

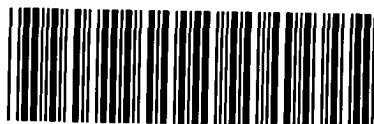
THE MARY STEVENS  
HOSPICE LIMITED

REGISTERED CHARITY  
NUMBER: 517656

REGISTERED COMPANY  
NUMBER: 1963989  
(ENGLAND AND WALES)



FRIDAY



\*L7L93E61\*  
L27 21/12/2018 #72  
COMPANIES HOUSE

# TRUSTEES AND DIRECTORS' ANNUAL REPORT

TRUSTEES AND DIRECTORS' ANNUAL  
REPORT FOR THE MARY STEVENS  
HOSPICE LTD INCLUDING  
CONSOLIDATED AUDITED FINANCIAL  
STATEMENTS FOR THE YEAR ENDING  
31 MARCH 2018 FOR THE  
MARY STEVENS HOSPICE GROUP

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care • compassion • kindness

## A WORD FROM THE CHAIRMAN

The life of the hospice during the last year has been dominated by the construction of the new wing to accommodate our day patients together with staff offices on the first floor. This work has inevitably led to some disruption for both staff, volunteers and patients having to relocate to space in nearby buildings. Our highest priority has been to keep open our day patient unit, which we were able to do by using the former fundraising building for that purpose. None of this would have been possible without both the cooperation and determination of staff.

On the whole the building work proceeded smoothly, the builders having been particularly sensitive to the needs of patients.

Happily the work on the new wing is very near completion. The building is very impressive and is fitted with many of the latest designs to assist patient care.

The work that remains is to construct and fit out a new family room adjacent to the inpatient unit for families who wish to stay overnight in times of crisis. The building work will end with the adaptation of our old fundraising office to a dedicated training suite. Training is an expanding area of our work, not only training our own staff but also outside organisations who are increasingly asking us to pass on our expertise.

My thanks yet again to our volunteers and staff for all their hard work and dedication. The many acts of kindness shown towards patients and their families, often beyond the call of duty, is what is encapsulated in our motto "care - compassion- kindness". Thanks also to my colleagues on the board who give up their time so generously. A total of twelve trustees from many walks of life who take their responsibilities seriously, whilst working as a team are not afraid to voice their opinions where necessary.

Finally thanks to our Chief Executive Stevan Jackson for his advice throughout the year, whose hand on the tiller has kept us on a steady course throughout.

**CLIFF GAMMON**  
CHAIR OF THE  
BOARD OF TRUSTEES



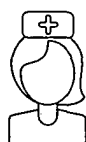
# THE STRATEGIC REPORT

Please note that some information is not included in the Strategic Report because it is included in the Directors' Report starting on page 8 and, vice-versa, some information is not included in the Directors' report because it is included in the following Strategic Report.

## WHY?

At Mary Stevens Hospice we believe that people with progressive, incurable, life-shortening illness should be helped to live as fulfilling a life as possible until achieving a natural, peaceful and dignified death free from pain or anxiety and surrounded by those whom they love.

## SUMMARY OF MAIN ACTIVITIES



### Clinical



### Income Generation



- Provide care, by a multi-disciplinary team, that is well-led, to support patients, families and carers.
- Such care to be in accordance with the 'Priorities for Care of the Dying Person' published by the Leadership Alliance for the Care of Dying People.
- Aspire to be a centre of excellence in the provision of specialist palliative and end-of-life care which is safe, caring, effective and responsive to people's needs.
- Provide training and education to improve care at various stages along the patient journey.
- Sustain a diverse, adaptable, well-motivated team of volunteers to support service delivery.

- Develop an effective income generation capability.
- Generate income for the Hospice in an ethical and responsible way.
- Develop an effective portfolio of trading activities (shops, recycling, house clearance, online sales, etc.).
- Maintain and improve upon local fundraising support.
- Promote the hospice as a worthy beneficiary of legacies and gifts in wills.
- Recruit corporate supporters.
- Increase the number of active fundraising groups and develop community links.
- Promote membership of the Mary Stevens Lottery.

## Fundraising

Mary Stevens Hospice is 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. We do not outsource any fundraising to a commercial fundraiser, though we employ a canvassing company to generate lottery members.

## 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 work hard to protect our supporters' data, as well as evolving our systems to ensure that our supporters can choose how they would like to be contacted and with what types of communication. We have acted to ensure we are fully compliant with the new General Data Protection Regulations (GDPR 2016).

## Monitoring Our Fundraising

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

This year we received and responded to 3 complaints from our base of 32,000 supporters.

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 people to opt out in the future. We ask supporters for feedback on this issue and continue to monitor the issue closely.

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



# SUMMARY OF MAIN ACTIVITIES CONTINUED... FOR THE PUBLIC BENEFIT

- Phase 3 of the Capital Appeal new build: We broke ground and made significant progress with the building of our brand new Bradbury Day Services Unit, which will make our day services care accessible to more families in our community who require treatment and support for life-limiting illnesses.
- End-of-Life Strategy: Throughout 2017/18, Mary Stevens Hospice significantly contributed to the creation of the Dudley End-of-Life Strategy, which was launched in early-2018 by Baroness Finlay of Llandaff and Professor Bee Wee, National Clinical Director for end of life care.
- Hospice staff devised and started to deliver our inclusive project to raise awareness and make the care of the Hospice available to members of our community who have additional needs and learning disabilities. A particular high-point of this project was achieving "Safe Space" certification, which ensures the Hospice and its trading shops are a recognised safe-haven for our community if they are ever in need of our support or a safe space to go in their local area.
- Volunteers donated more than 30,000 hours of voluntary service to our charity, illustrating the opportunity we offer to members of our community who are seeking voluntary opportunities with good causes.
- We employ 184 paid staff, showcasing a significant contribution to creating jobs in this area.

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

## PRINCIPAL RISKS & UNCERTAINTIES RISK MANAGEMENT & STRATEGY

We have a robust risk management strategy where each individual risk is owned by one of the Board of Trustee's Governance Sub-Committees (Clinical, Finance & Resources, Fundraising and Governance) or the Main Board itself.

Day to day management and oversight of risk sits with individual Senior Leadership Team members.

The Board of Trustees recognize that risk is an everyday part of our business and manage it effectively with 'Risk' being a standing agenda item on every hospice Board meeting.

Mary Stevens Hospice has a Risk & Issues Register which currently consists of 62 Risks and 2 Issues.

Trustees consider that our most important risk is reputational damage – which would be likely to have a significant detrimental impact on our income generation.

This is mitigated via continual staff training, access to robust HR and legal advice and by following established procedures.



# SUCCESSSES & AIMS

OUR PERFORMANCE AGAINST OUR KEY LONG-TERM TARGETS

## FIVE-YEAR AIMS

- Ensure the hospice is adequately and efficiently resourced and is sustainable
- Grow the MSH Trading Company business to help fund the future demands of the hospice for its charitable work
- Further develop the Bradbury Day Care Unit services (to do more for more people)
- Further improve adult & child bereavement services
- Develop plans to provide support at patients' preferred place of care
- Provide palliative and end-of-life training, education & support to staff
- Improve IT connectivity with the NHS and other local and regional healthcare providers
- To contribute to palliative and end of life care research

## FIVE-YEAR ACHIEVEMENTS

- ✓ Significantly increased the capability and capacity of the Bradbury Day Care Unit
- ✓ Provided overnight family accommodation at the hospice for use during times of need
- ✓ Provided improved adult and child bereavement facilities and bereavement training to teachers in local schools
- ✓ Provided much improved training and education facilities
- ✓ Provided training for care home staff, commissioned by Dudley CCG, to improve the competence and confidence of staff to help avoid unnecessary referral to hospital.
- ✓ Our Trading Company identified and acted upon opportunities to penetrate the market in an unprecedented way for the Hospice, through the opening of boutique clothing stores such as Mary's Closet

## WHAT REMAINS TO BE DONE

- Despite investing significant hours of research into the development of a 'hospice at home' service we have not yet identified the funding to launch such a service.
- We have completed almost 90% of the NHS Data Security & Protection (DSP) Toolkit but have yet to gain access to the NHS network. It remains an objective.
- Our desire to start contributing to national and regional palliative care research programmes didn't come to fruition in 2017/18. It remains an objective.



# PERFORMANCE AGAINST KPI'S

THIS INFORMATION REFLECTS DEPARTMENTAL PERFORMANCE AGAINST KPI'S

## CLINICAL

Audit	Audit Tool	Completed	Next Audit	Changes Implemented	Compliance %
Infection Control: Code of Practice	Hospice UK - National Audit Tool	May 2017	May 2018	Domestic waste removal. Room decoration. Signage. Cleaning requirements.	93.5%
In-patient Admissions	Hospice UK - National Audit Tool	Dec 2017	Dec 2018	Edit re-assessment form Additions required to Admissions policy Training on record keeping maintained	87.92%
Day Hospice Admission	Hospice UK - National Audit Tool	Feb 2017	Feb 2018	Edit Admissions documentation	90.25%
Management of Pain	Hospice UK - National Audit Tool	March 2017	Sept 2017	Promotion to staff on the use of the Pain assessment tool in the medication chart.	72.2%
Management of General Medications	Hospice UK - National Audit Tool	Dec 2017	Dec 2018	No Change required	100%
Nutrition and Hydration	Hospice UK - National Audit Tool	Sept 2017	Sept 2018	New Training requirement (Pending)	79.88%
Management of Controlled Drugs	Hospice UK - National Audit Tool	Sept 2017	Sept 2018	New discharge prescription competency document pending HCA Competency for CD Stock check implemented	100%
Self-Assessment by Accountable Officer	Hospice UK - National Audit Tool	May 2017	May 2018	No issues raised	100%
Hand Hygiene	Dudley PCT/ Internally developed	May 2017	August 2017	Remove plugs from sinks. Signage. Hand gel unit installed.	56.8% (Due to inability to capture every event)

## FUNDRAISING

Income Department	Target	Achieved
Donations – General	150,000	93,807
Donations - In Memoriam	153,000	168,648
Donations – Collecting Boxes / Cubes	22,000	20,815
Gift Aid on Donations	25,000	25,282
General Trust Income	450,000	424,655
Fundraising Groups	4,000	2,407
Fundraising Income – Internal/External	530,000	448,157
Other Covenants & Regular Giving	10,000	9,930
<b>Total</b>	<b>1,344,000</b>	<b>1,193,702</b>



# FUTURE SERVICE DEVELOPMENT

The development work that commenced in June 2017 is scheduled to finish in Dec 2018 and has included;

- a. major refurbishment of the Bradbury Day Services Unit to improve capacity and capability (enabling us to do more for more people);
- b. provision of an overnight accommodation suite for families (to stay at the hospice during critical times for their loved one);
- c. new consulting rooms;
- d. new blood transfusion suite;
- e. improved patient bathroom and complementary therapy facilities;
- f. new bereavement facilities so that we can enhance the services, especially to children;
- g. new training and education centre.

All non-clinical activity will move from the ground floor to new first floor accommodation. Thus, the clinical space on the ground floor of the hospice will increase by some 34%.

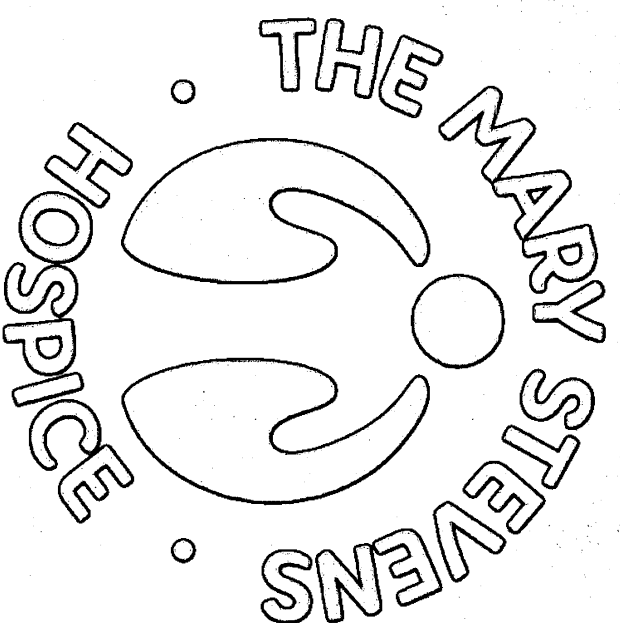
Trustees view this phase in the continuing development of the Hospice as an essential step that is needed to meet the needs of the community we support. With that in mind, Trustees have decided to review our model of care to ensure the hospice is adequately and efficiently resourced and that the charity is sustainable.

We are also looking to see how we can grow the MSH Trading Company business to meet the future financial demands of the hospice for its charitable work

Trustees are now considering the introduction of a Hospice-at-Home service for the local community. We would have liked to start this new, much needed, service and are currently looking for ways to fund it.

Finally, the Board of Trustees would like to place on record their sincere thanks to all staff and volunteers for their magnificent commitment and dedication. Trustees would additionally wish to record their absolute confidence that, even in these turbulent times, the hospice is clearly highly sustainable, and we remain determined to help our exceptional team of staff and volunteers to further improve our ability to deliver even better care to many more people in the community whom we serve.





# THE DIRECTORS AND TRUSTEES' REPORT

# THE HOSPICE IN NUMBERS

## OUR OPERATIONAL PERFORMANCE ACROSS THE LAST 5 YEARS

### IN-PATIENT UNIT

	2013/14	2014/15	2015/16	2016/17	2017/18
% Average occupancy	80%	81%	79%	73%	66%

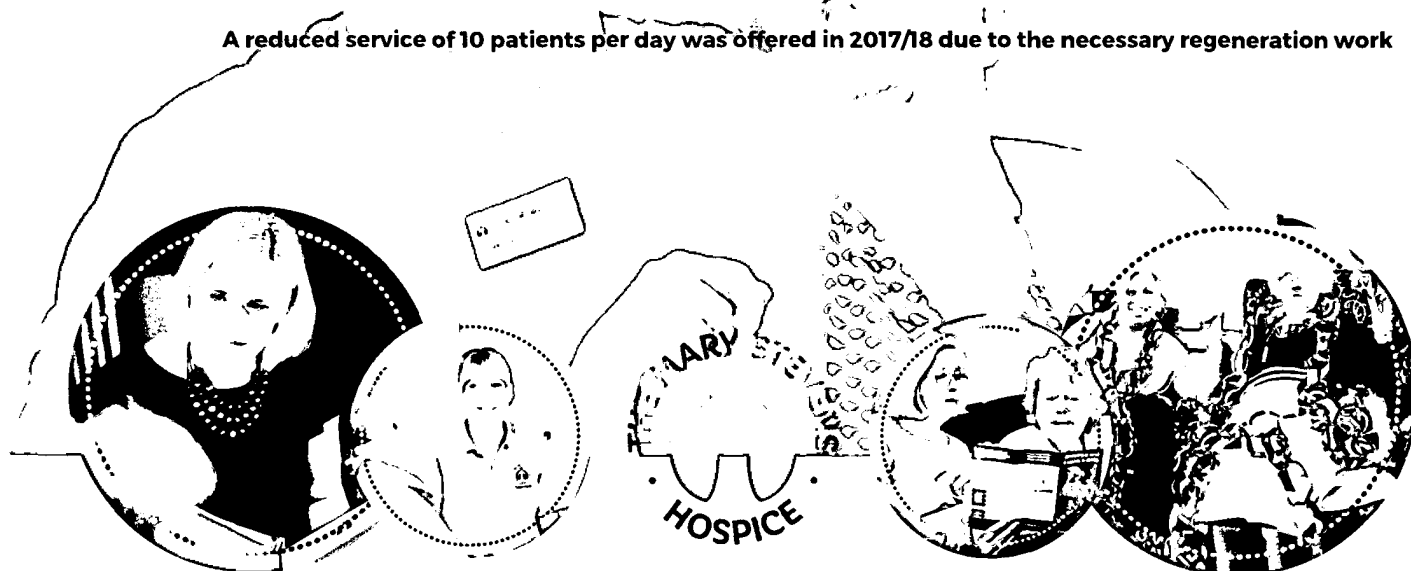
Average occupancy across the year was 66%. Highest was 80% and lowest was 45%. The reasons for our occupancy levels are complex and may reflect referral processes; our admission criteria and procedure; our policy of not usually admitting at weekends or out of hours; staffing levels etc. We are currently addressing this with the aim of increasing the number of admissions and driving up average bed occupancy to a target of over 80%.

### BRADBURY DAY SERVICES UNIT

#### Attendance

% of full capacity	100%	100%	100%	100%	100%
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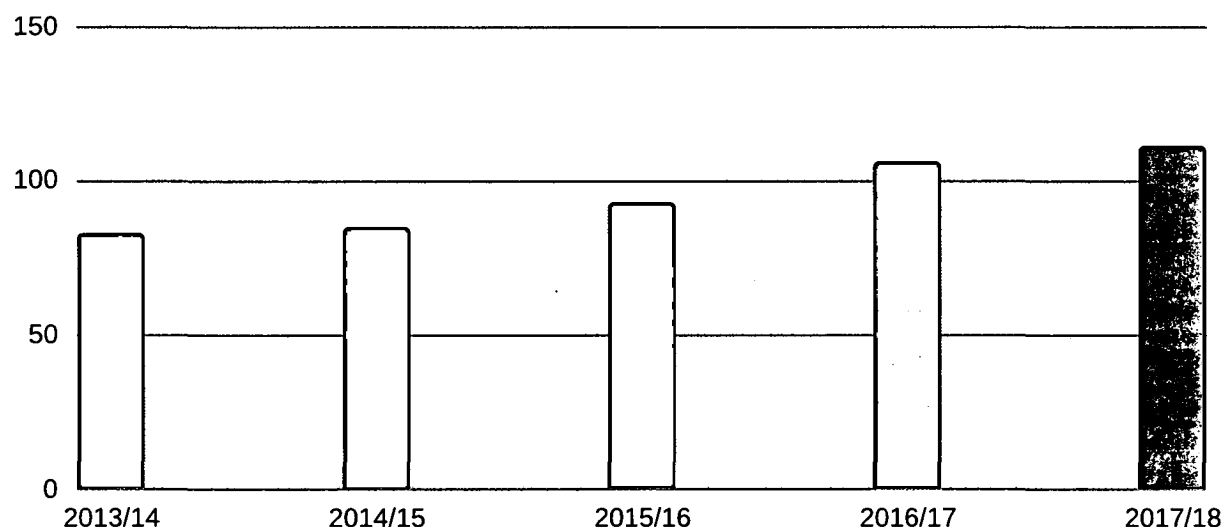
A reduced service of 10 patients per day was offered in 2017/18 due to the necessary regeneration work



# STAFF AND VOLUNTEERS

THESE FIGURES REFLECT THE NUMBERS OF BOTH PART-TIME AND FULL-TIME  
STAFF AT THE MARY STEVENS HOSPICE

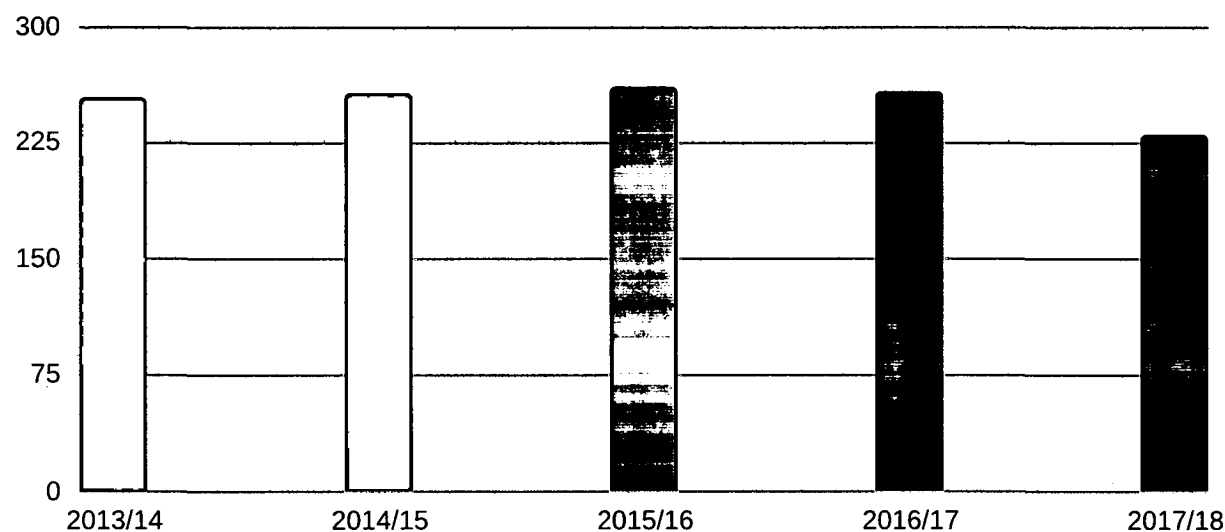
## STAFF NUMBERS



2013: 83 | 2014: 85 | 2015: 93 | 2016: 106.2 | 2017: 111.3

N.B. This graph excludes lottery & trading employees

## VOLUNTEER NUMBERS



2013: 254 | 2014: 257 | 2015: 261 | 2016: 258 | 2017: 230

Our volunteers take on a range of roles within the Hospice group including staffing our reception desks and shop floors, collecting corporate fundraising boxes & counting cash donations raised at our numerous community events.

The number of volunteers went down due to the reduction in the requirement for the smaller temporary Day Unit during the refurbishment works. How we count staff has changed and we have used an average, which includes Bank Staff.

## OUR GROWING PROFILE

NUMBERS SOURCED THROUGH GOOGLE ANALYTICS, SOCIAL MEDIA ANALYTICS, EVENT TICKET SALES, APP USAGE DATA AND KANTAR MEDIA PR MONITORING



10,000+

Record numbers of  
people attended  
our events!

66,123

NEW users

Including more  
than 20,000 new  
users in London,

B'ham, Manchester  
& Wolverhampton!

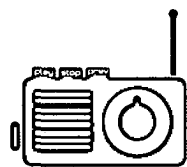
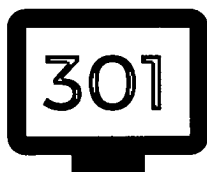


Showcasing our expanding  
reach in the UK's major cities.



801

Number of app users  
on the MyMSH app



Between April 2017-March  
2018, we achieved 301  
separate features across print,  
online, radio and TV news,  
equivalent to the value of

£63,322.02



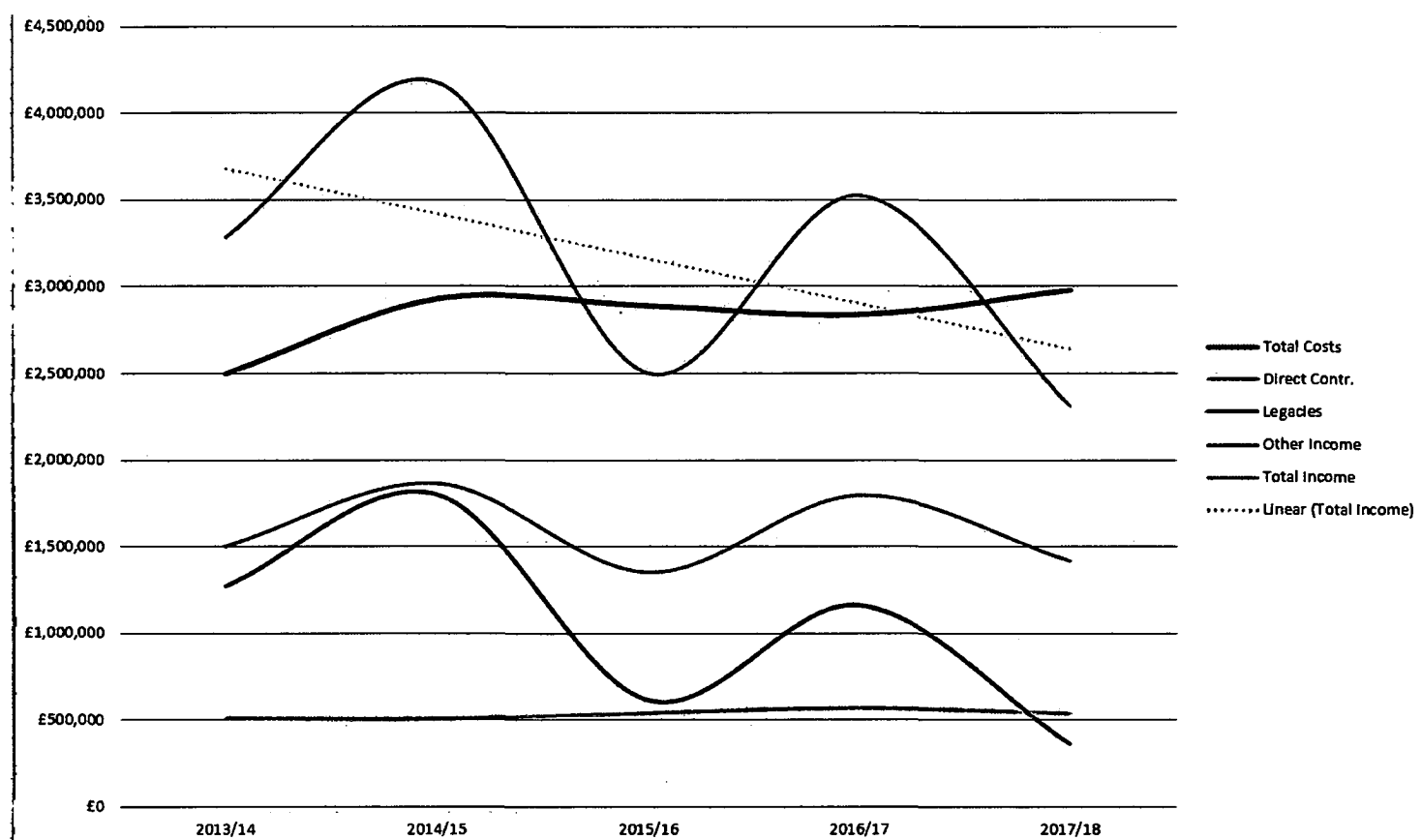
in 2017/18, we generated a  
WEEKLY social media reach of

80,783

# FINANCES

A YEAR-ON-YEAR COMPARISON OF HOSPICE FINANCES OVER THE PERIOD 2013-2018

## Analysis of parent costs/income 2013-2018



This graph is a representation of Hospice income streams and costs for the past 5 years.

Annual income has fluctuated between £2.5 million and £4.3 million since 2013. This relates principally to legacy income. Legacy income in 2018/19 is comfortably ahead of what is shown in the chart above.

N.B.

Direct contribution is from the Dudley NHS Clinical Commissioning Group

# FINANCES

CONTINUED...

## FINANCIAL REVIEW

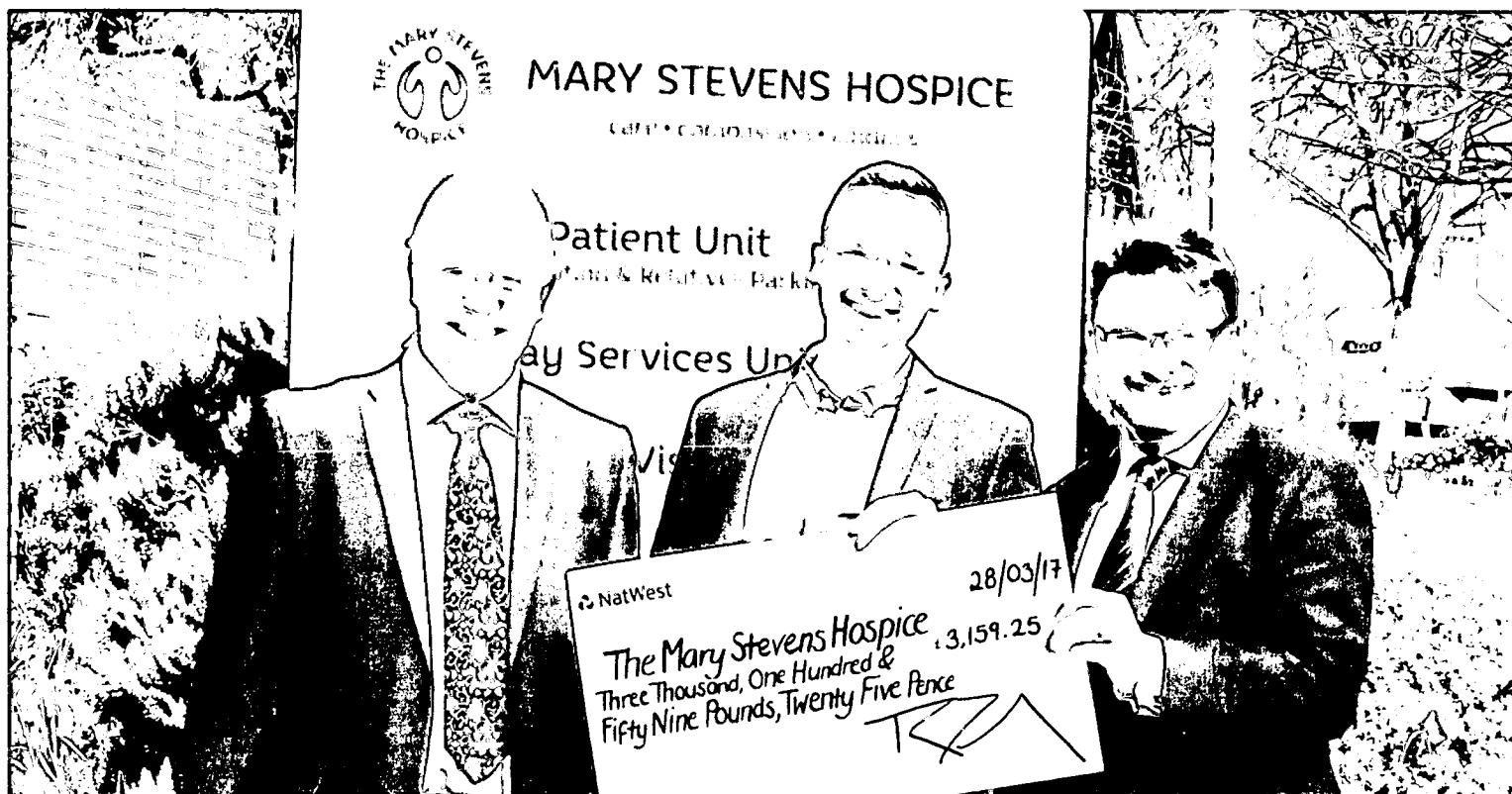
Results for the year ended 31st March 2018 are given in the Statement of Financial Activities which is a separate document attached to this report from page 21 onwards. Assets and liabilities are listed in the Consolidated Balance Sheet on page 25 of the Statement of Financial Activities and the Company's own Balance Sheet on page 26. The financial statements should be read in conjunction with their related notes, which appear on pages 28 to 48 and have been prepared in accordance with relevant law and the Charities SORP (FRS102).

The outturn for the year is a deficit of £554,718, a downturn from last year which saw a surplus of £542,728. The factors behind the deficit are fully explained in the Statement of Financial Activities on page 24 and in the subsequent notes to the financial statements. The deficit for the year is largely due to a decrease in the amount of legacy income received. Other factors that have had an impact on finances are a reduction in the amount of funding from NHS Commissioners, who are having to find savings themselves, and the fact that the hospice £1 million Capital Appeal has to date raised only half of that figure.

Legacy income is extremely unpredictable and in the year to 31st March 2018 legacy income decreased significantly from £1,160,562 last year to £358,558 this year against a budget of £660k. Trustees understand only too well the difficulty in predicting legacy income with any degree of accuracy and have used their experience in the matter to develop a formula that currently predicts legacy income in an average year to be in the region of £650,000.

The accounts show reduced financial free reserves because Trustees designated almost £3 million towards the costs of the major improvements and redevelopment of the hospice. Work started on 10 June 2017 and, after delays due to bad weather early in 2018 and an unforeseen problem with ground work, is scheduled to complete at the beginning of Dec 2018. This will have the effect of more than halving the amount of reserves held but will still leave us with around eight months' worth of reserves, which is an acceptable level.

The hospice has no fund that is in deficit and there are no uncertainties about the charity as a going concern.



# FINANCES

CONTINUED...

## RESERVES POLICY

Reserves are unspent, unrestricted income and are held by Mary Stevens Hospice to help us to manage cash flow appropriately. This is important as our income is unpredictable because we raise 80% of our funds from donations, events and other forms of fundraising. Trustees have calculated that we need to maintain reserves at a level which equates to around 8 months of unrestricted expenditure. This figure excludes the operational costs of the two subsidiary Companies (Trading and Lottery) which are self-sustaining.

The trustees consider that this level of unrestricted reserves held by the Charity will provide sufficient funds to facilitate continued operation in the event of a gap between one funding arrangement and the next; or where there is an unexpected drop in income (e.g. from legacies) or from an unforeseen termination of funding from our diverse funding sources. The reserves buy us the time to seek alternative sources of funding.

Charities should not hold high levels of reserves as this can lead to complacency and poor financial practices. Charity income is meant to be spent on the charity's objects to benefit the charity's beneficiaries. Thus, our policy is that if reserves accumulate, funds will be designated to increase service provision to maintain, enhance or develop our services. Examples of designated funds are the £2.8 million earmarked for the Phase 3/4 development of the hospice in 2017 / 2018.

At the year end of 2017/18, the Hospice held £7.22million in total reserves and £1.33million in free reserves as shown on page 43 of the Consolidated Accounts..

## FUNDS HELD AS CUSTODIAN TRUSTEES ON BEHALF OF OTHERS

The hospice holds funds, currently £24,000, on behalf of the regional speciality adviser for palliative medicine in the West Midlands. The funds are controlled by the regional speciality adviser who authorises all payments from the funds which are used to reimburse charitable hospices, but not Mary Stevens, for costs associated with employing doctors under training in palliative medicine. We do not charge an administration fee for this service and instead have retained the very modest interest earned from keeping the money on deposit. The owner of the funds is not a charity however the funds are used to support other charitable hospices to deliver care, which is entirely in line with our charity's objects. The funds are subject to the same financial governance as our own assets and are kept separate in our accounts.

## TRUSTEES/DIRECTORS INDEMNITY POLICY

This is to confirm that we have insurance arrangements in place with Allianz Insurance PLC to indemnify Trustees' / Directors'. The policy number is SZ/24972159 and the indemnity limit is £3,000,000.

The premium paid is £511.56 including Insurance Premium Tax.



# FINANCES

CONTINUED...

## PAY & REMUNERATION

Arrangements for setting pay and remuneration is the responsibility of the Remuneration Committee who are responsible for;

Setting the remuneration of the Senior Management Team (Group CEO, Matron, Medical Director, Head of Finance, Head of Trading, Business Development Officer and Head of Fundraising & Lottery).

Setting the level of annual increase in pay for staff Mary Stevens Hospice Group (Hospice, Trading and Lottery Companies).

Reviewing annually and setting the hospice doctors' retention flat fee and hourly call out rate.

## MEMBERSHIP

1. Four trustees, to include the Chairman and Deputy Chairman of Trustees, together with the Chief Executive. The Chairman of the Board or, in his absence, the Deputy Chair will act as Chair of meetings

## QUORUM

2. Two trustees, one of whom must be the Chair or Deputy Chair of Trustees.

## MEETINGS

3. The Committee will meet in the last three months of the financial year to agree remuneration for the ensuing year. The Committee may also meet at other times as requested by the Chairman or Group Chief Executive.

## ACCOUNTABILITY

4. The Remuneration Committee is a Sub-Committee of the Board of Trustees. It is accountable to the Board of Trustees through the Chairman who reports that the Committee has met. Minutes of the Committee meetings are available to all members of the Board on request.

# FINANCES

CONTINUED...

## INVESTMENT POLICY

• The Finance and Resources Governance Committee have formulated a Statement of Investment Principles to meet the requirements of Mary Stevens Hospice in terms of income generation and capital growth based on an assessment of the level of risk that is appropriate and acceptable.

## INVESTMENT MANAGEMENT

- Each year The Head of Finance, in consultation with the Finance & Resources Governance Committee, reviews the Investment Policy within the governing instruments of Mary Stevens Hospice and make recommendations to the Trustees, changes that may be required to meet those requirements for managing the continuity of future operations at the Hospice.
- The Finance and Resources Governance Committee is responsible for recommending to the Board of Trustees the appointment of advisers, brokers or fund managers to manage investments on behalf of Mary Stevens Hospice. Appointments are reviewed at least once every five years by the Finance and Resources Governance Committee. Appointments are reported to the Board of Trustees for ratification.
- All investments are made in the name of Mary Stevens Hospice.
- The Head of Finance is authorised to use best endeavours to arrange for surplus money to be invested on the best available terms.

## STATEMENT OF INVESTMENT PRINCIPLES

1 The ultimate power and responsibility for investment policy rests with the Trustees. The Trustees have prepared this policy having regard to the Trustee Act 2000 and in accordance with guidelines issued by the Charity Commissioners.

2 The investment objectives of Mary Stevens Hospice are:-

- (a) The creation of a sufficient financial return to enable the Hospice to carry out its purposes effectively and without interruption.
- (b) The maintenance and, if possible, enhancement of the investment funds whilst they are invested.
- (c) To obtain a reasonable balance between capital growth and income so that the Hospice can meet future as well as current needs.
- (d) To avoid investments that are unduly risky.

3 The Trustees' policy is to invest in an appropriate mix of real assets i.e. equities, fixed interest and monetary assets. Trustees recognise that the returns on equities, while expected to be greater over the longer-term than those of fixed interest and monetary assets, are likely to be more volatile. Investment in a mix of asset classes should nevertheless provide the levels of return required and mitigate volatility for the Hospice to achieve its objectives.

4 Although generally the interests of a Charity's beneficiaries are best served by seeking to obtain a sound financial return from a suitably diverse portfolio of investments, the Hospice will have due regard to not investing in those assets which could be detrimental to the objectives and aims of the Hospice. The Hospice currently has an ethical investment policy which precludes investment in tobacco manufacturing companies.

# 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, as amended up to 14 December 2012.

As outlined in our Articles of Incorporation, Mary Stevens Hospice exists first and foremost to promote welfare and relief of suffering so far as such purpose is charitable.

## CHARITY GOVERNANCE CODE

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

## RECRUITMENT AND APPOINTMENT OF NEW TRUSTEES

Proposals for membership of the Board of Directors should be made to the Chairman or via the CEO, both of whom are very happy to discuss the role and responsibilities of being a Trustee with those interested in serving on the Board. On appointment, new Trustees are given an induction programme to familiarise themselves with the work of the Hospice and their role.

## ORGANISATIONAL STRUCTURE

The Hospice is governed by the Directors who form the Board of Trustees. The Directors are volunteers who have or have had careers in a wide variety of business and professional activities. They usually come from the Dudley Metropolitan Borough and its surrounding districts. All elected Directors are also Trustees; the names of the Directors are listed below. Two councillors are nominated by Dudley Metropolitan Borough Council to serve as Directors/Trustees. All nominees are subject to ratification by the Board of Trustees.

The Charity is organised so that the Board of Directors of the Company meet regularly, with governance sub-committees (Hospice Governance, Finance & Resources, Clinical Standards, Fundraising Governance and Remuneration) reporting to it, whilst individual directors liaise with senior management on a regular basis. The CEO and his Senior Management Team are 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.



# REFERENCE AND ADMINISTRATIVE DETAILS

**REGISTERED COMPANY NUMBER:** 1963989 (ENGLAND & WALES)

**REGISTERED CHARITY NUMBER:** 517656

**CHARITY'S PRINCIPAL ADDRESS & REGISTERED OFFICE**

221 Hagley Road | Oldswinford | Stourbridge | DY8 2JR

**TRUSTEES**

Dr E J Flint-Bridgewater

J Baines

C Cooley

N Dace

C Gammon

R Glaze

S Hodgson

Cllr A Lees - Appointed October 2017

P Marsh

J Turner

S Waltho

**OTHER TRUSTEES WHO SERVED DURING 2017/18**

H Palin - Resigned June 2017

C Polychronakis - Resigned August 2017

THERE ARE NO CORPORATE TRUSTEES AND NO TRUSTEES HOLD TITLE TO ANY PROPERTY BELONGING TO THE CHARITY.

**GROUP CHIEF EXECUTIVE**

S K Jackson MA, FHEA, FCMI, FInstLM, MCGI, Chartered FCIPD

**MEDICAL DIRECTOR**

Dr L Martin MB, ChB, DRCOG, MRCCGP, PgDip in Palliative Medicine

**MATRON & REGISTERED MANAGER**

C Towns BSc (Hons) Palliative Care



# OUR ADVISERS

## NAMES AND ADDRESSES OF KEY ADVISERS

### AUDITORS

Crowe LLP  
One Carey Lane  
Third Floor  
London  
EC2V 8AE

### SOLICITORS

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

Wall James Chappell  
15-23 Hagley Road  
Stourbridge  
West Midlands  
DY8 1QW

### BANKERS

NatWest Bank PLC  
141 High Street  
Stourbridge  
West Midlands  
DY8 1BF

HSBC  
114 High Street  
Stourbridge  
West Midlands  
DY8 1PP

### INVESTMENT ADVISERS

Hargreave Hale  
Saggar House  
Princes Drive  
Worcester  
WR1 2PG



# STATEMENT OF TRUSTEE 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:

- |   |  |
|---|--|
| <input type="checkbox"/> Select suitable accounting policies and then apply them consistently | <input type="checkbox"/> Make judgements and estimates that are reasonable and prudent   |
| <input type="checkbox"/> Observe the methods and principles in the charity SORP               | <input type="checkbox"/> 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:

- |  |  |
|--|--|
| <input type="checkbox"/> There is no relevant audit information of which the charitable company's auditors are unaware | <input type="checkbox"/> 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 |
|--|--|

## Exemptions from disclosure

Nil.

The Board of Trustees declare that they have approved the Trustees' report incorporating the Directors' Report and the Strategic Report.

Signed on behalf of the charity's Trustees

Signature: 

Full Name: CLIFF GAMMON

Position: CHAIRMAN

Date: 14 DECEMBER 2018

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**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MARY STEVENS HOSPICE**

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**Opinion**

We have audited the financial statements of The Mary Stevens Hospice (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 set out on pages 24 to 48. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**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 Trustee's 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 Trustee is 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

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**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MARY STEVENS HOSPICE**

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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 Trustee's Report including the Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustee's 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 Trustee's Report including the Group Strategic 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 Trustee's 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 Trustee's 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.



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**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MARY STEVENS HOSPICE**

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**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](http://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: 20 December 2018

**THE MARY STEVENS HOSPICE**  
(A company limited by guarantee)

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

		Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
	Note				
<b>Income from:</b>					
Donations and legacies	3	718,148	379,805	1,097,953	1,711,049
Charitable activities:	4				
Patient care		536,919	-	536,919	565,521
Other trading activities	5	3,033,198	-	3,033,198	3,056,743
Investments	6	113,793	-	113,793	140,228
Other income		117,934	-	117,934	65,813
<b>Total income</b>		<b>4,519,992</b>	<b>379,805</b>	<b>4,899,797</b>	<b>5,539,354</b>
<b>Expenditure on:</b>					
Raising funds		2,400,419	-	2,400,419	2,334,003
Charitable activities		2,953,825	26,686	2,980,511	2,814,270
<b>Total expenditure</b>	9	<b>5,354,244</b>	<b>26,686</b>	<b>5,380,930</b>	<b>5,148,273</b>
<b>Net income / (expenditure) before taxation</b>		<b>(834,252)</b>	<b>353,119</b>	<b>(481,133)</b>	<b>391,081</b>
Taxation		-	-	-	(1,073)
<b>Net income / (expenditure) before investment gains/(losses)</b>		<b>(834,252)</b>	<b>353,119</b>	<b>(481,133)</b>	<b>390,008</b>
Net gains/(losses) on investments		(73,585)	-	(73,585)	152,720
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(907,837)</b>	<b>353,119</b>	<b>(554,718)</b>	<b>542,728</b>
<b>Net movement in funds</b>		<b>(907,837)</b>	<b>353,119</b>	<b>(554,718)</b>	<b>542,728</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		7,130,688	641,511	7,772,199	7,229,471
<b>Total funds carried forward</b>		<b>6,222,851</b>	<b>994,630</b>	<b>7,217,481</b>	<b>7,772,199</b>

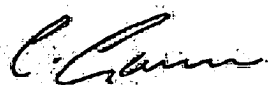
The notes on pages 28 to 48 form part of these financial statements.

**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 1963989**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2018**

			2018	As restated
	Note	£	£	2017
			£	£
<b>Fixed assets</b>				
Tangible assets	12		3,455,449	2,593,890
<b>Current assets</b>				
Stocks	13	5,618		6,757
Debtors	14	770,476		707,056
Investments	15	2,792,639		4,376,881
Cash at bank and in hand		1,116,304		885,952
		<u>4,685,037</u>		<u>5,976,646</u>
<b>Creditors: amounts falling due within one year</b>	16	(923,005)		(798,337)
<b>Net current assets</b>			<u>3,762,032</u>	<u>5,178,309</u>
<b>Net assets</b>			<u><u>7,217,481</u></u>	<u><u>7,772,199</u></u>
<b>Charity Funds</b>				
Restricted funds	18	994,630		641,511
Unrestricted funds	18	6,222,851		7,130,688
<b>Total funds</b>			<u><u>7,217,481</u></u>	<u><u>7,772,199</u></u>

The financial statements were approved and authorised for issue by the Trustee on ~~4 DECEMBER~~ 2018 and signed on their behalf, by:



**C Gammon** - Chair of trustees

The notes on pages 28 to 48 form part of these financial statements.

**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 1963989**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	£	2018 £	As restated 2017 £
<b>Fixed assets</b>				
Tangible assets	12		3,372,264	2,488,961
<b>Current assets</b>				
Debtors	14	843,892		880,061
Investments	15	2,792,639		4,376,881
Cash at bank and in hand		867,394		659,909
		<u>4,503,925</u>		<u>5,916,851</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(660,339)</u>		<u>(635,425)</u>
<b>Net current assets</b>			<u>3,843,586</u>	<u>5,281,426</u>
<b>Net assets</b>			<u>7,215,850</u>	<u>7,770,387</u>
<b>Charity Funds</b>				
Restricted funds	18		994,630	641,511
Unrestricted funds	18		6,221,220	7,128,876
<b>Total funds</b>			<u>7,215,850</u>	<u>7,770,387</u>

The result for the financial year dealt with in the financial statements of the parent charity was -£554,537 (2017 - £560,173).

The financial statements were approved and authorised for issue by the Trustees on **4 December 2018** and signed on their behalf, by:

  
**C Gammon** - Chair of trustees

The notes on pages 28 to 48 form part of these financial statements.

**THE MARY STEVENS HOSPICE**  
(A company limited by guarantee)

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

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	20	<u>(491,292)</u>	<u>543,779</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		113,793	140,229
Purchase of tangible fixed assets		(907,649)	(238,437)
Proceeds from sale of investments		118,790	155,217
Purchase of investments		<u>(118,790)</u>	<u>(152,770)</u>
<b>Net cash used in investing activities</b>		<u>(793,856)</u>	<u>(95,761)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(1,285,148)</b>	<b>448,018</b>
Cash and cash equivalents brought forward		<u>3,582,732</u>	<u>3,134,714</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>2,297,584</u></u>	<u><u>3,582,732</u></u>

The notes on pages 28 to 48 form part of these financial statements.

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**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**

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

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**1. CHARITY INFORMATION**

The Mary Stevens Hospice (the Charity) is a Company Limited by Guarantee (registered number 1963989), registered in England and Wales. Its charity registration number is 517656. The registered office and principal place of business is 221 Hagley Road, Oldswinford, Stourbridge, DY8 2JR.

Its principal activities are end of life care for people as well as provision of education and training in end of life care to healthcare professionals in the surrounding areas.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mary Stevens Hospice 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 company 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 company alone as permitted by section 408 of the Companies Act 2006.

Trustees have a reasonable expectation that The Mary Stevens Hospice 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.

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**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**

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

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**2. ACCOUNTING POLICIES (continued)**

**2.2 Company status**

The company is a company limited by guarantee incorporated in England. The members of the company are the Trustees named on page 21. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**2.3 Basis of consolidation**

The financial statements consolidate the accounts of The Mary Stevens Hospice and all of its subsidiary undertakings ('subsidiaries').

The company 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 company 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 company 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.

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**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**

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

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**2. ACCOUNTING POLICIES (continued)**

**2.5 Income**

All income is recognised once the company 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 company 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 company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company 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.

Donated services or facilities are recognised when the company 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 company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trustee's report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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.



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**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**

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

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**2. ACCOUNTING POLICIES (continued)**

**2.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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.

**2.7 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated statement of financial activities incorporating income and expenditure account.

Assets in the course of construction are in regards to the expansion of the Day Unit, as well as building new family accommodation in the Hospice. They are included at cost. Depreciation on these assets is not charged until they are brought into use.

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:

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

Assets with a cost of less than £1,000 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.

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**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**

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

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**2. ACCOUNTING POLICIES (continued).**

**2.8 Investments**

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 Consolidated statement of financial activities incorporating income and expenditure account.

**2.9 Interest receivable**

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

**2.10 Operating leases**

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

**2.11 Stocks**

Stocks 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.

**2.12 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.13 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.

**2.14 Liabilities 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.

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**THE MARY STEVENS HOSPICE**  
**(A company limited by guarantee)**

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

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**2. ACCOUNTING POLICIES (continued)**

**2.15 Financial instruments**

The company 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.

**2.16 Pensions**

In respect of former qualifying National Health Service personnel the Company continues their participation in the NHS defined 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.

**2.17 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.

**3. Income from donations and legacies**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Donations	357,183	379,805	736,988	544,602
Legacies	358,558	-	358,558	1,160,562
Fundraising groups	2,407	-	2,407	5,885
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	718,148	379,805	1,097,953	1,711,049
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	1,637,999	73,050	1,711,049	
	<hr/>	<hr/>	<hr/>	

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

**4. Income from charitable activities**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Local Clinical Commissioning groups - Patient care	536,919	536,919	565,521
<i>Total 2017</i>	<i>565,521</i>	<i>565,521</i>	

**5. Fundraising income**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising events	447,081	447,081	410,513
Shop income	2,061,708	2,061,708	2,017,535
Lottery income	524,409	524,409	628,695
	<u>3,033,198</u>	<u>3,033,198</u>	<u>3,056,743</u>
<i>Total 2017</i>	<i>3,056,743</i>	<i>3,056,743</i>	

**6. Investment income**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rents received	23,316	23,316	34,088
Bank interest	9,100	9,100	25,985
Investment income	81,377	81,377	80,155
	<u>113,793</u>	<u>113,793</u>	<u>140,228</u>
<i>Total 2017</i>	<i>140,228</i>	<i>140,228</i>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Direct costs**

	Patient care £	Total 2018 £	Total 2017 £
Management	145,867	145,867	171,395
Wages and salaries	1,966,015	1,966,015	1,816,496
National insurance	239,899	239,899	215,543
Pension cost	96,417	96,417	77,396
Depreciation	122,840	122,840	120,984
	<u>2,571,038</u>	<u>2,571,038</u>	<u>2,401,814</u>
<i>Total 2017</i>	<u>2,401,814</u>	<u>2,401,814</u>	

**8. Support costs**

	Governance £	Patient care £	Total 2018 £	As restated Total 2017 £
Management	-	307,848	307,848	320,028
Other	15,950	17,686	33,636	28,214
Wages and salaries	53,480	-	53,480	50,018
Depreciation	-	14,509	14,509	14,196
	<u>69,430</u>	<u>340,043</u>	<u>409,473</u>	<u>412,456</u>
<i>Total 2017</i>	<u>58,018</u>	<u>338,170</u>	<u>396,188</u>	

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**9. Analysis of Expenditure by expenditure type**

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
<b>Costs of raising funds:</b>					
Expenditure on fundraising trading	1,267,015	33,632	1,099,772	2,400,419	2,334,003
<b>Charitable activities:</b>					
Patient care	2,302,331	137,349	471,401	2,911,081	2,756,252
Governance	53,480	-	15,950	69,430	58,018
	<u>3,622,826</u>	<u>170,981</u>	<u>1,587,123</u>	<u>5,380,930</u>	<u>5,148,273</u>
<i>Total 2017</i>	<u>3,328,614</u>	<u>169,801</u>	<u>1,673,014</u>	<u>5,171,429</u>	

**10. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	170,983	176,415
Auditor's remuneration - audit	12,250	12,000
Auditor's remuneration - other services	1,200	-
Pension costs	113,467	93,501
Operating lease rentals - property	333,562	353,915
Operating lease rentals - other	<u>5,354</u>	<u>5,773</u>

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

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

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

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

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**11. Staff costs**

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	3,269,460	3,019,570
Social security costs	239,899	215,543
Other pension costs	113,467	93,501
	<u>3,622,826</u>	<u>3,328,614</u>

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

	2018	2017
	No.	No.
Average number of employees	207	194

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £70,001 - £80,000	1	1

The key management personnel of the charity trust comprise the trustees and senior management team as listed on page 15. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £344,902 (2017: £315,784).

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**12. Tangible fixed assets**

<b>Group</b>	<b>Long-term leasehold property £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Assets Under Construction £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 April 2017	3,502,421	600	856,109	185,829	177,877	4,722,836
Additions	4,101	-	41,040	7,176	980,225	1,032,542
At 31 March 2018	3,506,522	600	897,149	193,005	1,158,102	5,755,378
<b>Depreciation</b>						
At 1 April 2017	1,284,156	424	687,368	156,998	-	2,128,946
Charge for the year	105,118	44	44,193	21,628	-	170,983
At 31 March 2018	1,389,274	468	731,561	178,626	-	2,299,929
<b>Net book value</b>						
At 31 March 2018	2,117,248	132	165,588	14,379	1,158,102	3,455,449
At 31 March 2017	2,218,265	176	168,741	28,831	177,877	2,593,890
<b>Company</b>						
<b>Cost</b>						
At 1 April 2017	3,329,811	600	638,461	91,971	177,877	4,238,720
Additions	-	-	36,721	3,707	980,225	1,020,653
At 31 March 2018	3,329,811	600	675,182	95,678	1,158,102	5,259,373
<b>Depreciation</b>						
At 1 April 2017	1,166,073	424	510,745	72,517	-	1,749,759
Charge for the year	89,939	44	32,901	14,466	-	137,350
At 31 March 2018	1,256,012	468	543,646	86,983	-	1,887,109
<b>Net book value</b>						
At 31 March 2018	2,073,799	132	131,536	8,695	1,158,102	3,372,264
At 31 March 2017	2,163,738	176	127,716	19,454	177,877	2,488,961



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**13. Stocks**

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£	£	£	£
Finished goods and goods for resale	5,618	6,757	-	-

**14. Debtors**

	<u>Group</u>		<u>Company</u>	
	2018	As restated 2017	2018	As restated 2017
	£	£	£	£
Trade debtors	89,033	44,880	84,514	44,863
Amounts owed by group undertakings	-	-	122,453	257,401
Other debtors	530,682	530,188	530,682	494,872
Prepayments and accrued income	87,011	72,686	42,493	23,623
Tax recoverable	63,750	59,302	63,750	59,302
	<u>770,476</u>	<u>707,056</u>	<u>843,892</u>	<u>880,061</u>

**15. Current asset investments**

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£	£	£	£
Listed investments	1,606,516	1,680,101	1,606,516	1,680,101
Cash deposits	1,186,123	2,696,780	1,186,123	2,696,780
	<u>2,792,639</u>	<u>4,376,881</u>	<u>2,792,639</u>	<u>4,376,881</u>

Within cash deposits the amount of £24,078 (2017: £24,078) in respect of funding for Registrars in Palliative care is held on behalf of designated hospices in the West Midlands region as part of a collaborative working arrangement. Mary Stevens Hospice act only as custodians of the funds and has no ownership of the funds or authority concerning the allocation of funds. The hospice conducts transactions when properly authorised by the appropriate authority in accordance with agreed protocols. Any interest earned on this sum will be retained by Mary Stevens Hospice to offset administrative costs involved in overseeing these funds. The liability for these funds is shown under other creditors.

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**16. Creditors: Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2018	As restated 2017	2018	As restated 2017
	£	£	£	£
Bank loans and overdrafts	4,843	-	-	-
Trade creditors	126,634	144,262	43,660	79,242
Amounts owed to group undertakings	-	-	310,962	406,696
Corporation tax	-	1,065	-	-
Other taxation and social security	447,023	462,811	50,917	46,947
Other creditors	43,831	24,078	41,732	24,078
Accruals and deferred income	300,674	166,121	213,068	78,462
	<u>923,005</u>	<u>798,337</u>	<u>660,339</u>	<u>635,425</u>

	<u>Group</u>		<u>Company</u>	
	£	£	£	£
<b>Deferred income</b>				
Deferred income at 1 April 2017	148,439	123,099	68,080	41,931
Resources deferred during the year	148,738	148,439	68,379	68,080
Amounts released from previous years	(148,439)	(123,099)	(68,080)	41,931
Deferred income at 31 March 2018	<u>148,738</u>	<u>148,439</u>	<u>68,379</u>	<u>151,942</u>

Deferred income comprises lottery income received in advance by Mary Stevens Hospice Lottery Limited, and income received in advance by The Mary Stevens Hospice Limited for training and employment costs.

**17. Financial instruments**

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	2,725,145	4,309,381
Financial assets measured at amortised cost	1,212,102	1,070,589
	<u>3,937,247</u>	<u>5,379,970</u>
Financial liabilities measured at amortised cost	<u>322,401</u>	<u>186,022</u>

Financial assets measured at fair value through income and expenditure comprise 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  
FOR THE YEAR ENDED 31 MARCH 2018**

**18. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
<b>Designated funds</b>							
Fixed assets	1,942,097	-	-	-	924,734	-	2,866,831
Hospice re-development and extension	2,800,000	-	-	-	(980,225)	-	1,819,775
Hospice at home	200,000	-	-	-	-	-	200,000
	<u>4,942,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,491)</u>	<u>-</u>	<u>4,886,606</u>
<b>General funds</b>							
General Funds - all funds	2,188,591	4,519,992	(5,354,244)	-	55,491	(73,585)	1,336,245
Total Unrestricted funds	<u>7,130,688</u>	<u>4,519,992</u>	<u>(5,354,244)</u>	<u>-</u>	<u>-</u>	<u>(73,585)</u>	<u>6,222,851</u>
<b>Restricted funds</b>							
Donations	210,047	18,625	(15,971)	-	(19,695)	-	193,006
Department of health grant	431,464	-	(10,715)	-	19,695	-	440,444
Capital appeal	-	361,180	-	-	-	-	361,180
	<u>641,511</u>	<u>379,805</u>	<u>(26,686)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>994,630</u>
Total of funds	<u>7,772,199</u>	<u>4,899,797</u>	<u>(5,380,930)</u>	<u>-</u>	<u>-</u>	<u>(73,585)</u>	<u>7,217,481</u>

Restricted funds

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

Designated funds

The Hospice re-development and extension fund is earmarked for the Phase 3 development of the Hospice

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**18. Statement of funds (continued)**

which commenced in June 2017.

The Hospice at Home fund is earmarked for the potential establishment of a "Hospice at Home" service in the future.

The fixed asset fund represents value embodied in the charity's buildings and equipment.

**Statement of funds - prior year**

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
<b>Designated funds</b>						
Fixed assets	-	-	-	1,942,097	-	1,942,097
Hospice re-development and extension	-	-	-	2,800,000	-	2,800,000
Hospice at home	-	-	-	200,000	-	200,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,942,097</u>	<u>-</u>	<u>4,942,097</u>
<b>General funds</b>						
General Funds - all funds	6,642,095	5,466,304	(5,129,358)	(4,942,097)	151,647	2,188,591
Total Unrestricted funds	<u>6,642,095</u>	<u>5,466,304</u>	<u>(5,129,358)</u>	<u>-</u>	<u>151,647</u>	<u>7,130,688</u>
<b>Restricted funds</b>						
Donations	146,897	73,050	(9,900)	-	-	210,047
Department of health grant	440,479	-	(9,015)	-	-	431,464
Total of funds	<u>7,229,471</u>	<u>5,539,354</u>	<u>(5,148,273)</u>	<u>-</u>	<u>151,647</u>	<u>7,772,199</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**Summary of funds - current year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Designated funds	4,942,097	-	-	-	(55,491)	-	4,886,606
General funds	2,188,591	4,519,992	(5,354,244)	-	55,491	(73,585)	1,336,245
	<u>7,130,688</u>	<u>4,519,992</u>	<u>(5,354,244)</u>	<u>-</u>	<u>-</u>	<u>(73,585)</u>	<u>6,222,851</u>
Restricted funds	641,511	379,805	(26,686)	-	-	-	994,630
	<u>7,772,199</u>	<u>4,899,797</u>	<u>(5,380,930)</u>	<u>-</u>	<u>-</u>	<u>(73,585)</u>	<u>7,217,481</u>

**Summary of funds - prior year**

	Balance at 1 April 2016 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
Designated funds	-	-	-	-	4,942,097	-	4,942,097
General funds	6,642,095	5,466,304	(5,129,358)	-	(4,942,097)	151,647	2,188,591
	<u>6,642,095</u>	<u>5,466,304</u>	<u>(5,129,358)</u>	<u>-</u>	<u>-</u>	<u>151,647</u>	<u>7,130,688</u>
Restricted funds	587,376	73,050	(18,915)	-	-	-	641,511
	<u>7,229,471</u>	<u>5,539,354</u>	<u>(5,148,273)</u>	<u>-</u>	<u>-</u>	<u>151,647</u>	<u>7,772,199</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	2,866,831	588,618	3,455,449
Current assets	4,419,192	406,012	4,825,204
Creditors due within one year	(1,063,172)	-	(1,063,172)
	<u>6,222,851</u>	<u>994,630</u>	<u>7,217,481</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	2,047,026	546,864	2,593,890
Current assets	5,881,999	94,647	5,976,646
Creditors due within one year	(798,337)	-	(798,337)
	<u>7,130,688</u>	<u>641,511</u>	<u>7,772,199</u>

**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>Group</b>
	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	542,728
<b>Adjustment for:</b>	
Depreciation charges	170,983
(Gains)/losses on investments	73,585
Dividends, interest and rents from investments	(113,793)
Decrease/(increase) in stocks	1,139
Increase in debtors	(204,652)
Increase in creditors	136,164
<b>Net cash (used in)/provided by operating activities</b>	<b>(491,292)</b>

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

**21. Analysis of cash and cash equivalents**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	1,111,461	885,952
Short term deposits	1,186,123	2,696,780
<b>Total</b>	<b>2,297,584</b>	<b>3,582,732</b>

**22. Capital commitments**

At 31 March 2018 the group and company had capital commitments as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	1,528,432	-	1,528,432	-

**23. 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 3% and 4% (2017: 3% and 4%) of pensionable pay. Future contributions are expected to be at a similar level.

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](http://www.pensions.nhsbsa.nhs.uk).

The employer's contribution to the scheme is 14.38% (2017: 14.3%) of pensionable pay.

The pension cost charges, representing employer's contributions to both schemes, amounted to £113,467 (2017: £93,501). This is net of a NHS pension contribution of £43,563 (2017 - £43,563) received as part of the Dudley CCG grant. Contributions totalling £19,753 (2017: £881) were payable at the year end and are included in other creditors.

No trustee qualified for benefits under either of these schemes.

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**24. Operating lease commitments**

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

<b>Group</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable:</b>		
Within 1 year	280,798	267,882
Between 1 and 5 years	809,715	-
After more than 5 years	345,065	-
<b>Total</b>	<b>1,435,578</b>	<b>267,882</b>

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

<b>Company</b>		
<b>Amounts payable:</b>		
Within 1 year	5,354	5,773
Between 1 and 5 years	16,016	21,370
<b>Total</b>	<b>21,370</b>	<b>27,143</b>

**25. Related party transactions**

There have been no other related party transactions that require disclosure other than the transactions with the subsidiary companies, The Mary Stevens Hospice Trading Company Limited and Mary Stevens Hospice Lottery Limited, as set out below:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
The Mary Stevens Hospice Trading Company Limited - Recharge for management and operation of the retail gift aid scheme	<b>(700,835)</b>	<b>(721,780)</b>

Income from donated goods under the retail Gift Aid scheme are sales which were processed by The Mary Stevens Hospice Trading Company Limited on behalf of the Charity and are included under retail income.

The subsidiary companies also made a gift aid distribution to the Charity as disclosed in Note 26.

The balance outstanding at the year end owed to The Mary Stevens Hospice Trading Company Limited was £310,962.

The balance outstanding at the year end owed from Mary Stevens Hospice Lottery Limited was £122,453.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. Principal subsidiaries**

The Charity has two wholly owned trading subsidiaries which are registered and incorporated in England. 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. They both have the same registered office and principal place of business which is 221 Hagley Road, Oldswinford, Stourbridge, DY8 2JR.

**The Mary Stevens Hospice Trading Company Limited**

Subsidiary names	The Mary Stevens Hospice Trading Company Limited
Company registration number	02648133

Total assets as at 31 March 2018	£ 478,305
Total liabilities as at 31 March 2018	£ (478,239)
Total equity as at 31 March 2018	£ 66
Turnover for the year ended 31 March 2018	£ 1,981,161
Expenditure for the year ended 31 March 2018	£ (1,753,061)
Profit for the year ended 31 March 2018	£ 228,100

**Mary Stevens Hospice Lottery Limited**

Subsidiary name	Mary Stevens Hospice Lottery Limited
Company registration number	03885815

Total assets as at 31 March 2018	£ 219,750
Total liabilities as at 31 March 2018	£ (214,350)
Total equity as at 31 March 2018	£ 5,400
Turnover for the year ended 31 March 2018	£ 610,294
Expenditure for the year ended 31 March 2018	£ (391,638)
Profit for the year ended 31 March 2018	£ 218,656

At the end of the financial year, Mary Stevens Hospice Lottery Limited made a gift aid distribution of £218,835 (2017: £209,000) and Mary Stevens Hospice Trading Company Limited made a gift aid donation of £228,100 (2017: £348,000).

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

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**27. Prior year adjustment**

An adjustment has been made to reflect the recharge from The Mary Stevens Hospice Trading Company Limited in respect of the management and operation of the retail gift aid scheme. In addition, the donations income received from the sale of donated goods and the related gift aid has been recognised in the Charity. The adjustment has reduced the result in the parent charity due to irrecoverable VAT.