

Hospice of St. Mary of Furness

Company Limited by Guarantee

Trustees' Report and Consolidated Financial
Statements

For The Year Ended
31 March 2018

CHARITY COMMISSION
FIRST CONTACT

01 OCT 2018

ACCOUNTS
RECEIVED

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

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HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The trustees have pleasure in presenting their report and the financial statements of the group and charity for the year ended 31 March 2018. This report includes the requirements of a directors report as required by company law.

Reference and administrative details

Registered charity name Hospice of St. Mary of Furness

Charity registration number 517738

Company registration number 2016831

Principal office Ford Park Crescent
Ulverston
Cumbria
United Kingdom
LA12 7JP

Registered office Ford Park Crescent
Ulverston
Cumbria
United Kingdom
LA12 7JP

The trustees

The trustees who served the charity during the period were as follows:

C Betley
L Cavendish
R Clark
D Corp
K Gilbey
D Hardy
E Higham
G Jowett
G Servante
A James
R Bird
A Wren
K Wilson
A Luksza

Resignations:

C Betley – resigned 26th September 2017

Appointments:

E Higham – appointed 26th September 2017 (and resigned 24 July 2018)

D Corp – appointed 27th March 2018

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

The directors

The directors who served the company during the period were as follows:

C Betley
L Cavendish
R Clark
D Corp
K Gilbey
D Hardy
E Higham
G Jowett
G Servante
A James
R Bird
A Wren
K Wilson
A Luksza
V Stangoe

Resignations:

C Betley – resigned 26th September 2017

Appointments:

E Higham – appointed 26th September 2017 (and resigned 24 July 2018)

D Corp – appointed 27th March 2018

Secretary

S Lake

Principal staff members

V Stangoe – Hospice Chief Executive
Dr J Waddell – Senior Speciality Doctor of the Charity

Bankers

NatWest Bank Plc
P.O. Box 81
Elephant Yard
Kendal
Cumbria
LA9 4GS

Furness Building Society
51-55 Duke Street
Barrow-in-Furness
Cumbria
LA14 1RT

Solicitors

Bates Wells & Braithwaite London LLP
2-6 Cannon Street
London
EC4M 6YH

Progression Solicitors
11 Queen Street
Ulverston
Cumbria
LA12 7AF

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Auditor MHA Moore and Smalley
Priory Close
St Mary's Gate
Lancaster
Lancashire
LA1 1XB

Investment Managers Sanlam Private Investments
55 Main Street
Kirkby Lonsdale
Cumbria
LA6 2AH

Structure, governance and management

The full name of the charity is Hospice of St Mary of Furness, locally known as St Mary's Hospice. It is a company limited by guarantee, governed by its memorandum and articles of association. It exists for the charitable purpose of the relief of those in need by reason of ill-health. It is registered with The Charity Commission with number 517738 and Companies House with number 2016831.

Governance arrangements include a Board of 13 Trustees (2018-19) with experience from a wide range of backgrounds. Governance duties where appropriate are delegated to committees, such as Finance & Investment, Human Resources and Governance. In addition, a range of working groups exist. Some are permanent, e.g. Blue Sky Working Group, and some are Task and Finish Groups e.g. Recruitment and Retention. Membership of each group is determined by the Board.

Recruitment and appointment of trustees

New trustees are appointed through a process which starts with open advertising in local media and completes with formal interviews, against an understanding of the skill sets of present trustees. A minimum of six trustees is required by the articles of association while the board usually contains around 10 trustees. Trustees retire by rotation.

Trustee induction and training

Each new Trustee has a discussion with the Chairman and Vice-Chairman to confirm skills and commitment and to ensure they have a clear idea of the responsibilities of trustees at St Mary's Hospice.

An induction pack is given to each new trustee comprising of:

- The Governing Document
- Trustee Role Profile
- Latest Annual Accounts
- Recent Board Meeting Minutes
- Hospice Strategy Document
- Quality Account
- Hospice Trustee Induction document

In addition, new trustees are invited within their first few months to attend a half day training session "Role and Responsibilities of Trust Board Members" which is delivered in house. New Trustees are allocated a 'buddy' in the form of an experienced Trustee to help them orientate themselves to the organisation in a timely way.

The Chief Executive provides information to enable new trustees to understand and appreciate the roles of the senior management team.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Organisational structure

The Board of Trustees is responsible for the governance of the Hospice while the day to day running is the responsibility of the Chief Executive and appointed managers with designated areas of responsibility. The Strategic direction is set every three years through collaborative work between Trustees and Senior Managers. This direction then directs the annual operational plan. Management remuneration is determined by Trustees.

Risk management

The Trustees actively review major risks facing the charity at every Board and Board committee meeting and ensure that risk management strategies are in place and working effectively. Risks are identified in terms of potential impact and likelihood of occurrence with mitigating actions recorded for each area. Live risks are reviewed at each sub-Committee and Board meeting with all risks reviewed formally on an annual basis to ensure all registers are up to date.

Partnership working

The Hospice collaborates at both a strategic and operational level to meet local need. For example, our Hospice at Home nurses work alongside District Nurses in the community to use resources effectively. In 2017-18 this included a series of review meetings to consider how care is delivered across the community by all organisations seeking areas where systems could be better aligned, and resources used more effectively. External education is delivered in partnership with other health organisations to ensure messages are coherent and support robust operational pathways.

For the last few years collaborative work between the Hospice and Furness General Hospital staff has meant easy access to a speedy discharge home under the support of Hospice at Home or to a Hospice bed depending on where patient needs can best be met. This supports the strategic aim of reducing pressure on hospital beds and ensuring patients can get home in a timely way. At this point national statistics have no way of showing those home deaths made possible by the support of Hospice at Home or other similar services but we do know locally that the percentage of deaths at home has risen and in hospital has reduced. The Hospice also works with other local and national charities for example working with the Alzheimer's Society around provision for people with dementia locally.

Cumbria Hospices Joint working

Changes to the local NHS structure meant the folding of the Cumbrian Hospices Alliance in 2017 however a fourth joint conference is planned for 2019.

Public benefit

St Mary's Hospice is available to anyone living in South Cumbria, aged over 18, who is referred with a life-shortening illness. No financial, religious or ethnic criteria are ever applied before patients are accepted into the service. The Trustees have complied with the duty in section 4 of the Charities Act 2006 with due regard to the public benefit guidance published by the Charity Commission.

Values

Caring – *we will make every contact count by treating each individual with kindness, empathy, compassion and respect.*

Aspiring – *we will continually learn and develop and we will strive for excellence in everything we do.*

Professional – *we will deliver high standards through team work, a skilled workforce and managing with integrity.*

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Objectives and activities

The objects of the charity as set out in its governing document are the relief of adults suffering from advanced, progressive incurable illness or any other physical or mental infirmity disability or disease in such ways as it shall see fit, through:

- The expert care and support of adults with palliative and end of life needs;
- The provision of services to promote health and wellbeing for patients and carers;
- The care and support of family and friends who have been bereaved;
- Promoting the advancement of high quality palliative and end of life care throughout the community.

For the period from 2016 the charity set itself as its main short-term objectives and strategies to further the charities purpose:

- To work in an integrated way with other providers to ensure patients' passage through, across and between services is well-coordinated for patients and families with palliative and end of life needs;
- To work at an earlier point with people with long term conditions to develop their self-management skills thereby increasing their individual and collective resilience and reducing the need for emergency admission;
- To support our health partners by providing community-based care for people with palliative and end of life needs as a way to reduce reliance on hospital admissions;
- To tackle social isolation amongst those approaching the end of life;
- To use a public health approach to create a Compassionate Community within which we align the public attitude to death, dying and grief with a sense of community and individual responsibility.

The charity's current significant activities, which contribute to the achievement of these stated objectives and its ultimate purpose, can be summarised as:

- An in-patient unit consisting of 9 beds at the hospice in Ulverston.
- A "Hospice at Home" service which provides 24-hour cover across Furness and a large part of South Lakes. This service working closely with both Furness General Hospital and local community services.
- Outpatient facilities for those requiring medical consultation, nursing assistance, therapy or a supportive environment whilst remaining in their own homes.
- A range of therapeutic activities including 6 week Living Well programme teaching self-care management skills to patients, both seated and standing adapted tai chi and complementary therapies.
- 'HospiceLine' 24-hour telephone advisory service, available to clinicians seeking specialised advice.
- Placements for undergraduate and postgraduate medical, nursing and social work students on rotation in palliative medicine and palliative care.
- Bereavement and Family support, including signposting to specialist children's services, provided as part of our comprehensive family support activities.
- A range of supportive services for carers.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

- 'Drop-in' centres in Barrow, Ulverston and Grange-over-Sands, providing support to people with advanced illness, to carers and the bereaved.
- Community Neighbours - a volunteer service supporting people in their own home.
- Professional palliative care education for the wider health and social care workforce.

St Mary's Hospice is required to register with the Care Quality Commission and is registered to carry out the regulated activities:

- Treatment of disease, disorder or injury.
- Diagnostic and screening processes.

St Mary's Hospice has the following conditions on registration:

- Only treat people over 18 years old.
- Only accommodate a maximum of 9 in-patients.

The Care Quality Commission last inspected St Mary's Hospice in June 2016 it declared all aspects to be GOOD and in compliance with CQC regulation and guidance. Since that point CQC have moved hospices from the Social Care to the Health part of the register and we are currently awaiting a first inspection under this move.

St Mary's Hospice is a voluntary organisation and, as such, volunteers are at the heart of our work. Volunteers perform roles in both fundraising and caring activities and around 320 volunteers provide a contribution of around £600,000 per year to the organisation. St Mary's Hospice is deeply grateful to all our volunteers. Over the last 12 months the Hospice continues to identify new ways in which volunteers can help us.

Strategic Report

Achievements and performance

The success of the work with both the local community services and hospital has led to continuation of the NHS grant to reduce admissions and facilitate discharges. Continuation has been based on the evidence that this work is impacting on reduced pressure on hospital beds.

Our professional education programme, part of a cross organisational collaboration, is at present focused on delivering education against a contract to 'Train the Trainers'. This programme is being well attended with trained staff working to implement further training within their own work areas. We have also won two bids to deliver continued training for general healthcare staff and to deliver new education to ambulance personnel.

In 2017-18 the Hospice has undertaken two pieces of work to measure the benefits of our input to our patients and families. A piece of Narrative Research has worked with patients and carers making use of every Hospice service whilst a mixture of qualitative and quantitative measures are being used across all our services to gather evidence of the level of benefit and where benefits are focused.

Both types of work indicate high satisfaction from those using our services and have been able to provide information which has then been used to focus improvements.

We previously submitted data to the National Council for Palliative Care's Minimum Data Set. This national data set no longer exists but we continue to collect information on all of our services as set out below.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

In-Patient Unit

Total Admissions	198
Primary Diagnosis: Cancer	130 (66%)
Primary Diagnosis: Non-cancer	68 (34%)
Bed Occupancy	67%
Nurses WTE (establishment for this unit)	9.2 RN and 9.5 HCA

Hospice @ Home Activities

All Patients	334
Primary Diagnosis: Cancer	258 (77%)
Primary Diagnosis: Non- Cancer	76 (23%)
Night Sits	429
Deaths (died at home)	153 of which 100% stayed at home until death
Nurses WTE	3.5 RN and 6.4 HCA

Day Hospice and Group Therapies

Day Services: All patients	80
Of these patients:	
Living Well Afternoon (new patients)	13
Primary diagnosis: Cancer	3 (23%)
Primary diagnosis: Non-cancer	10 (77%)
Attending 6 week Living Well Programme	67
Living Well Programme (excl. carers)	60
Primary diagnosis: Cancer	24 (40%)
Primary diagnosis: Non-cancer	36 (60%)
Tai Chi:	
New attendees	51
Total attendees	73

Family Support Services

Referrals	492
On-going case-load for one-to-one sessions	154

Complimentary Therapy

Complementary therapy one-to-one referrals	110
Primary diagnosis: Cancer	56 (51%)
Primary diagnosis: Non- cancer	54 (49%)
Cancer/ Non-Cancer ratio across all hospice services:	66% / 34%

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

The statistics above demonstrate several changes in strategic direction in the care provided:

- More care is now delivered in people's own homes. This is in response to studies such as those by the Kings Fund which states that two thirds of people at the end of their life would prefer to be cared for at home and also to local patient wishes.
- The Hospice is reaching out to more people living with non-cancer conditions to ensure access to palliative care is equitable.
- The Hospice continues to expand its Living Well services to offer supportive care earlier in an individual's disease. This is done to help people stay independent and increase their quality of life.
- In order to use the relatively small resources of the Hospice wisely an increasing amount of care is delivered in groups, such as Living Well group, rather than in one-to-one situations as this allows for more people to benefit from care. Group work in communities also offers the added benefit of strengthening links between individuals across the community.

Orangery Café

The Orangery café is situated in the conservatory of the Hospice. With views over the garden to Morecambe Bay, it provides a relaxing atmosphere where visitors and members of the public can enjoy light meals and refreshments. A wholly owned subsidiary of the Hospice, it is staffed primarily by volunteers and provides a vital source of sustainable income which helps the Hospice to continue to provide support, care and hope for local people.

A review of the Orangery was carried out in 2017-18 with the support of the general manager of a local hotel. This identified ways to reduce costs and improve income. Those changes have been implemented with good effect.

Financial review

The charity operated at a small planned deficit of £166,348 in 2017-18, with a growth in services made possible following several years of sustained surpluses. Although an overdraft facility was in place, it was not utilised during the period under review.

Retail saw a recovery in income of 5% on the previous year. Our 7 retail outlets are staffed with a mixture of part-time employed managers and volunteers- a very successful mix. The retail team continue to look for new and fresh ways to make money and have taken large steps to increase revenue from on-line sales.

Fundraising, community involvement, lottery and trading continue to develop and adapt to changing and increasingly challenging economic conditions. During the year, we made the strategic decision to remove the ability to play our lottery with cash. This decision was taken reluctantly after a serious consideration of the risks and benefits involved. Two of the key factors were the closure of local banks making dealing with large amounts of cash more difficult and the perceived potential risks to collectors in a changing world. Thus far the changeover has been more successful than anticipated with 34% of players converting to direct debit or cheque. Investment in canvassing which started 18 months ago has gone well for us with the decision taken to continue for the foreseeable future.

The fundraising team continue to offer new and exciting ways to engage with the local community including our well attended "Walk to Remember", and events making use of local geography such as 'Skiddaw at night' and 'Cross bay Walk'.

The charity implemented an investment policy during the year, investing a total of £1m during the year. The charity's investment managers, Sanlam Private Wealth, manage a mixed portfolio with the objective of generating a return in excess of inflation over the long term whilst generating income to support the ongoing activities of the charity.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Total income was £3.0 million, of which 46% came from voluntary sources, £353,288 from a lottery which associated costs of £212,777 and an allocation of internal payroll costs of £24,011, and £476,440 from the operation of charity shops, with costs of £400,851.

Fundraising standards

St Mary's Hospice has a small internal fundraising team raising funds from the community in a range of ways. Our single contract with an external commercial partner to canvass for our lottery which started in March 2017 is still continuing having been proven to be good value for the hospice in bringing in new players who fund vital care for patients.

No queries or complaints have been raised at any level about fundraising or fundraisers at St Mary's Hospice which has always adhered voluntarily to the accepted best practice Fundraising Standards. St Mary's Hospice does not regularly send out emails or letters to ask directly for funds but in the light of GDPR has reviewed the small number of contacts it does make to ensure these comply with legislation. In line with requirements we now carry out a Balancing Exercise for each proposed contact activity. Those below have undergone such an exercise this year and been agreed by senior managers and trustees as acceptable to do under Legitimate Interest:

- sending invitations to those we believe have an interest to our annual Light up a Life remembrance events.
- sending the VOICE, our annual magazine and Annual Report, to those who have supported us over recent years.
- including a book of 10 Superdraw tickets with the VOICE magazine. The Balancing Exercise for this led to us including a letter with these tickets to ensure it was clear purchase of tickets was purely voluntary and that this was being done as a trial to gauge interest.

In these exercises we balance the wish of the charity to seek support against any possible infringement of the rights of the individual receiving the contact. From this point all proposed contacts during a year will also undergo a Balancing Exercise to help decide on their validity under GDPR.

Reserves policy

Since St Mary's Hospice is a charity, income is potentially vulnerable because of a heavy reliance on voluntary funding, and grant funding which may be impacted by future changes in the NHS commissioning process. The charity is currently operating at a small deficit, planning to reach breakeven within the next four years. To ensure services for families and patients can continue, and in order to exercise a duty of care to our staff, the board have agreed to endeavour to maintain reserves at a level of all expected losses until breakeven plus six months of planned expenditure. Based on 2018/19 budgets this totals £2.2 million. At the end of the financial year in question free reserves (unrestricted funds less designated funds) were £2,833,083 which represents approximately 11 months running costs based on budgeted expenditure for 2018/19 of £3.2 million. Restricted funds were £147,447 and the trustees had designated £2,314,232 of funds which represents amounts either tied up in fixed assets or set aside for specific purposes as detailed in note 20.

Fair review of business

The fair review of the business as required under the strategic report is covered under objectives and activities.

Plans for future periods

Key activities in the next 12 months which will allow us to continue to meet our objectives include:

- The opening of our new building in Barrow – this is the key Hospice event of 2018-19.

- This building will have no new beds but will offer access to a varied timetable of activity from both ourselves and partner organisations. The building will not use the word hospice in its title in order to increase football from people earlier in their illness.
- Collaborative work from this building means organisations, contributing to the wellbeing of Furness residents, with difficulty accessing appropriate and accessible venues in Barrow, will be invited to use this new building to deliver services.
- The funding from Orsted allows us to continue the expansion of access to our Living Well Groups and adapted Tai Chi both in the new Barrow building and in other community venues. This supports care closer to home and extended wellbeing for patients.
- Continuing to increase access to Hospice at Home to allow for death at home where wanted and possible.
- A new service funded nationally by the Freemasons, 'Make Do and Mend' will start in our Furniture Warehouse. This service is a piece of cross team work between Family Bereavement Support and Retail and will offer bereaved people the opportunity to engage in friendly surroundings with upcycling projects aiding the Hospice. There will be support from Bereavement team volunteers as well as retail staff. This service is based on knowledge that many people prefer engagement over activity to face to face talking therapy.

Principal Risks and Uncertainties

Clinical risks

The main clinical risk for the hospital is the difficulty in recruitment and retention of medical staff who provide the daily medical cover on the in-patient unit. This is due to a national shortage of medical staff reflected locally by the number of GP and hospital medical posts which are unfilled.

There is also an increasing risk of unavailability of local nursing staff linked to a national shortage and many local roles unfilled:

Steps being taken by the Hospice to mitigate this are:

- Continuing to use the local GP out-of-hours service to cover unsociable hours to make posts more attractive;
- Developing the practice of the two Advanced Nurse Practitioners who qualified in 2016;
- Ensuring a robust development programme for nursing staff to make posts appealing and increase their skills.

Financial risks

The main financial risks for the Hospice are:

- Changes to NHS commissioning processes with the potential introduction of competition.
- Reduction in available NHS funding.
- A heavy reliance on charitable funding in a time of financial instability in many households.

Steps being taken by the Hospice to mitigate these are:

- Working closely with commissioners to ensure the services we provide are those which fulfil identified local need.
- Utilising a broad range of income generation methods including expanding our businesses.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Demographic change

A newly emerging risk on the horizon is the change to national demographics over the next 20 years. In Morecambe Bay this indicates a growth over that period of 47,000 people of whom 19,000 will be over 85. Because the mortality rate in this group is high it is anticipated that around 11,000 of these will need some kind of access to Specialist Palliative Care approximating to an additional 200 people each year accessing hospice services in the area served by St Mary's Hospice.

Trustees' responsibilities statement

The trustees (who are also the directors of Hospice of St. Mary of Furness for the purposes of company law) are responsible for preparing the Trustees Annual Report and the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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

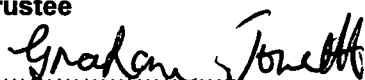
In so far as each of the directors of the charitable company at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditors in connection with preparing the audit/report) of which the company's auditors are unaware. Each director has taken all of the steps that he/she should have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

MHA Moore and Smalley, Lancaster, have indicated their willingness to be reappointed as statutory auditors.

Approval was given by the trustees for this report (which incorporates the strategic report, which was approved by the trustees in their capacity as directors) and is signed on the board's behalf by

G Jowett
Trustee



25 Sept 2018

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HOSPICE OF ST. MARY OF FURNESS

FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Hospice of St. Mary of Furness (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2018 which comprise of the consolidated and charity Statement of Financial Position, consolidated and charity Balance Sheet, consolidated and charity Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and 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 and the Charities Act 2011.

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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or 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.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HOSPICE OF ST. MARY OF FURNESS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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 are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, 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.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HOSPICE OF ST. MARY OF FURNESS (CONTINUED)

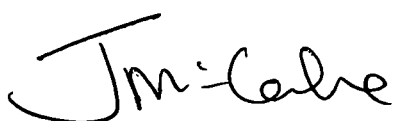
FOR THE YEAR ENDED 31 MARCH 2018

In preparing the financial statements, the trustees are responsible for assessing the group's and 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.

Auditor's responsibilities for the audit of the financial statements

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

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



Jenny McCabe

Senior Statutory Auditor

For and on behalf of

MHA Moore and Smalley

Chartered Accountants and Statutory Auditor

Priory Close

St Mary's Gate

Lancaster

LA1 1XB

27 September 2018

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	3	1,198,663	156,368	1,355,031	1,418,551
Charitable activities	4	615,381	-	615,381	631,378
Other trading activities	5	999,976	-	999,976	955,185
Investments	6	10,152	-	10,152	19,995
Other	7	52,392	11,315	63,707	70,409
Total		2,876,564	167,683	3,044,247	3,095,518
Expenditure on:					
Charitable activities	8	2,361,251	42,488	2,403,739	2,292,053
Raising funds	9	803,724	-	803,724	698,730
Total		3,164,975	42,488	3,207,463	2,990,783
Net (expenditure)/income before other gains/(losses)		(288,411)	125,195	(163,216)	104,735
Net losses on investments		(3,132)	-	(3,132)	-
Net (expenditure)/income before transfers		(291,543)	125,195	(166,348)	104,735
Transfer between funds	11	6,707	(6,707)	-	-
Net movement in funds		(284,836)	118,488	(166,348)	104,735
Reconciliation of funds:					
Total funds brought forward		5,432,151	28,959	5,461,110	5,356,375
Total funds carried forward		5,147,315	147,447	5,294,762	5,461,110

The Statement of Financial Activities includes all recognised gains and losses in the year.

All of the above amounts relate to continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 21 to 38 form part of these financial statements.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	3	1,198,663	156,368	1,355,031	1,418,551
Charitable activities	4	615,381	-	615,381	631,378
Other trading activities	5	907,522	-	907,522	875,698
Investments	6	10,152	-	10,152	19,995
Other	7	59,892	11,315	71,207	77,909
Total		2,791,610	167,683	2,959,293	3,023,531
Expenditure on:					
Charitable activities	8	2,361,251	42,488	2,403,739	2,292,053
Raising funds	9	721,716	-	721,716	623,862
Total		3,082,967	42,488	3,125,455	2,915,915
Net (expenditure)/income before other gains/(losses)		(291,357)	125,195	(166,162)	107,616
Net losses on investments		(3,132)	-	(3,132)	-
Net (expenditure)/income before transfers		(294,489)	125,195	(169,294)	107,616
Transfer between funds	11	6,707	(6,707)	-	-
Net movement in funds		(287,782)	118,488	(169,294)	107,616
Reconciliation of funds:					
Total funds brought forward		5,431,449	28,959	5,460,408	5,352,792
Total funds carried forward		5,143,667	147,447	5,291,114	5,460,408

The Statement of Financial Activities includes all recognised gains and losses in the year.

All of the above amounts relate to continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 21 to 38 form part of these financial statements.

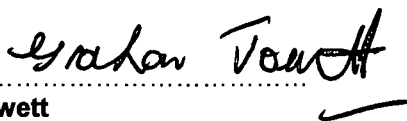
HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2018

		2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	13	2,224,047		2,284,419	
Investments	14	997,783		10	
			3,221,830		2,284,429
Current assets					
Stock	15	5,282		5,271	
Debtors	16	159,460		210,837	
Cash at bank and in hand		2,187,248		3,169,025	
		2,351,990		3,385,133	
Creditors: amounts falling due within one year	17	(279,058)		(208,452)	
Net current assets			2,072,932		3,176,681
Total assets less current liabilities			5,294,762		5,461,110
Net assets			5,294,762		5,461,110
Funds:					
Restricted funds	19	147,447		28,959	
Unrestricted funds	20	5,147,315		5,432,151	
Total funds			5,294,762		5,461,110

These accounts were approved by the members of the committee and authorised for issue on the 25/09/2018 and are signed on their behalf by:



G Jowett
Trustee

Company Registration Number: 2016831

The notes on pages 21 to 38 form part of these financial statements.

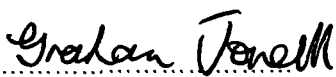
HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

CHARITY BALANCE SHEET

AS AT 31 MARCH 2018

		2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	13	2,223,876		2,284,162	
Investments	14	997,786		13	
			3,221,662		2,284,175
Current assets					
Stock	15	4,370		4,214	
Debtors	16	169,654		223,027	
Cash at bank and in hand		2,168,272		3,151,126	
		2,342,296		3,378,367	
Creditors: amounts falling due within one year	17	(272,844)		(202,134)	
Net current assets			2,069,452		3,176,233
Total assets less current liabilities			5,291,114		5,460,408
Net assets			5,291,114		5,460,408
Funds:					
Restricted funds	19	147,447		28,959	
Unrestricted funds	20	5,143,667		5,431,449	
Total funds			5,291,114		5,460,408

These accounts were approved by the members of the committee and authorised for issue on the 25/09/2018 and are signed on their behalf by:


 G Jowett
 Trustee

Company Registration Number: 2016831

The notes on pages 21 to 38 form part of these financial statements.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED AND CHARITY CASH FLOW STATEMENTS

AS AT 31 MARCH 2018

	Group 2018 Total £	Group 2017 Total £	Charity 2018 Total £	Charity 2017 Total £
Cash generated in operating activities	63,880	97,878	62,803	99,568
Cashflows from investing activities				
Investment income	10,152	19,995	10,152	19,995
Purchase of tangible fixed assets (including investments)	(605,422)	(62,830)	(605,422)	(67,274)
Receipts from sale of fixed assets	5,877	7,700	5,877	7,700
Cash (used in)/provided by investing activities	(525,513)	62,743	(526,590)	59,989
(Decrease)/Increase in cash and cash equivalents in the year	(525,513)	62,743	(526,590)	59,989
Cash and cash equivalents b/fwd	3,169,025	3,106,282	3,151,126	3,091,137
Cash and cash equivalents c/fwd	2,643,512	3,169,025	2,624,536	3,151,126
Reconciliation of net movement in funds to net cashflow from operating activities				
Net movement in funds	(166,348)	104,735	(169,294)	107,616
Investment income received	(10,152)	(19,995)	(10,152)	(19,995)
Depreciation	117,460	119,996	117,374	118,314
(Increase)/Decrease in stock	(11)	2,769	(156)	2,577
Decrease in debtors	51,377	13,091	53,373	14,580
Increase/(Decrease) in creditors	70,606	(121,588)	70,710	(122,395)
Profit on disposal of fixed assets	(2,184)	(1,130)	(2,184)	(1,129)
Loss on revaluation of investments	3,132	-	3,132	-
Net cash generated in operating activities	63,880	97,878	62,803	99,568
Components of cash and cash equivalents				
Cash at bank and in hand	2,187,248	3,169,025	2,168,272	3,151,126
Cash held at investment brokers	456,264	-	456,264	-
	2,643,512	3,169,025	2,624,536	3,151,126

The notes on pages 21 to 38 form part of these financial statements.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Legal form

Hospice of St. Mary of Furness is a registered charity and a limited company, limited by guarantee, as defined by the Companies Act 2006, incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office of the charity, the nature of its operations and its principal activities are all detailed in the Trustees' report of these financial statements.

Basis of preparation

Hospice of St. Mary of Furness meets the definition of a public benefit entity under FRS102. 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts are rounded to the nearest £.

The financial statements have been prepared on a going concern basis under the historical cost convention. The particular accounting policies adopted by the trustees are described below. These policies have been consistently applied to all years presented unless otherwise stated.

The consolidated accounts of the group incorporate the accounts Hospice of St. Mary of Furness ("the Charity") and its wholly owned subsidiary, St Mary's Orangery Limited. The results of the subsidiary are consolidated on a line by line basis.

Preparation of the accounts on a going concern basis

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

Income including donations and gifts receivable is credited to the Statement of Financial Activities when the charity is legally entitled to the funds after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Legacies are regarded as receivable once probate has been granted, there is sufficient evidence regarding the certainty of the receipt and there is a sufficiently reliable measurement of the amount in accordance with the recognition criteria of the SORP. In practice this is rarely before the receipt of a letter advising of an intended payment or transfer. Interim receipts are treated as being receivable on receipt. Where legacies have been notified to the charity, or the charity is aware of 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 in note 3.

Funding received in advance including grants are treated as deferred income where the funding agency requires an ongoing service to be provided by expenditure in the future period to which the funding relates.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (continued)

Gifts donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest and is included when the amount can be reliably measured.

Expenditure

All expenditure is accounted for on an accruals basis in the expense categories required by the SORP. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Costs are further allocated between the activities undertaken on a basis consistent with the use of the resources. Expenditure includes irrecoverable VAT.

Charitable expenditure includes costs incurred in the delivery of the charities activities and services. It includes both direct costs, including staff costs, that are incurred in the delivery of the activities and services and indirect costs which are required to support the delivery of the charitable objects.

Costs of raising funds include those costs in relation to the charity's operations which are used to generate further income which is integral to the charity in meeting its charitable objectives.

Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Redundancy costs are expensed when the liability for payment of such costs is incurred.

Donated services and facilities

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit is probable and that economic benefit can be reliably measured. In accordance with SORP (FRS 102) no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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 on period of receipt.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Investments are subsequently stated at fair value if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments, such as the investment in the subsidiary, are measured at cost less impairment. The SOFA included the net gains and losses arising on revaluations and disposals throughout the year.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (continued)

Fixed assets

All fixed assets are initially recorded at cost. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Equipment	-	25% reducing balance
Motor vehicles	-	20% straight line

No depreciation is charged on freehold land.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items and a FIFO cost formula is used. Donated stocks are not valued in the accounts due to the undue cost of calculating such amounts against any benefit of recognising such amounts.

Debtors and creditors within one year

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash is a basic financial asset and includes cash in hand and deposits held on call with banks and investment managers.

Fund accounting

Unrestricted funds

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds

Designated funds are unrestricted funds set aside by the Trustees for particular purposes.

Restricted funds

Restricted funds arise where there is a donor imposed restriction on the use of the funds, or the funds have arisen in response to an appeal for a specified purpose. Transfers are made from Restricted to Unrestricted funds when the expenditure has been fully made in accordance with the objects of the fund.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pensions

The Hospice operates two pension schemes; certain eligible employees are members of the NHS defined benefit scheme and others are members of a defined contribution pension scheme. The pension charge represents the amounts payable by the charity to the funds in respect of the current year.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (continued)

Taxation

HM Revenue & Customs considers the Hospice of St Mary of Furness to be a charity and therefore they are entitled to exemption from tax afforded by Sections 478-489 of the Corporation Taxes Act 2010 to the extent that income is applied exclusively for charitable purposes.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

2 Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements and estimates

In the opinion of the Trustees' there have been no significant judgements made in the process of applying the above accounting policies. There have been no key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

3 Income from donations and legacies

Group and charity	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct donations	412,032	3,300	415,332	509,986
Legacies	577,623	-	577,623	642,031
Bereavement contributions	122,180	-	122,180	149,842
Payroll deductions	1,100	-	1,100	1,102
Charitable trusts	64,460	8,156	72,616	66,438
Gift Aid	21,268	-	21,268	16,165
Grants	-	144,912	144,912	32,987
	1,198,663	156,368	1,355,031	1,418,551

At the year end, the Trustees had been notified of legacies approximating £118,149 which did not meet the criteria for inclusion in these financial statements under SORP (FRS 102) which is further explained in the accounting policies on page 21.

4 Income from charitable activities

Group and charity	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Grants and core fundings	615,381	-	615,381	631,378
	615,381	-	615,381	631,378

Grant funding relates to the provision of core services at the Hospice. There are no unfulfilled conditions or other contingencies attached to the income recognised.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

5 Income from trading activities

Group	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Lottery gross income	353,288	-	353,288	342,376
Charity trading income	476,440	-	476,440	452,601
Fundraising events	77,794	-	77,794	77,692
Catering	92,454	-	92,454	82,516
	999,976	-	999,976	955,185

Charity	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Lottery gross income	353,288	-	353,288	342,376
Charity trading income	476,440	-	476,440	452,601
Fundraising events	77,794	-	77,794	77,692
Catering	-	-	-	3,029
	907,522	-	907,522	875,698

6 Income from investments

Group and charity	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Bank and investment interest receivable	10,152	-	10,152	19,995
	10,152	-	10,152	19,995

7 Other income

Group	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Support groups	8,877	6,358	15,235	19,983
Recycling income	12,231	-	12,231	12,535
Other incoming resources	31,284	4,957	36,241	37,891
	52,392	11,315	63,707	70,409

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

7 Other income (continued)

Charity	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Support groups	8,877	6,358	15,235	19,983
Recycling income	12,231	-	12,231	12,535
Other incoming resources	38,784	4,957	43,741	45,391
	59,892	11,315	71,207	77,909

8 Expenditure on charitable activities

Group and Charity	Provision of Hospice and other related services			
Activity	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Wages and salaries	1,790,968	35,435	1,826,403	1,777,697
Depreciation	117,374	-	117,374	118,314
Equipment and repairs	56,633	2,376	59,009	50,548
Catering	21,958	-	21,958	25,288
Premise costs	91,399	2,907	94,306	62,702
Office costs	87,391	1,150	88,541	119,062
Travel	16,282	200	16,482	14,306
Bank charges	11,908	-	11,908	10,471
Other	119,673	420	120,093	95,580
Audit fees	5,705	-	5,705	4,550
Financial advice	-	-	-	420
Legal and professional fees	44,144	-	44,144	14,244
Profit on disposals of fixed assets	(2,184)	-	(2,184)	(1,129)
	2,361,251	42,488	2,403,739	2,292,053

9 Expenditure on raising funds

Group	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Fundraising costs	108,088	-	108,088	136,526
Shop costs	400,851	-	400,851	338,629
Lottery costs	212,777	-	212,777	148,707
Catering costs	80,359	-	80,359	71,653
Audit fees	1,563	-	1,563	1,533
Depreciation	86	-	86	1,682
	803,724	-	803,724	698,730

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

9 Expenditure on raising funds (continued)

Charity	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Fundraising costs	108,088	-	108,088	136,526
Shop costs	400,851	-	400,851	338,629
Lottery costs	212,777	-	212,777	148,707
	721,716	-	721,716	623,862

10 Net income/expenditure

	2018 £	2017 £
Net income is stated after charging:		
Group		
Operating lease rentals	116,839	69,130
Staff pension contributions	97,387	89,016
Payment to Directors for services as Hospice Chief Exec	65,166	64,521
Auditors' remuneration		
- audit of the financial statements	7,268	6,083
Depreciation of tangible assets		
- owned by the charity	117,460	119,996
Stock recognised as an expense	32,526	25,400
Charity		
Operating lease rentals	114,607	66,460
Staff pension contributions	96,615	88,333
Payment to Directors for services as Hospice Chief Exec	65,166	64,521
Auditors' remuneration		
- audit of the financial statements	5,705	4,550
Depreciation of tangible assets		
- owned by the charity	117,374	118,314

Included within payments to Directors for services as Hospice Chief Executive are £4,263 (2017: £4,221) in defined pension contributions.

11 Fund transfers

During the year certain restricted fund balances were transferred to unrestricted funds as they had been used in full in line with requirements by the funder to purchase tangible fixed assets for general use by the charity. Further transfers have been made into restricted funds where expenditure on a particular project exceeded restricted income, where these funds are now fully utilised.

Further details of transfers are included within note 19.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

12 Analysis of staff costs, trustee remuneration and the cost of key management personnel

Total staff costs were as follows:	2018 £	2017 £
Wages and salaries	1,870,479	1,831,023
Social security costs	136,599	137,105
Pension costs	97,387	89,016
	2,104,465	2,057,144

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2018 No	2017 No
Number of nursing and care services staff	56	47
Number of fundraising and administration staff	36	37
	92	84

The total head count staff numbers for the year were 69 (2017: 59) for clinical staff and 48 (2017: 50) for non clinical staff.

The number of employees whose remuneration for the year fell within the following bands were:

	2018 No	2017 No
£60,000 - £69,999	2	2

Certain employees with emoluments above £60,000 received contributions totalling £6,875 (2017: £6,825) to a money purchase pension scheme.

No remuneration or expenses were paid to any of the Trustees in the current or prior year.

The number of directors for whom retirement benefits are accruing under money purchase schemes amounts to 1 (2017: 1).

The total amount of employee benefits received by key management personnel, as determined by the charity, is £356,071 (2017: £349,550) during the current period.

During the year the charity made redundancy and ill health severance payments totalling £10,776 (2017: £8,517).

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

12 Analysis of staff costs, trustee remuneration and the cost of key management personnel (continued)

The Hospice participates in the NHS pension scheme which is a defined benefit scheme whose membership consists of employees of the NHS and related bodies.

The scheme operates as a pooled arrangement, with contributions for eligible staff paid at a centrally agreed rate. As a consequence of this, no share of the underlying asset and liabilities can be directly attributable to the Hospice under the terms of FRS 17, 'Retirement Benefits'. In these circumstances, contributions are accounted for as if the scheme were a defined contribution scheme, based on actual contributions paid through the year.

The Hospice also operates a defined contribution pension scheme. The contributions paid into these two schemes in respect of eligible employees for the year ended 31 March 2018 amounted to £97,387 (2017: £88,860).

13 Tangible fixed assets

Group	Land and Buildings £	Equipment £	Motor Vehicles £	Totals £
Cost				
At 1 April 2017	2,952,662	893,649	76,819	3,923,130
Additions	27,908	32,873	-	60,781
Disposals	-	-	(9,290)	(9,290)
At 31 March 2018	2,980,570	926,522	67,529	3,974,621
Depreciation				
At 1 April 2017	789,641	808,834	40,236	1,638,711
Charge for the year	59,223	49,191	9,046	117,460
Eliminated on disposals	-	-	(5,597)	(5,597)
At 31 March 2018	848,864	858,025	43,685	1,750,574
Net book value				
At 31 March 2018	2,131,706	68,497	23,844	2,224,047
At 1 April 2017	2,163,021	84,815	36,583	2,284,419

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

13 Tangible fixed assets (continued)

Charity	Land and Buildings £	Equipment £	Motor Vehicles £	Totals £
Cost				
At 1 April 2017	2,952,662	893,306	74,481	3,920,449
Additions	27,908	32,873	-	60,781
Disposals	-	-	(9,290)	(9,290)
At 31 March 2018	2,980,570	926,179	65,191	3,971,940
Depreciation				
At 1 April 2017	789,641	808,748	37,898	1,636,287
Charge for the year	59,223	49,105	9,046	117,374
Eliminated on disposals	-	-	(5,597)	(5,597)
At 31 March 2018	848,864	857,853	41,347	1,748,064
Net book value				
At 31 March 2018	2,131,706	68,326	23,844	2,223,876
At 1 April 2017	2,163,021	84,558	36,583	2,284,162

14 Investments

Group	2018 £	2017 £
Other investments at valuation		
Balance brought forward	10	10
Acquisitions at cost	544,641	-
Unrealised losses on sale of investments	(3,132)	-
Cash held as part of investment portfolio	456,264	-
Total investments at 31 March 2018	997,783	10

Total investments comprise of the following types of investments;

UK listed equities & fixed interest securities	224,858	-
Overseas listed equities & fixed interest securities	155,034	-
Property and alternative investments	161,627	10
Cash held as part of investment portfolio	456,264	-
	997,783	10

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

14 Investments (continued)

Charity	2018 £	2017 £
Investment in subsidiary undertakings		
3 shares in St Mary's Orangery Limited	3	3
Other investments		
Balance brought forward	10	10
Acquisitions at cost	544,641	-
Unrealised losses on sale of investments	(3,132)	-
Cash held as part of investment portfolio	456,264	-
Total investments at 31 March 2018	997,786	13

Total investments comprise of the following types of investments;

UK listed equities & fixed interest securities	224,858	-
Overseas listed equities & fixed interest securities	155,034	-
Property and alternative investments	161,627	10
Cash held as part of investment portfolio	456,264	-
Investments in subsidiary undertakings	3	3
	997,786	13

Investment in subsidiary undertakings

The subsidiary company is incorporated in England and Wales (company number 03052962) with an issued share capital of 3 ordinary shares of £1 each which are wholly owned by the charity. The details of the subsidiary and the results for the year are as follows:

St Mary's Orangery Limited	2018 £	2017 £
Turnover	92,454	79,486
Cost of sales and other direct costs	(32,526)	(25,400)
Gross profit	59,928	54,086
Administrative expenses	(56,982)	(56,967)
	2,946	(2,881)
Net assets	3,651	705

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

15 Stock

Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
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Stock	5,282	5,271	4,370	4,214
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16 Debtors

Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
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Other debtors	58,622	38,796	68,816	51,643
Prepayments and accrued income	100,838	172,041	100,838	171,384

159,460	210,837	169,654	223,027
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17 Creditors: Amounts falling due within one year

Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
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Trade creditors	40,785	38,063	39,212	36,547
Taxation and social security	40,409	39,921	37,268	36,649
Other creditors	6,378	10,962	6,378	10,962
Accruals and deferred income	191,486	119,506	189,986	117,976

279,058	208,452	272,844	202,134
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Deferred income

2018 £	2017 £
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Balance brought forward	45,750	91,459
Lottery income received in advance	50,959	45,750
Grants received in advance	35,364	-
Release of deferred income	(45,750)	(91,459)

86,323	45,750
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HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

18 Commitments under operating leases

As at 31 March 2018 the group and charity had commitments under non-cancellable operating leases as set out below:

Group and Charity	2018 Land and Buildings £	2018 Other items £	2017 Land and Buildings £	2017 Other items £
Within 1 year	102,578	2,184	109,593	2,184
Within 2 to 5 years	95,575	1,092	191,605	3,276
After more than 5 years	-	-	-	-
	198,153	3,276	301,198	5,460

19 Restricted income funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Restricted funds					
6 Steps Project	7,773	-	-	-	7,773
Deciding Right Fund	15,340	-	(15,340)	-	-
Town Lands Trust	1,424	-	(375)	-	1,049
Sheila Werry CT fund	276	-	(141)	-	135
Cumbria Community Foundation - IPU	219	-	(219)	-	-
BAE Positive Living Programme	2,387	-	(475)	-	1,912
IPU Christmas Lights Fund	1,540	-	(1,540)	-	-
Marks and Spencer Fund	-	500	(617)	117	-
John Fisher Foundation	-	122,000	-	-	122,000
Orsted Living Well Fund	-	9,813	(10,449)	-	(636)
ANP Fund from MacMillan	-	4,457	(4,457)	-	-
Ulverston Townlands Trust	-	3,156	-	(2,138)	1,018
Zurich Pre-Bereavement Support	-	2,000	(469)	-	1,531
BAE Duke St Chair fund	-	3,000	-	-	3,000
ACP Train the Trainer	-	13,099	(8,406)	-	4,693
Leven Valley Support Fund	-	6,358	-	(4,686)	1,672
Orsted T Shirt Fund	-	3,300	-	-	3,300
Total funds	28,959	167,683	(42,488)	(6,707)	147,447

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

19 Restricted income funds (continued)

The 6 Steps Project is a fund for a training programme for care homes to up-skill them in the area of end of life care.

Deciding Right is a project supporting advanced care planning for patients. It uses shared forms across all care settings to enable a consistent message about the patient's choices in end of life care. The facilitators are working for 18 months to establish its use across Cumbria.

The fund from Ulverston Townlands Trust is provided for the use of the Family Support Service.

The Sheila Werry fund for Complementary Therapies is a legacy left to the Hospice for the purchase of complementary therapy supplies.

The Cumbria Community Foundation Fund was received specifically for the IPU.

The grant from BAE was awarded by their Give as You Earn committee, to support the Positive Living Programme.

The IPU Christmas Lights fund was provided by a staff member who did a sponsored New Year "dip" in the sea to raise money for new outdoor Christmas lighting for the IPU courtyard.

The Marks and Spencer fund was provided to purchase plants for the Hospice gardens.

The John Fisher Foundation fund will support the capital costs of refurbishing the new building in Barrow-in-Furness to accommodate our Living Well Services, and enable collaborative work with partner organisations to contribute to the wellbeing of Furness residents.

The Orsted Living Well fund has enabled us to extend the geographical reach of our Living Well Services. This fund is in deficit due to a timing difference as a result of expenditure incurred after the first grant claim was made. Further grant income of £34,887 will be received in the coming year.

The Macmillan ANP fund was provided specifically to support out Advanced Nurse Practitioners.

The fund from Ulverston Townlands Trust was provided to purchase two standing hoists.

The Zurich Pre-Bereavement support grant was awarded to enable is to provide a pre-bereavement support service within the Inpatient unit and Hospice at Home services.

The BAE Give as you earn fund was provided for the purchase of chairs for living Well Afternoons as the new Barrow site.

The ACP Train the Trainer grant is provided by Health Education England to fund the delivery of training in Advanced Care Planning to staff to act as facilitators and champions.

The Leven Valley fund was provided by the Leven Valley support group for the purchase of new bed and mattress systems.

The Orsted Fundraising fund was provided to sponsor 1,000 St Mary's Hospice t-shirts.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

20 Unrestricted income funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	At 31 March 2018 £
Group						
Designated Funds	2,377,961	83,918	(204,731)	57,084	-	2,314,232
General Funds	3,054,190	2,792,646	(2,960,244)	(50,377)	(3,132)	2,833,083
Unrestricted funds	5,432,151	2,876,564	(3,164,975)	6,707	(3,132)	5,147,315
Charity						
Designated Funds	2,377,707	83,918	(204,645)	57,084	-	2,314,064
General Funds	3,053,742	2,707,692	(2,878,322)	(50,377)	(3,132)	2,829,603
Unrestricted funds	5,431,449	2,791,610	(3,082,967)	6,707	(3,132)	5,143,667

The designated funds comprise of the fixed assets of the group and charity as these are necessary for the day to day operation of the Hospice and are therefore not considered to be generally available funds for use at the discretion of the Trustees in line with the charity's objectives. Also included are four funds designated by the Trustees for specific purposes as follows; £48,296 for Clinical Development, £18,131 for a Facilitator post extension, £13,748 for Duke Street professional fees and £10,000 for Website development. The investment in subsidiaries and associates is also designated fund.

21 Analysis of net assets between funds

Group	Tangible fixed assets £	Fixed asset investments £	Net current assets £	Long term liabilities £	Total £
Restricted Income Funds	-	-	147,447	-	147,447
Designated Funds	2,224,047	10	90,175	-	2,314,232
General Funds	-	997,773	1,835,310	-	2,833,083
Total funds	2,224,047	997,783	2,072,932	-	5,294,762
Charity					
Unrestricted income funds:					
Restricted Income Funds	-	-	147,447	-	147,447
Designated Funds	2,223,876	13	90,175	-	2,314,064
General Funds	-	997,773	1,831,830	-	2,829,603
Total funds	2,223,876	997,786	2,069,452	-	5,291,114

Restricted funds are detailed in note 19 to the financial statements.

HOSPICE OF ST. MARY OF FURNESS (COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

22 Control and related party transactions

The charity was under the control of the Board of Trustees' who are also directors for the purposes of company law in both the current and prior period.

No employee benefits were paid to any of the Trustees' during the current or period year and none of the Trustees' received any expenses from the charity during the same periods.

There are no further disclosable related party transactions for the charity.

23 Company Limited by guarantee

The company is limited by guarantee. In the event of the company being wound up or dissolved, each member undertakes to contribute such amount as is required, not exceeding £1, for payment of any debts or liabilities.