

REGISTERED COMPANY NUMBER: 03164820 (England and Wales)  
REGISTERED CHARITY NUMBER: 1053448

Report of the Trustees and  
Financial Statements  
for the Year Ended 31 March 2023  
for  
Martha Trust Hereford Limited

Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

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for the Year Ended 31 March 2023

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of 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 2019).

## **OBJECTIVES AND ACTIVITIES**

### **Significant activities**

#### **Martha House**

The latest CQC inspection was May 2023 all lines of inspection were rated as good. The home has fourteen lifelong residents. The staff ensure that the residents have a busy but enjoyable time. The registered manager is responsible for the home residents and staff. The therapy team works very closely with the care team. Each resident has an individual activity programme specifically developed for their needs.

#### **Sophie House**

The latest CQC inspection was December 2018 with a paper review carried out on 6 July 2023 all lines of inspection were rated good. The home has fourteen lifelong residents. The activities available are similar to those provided at Martha House. Each home has a team of nurses and carers. The therapy team works across both sites.

### **Public benefit**

Martha Trust Hereford Limited offers lifelong care which is funded by the fees paid by the County Council or Integrated Care Board.

The Charity was established in 1996 to provide care for children and adults with complex and profound emotional and physical disabilities. In 1997 Martha House, a custom-designed home, was opened providing nursing and one to-one care to residents. In 2012, the increased demand for the services offered at Martha House led to the decision to build a second home, Sophie House, in close proximity to the original home. The Charity aims to provide the highest possible quality of care enabling the residents to develop to their own full potential.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

## **STRATEGIC REPORT**

### **Achievement and performance**

The financial year ending 31 March 2023 proved to be a very busy time for the Charity. For the whole financial year both homes were full with 14 residents on each site.

Recruitment for nursing and care staff continues to be difficult due to the nationwide shortage. The Charity continues to offer a bursary scheme for staff expressing an interest in undertaking a nursing degree. In addition to the financial benefits of the project, the individual works for the Charity during university closure and gains experience in care to expand on their skills. The scheme guarantees the individual a position once they have obtained their degree.

The Nursing Associate Training Programme continues to be very successful and beneficial. The first two individuals to complete their training in February 2022 immediately started work and 1 moved on to full nurse training. The 2nd intends to start nursing training in the 23/24 financial year. 7 more staff started training in 22/23 financial year. Any member of the care team can apply to undertake the training, which is currently operating in conjunction with the Open University, however they need to satisfy the relevant entry requirements. The Charity will offer trainee Nurse Associates from other localities the opportunity to undertake their learning disability placements in one of our homes which could lead to the recruitment of qualified Nurse Associates in the future.

The success of the charity in achieving its goals is largely measured and monitored against the many and varied requirements set out by the Care Quality Commission. The Trustees seek to ensure the charity provides high quality care within the learning disability care and services sector with the continual aim of achieving an 'outstanding' award for the work undertaken.

We have designated a £1 million fund for future repairs and upgrades at both Martha House and Sophie House in this financial years statements.

## **STRATEGIC REPORT**

### **Financial review**

#### **Reserves policy**

The trustees aim to hold at least 12 months of expenditure within reserves.

The results for the year show net incoming resources of £344,417 (2022: 293,431). Net assets amounted to £9,146,618 (2022: 8,802,201).

Unrestricted funds are generated where there is no stipulation from the donor as to how the income may be spent.

The Trustees have identified the need to maintain some reserves for set purposes and have designated reserves as follows:

In 2022 the Trustees had set aside an operational reserve of £220,000. This was to cover any unplanned structural repairs or replacement of equipment or loss of income. In addition in 2022 £100,000 had been set aside as a Sophie House fund for upcoming maintenance and works planned.

In 2023 a further £1,000,000 has been designated within the year also for future repairs and upgrades at both Sophie and Martha House.

A Fixed Asset reserve comprises of the funds invested in fixed assets to allow the Charity to carry out its work. At 31 March 2023 the level of this reserve was £3,353,398 (2022: £3,453,085) (the book value of fixed assets that are not funded from restricted funds). At 31 March 2023 the restricted funds amounted to £1,287,961 (2022: £1,321,510).

As at 31 March 2023 undesignated free reserves amounted to £3,185,259 (2022: £3,707,606) after transfers to designated reserves had been made in the year.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Residents' fees are the principal funding source and are fully expended in meeting the objectives. An intensive analysis of the residents' current care needs and thus the staffing requirements to meet those needs, continues to be carried out to ensure that the fee levels are commensurate with the care plans.

#### **Principal risks and uncertainties**

The care provided by Martha Trust Hereford Limited is funded by the fees paid by the Local Authority or Integrated Care Boards. The economic downturn has led to the failure of the public sector to provide increases in fees for the majority of vulnerable people living in care facilities. The Trustees are fully aware of this potential risk and it is being managed by the Trust Directors and the Trustees.

These factors mean that the reserves held by the Charity need to reflect these potential risks. The Charity provides lifelong care to our residents and the Trustees need to ensure the Charity is financially stable to meet their future needs.

The Trust Directors and management team continue to work together with the Care Quality Commission to ensure the service provided is safe, caring, responsive, effective and well led.

## **STRATEGIC REPORT**

### **Plans for Future periods**

The Trust will continue to provide a loving, safe and secure home environment for our residents. To help us maintain our high quality of care we will encourage staff to develop their own individual potential.

The annual survey to the parents, staff and purchasing authorities will be undertaken;

The policies and procedures will be reviewed as required;

The required audits will be completed as directed by the Quality Audit Officer.

The Trustees have set aside funds for planned expenditure during the next financial year on the following items:

- Upgrade all bathrooms, clinical rooms, sluice, laundry and bedroom sink areas at Sophie House begun in 22/23 to continue in 23/24
- Plan to erect a canopy in the garden at the rear of Sophie House to provide shade
- Extensive redecoration of Martha House communal areas and bedrooms including carpet replacement begun in 22/23 to continue in 23/24
- Martha House laundry upgrade
- Additional storage at Martha House
- Repairs to drainage from Farmhouse

### **Staffing**

It has been established by the Government and the Care Quality Commission that there is a nationwide shortage of nurses and care staff. Martha Trust will continue to advertise all vacant posts as required however this is a nationwide concern with the population living longer and care homes being financially pressured by the lack of funding within the adult social care environment.

The Charity will continue with its involvement in the Nurse Associate Training Programme.

### **Quality**

The Quality Audit Officer continues to review all the policies and procedures required by the homes. A timetable is produced detailing all the regular audit reports, which are undertaken both internally and also by external agencies.

Purchasing authorities complete contract monitoring visits annually. A questionnaire will be issued to the parents, staff and purchasing authorities as a quality monitoring tool.

### **Structure, governance and management**

The charity is a company limited by guarantee and as such is governed by its Memorandum and Articles of Association in accordance with the Companies Act 2006. It was incorporated on 21 February 1996.

### **Recruitment and appointment of new Trustees**

Potential Trustees are carefully selected from local people who have the required background and experience and who are likely to have a long-standing interest in the work of the Charity. They are approached personally by existing Trustees.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

### **Organisational structure**

The Trustees consider six Trustees to be appropriate, in number, skill mix and in their contribution to the running of

## **STRATEGIC REPORT**

the Charity and the homes. There are no plans to appoint further Trustees at present. As it becomes necessary, the Trustees will determine potential candidates who, if willing to stand, will be considered by interview with the full Board. All Trustees submit DBS (Disclosure and Barring Service) disclosure applications.

### **Induction and training of new Trustees**

An appropriate candidate is given an induction programme that includes an in-depth tour of both homes and discussions with the existing Trustees and senior management team. The successful appointee is given a portfolio of financial, governance and Charity Commission documents and is guided through the Board and management meetings providing an insight into the work of the Charity and the roles of individual managers. They are introduced informally to all staff, residents and families.

### **Management and staffing**

The Charity is managed jointly by two Directors, Mrs S McBride and Dr Lisa Purslow. The Director of Care is responsible for the clinical operation of the Trust. Each home has a Registered Manager and Deputy Home Manager.

Sufficient staff are employed to generally facilitate one to one care. Each resident has a primary nurse, senior carer and key carers who provide continuity of care.

The day is divided into three shifts with at least one registered nurse on duty for each shift at each home. The waking night shift is staffed by a nurse with two carers and there is an on-call rota for nurses and managers in case of emergency. Extra staff will work at night when a resident is ill and requires one to one care throughout the night shift either in the home or the hospital. Other employed staff include; cooks, housekeepers, maintenance, gardening and administration.

The primary nurses and senior care staff on both sites plan, monitor and evaluate the activities which take place throughout the day. A team of professional therapists and the care staff provide a wide range of activities ensuring a balanced daily activity programme for each resident. This is complemented by social activities and outings.

### **Related parties**

The Charity works closely with the Care Quality Commission (CQC), County Councils, Clinical Commissioning Groups (CCG's) and all local and national agencies.

Martha Trust is one of very few providers of highly specialise care for individuals with profound and multiple learning and physical disabilities, particularly in relation to its ability to encompass children with adults in such a homely setting. Unlike most homes, the Trust has no age limit or geographical boundary and can therefore accept referrals from across the United Kingdom.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity is a company limited by guarantee and as such is governed by its Memorandum and Articles of Association in accordance with the Companies Act 2006. It was incorporated on 21 February 1996.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms S F Smith

R E L Smith

S W Somers

A C Stewart

Mrs S J Sharp-Smith

Ms L Sharp-Smith

Martha Trust Hereford Limited

Report of the Trustees  
for the Year Ended 31 March 2023

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
03164820 (England and Wales)

**Registered Charity number**  
1053448

**Registered office**  
Hampton Green  
Old Eign Hill  
Hereford  
HR1 1UB

**Trustees**  
Mrs S F Smith  
R E L Smith  
S W Somers  
A C Stewart  
Ms S J Sharp-Smith  
Ms L Sharp-Smith

**Company Secretary**  
Mrs S F Smith

**Auditors**  
Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

**Solicitors**  
Willans LLP  
28 Imperial Square  
Cheltenham  
Gloucestershire  
GL50 1RH

Harrison Clark Rickerbys  
Ellenborough House  
Wellington Street  
Cheltenham  
Gloucestershire  
GL20 1TD

**Bankers**  
Lloyds TSB Bank Plc  
38 Blue Boar Row  
Salisbury  
Wiltshire  
SP1 1DB

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Martha Trust Hereford 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).

**STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Thorne Widgey Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....15/11/23..... and signed on the board's behalf by:

.....  
R E L Smith - Trustee



### **Opinion**

We have audited the financial statements of Martha Trust Hereford Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the 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 Report of the Trustees.

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### **Fraud and breaches of laws and regulations - ability to detect**

##### **Identifying and responding to risks of material misstatement due to fraud**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- o Enquiring of trustees, management and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- o Reading meeting minutes.
- o Considering performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks. We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by finance management/ those posted and approved by the same user/ those posted to unusual accounts.

##### **Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with management (as required by auditing standards) and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, the Charities Act legislation and guidance issued by CQC and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Charity's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering and specific areas of other legislation recognising the nature of the Charity's activities.

Report of the Independent Auditors to the Members of  
Martha Trust Hereford Limited

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management, inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

**Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 Report of the Independent Auditors.

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lisa Weaver FCCA (Senior Statutory Auditor)  
for and on behalf of Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Date: ....21/11/23.....

Statement of Financial Activities  
for the Year Ended 31 March 2023

	Notes	Unrestricted funds £	Restricted fund £	31.3.23 Total funds £	31.3.22 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	35,966	-	35,966	89,527
<b>Charitable activities</b>	4				
Lifelong care for people with profound intellectual and physical disabilities		4,495,425	-	4,495,425	4,297,020
Investment income	3	9,218	-	9,218	2,694
Other income		155,173	-	155,173	-
<b>Total</b>		<u>4,695,782</u>	<u>-</u>	<u>4,695,782</u>	<u>4,389,241</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	5				
Lifelong care for people with profound intellectual and physical disabilities		<u>4,318,596</u>	<u>32,769</u>	<u>4,351,365</u>	<u>4,095,810</u>
<b>NET INCOME/(EXPENDITURE)</b>		377,186	(32,769)	344,417	293,431
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		7,480,691	1,321,510	8,802,201	8,508,770
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>7,857,877</u></u>	<u><u>1,288,741</u></u>	<u><u>9,146,618</u></u>	<u><u>8,802,201</u></u>

The notes form part of these financial statements

Martha Trust Hereford Limited

Balance Sheet  
31 March 2023

	Notes	Unrestricted funds £	Restricted fund £	31.3.23 Total funds £	31.3.22 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	12	3,353,398	1,287,961	4,641,359	4,777,136
Investments	13	1	-	1	1
		<u>3,353,399</u>	<u>1,287,961</u>	<u>4,641,360</u>	<u>4,777,137</u>
<b>CURRENT ASSETS</b>					
Debtors	14	183,058	-	183,058	233,649
Cash at bank and in hand		<u>4,487,079</u>	<u>-</u>	<u>4,487,079</u>	<u>3,955,699</u>
		<u>4,670,137</u>	<u>-</u>	<u>4,670,137</u>	<u>4,189,348</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>(164,879)</u>	<u>-</u>	<u>(164,879)</u>	<u>(164,284)</u>
<b>NET CURRENT ASSETS</b>		<u>4,505,258</u>	<u>-</u>	<u>4,505,258</u>	<u>4,025,064</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,858,657</u>	<u>1,287,961</u>	<u>9,146,618</u>	<u>8,802,201</u>
<b>NET ASSETS</b>		<u>7,858,657</u>	<u>1,287,961</u>	<u>9,146,618</u>	<u>8,802,201</u>
<b>FUNDS</b>	16				
Unrestricted funds:					
General fund				3,185,259	3,707,606
Designated				<u>4,673,398</u>	<u>3,773,085</u>
				<u>7,858,657</u>	<u>7,480,691</u>
Restricted funds				<u>1,287,961</u>	<u>1,321,510</u>
<b>TOTAL FUNDS</b>				<u>9,146,618</u>	<u>8,802,201</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 15/11/23 and were signed on its behalf by:

  
.....  
R E L Smith - Trustee

The notes form part of these financial statements

Martha Trust Hereford Limited

Cash Flow Statement  
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	563,098	579,465
Net cash provided by operating activities		563,098	579,465
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(70,796)	(149,066)
Sale of tangible fixed assets		29,860	-
Interest received		9,218	2,694
Net cash used in investing activities		(31,718)	(146,372)
<b>Change in cash and cash equivalents in the reporting period</b>		531,380	433,093
<b>Cash and cash equivalents at the beginning of the reporting period</b>		3,955,699	3,522,606
<b>Cash and cash equivalents at the end of the reporting period</b>		4,487,079	3,955,699

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 March 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23	31.3.22
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	344,417	293,431
Adjustments for:		
Depreciation charges	206,572	195,063
(Profit)/loss on disposal of fixed assets	(29,860)	366
Interest received	(9,218)	(2,694)
Decrease in debtors	39,209	133,791
Increase/(decrease) in creditors	11,978	(40,492)
Net cash provided by operations	563,098	579,465

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	3,955,699	531,380	4,487,079
	3,955,699	531,380	4,487,079
Total	3,955,699	531,380	4,487,079



## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from grants and government grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.

Interest is included when received by the charity.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings 2%, 15% and 20% straight line  
Property improvements 2%, 5%, 15% and 20% straight line  
Plant and equipment 15% straight line  
Fixtures and fittings 15% and 33% straight line  
Motor vehicles 25% straight line and 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Capitalisation policy of fixed assets is set at £1,000.

### **Taxation**

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

### **Fund accounting**

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

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

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

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects

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

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Going Concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**2. DONATIONS AND LEGACIES**

	31.3.23	31.3.22
	£	£
Donations & Grants	<u>35,966</u>	<u>89,527</u>
<b>Grants receivable for core activities</b>		
	2023	2022
Nurse training grant	24,100	23,700
Coronavirus Grants	<u>6,978</u>	<u>50,433</u>
	<u>31,078</u>	<u>74,133</u>

Donations received in the year amounted to £4,888 (2022: £15,392)

**3. INVESTMENT INCOME**

	31.3.23	31.3.22
	£	£
Deposit account interest	<u>9,218</u>	<u>2,694</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

**4. INCOME FROM CHARITABLE ACTIVITIES**

		31.3.23 £	31.3.22 £
Invoiced Patient Care	Activity Lifelong care for people with profound intellectual and physical disabilities	4,495,425	4,297,020

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Lifelong care for people with profound intellectual and physical disabilities	3,790,438	560,927	4,351,365

**6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	31.3.23 £	31.3.22 £
Staff costs	3,598,665	3,395,362
Rates, water & waste disposal	38,630	39,591
Light and heat	107,367	95,213
Insurance	45,776	38,987
	3,790,438	3,569,153

**7. SUPPORT COSTS**

	Other £	Governance costs £	Totals £
Lifelong care for people with profound intellectual and physical disabilities	538,216	22,711	560,927

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	31.3.23 £	31.3.22 £
Audit Fees	6,000	6,000
Depreciation - owned assets	206,573	195,062
Surplus/(deficit) on disposal of fixed assets	(29,860)	366

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

**10. STAFF COSTS**

	31.3.23	31.3.22
	£	£
Wages and salaries	3,312,065	3,094,521
Social security costs	230,819	251,341
Other pension costs	60,557	54,276
	<u>3,603,441</u>	<u>3,400,138</u>

Key Management Remuneration paid for the year ended 31/03/2023 was: £271,452 (31/03/2022: £246,790). This consists of the Trust Director, Deputy Trust Director, Director of Care, Manager of Sophie House and Manager of Martha House.

**Full time equivalent employees - analysed by function**

	2023	2022
Patient Care	104	105
Management & Admin	<u>13</u>	<u>12</u>
Total	<u>117</u>	<u>117</u>

The average monthly number of employees during the year was as follows:

	31.3.23	31.3.22
Full Time (more than 30 hours per week)	76	74
Part Time (30 hours or less per week)	30	65
	<u>106</u>	<u>139</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.23	31.3.22
£60,001 - £70,000	<u>1</u>	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	89,527	-	89,527
<b>Charitable activities</b>			
Lifelong care for people with profound intellectual and physical disabilities	4,297,020	-	4,297,020
Investment income	2,694	-	2,694
<b>Total</b>	<u>4,389,241</u>	<u>-</u>	<u>4,389,241</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Lifelong care for people with profound intellectual and physical disabilities	4,062,019	33,791	4,095,810
<b>NET INCOME/(EXPENDITURE)</b>	327,222	(33,791)	293,431
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	7,153,469	1,355,301	8,508,770
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>7,480,691</u>	<u>1,321,510</u>	<u>8,802,201</u>

**12. TANGIBLE FIXED ASSETS**

	Freehold Land & Buildings £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 April 2022	5,602,278	484,643	81,773
Additions	-	19,623	-
Disposals	-	-	-
At 31 March 2023	<u>5,602,278</u>	<u>504,266</u>	<u>81,773</u>
<b>DEPRECIATION</b>			
At 1 April 2022	1,452,641	126,254	75,460
Charge for year	116,112	12,822	1,207
Eliminated on disposal	-	-	-
At 31 March 2023	<u>1,568,753</u>	<u>139,076</u>	<u>76,667</u>
<b>NET BOOK VALUE</b>			
At 31 March 2023	<u>4,033,525</u>	<u>365,190</u>	<u>5,106</u>
At 31 March 2022	<u>4,149,637</u>	<u>358,389</u>	<u>6,313</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

**12. TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 April 2022	720,410	189,933	7,079,037
Additions	42,187	8,986	70,796
Disposals	(22,661)	(80,462)	(103,123)
At 31 March 2023	739,936	118,457	7,046,710
<b>DEPRECIATION</b>			
At 1 April 2022	457,871	189,675	2,301,901
Charge for year	76,368	64	206,573
Eliminated on disposal	(22,661)	(80,462)	(103,123)
At 31 March 2023	511,578	109,277	2,405,351
<b>NET BOOK VALUE</b>			
At 31 March 2023	228,358	9,180	4,641,359
At 31 March 2022	262,539	258	4,777,136

Included within Freehold Land & Buildings is Land at cost of £199,151.

**13. FIXED ASSET INVESTMENTS**

	31.3.23 £	31.3.22 £
Other	1	1

There were no investment assets outside the UK.

Investments (neither listed nor unlisted) were as follows:

	31.3.23 £	31.3.22 £
Investments in subsidiary (Martha Developments Ltd)	1	1

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23 £	31.3.22 £
Trade debtors	114,520	173,264
Amounts owed by group undertakings	-	11,382
Prepayments and accrued income	68,538	49,003
	183,058	233,649

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.23	31.3.22
	£	£
Trade creditors	35,069	48,523
Social security and other taxes	70,723	68,170
Other creditors	12,643	16,844
Accrued expenses	38,564	21,712
Deferred government grants	7,880	9,035
	<u>164,879</u>	<u>164,284</u>

Deferred Income arising from patient care invoices raised in advance for 2023 was £7,880 (2020: £9,035)

**16. MOVEMENT IN FUNDS**

	At 1.4.22	Net movement in funds	Transfers between funds	At 31.3.23
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	3,707,606	584,538	(1,106,885)	3,185,259
Designated	3,773,085	(206,572)	1,106,885	4,673,398
	<u>7,480,691</u>	<u>377,966</u>	<u>-</u>	<u>7,858,657</u>
<b>Restricted funds</b>				
Restricted	1,321,510	(33,549)	-	1,287,961
	<u>1,321,510</u>	<u>(33,549)</u>	<u>-</u>	<u>1,287,961</u>
<b>TOTAL FUNDS</b>	<u>8,802,201</u>	<u>344,417</u>	<u>-</u>	<u>9,146,618</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	4,695,782	(4,111,244)	584,538
Designated	-	(206,572)	(206,572)
	<u>4,695,782</u>	<u>(4,317,816)</u>	<u>377,966</u>
<b>Restricted funds</b>			
Restricted	-	(33,549)	(33,549)
	<u>-</u>	<u>(33,549)</u>	<u>(33,549)</u>
<b>TOTAL FUNDS</b>	<u>4,695,782</u>	<u>(4,351,365)</u>	<u>344,417</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

## 16. MOVEMENT IN FUNDS - continued

## Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
<b>Unrestricted funds</b>				
General fund	3,467,814	327,222	(87,430)	3,707,606
Designated	3,685,655	-	87,430	3,773,085
	7,153,469	327,222	-	7,480,691
<b>Restricted funds</b>				
Restricted	1,355,301	(33,791)	-	1,321,510
<b>TOTAL FUNDS</b>	<b>8,508,770</b>	<b>293,431</b>	<b>-</b>	<b>8,802,201</b>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,389,241	(4,062,019)	327,222
<b>Restricted funds</b>			
Restricted	-	(33,791)	(33,791)
<b>TOTAL FUNDS</b>	<b>4,389,241</b>	<b>(4,095,810)</b>	<b>293,431</b>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
<b>Unrestricted funds</b>				
General fund	3,467,814	911,760	(1,194,315)	3,185,259
Designated	3,685,655	(206,572)	1,194,315	4,673,398
	7,153,469	705,188	-	7,858,657
<b>Restricted funds</b>				
Restricted	1,355,301	(67,340)	-	1,287,961
<b>TOTAL FUNDS</b>	<b>8,508,770</b>	<b>637,848</b>	<b>-</b>	<b>9,146,618</b>



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2023

**16. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	9,085,023	(8,173,263)	911,760
Designated	-	(206,572)	(206,572)
	<u>9,085,023</u>	<u>(8,379,835)</u>	<u>705,188</u>
<b>Restricted funds</b>			
Restricted	-	(67,340)	(67,340)
	<u>-</u>	<u>(67,340)</u>	<u>(67,340)</u>
<b>TOTAL FUNDS</b>	<u><u>9,085,023</u></u>	<u><u>(8,447,175)</u></u>	<u><u>637,848</u></u>

Designated Funds

Within designated funds there is £220,000 set aside as an operational fund. This is to cover any unplanned structural repairs or replacement of equipment.

£1,100,000 is set aside for future repairs and upgrades at both Martha House and Sophie House. An additional £1,000,000 has been designated in the current financial year. In the prior financial year there was £100,000 set aside as a Sophie House fund which was for upcoming maintenance and works planned at Sophie House.

The remaining amount is within the fixed asset reserve which is the funds invested in fixed assets to allow the charity to carry out its work.

Restricted Funds

Restricted funds all relate to fixed assets for Sophie House where funding had been allocated solely for this purpose. The total fund balance at the year end is £1,287,961 which agrees to the net book value of restricted fixed assets.

**17. CAPITAL COMMITMENTS**

An order had been placed in the financial year for 2 Minibuses. Deposits have been paid of £4,493 each totalling £8,986. The total cost of each minibus was £44,930. As a result the total amount outstanding less any deposits paid is £80,874. Delivery is due late 2023. The deposits have been recognised in these financial statements.

**18. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2023 or 31 March 2022.

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations & Grants	35,966	89,527
<b>Investment income</b>		
Deposit account interest	9,218	2,694
<b>Charitable activities</b>		
Invoiced Patient Care	4,495,425	4,297,020
<b>Other income</b>		
Gain on sale of tangible fixed assets	29,860	-
Insurance Claim Income	125,313	-
	<u>155,173</u>	<u>-</u>
<b>Total incoming resources</b>	<b>4,695,782</b>	<b>4,389,241</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	3,307,289	3,089,745
Social security	230,819	251,341
Pensions	60,557	54,276
Rates, water & waste disposal	38,630	39,591
Light and heat	107,367	95,213
Insurance	45,776	38,987
	<u>3,790,438</u>	<u>3,569,153</u>
<b>Support costs</b>		
<b>Other</b>		
Medical & Hygiene	91,143	87,093
Telephone & IT Costs	16,774	14,964
Postage and stationery	8,233	7,314
Sundry Expenses	5,065	3,691
Cleaning & Laundry	10,666	12,509
Catering	47,643	35,602
Protective Clothing	4,049	4,777
Holidays & Activities	8,788	5,726
Recruitment Costs	17,011	14,111
CQC & CRB	4,472	3,978
Travelling	1,106	131
Motor Expenses	14,463	12,096
Property Expenses	35,325	35,846
Equipment Repairs & Small Tool	58,224	64,269
Licences & Subscriptions	1,714	1,490
Staff Training	6,259	5,679
Carried forward	330,935	309,276

This page does not form part of the statutory financial statements

Martha Trust Hereford Limited

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
<b>Other</b>		
Brought forward	330,935	309,276
Bank Charges	709	703
Charity Shop Cost	-	(68)
Freehold property	206,572	195,063
Loss on sale of tangible fixed assets	-	366
	<hr/> 538,216	<hr/> 505,340
<b>Governance costs</b>		
Wages	4,776	4,776
Auditors' remuneration	6,000	6,000
Accountancy fees	3,000	3,060
Legal fees	7,130	5,917
Office Costs	1,805	1,564
	<hr/> 22,711	<hr/> 21,317
Total resources expended	<hr/> 4,351,365	<hr/> 4,095,810
Net income	<hr/> <hr/> 344,417	<hr/> <hr/> 293,431

This page does not form part of the statutory financial statements