

REGISTERED COMPANY NUMBER: 1963989 (England and Wales)
REGISTERED CHARITY NUMBER: 517656

Report of the Trustees and
Consolidated Financial Statements for
The Year Ended 31 March 2013
for
The Mary Stevens Hospice
Limited



The Mary Stevens Hospice Limited

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for the year ended 31 March 2013**

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The Mary Stevens Hospice Limited

**Report of the Trustees
For the year ended 31 March 2013**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

1963989 (England and Wales)

Registered Charity number

517656

Registered office

221 Hagley Road
Oldswinford
Stourbridge
West Midlands
DY8 2JR

Trustees

G Bellis
R M Franks
C Gammon
R M Glaze
D C Hickman
Z Ibrahim
D J C Johnson
Councillor P D Martin
J B Woodall
Councillor L Jones
Councillor I M Kettle
Councillor R C Wilson
T W Garbett
D J Pike
C J H Smith
G Wakeman

Chief Executive

P Holliday (resigned 2 September 2013)
S Jackson (with effect from 2 September 2013)

Company Secretary

R M Glaze

Auditors

Nicklin LLP
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Solicitors

Higgs & Sons
3 Waterfront Business Park
Brierley Hill
West Midlands
DY5 1LX

The Mary Stevens Hospice Limited

Report of the Trustees
for the year ended 31 March 2013

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Natwest Bank Plc
141 High Street
Stourbridge
West Midlands
DY8 1BF

Barclays Bank Plc
81 High Street
Stourbridge
West Midlands
DY8 1EB

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Mary Stevens Hospice Limited is a registered charity, number 517656 and is a company limited by guarantee governed by its Memorandum and Articles of Association dated 4 March 1986

Recruitment and appointment of new trustees

Proposals for membership of the Board of Directors should be made to the Chairman. On appointment, new Trustees are given an induction programme to familiarise themselves with the work of the Hospice and their role

Organisational structure

The Charity is organised so that the Board of Directors of the Company meets regularly with subcommittees reporting to it, whilst individual directors liaise with senior management on a regular basis. The Senior Management Team is responsible to the Board of Directors for the day-to-day running of The Mary Stevens Hospice and the implementation of policies and strategies decided by the Board

It is governed by the Directors who form the Council of Management. The Directors are volunteers who have had careers in a wide variety of business and professional activities. They come from the Dudley Metropolitan Borough and its surrounding districts. All elected Directors are also Trustees, the names of the Directors are shown above. Three councillors selected by Dudley Metropolitan Borough Council attend the Board meetings in an ex-officio capacity.

Subsidiary companies

The company has two subsidiary companies, The Mary Stevens Hospice Trading Company Limited and Mary Stevens Hospice Lottery Limited, both of which are limited by guarantee and do not have share capital. The sole member of each entity is The Mary Stevens Hospice Limited

Although these are administered through separate limited companies, all profits are Gift-Aided to the Hospice. In addition to providing significant financial support, these activities ensure that the public is regularly reminded of the work of the Hospice.

The Board of Directors regards these subsidiary companies to be fundamentally essential to the financial well being of the Hospice and would like to place on record their recognition and heartfelt thanks for the dedication and efforts of all the staff and volunteers who are involved

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Board has conducted a review of the major risks to which the charity is exposed and systems have been established to mitigate those risks

The Directors 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 and to provide reasonable assurance that

- The charity is operating efficiently and effectively in its pursuit of its objects
- Its assets are safeguarded against unauthorised use or theft
- Proper records are maintained and that the financial information used within the charity is reliable
- The charity complies with relevant laws and regulations
- The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

They include:

- Annual budgets approved by the Board
- Regular consideration by the Board of financial results, variance from budgets and non-financial performance indicators.
- Appropriate delegation of authority and segregation of duties
- The identification and management of risks

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's object and its principal activity continues to be that of providing care for those with life-limiting illness and those needing end of life care. All our charitable activities focus on this object and are undertaken for the public benefit. The trustees have had due regard to guidance published by the Charity Commission on public benefit

Aims

Nursing and Medical team

- To be a centre of excellence specialising in palliative care provided by a multi-disciplinary team.
- To maintain an active, flexible team of volunteers to provide a support service in delivering the care.
- Help and support patients' families and carers

Fundraising

- To raise the appropriate funding annually to enable the Hospice to continue and develop its provision of specialist palliative care.
- To keep building local fundraising support
- To find new corporate and trust supporters and continue assisting our existing supporters
- To increase the number of fundraising groups and develop existing community links in order to increase fundraising income

Report of the Trustees
for the year ended 31 March 2013

OBJECTIVES AND ACTIVITIES

Volunteers

The Board of Directors recognises the significant dedication of our staff and volunteers, which is shown in such a wide variety of ways. The Hospice could not exist without their input and this is reflected in the continuing care we are able to give patients and their relatives.

Newsletters are produced during the year to disseminate information about aims and activities

The average number of employees and volunteers during the year was as follows

	Full time staff	Part time staff	Total staff	Volunteers
Directors/Trustees	0	0	0	13
Patient care	14	40	54	197
Administration	5	5	10	3
Maintenance & domestic	2	6	8	8
Fundraising	2	2	4	79
Lottery Company	3	2	5	5
Trading Company	30	19	49	250
Totals	56	74	130	555

ACHIEVEMENT AND PERFORMANCE

Operational Performance

In Patients

	<u>2013</u>	<u>2012</u>
Admissions	239	233
Occupied bed days	2,776	2,638
Average occupancy	76%	72%

Day Care

	<u>2013</u>	<u>2012</u>
Attendances	3,929	3,703
Average occupancy	96%	87%

Key Financial Statistics

	<u>2013</u>	<u>2012</u>
Voluntary income reduction/growth on prior year	30%	-11%
Charitable Expenditure reduction/growth on prior year	-1%	9%
Fundraising trading costs as % of income from fundraising activities	62.5%	60.2%
Costs of generating voluntary income as % of voluntary income	12.4%	15.8%
Governance as % of total expenditure	1.5%	1.4%
Direct charitable expenditure as % of total	56%	57.8%

The Key Financial Statistics stated above show the percentages as they would have been if the two subsidiary companies acquired on 1st April 2012 had been in place throughout all previous years.

FINANCIAL REVIEW

Results for the year ended 31st March 2013 are given in the Statement of Financial Activities on page 8. The assets and liabilities are given in the Consolidated Balance Sheet on page 9 and the Company's own Balance Sheet on page 10. The financial statements should be read in conjunction with their related notes, which appear on pages 13 to 20 and have been prepared in accordance with relevant law and SORP 2005.

In summary, total incoming resources increased by 176% to £4.1m, total resources expended increased by 163% to £3.9m.

The surplus for the year is £227,247. The relevant factors are more fully explained in the Statement of Financial Activities on page 8 and also in the subsequent notes to the financial statements.

The result for the year has benefitted from significantly increased income from legacies and the profit generated by the Trading Company. However, there were substantial shortfalls in general donations and the profit from the Lottery Company. The Board has always been aware of the major impact made by varying legacy and trust incomes from year to year. We recognise that this is not simply a twelve-month picture in this context, but does in fact represent the outcome of considerable efforts made by all our staff and volunteers who have striven to raise awareness for our cause in the local and surrounding communities over a much longer period. The current level of financial and practical support that we receive from such a wide variety of sources is really a tribute to all those dedicated people who keep the Hospice running from day to day and our recognition and gratitude must be expressed herewith.

It is obvious that future demands on our services will require the continuance of all our many fund-raising activities on a daily basis for each year that passes; we will therefore try to ensure that levels of commitment will continue to grow in order to maintain the high standards expected of our Charity.

Fixed Assets

A summary of changes in fixed assets during the period is set out in note 15 to the accounts.

Fund Raising

The charity is continuing to experience a very competitive fundraising environment and the Directors recognise that achieving revenue budgets for the forthcoming year will be challenging. Targets have been set to increase the revenues from fundraising activities, through continuing changes in fundraising methods and efficiency improvements, whilst looking for opportunities in new sources of fundraising and recruiting new supporters.

Reserves Policy

The reserves that we have set aside provide financial stability and the means for the development of our principal activity. We intend to maintain our reserves at a level which is equivalent to between six months and two years running costs. This will ensure both financial stability and provide resources for the planned expansion of our services. The Board reviews annually the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

Investments

As the majority of funds under the control of the Board have been provided by members of the local community, a conservative attitude has always been adopted with regard to risk when making investments. Funds are generally invested on a short to medium-term basis, including FTSE 100 equities and corporate bonds.

FUTURE DEVELOPMENTS

To develop and extend the role of our palliative practitioners and support staff, with a view to supplementing our existing in-house unit care, by taking our services out to the local community. This initiative can only take place when we have the appropriate funding available on an on-going basis.

The strengthening of our palliative care team has enabled the Hospice to accept patients with more complicated conditions and thus increase the quality and standard of care available to the local and surrounding communities.

The Mary Stevens Hospice Limited

Report of the Trustees
for the year ended 31 March 2013

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Mary Stevens Hospice Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

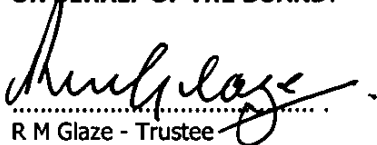
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

AUDITORS

The auditors, Nicklin LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD.


R M Glaze - Trustee

Date: 11 November 2013.

Report of the Independent Auditors to the Members of-
The Mary Stevens Hospice Limited

We have audited the financial statements of The Mary Stevens Hospice Limited for the year ended 31 March 2013 on pages eight to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page six, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.



Joanne Baldwin FCCA (Senior Statutory Auditor)
for and on behalf of Nicklin LLP
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Date.19/2/13.....

The Mary Stevens Hospice Limited

Consolidated Statement of Financial Activities
For the year ended 31 March 2013

	Notes	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	923,820	1,222	925,042	1,429,261
Activities for generating funds	3	2,502,093	-	2,502,093	238,457
Investment income	5	113,912	-	113,912	89,136
Incoming resources from charitable activities					
Patient care	6	483,956	-	483,956	531,637
Other incoming resources		<u>31,005</u>	<u>-</u>	<u>31,005</u>	<u>14,217</u>
Total incoming resources		4,054,786	1,222	4,056,008	2,302,708
RESOURCES EXPENDED					
Costs of generating funds					
Costs of Generating voluntary income	7	114,765	-	114,765	112,705
Fundraising Trading Costs	8	1,563,576	-	1,563,576	-
Charitable activities					
Patient care	9	2,190,453	18,525	2,208,978	2,247,034
Governance costs	11	<u>58,249</u>	<u>-</u>	<u>58,249</u>	<u>47,611</u>
Total resources expended		3,927,043	18,525	3,945,568	2,407,350
NET INCOMING/(OUTGOING) RESOURCES		127,743	(17,303)	110,440	(104,642)
Other recognised gains/losses					
Gains/losses on investment assets		<u>116,807</u>	<u>-</u>	<u>116,807</u>	<u>8,551</u>
Net movement in funds		244,550	(17,303)	227,247	(96,091)
RECONCILIATION OF FUNDS					
Total funds brought forward		5,441,173	86,749	5,527,922	5,624,013
TOTAL FUNDS CARRIED FORWARD		<u>5,685,723</u>	<u>69,446</u>	<u>5,755,169</u>	<u>5,527,922</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

The notes form part of these financial statements

The Mary Stevens Hospice Limited

Consolidated Balance Sheet
At 31 March 2013

	Notes	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
FIXED ASSETS					
Tangible assets	15	<u>1,759,864</u>	<u>58,981</u>	<u>1,818,845</u>	<u>1,778,623</u>
CURRENT ASSETS					
Debtors	17	307,970	-	307,970	358,141
Stocks		4,750	-	4,750	-
Investments	18	3,412,704	-	3,412,704	3,068,044
Cash at bank		463,043	10,465	473,508	409,976
		<u>4,188,467</u>	<u>10,465</u>	<u>4,198,932</u>	<u>3,836,161</u>
CREDITORS					
Amounts falling due within one year	19	<u>(262,608)</u>	-	<u>(262,608)</u>	<u>(86,862)</u>
NET CURRENT ASSETS		<u>3,925,859</u>	<u>10,465</u>	<u>3,936,324</u>	<u>3,749,299</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,685,723</u>	<u>69,446</u>	<u>5,755,169</u>	<u>5,527,922</u>
NET ASSETS		<u>5,685,723</u>	<u>69,446</u>	<u>5,755,169</u>	<u>5,527,922</u>
FUNDS	20				
Unrestricted funds				5,685,725	5,441,173
Restricted funds				<u>69,446</u>	<u>86,749</u>
TOTAL FUNDS				<u>5,755,169</u>	<u>5,527,922</u>

The financial statements were approved by the Board of Trustees on 11 November 2013 and were signed on its behalf by.


.....
D J C Johnson -Trustee

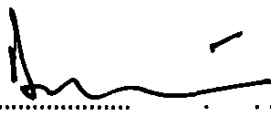
The notes form part of these financial statements

The Mary Stevens Hospice Limited

Company Balance Sheet
At 31 March 2013

	Notes	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
FIXED ASSETS					
Tangible assets	15	<u>1,627,718</u>	<u>58,981</u>	<u>1,686,699</u>	<u>1,778,623</u>
CURRENT ASSETS					
Debtors	17	488,944	-	488,944	358,141
Investments	18	3,412,704	-	3,412,704	3,068,044
Cash at bank		<u>223,253</u>	<u>10,465</u>	<u>233,718</u>	<u>409,976</u>
		4,124,941	10,465	4,135,366	3,836,161
CREDITORS					
Amounts falling due within one year	19	<u>(78,752)</u>	-	<u>(78,752)</u>	<u>(86,862)</u>
NET CURRENT ASSETS		<u>4,046,149</u>	<u>10,465</u>	<u>4,056,614</u>	<u>3,749,299</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,673,867</u>	<u>69,446</u>	<u>5,743,867</u>	<u>5,527,922</u>
NET ASSETS		<u>5,673,867</u>	<u>69,446</u>	<u>5,743,313</u>	<u>5,527,922</u>
FUNDS	20				
Unrestricted funds				5,673,867	5,441,173
Restricted funds				<u>69,446</u>	<u>86,749</u>
TOTAL FUNDS				<u>5,743,313</u>	<u>5,527,922</u>

The financial statements were approved by the Board of Trustees on 11 November 2013 and were signed on its behalf by.


.....
D J C Johnson FCA-Trustee

The notes form part of these financial statements

The Mary Stevens Hospice Limited

Consolidated Cash Flow Statement
for the year ended 31 March 2013

		2013 £	2012 £
Net cash inflow (outflow) from operating activities	Notes 1	361,124	(198,681)
Returns on investments and servicing of finance	2	113,912	89,136
Capital expenditure and financial investment	2	(183,651)	(57,049)
		<u>291,385</u>	<u>(166,594)</u>
Management of liquid resources	2	(227,853)	(999,876)
		<u>63,532</u>	<u>(1,166,470)</u>
Increase (decrease) in cash in the period		<u>63,532</u>	<u>(1,166,470)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase (decrease) in cash in the period		63,532	(1,166,470)
Cash outflow from increase in liquid resources		<u>344,660</u>	<u>1,008,427</u>
Change in net debt resulting from cash flows		<u>408,192</u>	<u>(158,043)</u>
Movement in net debt in the period		408,192	(158,043)
Net debt at 1 April		<u>3,478,020</u>	<u>3,636,063</u>
Net debt at 31 March		<u>3,886,212</u>	<u>3,478,020</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the year ended 31 March 2013

1. RECONCILIATION OF NET INCOMING\((OUTGOING) RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Net incoming\((outgoing) resources	110,440	(104,642)
Depreciation charges	143,429	96,959
Interest received	(113,912)	(89,136)
(Decrease)/increase in debtors	50,171	(99,716)
Increase/(decrease) in creditors	175,746	(2,146)
Increase in stock	(4,750)	-
Net cash outflow from operating activities	<u>361,124</u>	<u>(198,681)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	<u>113,912</u>	<u>89,136</u>
Net cash inflow for returns on investments and servicing of finance	<u>113,912</u>	<u>89,136</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(183,651)	(57,049)
Net cash outflow for capital expenditure and financial investment	<u>(183,651)</u>	<u>(57,049)</u>
 Management of liquid resources		
Purchase of current asset investments	(227,853)	(999,876)
Net cash outflow from management of liquid resources	<u>(227,853)</u>	<u>(999,876)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1 4.12	Cash flow	At 31 3 13
	£	£	£
Net cash			
Cash at bank	409,976	63,532	473,508
Liquid resources*			
Current asset investments	3,068,044	344,660	3,412,704
Total	<u>3,478,020</u>	<u>408,192</u>	<u>3,886,212</u>

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the consolidation method, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities. The financial statements consolidate the accounts of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, a file is set up once notification is received that the Company is to benefit from a legacy. These files are regularly reviewed to ensure that the funds are ultimately received but credit is not taken until the expected amount and date of receipt is confirmed. This is normally when they are received.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Governance costs include those costs associated with meeting the constitutional and statutory requirements.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

Assets with a cost of less than £200 are written off in the year of acquisition.

Leasehold buildings are depreciated on a straight line basis from the date the building is brought into use until the end of the lease in October 2040.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

In respect of former qualifying National Health Service personnel the Company continues their participation in the NHS defined benefit pension scheme. Other contracted staff are offered an opportunity to participate in a separate defined contribution scheme. Employer's contributions payable to both schemes for the year are charged in the Statement of Financial Activities.

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.

2. VOLUNTARY INCOME

	2013 £	2012 £
Legacies	646,146	303,065
Donations	256,557	1,098,300
Restricted donations and grants	1,222	1,257
Fund raising groups	<u>21,117</u>	<u>26,639</u>
	<u>925,042</u>	<u>1,429,261</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2013 £	2012 £
Fundraising events	238,693	238,457
Shop Income	1,534,730	-
Lottery Income	<u>728,670</u>	<u>-</u>
	<u>2,502,093</u>	<u>238,457</u>

4. MERCHANDISING INCOME AND COSTS

The charity has two wholly owned trading subsidiaries which are incorporated in the UK. The Mary Stevens Hospice Trading Company Limited sells goods and gift aids taxable profits to The Mary Stevens Hospice. Mary Stevens Hospice Lottery Limited runs a lottery. The subsidiaries were acquired on 1 April 2012.

A summary of the subsidiaries trading results is shown in the profit and loss account, set out below.

PROFIT AND LOSS ACCOUNTS

	The Mary Stevens Hospice Trading Company Limited £	Mary Stevens Hospice Lottery Limited £	Total 2013 £	Total 2012 £
Merchandising income	<u>1,534,130</u>	<u>728,670</u>	<u>2,262,800</u>	<u>2,204,967</u>
	<u>1,534,130</u>	<u>728,670</u>	<u>2,262,800</u>	<u>2,204,967</u>
Cost of sales	87,266	207,292	294,558	284,044
Other operating costs before gift aid	1,031,658	272,822	1,304,480	1,185,423
	<u>1,118,924</u>	<u>480,114</u>	<u>1,599,038</u>	<u>1,469,467</u>
Operating profit	<u>415,206</u>	<u>248,556</u>	<u>663,762</u>	<u>735,500</u>
Gift aided to The Mary Stevens Hospice	<u>435,000</u>	<u>249,200</u>	<u>684,200</u>	<u>733,000</u>
Net assets	<u>8,742</u>	<u>3,114</u>	<u>11,856</u>	<u>32,262</u>

5. INVESTMENT INCOME

	2013	2012
	£	£
Bank interest	77,403	61,632
Investment income	<u>36,509</u>	<u>27,504</u>
	<u>113,912</u>	<u>89,136</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2013	2012
		£	£
Local Primary care trusts	Patient care	<u>483,956</u>	<u>531,637</u>

7. COSTS OF GENERATING VOLUNTARY INCOME

	2013	2012
	£	£
Fundraising Events	<u>114,765</u>	<u>112,705</u>

8. FUNDRAISING TRADING COSTS

	2013	2012
	£	£
Shop Costs	1,083,238	-
Lottery Costs	<u>480,338</u>	<u>-</u>
	<u>1,563,576</u>	<u>-</u>

9. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note)	Totals
	£	£	£
Patient care	<u>1,997,130</u>	<u>211,848</u>	<u>2,208,978</u>

10. SUPPORT COSTS

	Premises expenses	Other	Totals
	£	£	£
Patient care	<u>142,537</u>	<u>69,310</u>	<u>211,847</u>

11. GOVERNANCE COSTS

	2013	2012
	£	£
Staff costs	26,531	27,825
Management charge for Chief Executive	18,422	12,862
Auditors' remuneration	<u>13,296</u>	<u>6,924</u>
	<u>58,249</u>	<u>47,611</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2013

12. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2013	2012
	£	£
Auditors' remuneration	13,296	6,924
Depreciation - owned assets	143,429	96,959
Operating leases - property	233,450	-
Operating leases - other	<u>6,239</u>	<u>-</u>

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2013 nor for the year ended 31 March 2012

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2013 or for the year ended 31 March 2012

14. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	2,291,926	1,610,955
Social security costs	162,036	123,512
Other pension costs	<u>90,362</u>	<u>97,400</u>
	<u>2,544,324</u>	<u>1,831,867</u>

Full time equivalents	89	59
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The numbers shown above do not include members of the Board of Directors, none of whom receive any remuneration or expenses.

During the year one employee received emoluments within the range £60,001 to £70,000

15. TANGIBLE FIXED ASSETS

Group	Leasehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2012	2,419,500	528,728	3,850	35,132	2,987,210
Subsidiary assets at acquisition	88,832	169,404	30,945	43,675	332,856
Additions	-	12,704	11,600	5,241	29,545
Disposals	-	-	(1,000)	-	(1,000)
At 31 March 2013	<u>2,508,332</u>	<u>710,836</u>	<u>45,395</u>	<u>84,048</u>	<u>3,348,611</u>
DEPRECIATION					
At 1 April 2012	804,654	385,190	3,027	15,716	1,208,587
Subsidiary depreciation at acquisition	33,862	93,817	21,802	28,707	178,188
Charge for year	70,346	50,720	5,279	17,084	143,429
Eliminated on disposal	-	-	(438)	-	(438)
At 31 March 2013	<u>908,862</u>	<u>529,727</u>	<u>29,670</u>	<u>61,507</u>	<u>1,529,766</u>
NET BOOK VALUE					
At 31 March 2013	<u>1,599,470</u>	<u>181,109</u>	<u>15,725</u>	<u>22,541</u>	<u>1,818,845</u>
At 31 March 2012	<u>1,614,846</u>	<u>143,538</u>	<u>823</u>	<u>19,416</u>	<u>1,778,623</u>
Company					
	Leasehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2012	2,419,500	528,728	3,850	35,132	2,987,210
Additions	-	-	600	1,138	1,738
At 31 March 2013	<u>2,419,500</u>	<u>528,728</u>	<u>4,450</u>	<u>36,270</u>	<u>2,988,948</u>
DEPRECIATION					
At 1 April 2012	804,654	385,190	3,027	15,716	1,208,587
Charge for year	<u>56,669</u>	<u>28,778</u>	<u>243</u>	<u>7,972</u>	<u>93,662</u>
At 31 March 2013	<u>861,323</u>	<u>413,968</u>	<u>3,270</u>	<u>23,688</u>	<u>1,302,249</u>
NET BOOK VALUE					
At 31 March 2013	<u>1,558,177</u>	<u>114,760</u>	<u>1,180</u>	<u>12,582</u>	<u>1,686,699</u>
At 31 March 2012	<u>1,614,846</u>	<u>143,538</u>	<u>823</u>	<u>19,416</u>	<u>1,778,623</u>

▪ The Mary Stevens Hospice Limited

Notes to the Financial Statements - continued
for the year ended 31 March 2013

16. FIXED ASSET INVESTMENTS

On 1 April 2012 the company became the only member of The Mary Stevens Hospice Trading Company Limited and Mary Stevens Hospice Lottery Limited. There was no cost associated with this acquisition. Details of the net assets acquired are included in Note 21.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 Group £	2013 Company £	2012 Group £	2012 Company £
Trade debtors	130,196	128,153	33,443	33,443
Other debtors	64,263		218,472	218,472
Amounts owed by group undertakings	-	250,004	-	-
Tax refund	61,759	61,759	42,082	42,082
Prepayments and accrued income	51,752	49,028	64,144	64,144
	<u>307,970</u>	<u>488,944</u>	<u>358,141</u>	<u>358,141</u>

18. CURRENT ASSET INVESTMENTS

	2013 Group £	2013 Company £	2012 Group £	2012 Company £
Listed Investments	1,081,011	1,081,011	568,044	568,044
Cash deposits	2,331,693	2,331,693	2,500,000	2,500,000
	<u>3,412,704</u>	<u>3,412,704</u>	<u>3,068,044</u>	<u>3,068,044</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 Group £	2013 Company £	2012 Group £	2012 Company £
Trade creditors	94,437	39,609	44,092	44,092
Social security and other taxes	44,697	31,973	35,731	35,731
Accruals and deferred income	123,474	7,170	7,039	7,039
	<u>262,608</u>	<u>78,752</u>	<u>86,862</u>	<u>86,862</u>

20. MOVEMENT IN FUNDS

Group	At 1.4.12 £	Net movement in funds £	At 31.3.13 £
Unrestricted funds			
General fund	5,237,057	244,550	5,481,607
Property repair fund	<u>204,116</u>	<u>-</u>	<u>204,116</u>
	5,441,173	244,550	5,685,723
Restricted funds			
Donations	51,208	(5,803)	45,405
Department of Health Grant	<u>35,541</u>	<u>(11,500)</u>	<u>24,041</u>
	86,749	(17,303)	69,446
TOTAL FUNDS	<u>5,527,922</u>	<u>227,247</u>	<u>5,755,169</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	4,054,786	(3,927,043)	116,807	244,550
Restricted funds				
Donations	<u>1,222</u>	<u>(18,525)</u>	<u>-</u>	<u>(17,303)</u>
TOTAL FUNDS	<u>4,056,008</u>	<u>(3,945,568)</u>	<u>116,807</u>	<u>227,247</u>

The movement in the Big Lottery Fund Grant restricted fund was

	2013 £	2012 £
Balance Brought Forward	-	-
Incoming Resources	-	30,886
Resources Expended	<u>-</u>	<u>30,886</u>
Balance Carried Forward	<u>-</u>	<u>-</u>

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.

The restricted funds relate to donations received for specific expenditure that have not yet been expended

20. MOVEMENT IN FUNDS (CONTINUED)

Company	At 1 4.12 £	Net movement in funds £	At 31.3 13 £
Unrestricted funds			
General fund	5,237,057	232,694	5,469,751
Property repair fund	<u>204,116</u>	<u>-</u>	<u>204,116</u>
	5,441,173	232,694	5,673,867
Restricted funds			
Donations	51,208	(5,803)	45,405
Department of Health Grant	<u>35,541</u>	<u>(11,500)</u>	<u>24,041</u>
	86,749	(17,303)	69,446
TOTAL FUNDS	<u>5,527,922</u>	<u>215,391</u>	<u>5,743,313</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,473,054	(2,357,167)	116,807	244,550
Restricted funds				
Donations	<u>1,222</u>	<u>(18,525)</u>	<u>-</u>	<u>(17,303)</u>
TOTAL FUNDS	<u>2,474,276</u>	<u>(2,375,692)</u>	<u>116,807</u>	<u>215,391</u>

21. ACQUISITION OF SUBSIDIARIES

During the year, the Mary Stevens Hospice Limited acquired 100% ownership of the Mary Stevens Hospice Trading Company Limited and of Mary Stevens Hospice Lottery Limited. These acquisitions have been accounted for using acquisition accounting. Consequently, the results of these two subsidiaries have been included in these consolidated financial statements from 1 April 2012, the date of the acquisitions. The assets introduced to the consolidated financial statements relating to these acquisitions are as follows:

Net assets required

	£
Fixed assets	154,668
Stock	16,044
Debtors	118,271
Cash at bank and in hand	161,814
Creditors due within one year	<u>(418,535)</u>
	<u>32,262</u>