salaries	137,378	124,592
Social security costs	9,271	9,205
Pension costs	1,485	1,412
	<u>148,134</u>	<u>135,209</u>

Other costs:		
Premises	11,409	14,401
Medical supplies	3,304	5,455
Food & drink	7,275	5,611
Fees re planning application for residential unit	-	26,518
Direct fund - housing costs	11,925	9,261
Miscellaneous	26,201	26,423
	<u>60,114</u>	<u>87,669</u>

No employee earned £40,000 p.a. or more

The average number of employees, analysed by functions, was:	No.	No.
Hospice Services	10	10
Fund-raising and publicity	2	2
Management and administration of the charity	13	13
	<u>25</u>	<u>25</u>

\* Includes 11 (11) members of Council, none of whom receive any remuneration

**THE MARY STEVENS HOSPICE**

**NOTES TO THE ACCOUNTS**

**31 MARCH 1998**

**10. TANGIBLE FIXED ASSETS**

	Leasehold Buildings £	Buildings in course of construction £	Motor Vehicles £	Furniture & Equipment £	Computer Equipment £	Total £
<b>COST</b>						
At 1 April 1997	1,004,741	-	14,186	38,274	2,026	1,059,227
Additions	2,048	816,745	-	-	-	818,793
At 31 March 1998	<u>1,006,789</u>	<u>816,745</u>	<u>14,186</u>	<u>38,274</u>	<u>2,026</u>	<u>1,878,020</u>
<b>DEPRECIATION</b>						
At 1 April 1997	91,941	-	11,176	24,174	2,026	129,317
Provision for the year	21,031	-	760	2,820	-	24,611
At 31 March 1998	<u>112,972</u>	<u>-</u>	<u>11,936</u>	<u>26,994</u>	<u>2,026</u>	<u>153,928</u>
<b>NET BOOK VALUE</b>						
As at 31 March 1998	<u>893,817</u>	<u>816,745</u>	<u>2,250</u>	<u>11,280</u>	<u>-</u>	<u>1,724,092</u>
As at 31 March 1997	<u>912,800</u>	<u>-</u>	<u>3,010</u>	<u>14,100</u>	<u>-</u>	<u>929,910</u>

**11. INVESTMENTS**

Amounts invested with Building Societies  
Amounts invested with Banks  
Ordinary shares in Woolwich plc

1998 £	1997 £
577,950	871,498
437,312	505,176
8,377	-
<u>1,023,639</u>	<u>1,376,674</u>

Categorised as:-

Fixed asset investments

Current asset investments

500,000	1,000,000
523,639	376,674
<u>1,023,639</u>	<u>1,376,674</u>

**12. DEBTORS AND PREPAYMENTS**

Tax refundable

Prepayments

52,462	41,585
1,487	1,063
<u>53,949</u>	<u>42,648</u>

## THE MARY STEVENS HOSPICE

## NOTES TO THE ACCOUNTS

31 MARCH 1998

13. CREDITORS (amounts falling due within one year)	1998	1997
	£	£
Trade creditors	8,325	4,602
Other taxation and Social Security	330	3,805
Accruals and deferred income	4,050	5,456
	<hr/>	<hr/>
	12,705	13,863

## 14. RESTRICTED FUNDS

	Balance 1 April 1997 £	Movement in Resources: Incoming      Outgoing £              £		Balance 31 March 1998 £
Property Endowment Fund	1,000,000	250,000	-	1,250,000
Property Repair Fund	20,000	10,000	-	30,000
	<hr/>	<hr/>	<hr/>	<hr/>
	1,020,000	260,000	-	1,280,000

The Property Endowment Fund was established in 1994 earmarking funds for the building of a residential unit to complement the day unit.

The Property Repair Fund was established in 1996 in an endeavour to equalise repair costs which are likely to increase as the property gets older.

## 15. GAINS ON INVESTMENTS

During the year the hospice acquired 2,450 shares in Woolwich plc when it converted from a Building Society. The figure of £8,377 represents the value of those shares at 31 March 1998.

## 16. TRANSACTIONS WITH MEMBERS OF COUNCIL

During the year the hospice purchased electrical goods from Geoff Hill Ltd, a company of which Mr. G. Hill is a director and shareholder, amounting to £185 (1997 £642). Expenses amounting to £112 (1997 £164) & £107 (1997 £128) have been reimbursed to the secretary & treasurer respectively.

THE MARY STEVENS HOSPICE

NOTES TO THE ACCOUNTS

31 MARCH 1998

17. FINANCIAL COMMITMENTS

	1998	1997
Capital commitments	£	£
Contracted for but not provided for in the accounts	222,000	1,000
	<hr/>	<hr/>
Authorised but not contracted for	250,000	1,250,000
	<hr/>	<hr/>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
<b>Restricted Funds</b>				
Property Endowment Fund	816,745	433,255	-	1,250,000
Property Repair Fund	-	30,000	-	30,000
	<hr/>	<hr/>	<hr/>	<hr/>
	816,745	463,255	-	1,280,000
Unrestricted Funds	907,347	36,745	623,857	1,567,949
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	1,724,092	500,000	623,857	2,847,949
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## THE MARY STEVENS HOSPICE

### REPORT OF THE AUDITORS TO THE MEMBERS OF THE MARY STEVENS HOSPICE

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As described on page 3 the charity's council/trustees, who are also the directors for the purposes of company law, are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

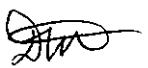
#### **BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **OPINION**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 1998 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



DHH Accountants &  
Registered Auditors  
Wychbury Chambers  
78 Worcester Road  
West Hagley, Stourbridge  
West Midlands DY9 0NJ

Date: 20 July 1998