

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2024
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 2024

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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 2024. 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 2024 proved to be a very busy time for the Charity. At March 2024 Sophie House was full with 14 residents while Martha House had 1 empty bed and 13 residents.

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. During the year to March 2024 2 individuals worked as Nursing Associates having completed their training through the Charity. One of these individuals is enrolled on the Nursing Apprenticeship and expects to be fully qualified in February 2025. The Charity employed 7 individuals on the TNA programme. The Charity offers 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

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 outgoing resources of £255,460 (2023: net incoming resources £344,417). Net assets amounted to £8,891,158 (2023: £9,146,618).

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. None of these funds have been spent in the year.

A Fixed Asset reserve comprises of the funds invested in fixed assets to allow the Charity to carry out its work. At 31 March 2024 the level of this reserve was £3,327,027 (2023: £3,353,398) (the book value of fixed assets that are not funded from restricted funds). At 31 March 2024 the restricted funds amounted to £1,287,961 (2023: £1,287,961).

As at 31 March 2024 undesignated free reserves amounted to £2,956,170 (2023: £3,185,259).

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 Director 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 Director 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 and staff will be undertaken;

The policies and procedures will be reviewed as required;

The required audits will be completed as directed by the Commissioning Authorities, CQC and Internal reviews.

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 23/24 to continue in 24/25
- 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 23/24 to continue in 24/25
- 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.

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

STRATEGIC REPORT

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

From 1st April 2023 the Charity has been managed by the Trust Director. The Director of Care retired in March 2024. From November 2023 the Registered Manager of Sophie House also took on the role of Registered Manager for Martha House and responsibility for the clinical operation of the two homes. Each home has a Care 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.

Key management remuneration

The salaries for all senior managers are agreed by the Trustees and reviewed annually. Costed proposals are forwarded to the Trustees and these consider the economic climate, including risks associated with the lack of funding in adult social care and the effect this has on the income for the charity, local trends and length of time in service. The registered manager, care managers and their deputies have detailed roles and responsibilities against which their performance can be measured.

Related parties

The Charity works closely with the Care Quality Commission (CQC), County Councils, Integrated Care Boards (ICB'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.

The Charity owns all the issued share capital of Martha Hereford (Developments) Limited, a Company incorporated in the United Kingdom. The Company was incorporated on 24 August 2009 to design and construct the second home on behalf of the Charity. The Company ceased trading on 31 March 2016.

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:

R E L Smith Esq

Miss S F Smith

Mrs S J Sharp-Smith

A C Stewart Esq

S W Somers Esq

Ms L Sharp-Smith

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

Miss S F Smith
R E L Smith
S W Somers
A C Stewart
Ms S J Sharp-Smith
Ms L Sharp-Smith

Company Secretary

Miss S F Smith

Auditors

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

REFERENCE AND ADMINISTRATIVE DETAILS

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).

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Martha Trust Hereford Limited

Report of the Trustees
for the Year Ended 31 March 2024

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6/12/24 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 2024 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 2024 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. 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: 13/12/24.....

Statement of Financial Activities
for the Year Ended 31 March 2024

	Notes	Unrestricted funds £	Restricted fund £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	15,560	55,300	70,860	35,966
Charitable activities	4				
Lifelong care for people with profound intellectual and physical disabilities		4,746,164	-	4,746,164	4,495,425
Investment income	3	104,448	-	104,448	9,218
Other income		-	-	-	155,173
Total		<u>4,866,172</u>	<u>55,300</u>	<u>4,921,472</u>	<u>4,695,782</u>
EXPENDITURE ON					
Charitable activities	5				
Lifelong care for people with profound intellectual and physical disabilities		<u>5,121,632</u>	<u>55,300</u>	<u>5,176,932</u>	<u>4,351,365</u>
NET INCOME/(EXPENDITURE)		(255,460)	-	(255,460)	344,417
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>7,858,657</u>	<u>1,287,961</u>	<u>9,146,618</u>	<u>8,802,201</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>7,603,197</u></u>	<u><u>1,287,961</u></u>	<u><u>8,891,158</u></u>	<u><u>9,146,618</u></u>

Martha Trust Hereford Limited

Balance Sheet

31 March 2024

	Notes	Unrestricted funds £	Restricted fund £	31.3.24 Total funds £	31.3.23 Total funds £
FIXED ASSETS					
Tangible assets	12	3,327,027	1,287,961	4,614,988	4,641,359
Investments	13	-	-	-	1
		<u>3,327,027</u>	<u>1,287,961</u>	<u>4,614,988</u>	<u>4,641,360</u>
CURRENT ASSETS					
Debtors	14	308,830	-	308,830	183,058
Cash at bank and in hand		<u>4,157,883</u>	<u>-</u>	<u>4,157,883</u>	<u>4,487,079</u>
		<u>4,466,713</u>	<u>-</u>	<u>4,466,713</u>	<u>4,670,137</u>
CREDITORS					
Amounts falling due within one year	15	(190,543)	-	(190,543)	(164,879)
		<u>4,276,170</u>	<u>-</u>	<u>4,276,170</u>	<u>4,505,258</u>
NET CURRENT ASSETS					
		<u>4,276,170</u>	<u>-</u>	<u>4,276,170</u>	<u>4,505,258</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,603,197</u>	<u>1,287,961</u>	<u>8,891,158</u>	<u>9,146,618</u>
NET ASSETS		<u>7,603,197</u>	<u>1,287,961</u>	<u>8,891,158</u>	<u>9,146,618</u>
FUNDS	16				
Unrestricted funds:					
General fund				2,956,170	3,185,259
Designated				<u>4,647,027</u>	<u>4,673,398</u>
				<u>7,603,197</u>	<u>7,858,657</u>
Restricted funds				<u>1,287,961</u>	<u>1,287,961</u>
TOTAL FUNDS				<u>8,891,158</u>	<u>9,146,618</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 6/12/24 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 2024

	Notes	31.3.24 £	31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	(241,249)	563,098
Net cash (used in)/provided by operating activities		(241,249)	563,098
Cash flows from investing activities			
Purchase of tangible fixed assets		(192,396)	(70,796)
Sale of tangible fixed assets		-	29,860
Sale of fixed asset investments		1	-
Interest received		104,448	9,218
Net cash used in investing activities		(87,947)	(31,718)
Change in cash and cash equivalents in the reporting period		(329,196)	531,380
Cash and cash equivalents at the beginning of the reporting period		4,487,079	3,955,699
Cash and cash equivalents at the end of the reporting period		4,157,883	4,487,079

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 March 2024

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.24 £	31.3.23 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(255,460)	344,417
Adjustments for:		
Depreciation charges	218,766	206,572
Profit on disposal of fixed assets	-	(29,860)
Interest received	(104,448)	(9,218)
(Increase)/decrease in debtors	(125,772)	39,209
Increase in creditors	25,665	11,978
Net cash (used in)/provided by operations	(241,249)	563,098

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23 £	Cash flow £	At 31.3.24 £
Net cash			
Cash at bank and in hand	4,487,079	(329,196)	4,157,883
	4,487,079	(329,196)	4,157,883
Total	4,487,079	(329,196)	4,157,883

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 2024

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

	31.3.24	31.3.23
	£	£
Donations & Grants	<u>70,860</u>	<u>35,966</u>
Grants receivable for core activities		
	2024	2023
Nurse training grant	55,300	24,100
Apprenticeship Funding	8,300	
Coronavirus Grants	-	<u>6,978</u>
	<u>63,600</u>	<u>31,078</u>

Donations received in the year amounted to £7,260 (2023: £4,888)

3. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Deposit account interest	<u>104,448</u>	<u>9,218</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

4. INCOME FROM CHARITABLE ACTIVITIES

		31.3.24 £	31.3.23 £
Invoiced Patient Care	Activity Lifelong care for people with profound intellectual and physical disabilities	4,746,164	4,495,425

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	4,485,382	691,550	5,176,932

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.3.24 £	31.3.23 £
Staff costs	4,281,237	3,598,665
Rates, water & waste disposal	40,860	38,630
Light and heat	107,478	107,367
Insurance	55,807	45,776
	4,485,382	3,790,438

7. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Lifelong care for people with profound intellectual and physical disabilities	665,158	26,392	691,550

8. NET INCOME/(EXPENDITURE)

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

	31.3.24 £	31.3.23 £
Audit Fees	6,500	6,000
Depreciation - owned assets	218,767	206,573
Surplus on disposal of fixed assets	-	(29,860)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

10. STAFF COSTS

	31.3.24	31.3.23
	£	£
Wages and salaries	3,882,665	3,312,065
Social security costs	331,516	230,819
Other pension costs	71,832	60,557
	<u>4,286,013</u>	<u>3,603,441</u>

Key Management Remuneration paid for the year ended 31/03/2024 was: £412,272 (31/03/2023: £271,452).

This consists of the Trust Director, Deputy Trust Director, Director of Care, Manager of Sophie House and Manager of Martha House and HR manager.

Full time equivalent employees - analysed by function

	2024	2023
Patient Care	110	104
Management & Admin	14	13
Total	<u>124</u>	<u>117</u>

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

	31.3.24	31.3.23
Full Time (more than 30 hours per week)	80	76
Part Time (30 hours or less per week)	33	30
	<u>113</u>	<u>106</u>

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

	31.3.24	31.3.23
£60,001 - £70,000	2	1
£80,001 - £90,000	1	-
	<u>3</u>	<u>1</u>

The current year and prior year both include the director of care. But the current year also includes the manager of sophie house and a night nurse.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	35,966	-	35,966
Charitable activities			
Lifelong care for people with profound intellectual and physical disabilities	4,495,425	-	4,495,425
Investment income	9,218	-	9,218
Other income	155,173	-	155,173
Total	4,695,782	-	4,695,782
EXPENDITURE ON			
Charitable activities			
Lifelong care for people with profound intellectual and physical disabilities	4,318,596	32,769	4,351,365
NET INCOME/(EXPENDITURE)	377,186	(32,769)	344,417
RECONCILIATION OF FUNDS			
Total funds brought forward	7,480,691	1,321,510	8,802,201
TOTAL FUNDS CARRIED FORWARD	7,857,877	1,288,741	9,146,618

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Improvements to property £	Plant and machinery £
COST			
At 1 April 2023	5,602,278	504,266	81,773
Additions	-	28,494	3,816
Disposals	-	-	-
At 31 March 2024	5,602,278	532,760	85,589
DEPRECIATION			
At 1 April 2023	1,568,753	139,076	76,667
Charge for year	116,111	15,690	617
Eliminated on disposal	-	-	-
At 31 March 2024	1,684,864	154,766	77,284
NET BOOK VALUE			
At 31 March 2024	3,917,414	377,994	8,305
At 31 March 2023	4,033,525	365,190	5,106

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

12. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2023	739,936	118,457	7,046,710
Additions	77,613	82,473	192,396
Disposals	(19,628)	-	(19,628)
At 31 March 2024	797,921	200,930	7,219,478
DEPRECIATION			
At 1 April 2023	511,578	109,277	2,405,351
Charge for year	80,588	5,761	218,767
Eliminated on disposal	(19,628)	-	(19,628)
At 31 March 2024	572,538	115,038	2,604,490
NET BOOK VALUE			
At 31 March 2024	225,383	85,892	4,614,988
At 31 March 2023	228,358	9,180	4,641,359

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

13. FIXED ASSET INVESTMENTS

There were no investment assets outside the UK.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Trade debtors	260,546	114,520
Prepayments and accrued income	48,284	68,538
	308,830	183,058

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Trade creditors	72,862	35,069
Social security and other taxes	81,567	70,723
Other creditors	13,824	12,643
Accrued expenses	15,098	38,564
Deferred government grants	7,192	7,880
	190,543	164,879

Deferred Income arising from patient care invoices raised in advance for 2024 was £7,192 (2023: £7,880)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

16. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	3,211,630	(255,460)	2,956,170
Designated	4,647,027	-	4,647,027
	<u>7,858,657</u>	<u>(255,460)</u>	<u>7,603,197</u>
Restricted funds			
Restricted	1,287,961	-	1,287,961
	<u>1,287,961</u>	<u>-</u>	<u>1,287,961</u>
TOTAL FUNDS	<u>9,146,618</u>	<u>(255,460)</u>	<u>8,891,158</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,866,172	(5,121,632)	(255,460)
Restricted funds			
Restricted	55,300	(55,300)	-
	<u>55,300</u>	<u>(55,300)</u>	<u>-</u>
TOTAL FUNDS	<u>4,921,472</u>	<u>(5,176,932)</u>	<u>(255,460)</u>

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
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>
Restricted funds				
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>
TOTAL FUNDS	<u>8,802,201</u>	<u>344,417</u>	<u>-</u>	<u>9,146,618</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

16. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
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>
Restricted funds			
Restricted	-	(33,549)	(33,549)
	<u>-</u>	<u>(33,549)</u>	<u>(33,549)</u>
TOTAL FUNDS	<u>4,695,782</u>	<u>(4,351,365)</u>	<u>344,417</u>

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

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	3,707,606	329,078	(1,106,885)	2,929,799
Designated	3,773,085	(206,572)	1,106,885	4,673,398
	<u>7,480,691</u>	<u>122,506</u>	<u>-</u>	<u>7,603,197</u>
Restricted funds				
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>
TOTAL FUNDS	<u>8,802,201</u>	<u>88,957</u>	<u>-</u>	<u>8,891,158</u>

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 £
Unrestricted funds			
General fund	9,561,954	(9,232,876)	329,078
Designated	-	(206,572)	(206,572)
	<u>9,561,954</u>	<u>(9,439,448)</u>	<u>122,506</u>
Restricted funds			
Restricted	55,300	(88,849)	(33,549)
	<u>55,300</u>	<u>(88,849)</u>	<u>(33,549)</u>
TOTAL FUNDS	<u>9,617,254</u>	<u>(9,528,297)</u>	<u>88,957</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.

16. MOVEMENT IN FUNDS - continued

£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 prior financial year. In 2022 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.

In the year we have recognised the LD Grant funding from HEE within restricted funds but there is no effect on the overall c/f balance as this income has been fully spent on salaries for these nurses.

17. CAPITAL COMMITMENTS

As at 31 March 2024 the following purchase orders were in place for the following capital items:
Pressurisation Unit £2,276.06, Water Heater / Boiler £13,278.83 and Gas Commercial Tumble Dryer £5,455.20.

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024 or 31 March 2023.

Detailed Statement of Financial Activities
for the Year Ended 31 March 2024

	31.3.24 £	31.3.23 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations & Grants	70,860	35,966
Investment income		
Deposit account interest	104,448	9,218
Charitable activities		
Invoiced Patient Care	4,746,164	4,495,425
Other income		
Gain on sale of tangible fixed assets	-	29,860
Insurance Claim Income	-	125,313
	<hr/>	<hr/>
	-	155,173
Total incoming resources	<hr/>	<hr/>
	4,921,472	4,695,782
EXPENDITURE		
Charitable activities		
Wages	3,877,889	3,307,289
Social security	331,516	230,819
Pensions	71,832	60,557
Rates, water & waste disposal	40,860	38,630
Light and heat	107,478	107,367
Insurance	55,807	45,776
	<hr/>	<hr/>
	4,485,382	3,790,438
Support costs		
Other		
Medical & Hygiene	104,081	91,143
Telephone & IT Costs	26,736	16,774
Postage and stationery	10,980	8,233
Sundry Expenses	6,576	5,065
Cleaning & Laundry	14,166	10,666
Catering	56,709	47,643
Protective Clothing	4,184	4,049
Holidays & Activities	6,786	8,788
Recruitment Costs	35,677	17,011
CQC & CRB	12,047	4,472
Travelling	3,061	1,106
Motor Expenses	15,086	14,463
Property Expenses	70,353	35,325
Equipment Repairs & Small Tool	66,559	58,224
Licences & Subscriptions	1,779	1,714
Staff Training	10,974	6,259
Carried forward	445,754	330,935

Detailed Statement of Financial Activities
for the Year Ended 31 March 2024

	31.3.24 £	31.3.23 £
Other		
Brought forward	445,754	330,935
Bank Charges	637	709
Disposal of Martha Development	1	-
Freehold property	218,766	206,572
	<u>665,158</u>	<u>538,216</u>
Governance costs		
Wages	4,776	4,776
Auditors' remuneration	6,500	6,000
Accountancy fees	3,352	3,000
Legal fees	9,785	7,130
Office Costs	1,979	1,805
	<u>26,392</u>	<u>22,711</u>
Total resources expended	<u>5,176,932</u>	<u>4,351,365</u>
Net (expenditure)/income	<u>(255,460)</u>	<u>344,417</u>