# MARTHA TRUST

England & Wales · Charity number 1067885

## Details

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|---|---|
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 03467406 |
| **Registered** | 1998-02-02 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Homemead Lane<br>Hacklinge<br>Deal<br>Kent<br>CT14 0PG |
| **Phone** | 01304615223 |
| **Email** | contact@marthatrust.org.uk |
| **Website** | www.marthatrust.org.uk |

## Activities

**Objects:** THE RELIEF OF PERSONS WITH PHYSICAL AND LEARNING DISABILITIES BY THE PROVISION OF RESIDENTIAL, RESPITE AND OTHER SUITABLE FORMS OF CARE THROUGH WHICH TO EXPRESS CHRISTIAN LOVE IN ACTION; TO PROMOTE PUBLIC AWARENESS OF THE NEEDS OF SUCH PERSONS AND TO GIVE SUPPORT TO THEIR FAMILIES.

**Activities:** The provision of residential or 'inclusive care', for people with profound physical and multiple learning disabilities (PMLD), as well as respite care, day care services and support to families caring for people with PMLD.

## Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, People With Disabilities

## Geography

- **Area of benefit:** PREDOMINANTLY SOUTH EAST ENGLAND.
- East Sussex
- Kent

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2024-12-31 | £7,244,799 | £7,086,113 | £4,780,519 | 171 |
| 2023-12-31 | £6,573,566 | £7,025,281 | £4,621,833 | 173 |
| 2022-12-31 | £6,400,850 | £6,464,889 | £5,073,548 | 175 |
| 2021-12-31 | £6,346,673 | £5,847,843 | £5,137,587 | 176 |
| 2020-12-31 | £5,706,418 | £5,432,479 | £4,638,757 | 173 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **Roger John Ian Walton** | Chair | 2015-11-19 |
| Dr Rebecca Pryse | | 2018-11-26 |
| Georgina Hovey | | 2018-04-12 |
| HUMPHREY CLARKE | | |
| John Barrington Quin | | 2012-02-20 |
| Mr Rob Sparkes | | 2014-07-10 |
| Richard Pitt | | 2022-01-06 |

**MARTHA TRUST**

England & Wales - Charity number 1067885

# Accounts

**Registered number: 03467406**
**Charity number: 1067885**

# Martha Trust

**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 December 2024**

**Contents**

**Martha Trust**

**(A company limited by guarantee)**

**Reference and administrative details of the Charity, its Trustees and advisers**
**For the year ended 31 December 2024**

| | |
|---|---|
| **Trustee** | Roger Walton, (Chairman)<br>John Quin<br>Robert Sparkes<br>Georgina Hovey<br>Richard Pitt<br>Rebecca Pryse |
| **Company registered number** | 03467406 |
| **Charity registered number** | 1067885 |
| **Registered office** | Homemead Lane<br>Hacklinge<br>Deal<br>Kent<br>CT14 0PG |
| **Company secretary** | Julie Gayler |
| **Chief executive officer** | Julie Gayler |
| **Independent auditors** | Kreston Reeves LLP<br>Statutory Auditor<br>Chartered Accountants<br>37 St Margaret's Street<br>Canterbury<br>Kent<br>CT1 2TU |
| **Bankers** | Barclays Bank PLC<br>9 St George Street<br>Canterbury<br>Kent<br>CT1 2JX |
| **Solicitors** | Girlings Solicitors LLP<br>16 Rose Lane<br>Canterbury<br>Kent<br>CT1 2UR |
| **Senior management team** | Claire Rogerson, Director of People and Culture<br>Alice Moir, Director of Fundraising and Marketing<br>Kelly Hutchings, Associate Director of Finance<br>Phillip Linkin, Senior Registered Home Manager - appointed 5 July 2024<br>Owen Nolan, Strategic Health and Social Care Lead - resigned 5 July 2024 |

**Martha Trust**
**(A company limited by guarantee)**

## Chairman's statement
## For the year ended 31 December 2024

The chairman presents his statement for the year.

This is my first statement as Chairman, having taken over the role from Humphrey Clarke in December 2023. Humphrey served as Chair for 12 years and successfully led Martha through many challenges during that time. All those involved with Martha, be they staff, trustees, parents or supporters are hugely grateful to Humphrey for his leadership and commitment to Martha, and I am very grateful that he has agreed to continue to serve as a Board member.

As I write this statement, reflecting on the past year, given the wider economic situation and the impact this is having on the care sector, we have much to be thankful for. The pressure on the budgets which local authorities and the NHS are grappling with has inevitably impacted on the funding available to support those needing our care and has created some challenges for us. Equally, costs to Martha of providing appropriate levels of care continues to rise, as Martha is not immune to the cost pressures facing the wider economy.

That said, I am struck by how much progress we have made over the year in responding to these challenges in both managing costs and improving our income streams, as we seek to ensure that the fees paid by the various funders meet in full the cost of the high-quality, person-centred care that Martha prides itself on.

The Senior Management Team (SMT) should be commended for the work they have undertaken over the past year or so, focusing on the specific individual care needs of each resident and then challenging funders to adjust the fees paid to ensure that the care our residents need and deserve is properly funded. This painstaking work has, over the year, led to a significant improvement in the overall financial position at the year end compared with where we were in 2023, and we are therefore now able to look to the future with much greater confidence that we will be able to maintain and meet the care needs of our residents.

That said, there are still many challenges ahead; work to ensure that fees paid meet the costs of care provision continues, recruitment and retention remains a challenge at both sites as we continue to seek to reduce dependency on agency staff, and we continue to work to address the feedback provided by the CQC following the inspections of Mary House, our home in Hastings, in 2022 and 2023.

Promoting the work of Martha across the wider community is of course a vital part of ensuring support for what we do both in terms of raising funds and in encouraging and enabling volunteer support. It is good to note therefore that this has been an exceptional year in terms of fundraising, with the Music on the Farm event in June and the Rome or Bust car challenge in September both exceeding our most optimistic expectations as to funds raised. We are all grateful for the hard work and dedication of all those involved in arranging these and the other promotional events held through the year.

Volunteers at both Hastings and Hacklinge need also to be acknowledged, as they help to maintain our grounds and provide a welcome environment to be enjoyed by our residents, their families, and staff.

We therefore look forward to 2025 with renewed optimism, founded in the faith we have that the Lord will continue to guide and protect Martha, so that we can continue to provide for the needs of our residents.

Roger Walton
Chairman
Date: 4th August 2025

**Trustees' report**
**For the year ended 31 December 2024**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Martha Trust (the charity) for the year ended 31 December 2024. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

## Public Benefit

### a. Purpose

We are an established regional charity, formed in 1987, providing residential care to adults with profound physical and multiple learning disabilities (PMLD). We are passionate about delivering person-centred care, enabling the individuals we support to achieve their highest level of independence and lead a fulfilling, contented and meaningful life.

We achieve this by:

- recognising and respecting people as unique individuals.
- encouraging and supporting everyone to be involved and engaged in the world around them.
- promoting good health and holistic well-being.

Our health goals are to reduce and prevent unnecessary hospital admissions and to prevent delayed discharges.

We achieve this by:

- having individual care and support plans for people, recognising best practice and how we can support them with our nursing teams.
- developing a discharge plan on admission and acting as advocates for the residents' well-being while they are in hospital.

We believe that people with PMLD have the right to make choices about their lives as well as the absolute right to privacy, dignity and respect. They are encouraged and assisted to engage where possible in activities within their local community. Our residential services are supported by a team of in-house care professionals as well as external specialists in health, person-centred planning, communication and physiotherapy.

Our Mission is to offer compassion, friendship and encouragement to people with PMLD, supporting them to lead a full and contented life.

Our Vision is for everyone with profound disabilities to be given the very best opportunities in life, enabling them to engage in the world around them and achieve their individual potential.

Our Values are:

- To treat everyone with respect, dignity and compassion
- To always be supportive and encouraging
- To promote a culture of inclusion and diversity
- To act with integrity and honesty at all times
- To champion the needs and rights of people with profound disabilities

While Martha Trust is driven by Christian values, we offer care and support to people from all faiths and backgrounds. We employ staff based on their skills and experience and do not discriminate on grounds of faith, gender, age, ethnic origin, disability, marital status, race, nationality or sexual orientation.

**b. Our strategic aims**

1. Be an outstanding provider offering high quality services and support for the people we support.
2. Generate sufficient fee and fundraising income to ensure ongoing financial viability.
3. Operate an effective and efficient charity.
4. Be an employer of choice in our local area.
5. Enhance our links with community to the benefit of our residents

**c. Our strategic objectives for 2022-2024**

Objectives supporting each Strategic Aim

1. Be an outstanding provider offering high quality services and support for our residents.
    - 1.1. Understand the needs of the residents we serve and ensure we can evidence the impact of our services.
    - 1.2. Ensure our services are safe, effective, caring, responsive and well-led.
    - 1.3. Working closely with CQC and local authorities; to be outstanding in clinical expertise with an emphasis on residents needs.

2. Generate sufficient fee and fundraising income to ensure ongoing financial viability.
    - 2.1 Ensure fee income for each resident is sufficient to fully cover the cost of their individual care needs
    - 2.2 Grow and sustain voluntary income.
    - 2.3 Maintain efficient staffing levels and costs and limited use of agency staff.
    - 2.4 Ensure value for money by applying principles of economy, efficiency and effectiveness.

3. Operate an effective and efficient charity.
    - 3.1 Ensure our organisation is well-governed and that our strategies, plans and budgets are aligned.
    - 3.2 Maintain effective risk management to aid and inform decision-making.
    - 3.3 Measure impact and outcomes in line with our Mission.

4. Be an employer of choice in our local area.
    - 4.1 Support, develop and manage our staff in the achievement of our objectives.
    - 4.2 Foster a culture where individuals of all backgrounds feel confident to be themselves, and are included and empowered.
    - 4.3 Continue to evolve our strategic approach to recruitment and retention.

5. Enhance our links with community to the benefit of our residents.
    - 5.1 Identify and take advantage of opportunities to support residents to be active members of the local community.
    - 5.2 Develop initiatives to engage with our local communities, promoting the work of Martha Trust and ways to support the charity.
    - 5.3 Identify and promote volunteering opportunities to individuals, businesses and local groups.

The above objectives are in the process of review prior to the development of a formal Strategic Plan for 2025-2027. Some initiatives and projects to deliver the objectives above are already live and will continue to evolve during the lifespan of the new Strategic Plan. For the purposes of this Report, the annual performance will be measured against achievements relating to objectives of the 2022-2024 Strategic Plan.

## d. Activities for achieving objectives

Strategy

The biggest challenges in delivering against our strategic aims in 2024 have been the continuing effects of the cost-of-living crisis, combined with the under-funding that has become systemic in the sector and is widely publicised in the national press and by service provider membership groups. These groups have been representing the views of the care sector through a programme of lobbying in response the government's autumn budget announcement of an increase in the Employer National Insurance Contributions from 13.8% to 15%, from April 2025 and the reduction in the threshold from £9,100 to £5,000 per employee. These measures, together with the increase in minimum wage, will materially increase our costs.

Martha Trust strives to be an organisation that adapts and evolves to meet the inevitable challenges posed by external forces. During 2024 our focus has been on implementing new strategies to counter funding shortfalls. A robust process of reassessment and strong, evidence-based fee challenges have led to an encouraging number of funding increases, which have been instrumental in the improvement in our overall financial position compared to 2023. However, our focus on this process will need to be maintained to ensure that the funding we receive continues to meet the needs of those we support.

Alongside fee challenges, costs across the organisation have been subject to tight budgetary control, with reductions made wherever possible as a consequence of the improvements in our budgetary control processes.

As shown below, the financial challenges faced this year have not deterred Martha Trust from meeting the vast majority of our other strategic objectives around service quality, community engagement and staff retention and recruitment.

By recognising the complex needs of those we support, we acknowledge the responsibility we have in ensuring that we protect the long-term sustainability of the organisation and can provide residents with the caring home for life that they deserve – and while doing so set new industry standards of excellence.

We are passionate about supporting people with PMLD to lead a full and contented life. We achieve this by recognising and respecting people as unique individuals, encouraging and supporting everyone to be involved and engaged in the world around them and promoting good health and holistic well-being.

Families

We continue to be committed to working alongside families, recognising their wealth of knowledge, listening to feedback and ideas to improve the experience for those involved and create meaningful relationships for the benefit of everyone.

Virtual family forums continued during 2024, enabling family members from both Martha locations to interact, share views and experiences and develop their own support networks. Social media has proven to be invaluable in enabling families to keep in touch, with dedicated Facebook and WhatsApp platforms set up by the families. The re-introduction of face-to-face forums will be explored in 2025.

Parent Representative Meetings have continued to take place regularly via Zoom. This has facilitated open and transparent communication between the Representatives and the Martha management team, which has been vital during a year of unexpected external pressures. One of the many benefits from these meetings, has been that consistent communications to wider family members has been far easier to facilitate.

The Relatives Gateway provides access for families to areas of Martha's electronic care plan system, PCS, enabling them to keep up to date with the care and activities of their loved ones. This is available to the families of all residents but will be replaced by an updated service in 2025, accessible through an App and with some new features.

**Trustees' report (continued)**
**For the year ended 31 December 2024**

The family feedback questionnaire was sent out to all families – 35 in total. We received responses from 25% (9) of the families. This is slightly down on 2023 when 32% replied, compared to 23% of families responding in 2022, in 2021 a fifth of families responded and a quarter of families in 2020.

Although the response rate is a little disappointing with only a quarter responding, it is on par with previous years. And when we consider the other mechanisms we have in place for families to express their views, which we know they utilise, we are confident that we have a good understanding of the views of our families. Many of our families frequently attend the family forums and are encouraged to raise issues, concerns or positive feedback directly to the Home Managers as and when they need to, as well as utilising the Parent Representative group. The family questionnaire plays a part in the review of our care services but isn't to be used as a stand-alone.

Family members are recruited to sit on Trustee-led committees when their experience is identified as being of value. This includes the Care Improvement Committee (CIC) and Audit & Finance Committee, both of which have benefited enormously from the skills and different perspectives brought to the discussions by the families of our residents.

Operations

The CIC, attended by a clinical Trustee and two family members with clinical backgrounds, continues to provide valuable support to Martha Trust. A new review process discussed within this Committee was introduced and has had a positive impact on some of our applications for increased fees. The new review paperwork discussed and designed with input from the CIC is now sent to the funding authority, so they have a greater understanding of the resident before we meet, including any changes in their needs.

Our Quality Assurance Framework continues to evolve and improve, with PCS providing excellent data for quality assurance. Being able to interrogate the PCS system enables us to send detailed information to Commissioners of our services to support funding requests and evidence changes in need.

Recording has significantly improved since the digitalisation of Martha Trust. The PCS technology streamlines the process of recording daily care and the review of risk assessments and resident needs. The Electronic Medication Administration Record (eMAR), which integrates with PCS and provides a safe, efficient system, has been proven to reduce medication errors. It has also been useful in providing evidence to local safeguarding teams and ensuring compliance with the Medicines Optimisation Team, who advise on our medication processes.

A joint clinical and organisational governance meeting is held six weekly involving all managers across Martha Trust. It is guided by the CQC regulation 17 for Governance, encompassing the Regulations for Service Providers and Managers under the Health and Social Care act 2008 and 2009. From a clinical perspective the meeting focuses on audit results, ratification of new or updated policies and procedures, as well as any improvements necessary following inspections, for example by CQC and the Fire Service.

Continuous Improvement Plans (CIP) form the basis of improving the quality of the services we offer. Each site has a CIP based on the CQC Key Questions and Quality Statements. CIPs have been regularly updated during the year to include areas of improvement highlighted in stakeholder questionnaire responses, audits and CQC inspections. Focus is also placed on any areas rated as Good by CQC at the last inspections, with a view to achieving Outstanding. This rolling plan ensures we can react quickly to areas of concern or innovative ideas, put more robust governance in place and evidence our ethos of being a learning organisation.

**Trustees' report (continued)**
**For the year ended 31 December 2024**

CIP meetings are held, where recording information to provide appropriate evidence for the CQC Key Questions and Quality Statements is discussed and agreed. Key staff have received training regarding the Quality Statements and the care management team have a good understanding of the expectations of CQC.
The activities teams at both Martha locations continue to lead on delivering person-centred activity plans, communication and physiotherapy programmes. PCS provides the platform for recording evidence of activities and review of individual plans due to any changes in need or preferences.

As always, we are keen to explore opportunities offered by new technology which can enable all residents to communicate more effectively, express themselves, have fun and improve their physical and mental wellbeing. In 2024 we were able to purchase a Thera Trainer Tigo, made possible by a generous donation. This is a motor-assisted stationary cycling trainer for wheelchair users which gives the residents of Martha Trust an opportunity for physical exercise that they would not otherwise be able to enjoy.

Development of the Martha Trust GDPR policy is an ongoing project, with overall responsibility passing to the CEO and Director of Marketing & Fundraising. Progress is now being made on reviewing and updating processes relating to Martha's care services and HR processes to ensure ongoing compliance with the latest regulations. The operational teams have a working understanding of the GDPR requirements. The Home Managers, Senior Nurse and Home Support Managers have nhs.net email accounts which enables them to send sensitive personal information to members of the Multi-Disciplinary Teams (MDT's).

We continue to provide monthly information to several CCG Commissioning Support Units on set Key Performance Indicators and are working with other funding authorities to provide more detailed information on the service we provide.

Our People

Recruitment challenges continued to put pressure on staffing teams in 2024, as our ability to compete with pay rates in the wider economy remains a challenge in common with the social care sector more generally.

The annual staff questionnaire responses highlighted the negative impact of this necessary decision, with respondents stating they felt underpaid and undervalued. In the period of January 2024 through to the end of April, there were a total of 14 leavers from the care teams across the organisation.

In March 2024 pay increases were announced. Due to ongoing financial constraints pay rates were set at the minimum wage for Support Workers, with increases of 4% for other care roles and a 2% increase for other staff. The reasoning behind this decision was communicated, but not necessarily understood by all staff.

The staff questionnaire responses were overall less positive than previous years. In response to this SMT decided to respond in more detail, taking the time to address each question in more detail over a ten-week period. This enabled further feedback from the teams and for SMT to share their plans and aspirations with the wider teams.

Alongside the staff questionnaire, values-based supervisions took place, encouraging people to reflect on their interactions with residents and one another, and to provide feedback on the way Martha supports the teams. These were conducted alongside the Values and Empathy training and fit into the wider strategy of Martha leading as a valued based, supportive employer. Job based supervisions continued to take place alongside these, ensuring that all staff receive support, appreciation, and guidance on a regular basis.

Assistance for people in the form of food cupboards, fruit and sanitary products continued as did the gifting of vouchers to recognise Birthdays, Easter, and Christmas. Families once again were very generous in providing donations that were used to give all staff a second supermarket voucher prior to Christmas. Our annual staff raffle to celebrate carers week, and the provision of treats over Christmas all provided gestures of appreciation to the teams through the year.

An organisational staff and family fun day was again held in the fields of Solley's ice cream parlour in Ripple. While the weather led to a smaller turn out than in 2023, feedback from those who attended was again very positive. We were supported by Rapid Relief who provided all who attended with a BBQ.

Flexible working agreements were supported from day one of employment when possible, and requests to work hours around academic commitments honoured to give people the opportunity to progress into areas such as nursing.

The combination of these measures saw retention improve, with several leavers returning to Martha having explored alternative employment. They also resulted in an increase in employment applications from people working as agency in the homes.

The strategies in place to recruit and retain staff saw the staffing numbers gradually increase, especially at Mary House, our home in Hastings, as the year progressed. This in turn led to a slow but steady reduction in agency use at Hastings. In Deal however, agency use increased as the year went on. This was in part due to movement of staff but was also a result of successful reassessments of residents resulting in increases to supporting hours, and therefore an increase in staffing numbers to deliver these. This was particularly so with overnight support.

To reduce agency costs, overtime rates continued to be paid at time and a half, and for all shifts worked over contracted hours. This was of benefit particularly to part-time employees. The decision to take this approach will be reviewed in 2025 as staffing levels improve, in the hope that less overtime will be required, and further savings can be made. The rota continues to be closely managed, and staffing levels adjusted to meet resident's needs.

Feedback on the way new starters are inducted was overwhelmingly positive, with people appreciating the time given to get to know and understand residents. The shadow period and use of experienced and knowledgeable 'buddies' continues to be well received, setting new staff up to achieve their goals, and become valued members of the team. Our residents, and the way we value person-centred care continue to be the main drivers for our teams and the biggest reason people choose to work here.

Training in 2024 continued to be focused on mandatory courses, and specialised training related to medication and resident's requirements. Financial constraints meant hopes to offer additional courses such as intensive communication or Active Support had to be put on hold, with specific medical/clinical courses prioritised to ensure the safety of new residents, or those who had developed more complex care needs.

The roll out of medication enabled Support Workers to take on more responsibility and receive a higher level of remuneration to recognise this. Competencies will be renewed to ensure these skills remain useful and safe.

Work continued on a new Code of Conduct, a necessary document to ensure that all external stakeholders respect the need for professional boundaries, and behaviour that is respectful and kind. There continued to be some challenging relationships with families, with Martha committed to ensuring the resident is at the centre of decision making but also, that staff are protected from unfair or unnecessary criticism. SMT continue to work with family representatives for the good of the homes.

Mandatory courses continued to be delivered with a mix of face to face and online delivery, although a higher number of courses moved to online in an effort reduce costs. The newly written 'Values and Empathy' course was rolled out across the organisation and received overwhelmingly positive feedback. The session sees people spending time considering language, behaviour and how it feels to have a lack of control over what is happening to you. This course will continue to be delivered to all new starters and will be used as a refresher course as needed.

In 2025 we intend to move forward with plans to provide training that enhances skills and allows for more resident communication and interaction allowing them to embrace life and engage in the world around them. These courses will run alongside the mandatory required training.

Although 2024 was a challenging year, that started with financial concerns and staffing pressures, SMT showed that positivity, determination, and a faith in our cause can lead to a welcome change in circumstances. Julie Gayler continues to lead SMT as CEO, with Kelly Hutchings promoted to Associate Director – Finance, and Alice Moir promoted to Director of Fundraising and Marketing. The year also saw Owen Nolan, Strategic Health and Social Care Lead, leave Martha Trust to focus on his life in new pastures, allowing us to welcome Phil Linkin to the SMT. Phil is a long-standing member of the management team, a registered nurse and brings a wealth of knowledge both clinical and operational, that enable him to fulfil his role as Senior Registered Home Manager.

As a collective, SMT worked to challenge funders, support managers to advocate for residents, establish clear boundaries of respect with families, staff and external stakeholders and ensure that Martha safeguard the future of the homes and our ability to support residents in a home for life for many years to come.

Overall, 2024 ended with improved levels of staff, but also a higher number of staff required to meet the updated needs of people we support. This resulted in vacancies still needing to be filled. Recruitment continues, but with a healthier level of interest in Support Worker positions. Plans for 2025 will put retention as the priority, with a focus on communication, training and regular supervisions.

Fundraising

Income raised via our fundraising events programme continues to grow, with our music events and golf days proving extremely popular with our supporters and the wider community of Deal. The majority of our events saw growth with income from our events series at an all-time high.

In September, our annual car challenge saw 13 cars head off to Rome. This event is a high-profile event often picked up by the media and continues to provide us with great connections with local businesses and develops long term supporters.

Our strategy for focussing our events around providing an enjoyable as well as a rewarding experience is proving the right focus for our charity. Where possible we also aim for our fundraising events, especially our music ones, to be accessible and inclusive.

General income was down on forecast, but this is a reflection on the challenges facing the charity sector as a whole and the impact the cost-of-living crisis is having on general fundraising.

We continue to build on support from local businesses and nurture relationships, we saw growth in support through sponsorship of our events programme, volunteering and gifts in kind.

Our profile in the local communities within which we work continues to grow and we are spreading awareness further into Kent and Sussex. We continue to build good foundations in the Hastings area with key community groups. Our social media strategy continues to gather momentum with our Facebook followers up 7%, Instagram up 13% on 2023, LinkedIn up 16%. The only exception to this was X where we saw a drop of 3.4%.

Our social media is a great tool in promoting our fundraising activity, support for Martha, as well as raising awareness of profound disability.

Our fundraising team was the equivalent of 2.54 full time roles in 2024.

Core Grant Income

Our core grant income stream, which focuses on securing core funding support from Trusts and Foundations proved to be the most challenging area of fundraising for us in 2024. We ended the year 20% under forecasted income.

In 2024, our aim was to secure core funding towards items we have to pay for as a charity. We focussed our core approaches this year around activities, Person Centred Software, replacement hoists and fundraising events costs.

Restricted Appeals

In 2024, we had a small number of restricted projects.

We completed our appeal this year, for a THERA trainer. The THERA Trainer Tigo is essentially an exercise bike designed specifically for people with limited mobility.

A number of restricted donations were received for us to enhance our gardens at our Deal homes, with a large grant to support a volunteer day by a team from Swiss Re.

## Achievements and performance

### a. Key financial performance indicators

Martha Trust had another challenging year in 2024. The adult social care sector continued to suffer the effects of the cost-of-living crisis, combined with the under-funding that has become systemic in the sector and is widely debated within the national press and service provider membership groups. We have to report that once again the annual fee increases received from our funders were insufficient to cover the full extent of the cost pressures we faced. Inflationary fee increases we received for 2024 were on average only 2.7% (2023: 2.9%), compared to the 2.5% increase in the Consumer Price Index, a 9.8% increase in the National Living wage and wider inflationary pressures in the economy. It is unclear how National and Local Government envisaged this gap would be filled. Total income was £7.2 million (2023: £6.6 million) and the surplus was £158,686 (2023 deficit: £451,715). Room occupancy which has a direct impact on income decreased to 92.6% compared to 94.9% in 2023, due to the sad death of three residents during the year, two other residents moving on to other placements and the time lag to fill resident vacancies caused by necessary assessments required by funders.

Over the last six years, the full rate of National Living Wage has risen by 46.1%, from £7.83 per hour in April 2018 to £11.44 per hour from April 2024. None of our funding authorities have increased their fees by anything near 46.1% over that six-year period. The mismatch between increases in the National Living Wage and inflationary fee increases clearly means a significant gap in funding because approximately 70% of our costs are staff costs. This funding gap is further exacerbated by increases in Employers' National Insurance costs announced in 2024. It is notable that the Government, having set the National Living wage each year, did not recognise a need to properly compensate through fees those organisations that are, like Martha Trust, largely publicly funded.

Marketing of care services is still generating new care enquiries. We are further building on relationships with stakeholder authorities that resulted from marketing activity in recent years. We continue to engage with local Social Care and NHS funders, to enhance relationships with them at both of our locations.

The level of new care enquiries in 2024 continued to be encouraging. This is, as in previous years, partly due to our profile being raised through marketing and partly due to a sustained and particularly high level of demand in a time of shrinking service provision in South East England.

We have a continuing system of expenditure monitoring and control and a rigorous budgeting process. We negotiate with existing suppliers as well as potential new suppliers to source goods and services at the best possible price. Although there continue to be increases in costs, we have achieved efficiencies across the organisation where this was possible. Having said that, we suffered cost increases that we are unable to control as outlined above.

The year ended with the following results:

- Total income £7.24m (2023: £6.57m)
- Expenditure £7.09m (2023: 7.03m)
- Surplus £0.16m (2023 deficit: £0.45m)
- Percentage costs of management and administration 7.5% (2023: 8.3%)
- Occupancy 92.6% (2023: 94.9%)
- Balance Sheet total funds £4.78m (2023: £4.62m)

### b. Review of activities

There were six new residential placements during the year. The respite service was suspended in March 2020 due to Covid-19 and remains closed. Enquiries from families and clinical professionals seeking a possible placement continue to be at an encouraging level and residential rooms are very much in demand.

### c. Investment policy and performance

The investment policy agreed by the Trustees is to place funds in cash deposits on fixed and short-term arrangements but with the primary objective of ensuring Martha Trust's cash flow requirements are met.

### d. Factors relevant to achieve objectives

Our staff team works as seamlessly as possible to ensure that occupancy is maximised, and that care is provided to not just meet residents' needs but to make a real difference to their lives. Some of the major challenges are outlined in a later section of this report, but we ensure that everyone has their needs regularly reassessed and that full and comprehensive care plans, risk assessments and other important documentation are in place and regularly updated in support of our objective to ensure our services are safe, effective, caring, responsive and well-led.

## Financial review

### a. Going concern

The adverse impact on our overall finances of underfunding from our major funding authorities and high staff vacancies, resulting in substantial agency cost, were understandably a cause for concern. Work has continued during 2024 to address these issues and, consequently, the Trustees are confident that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

### b. Financial risk management objectives and policies

Financial risk is minimised in several ways by Martha Trust. The ways we manage risk include seeking adequate fees for residents, effective cost control and proper appraisal of any developments. Through our policies and procedures our financial risk management is embedded in our organisational culture.

### c. Principal risks and uncertainties

In common with many providers of social care and health services, Martha Trust faces risks and uncertainties regarding the sustainability of fee levels in the long term. As noted above there have not been sufficient fee increases to cover cost pressures in full, particularly wage increases. Costs in the care sector are rising faster than general inflation. Regulation and good practice have caused notable cost increases as we need to spend more on maintaining and enhancing the quality of care. The Trustees have always believed it is absolutely correct for stakeholders to have confidence that our service is safe, effective, caring, responsive and well led. Securing funding for the essential spending that is increasingly required remains very challenging.

As mentioned in a. above, staff vacancies and the impact of agency cost are another concern. Staffing costs continue to be impacted by increases in National Living Wage (NLW). Although some funding authorities have increased fee levels, those increases do not cover the increase in wage costs. This results in continued pressure on resources and a greater challenge in maintaining financial stability.

As mentioned above under Strategy, the increase in the rate of National Insurance Contributions and the reduction in the threshold will have a material impact on our costs and we await responses from funding authorities.

As also mentioned in a. above, inadequate fee increases remain of concern. In recent prior years our largest funding authorities have provided low, or even no, increases. Although the signs after the Balance Sheet date for 2025 increases are rather more encouraging, they still do not fully take account of the inflationary situation. However, the financial impact has been reduced by regular reassessment of resident' needs, leading to a significant number moving across to NHS funding. In addition we have developed relationships with funding authorities where in previous years these did not exist. By working to resist pressure on fees, nurturing relationships with stakeholders, increasing the number of rooms and by maximising our bed occupancy level we continue to meet risk with concerted action and therefore safeguard the future of Martha Trust.

### d. Principal funding

The main source of income for Martha Trust is from contracts with local authorities and NHS ICBs. Since Martha Trust provides care for people drawn from all parts of the UK, the charity has cultivated and maintained a wide range of relationships.

In addition, Martha Trust has, over several years, developed a marketing strategy specifically for its care services that has broadened its reach, enabling it to source placements from a greater number of authorities. This will help to maximise overall occupancy levels and therefore fee income. Alongside this strategy we are working more closely with Sussex ICB as well as with Kent & Medway ICB to source a higher level of placements from local areas.

Fundraising income finances some of our capital expenditure including developments within our homes like new rooms and specialist equipment, as well as providing some unrestricted funding. Other than fees for services, no income is received from any statutory sources.

We are also grateful for the vital contributions by our supporters who help Martha Trust provide the level of service and care that we are all committed to. Without this support it would not be possible for the charity to continue to undertake its current level of service provision.

We believe that giving to charity should be a positive experience, and to help make sure this is the case the charity has put in place a policy that seeks to ensure the highest possible standards of fundraising practice are being adopted. This policy acknowledges the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the charity.

The charity voluntarily subscribes to the Fundraising Regulator and complies with all aspects of its Code of Practice as well as ensuring its fundraising activity follows the principles set out under GDPR. Fundraising activity is predominantly carried out by our own in-house team and volunteers. The charity does not utilise the services of any external commercial fundraisers for general fundraising purposes. However, during 2024, Martha sought support from a Fundraising Consultant for the purposes of its strategy and appeal approach to Trusts and Foundations

Martha welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

### e. Material investments policy

We do not participate in material investments.

## Structure, governance and management

### a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Trust Deed.

The principal object of the charity is to provide residential or 'inclusive care', for people with profound physical and multiple learning disabilities (PMLD), as well as respite services and support to families caring for people with PMLD.

### b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

### c. Policies adopted for the induction and training of Trustees

For all new Trustees we undertake an induction programme using the guidance from the Charity Commission under the heading of good governance.

We discuss with them the seven principles of the Charity Governance Code:

- Organisational Purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board Effectiveness
- Equality, Diversity and Inclusion and
- Openness and Accountability

This ensures that they have a full understanding of their responsibilities. In addition, new Trustees will attend a seminar on their responsibilities by a charity firm during the first year of their Trusteeship at Martha Trust. New Trustees will also be allocated an experienced Trustee to guide them in their first six months of Trusteeship.

### d. Pay policy for senior staff

The Trustees can claim reasonable travelling and other expenses properly incurred by them in connection with their attendance at meetings of Trustee Board, Committee or General meetings, or otherwise in connection with the discharge of their duties but are not paid remuneration. Some Trustees choose to donate their expenses back to Martha Trust.

All salaried roles at Martha, including those of the Directors and Chief Executive Officer, have been evaluated based on comparator market data by an independent HR consultancy, TRP Ltd, specialising in remuneration and reward issues.

### e. Organisational structure and decision making

At the year end the Board of Trustees consisted of seven Trustees, who are also Directors of Martha Trust for the purposes of company law. The Senior Management Team consisted of the Chief Executive Officer, Director of People and Culture, Director of Fundraising and Marketing, Associate Director of Finance and Senior Registered Home Manager.

There are four full Board Meetings per year, plus at least four Audit & Finance Committee Meetings. The Care Improvement Committee meets quarterly and has one Trustee and two Family representatives. The Health & Safety Committee meets quarterly and is chaired by the Chair of Trustees.

In terms of financial control, revenue and capital budgets are prepared for the forthcoming financial year and the Audit and Finance Committee considers the budgets prior to the start of that year. Once agreed, budgets are presented to Trustees for approval. Additionally, regular forecasts are prepared and reviewed during each financial year.

The budgets and forecasts are the cornerstone for financial operations during the year.

The CEO currently holds the CQC registration for the Hastings site, with a Home Manager responsible for the operational management of the home, who is going through the registration process. Registration for the Deal site is held by the Senior Registered Home Manager (SRHM) who also provides clinical advice and support to the Hastings home management team.

All new care policies or changes to existing care policies are reviewed and approved at the organisation Governance meetings, which involve the SMT and management teams across all functions.

**f. Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

## Plans for future periods

**a. Future developments**

The challenges faced during 2023, most importantly the ability to negotiate appropriate fees against a backdrop of financial pressure on commissioners, and the impact of the ongoing national recruitment crisis within the adult social care sector, have remained during 2024.

Delivery against key objectives of our three-year strategic plan will involve the new strategies now in place to counter funding shortfalls. These include regular reassessment of residents' needs and approaches to funders to fully fund those needs, together with robust challenges to inadequate annual fee increases.

We will continue to build on the foundations set to ensure staff teams feel valued, appreciated, and well supported through the entire employee journey. We continue to explore ways of improving communication and ensuring we listen and respond to feedback from the teams as a way of continually learning and improving, with an aim to be an excellent employer, evidenced by low turnover and high retention levels. We remain committed to ensuring we employ the right people in the right roles, and that we empower them to deliver the highest standards of care.

In line with our strategic aims set out above, we will also:

Continue to be an outstanding provider that others can aspire to by:

- Demonstrating our understanding of the needs of the residents at Martha Trust and ensuring we can evidence the impact of our support.
- Ensuring our services are safe, effective, caring, responsive and well-led.
- Working closely with CQC and funding authorities, aim to be outstanding in clinical knowledge and safeguarding with an emphasis on residents' needs.
- Being a leading provider in our work on communication with people with PMLD through traditional methods and using the latest technology.

Generate sustainable funding and maximise resources to provide our residents with the best possible lives by:

- Growing, maximising and sustaining statutory, earned and fundraising income.
- Producing three-year budget plan, incorporating income and expenditure, to live within our means.
- Ensuring value for money by applying principles of economy, efficiency and effectiveness.
- Consider new opportunities to increase service provision, but only where the outcomes will contribute to the longevity of Martha Trust

Operate a well-governed, efficient organisation, supporting and developing the staff and volunteers who work for us by:

- Ensuring our charity is well-governed with alignment of strategy, business plan and financial sustainability.
- Managing our quality standards and risks effectively within our regulatory frameworks.
- Supporting, developing and managing our staff in the achievement of our objectives.

**Risk Policy**

The charity maintains a risk register which firstly identifies all risks and then has a scoring system to further identify major risks. The organisational risk register is reviewed bi-monthly by the SMT and the Board of Trustees bi-annually. The CEO discusses serious risks with the Trustees and the relevant subcommittees.

**Reserves Policy**

At 31 December 2023 the Trustees considered it appropriate to set reserves held equivalent to at least four months expenditure for one home which is in the region of £700,000. The actual reserves held at 31 December 2024 were £796,000 which is in line with this policy.

**Remuneration and social investment policy**

Martha Trust recognises the importance of a sound remuneration and benefits policy when it comes to attracting and retaining highly skilled and motivated staff. This policy cannot stand still in isolation and must be reviewed regularly in absolute terms and compared to other similar organisations to ensure its competitiveness.

Staff should be rewarded in relation to:

1. The level of responsibility and the value placed on comparable jobs within the Trust.
2. The value placed on comparable jobs in the local area.

In addition to an annual inflation-linked review, regular reviews will be carried out by the Chief Executive in conjunction with the Home Managers to ensure that Martha Trust remains competitive in respect of its pay and benefits policy generally.

We do not currently undertake any social investment and hence have no policy for this.

**Trustee Declaration**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and

- That Trustee has taken all the steps that ought to have been taken as a Trustee to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

- That Trustee had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The Board of Trustees welcomed the new Charity Governance Code published in December 2020, which has been revisited by the Board following a review of progress by the CEO during 2024. The Trustees consider some of the new requirements of The Code aspirational and thus have faced constraints in immediately implementing all of its recommendations. Nevertheless, the Board will continue to strive for continuous improvement, exploring possibilities for extending the range of skills and experience of existing trustees, recruiting where any shortfalls are identified.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**Roger Walton**
Chairman
Date: 4th August 2025

## Independent auditors' report to the Members of Martha Trust

### Opinion

We have audited the financial statements of Martha Trust (the 'charity') for the year ended 31 December 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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.

**Independent auditors' report to the Members of Martha Trust (continued)**

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

## Independent auditors' report to the Members of Martha Trust (continued)

### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, Care Quality Commission inspection reports and fundraising practices, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety, Care Quality Commission inspection reports and fundraising practices) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**Independent auditors' report to the Members of Martha Trust (continued)**

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

**Samantha Rouse FCCA DChA (Senior statutory auditor)**
for and on behalf of
**Kreston Reeves LLP**
Statutory Auditor
Chartered Accountants
Canterbury

5 August 2025

**Martha Trust**
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**
**For the year ended 31 December 2024**

| | Note | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 3 | 249,205 | 46,742 | 295,947 | 342,436 |
| Charitable activities | 4 | 6,923,250 | - | 6,923,250 | 6,210,067 |
| Other income | 5 | 25,602 | - | 25,602 | 21,063 |
| **Total income** | | 7,198,057 | 46,742 | 7,244,799 | 6,573,566 |
| **Expenditure on:** | | | | | |
| Raising funds | 6 | 174,783 | - | 174,783 | 243,277 |
| Charitable activities | 7 | 6,835,349 | 75,981 | 6,911,330 | 6,782,004 |
| **Total expenditure** | | 7,010,132 | 75,981 | 7,086,113 | 7,025,281 |
| **Net movement in funds** | | 187,925 | (29,239) | 158,686 | (451,715) |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 3,986,297 | 635,536 | 4,621,833 | 5,073,548 |
| Net movement in funds | | 187,925 | (29,239) | 158,686 | (451,715) |
| **Total funds carried forward** | | 4,174,222 | 606,297 | 4,780,519 | 4,621,833 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 44 form part of these financial statements.

**Martha Trust**
**(A company limited by guarantee)**
**Registered number: 03467406**

**Balance sheet**
**As at 31 December 2024**

| | Note | | 2024 £ | | 2023 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 11 | | **4,523,576** | | 4,691,045 |
| | | | **4,523,576** | | 4,691,045 |
| **Current assets** | | | | | |
| Debtors | 12 | **739,347** | | 484,075 | |
| Cash at bank and in hand | | **614,958** | | 600,078 | |
| | | **1,354,305** | | 1,084,153 | |
| Creditors: amounts falling due within one year | 13 | **(599,172)** | | (586,081) | |
| **Net current assets** | | | **755,133** | | 498,072 |
| **Total assets less current liabilities** | | | **5,278,709** | | 5,189,117 |
| Creditors: amounts falling due after more than one year | 14 | | **(498,190)** | | (567,284) |
| **Total net assets** | | | **4,780,519** | | 4,621,833 |
| **Charity funds** | | | | | |
| Restricted funds | 15 | | **606,297** | | 635,536 |
| Unrestricted funds | | | | | |
| Designated funds | 15 | **3,173,377** | | 3,278,389 | |
| General funds | 15 | **796,710** | | 503,773 | |
| Revaluation reserve | | **204,135** | | 204,135 | |
| Total unrestricted funds | 15 | | **4,174,222** | | 3,986,297 |
| **Total funds** | | | **4,780,519** | | 4,621,833 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

R M Walton

**Roger Walton**
Chairman
Date: 4th August 2025

The notes on pages 25 to 44 form part of these financial statements.

**Martha Trust**
**(A company limited by guarantee)**

## Statement of cash flows
**For the year ended 31 December 2024**

| | Note | 2024<br>£ | 2023<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net cash used in operating activities | 18 | **167,754** | 98,641 |
| **Cash flows from investing activities** | | | |
| Dividends, interests and rents from investments | | **(25,602)** | (24,047) |
| Purchase of tangible fixed assets | | **(67,093)** | (171,443) |
| **Net cash used in investing activities** | | **(92,695)** | **(195,490)** |
| **Cash flows from financing activities** | | | |
| Repayments of borrowing | | **(60,179)** | (57,841) |
| **Net cash used in financing activities** | | **(60,179)** | **(57,841)** |
| **Change in cash and cash equivalents in the year** | | **14,880** | **(154,690)** |
| Cash and cash equivalents at the beginning of the year | | **600,078** | 754,768 |
| **Cash and cash equivalents at the end of the year** | 19 | **614,958** | 600,078 |

The notes on pages 25 to 44 form part of these financial statements

## 1. General information

Martha Trust is a charity, limited by guarantee, domiciled in England and Wales, registration number 03467406.

The registered office is Homemead Lane, Hacklinge, Deal, Kent, CT14 0PG.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Martha Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

The charity's functional currency is Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

### 2.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

### 2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## 2. Accounting policies (continued)

### 2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor;s intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 2. Accounting policies (continued)

### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

### 2.6 Going concern

The charity has a net surplus of £158,686 during the year ended 31 December 2024. The adverse impact of underfunding from our major funding authorities and high staff vacancies resulting in substantial agency cost were a cause of concern for the majority of 2023, however these issues have now largely been addressed. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### 2.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised.

Tangible fixed assets are carried at cost or deemed cost, net of depreciation and any provision for impairment. Deemed cost represents the fair value of certain freehold properties owned by the charity, at the date of transition to FRS 102, 1 January 2014. Under the cost mode, freehold property will not be subject to further valuations.

## 2. Accounting policies (continued)

### 2.8 Tangible fixed assets and depreciation (continued)

Depreciation is not charged on freehold land. Depreciation is provided from when assets become available for use at rates calculated to write off the cost or deemed cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold property | - 2% straight line |
| Motor vehicles | - 20% straight line |
| Fixtures and fittings | - 10% - 20% straight line |
| Freehold land | - not depreciated |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

### 2.9 Interest receivable

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

### 2.10 Operating leases

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

### 2.11 Debtors

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

### 2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.13 Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### 2.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required the Trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results from the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgement has had the most significant impact on the amounts recognised in the financial statements:

The charity has recognised tangible fixed assets with a carrying value of £4,523,576 at the reporting date (see note 11). These assets are stated at their cost less provision for depreciation and impairment. The charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired (see note 2.8). For material assets such as land and buildings the charity determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the charity's forecasts for the foreseeable future which do not include any restructuring activities that the charity is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

### 2.16 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

## 3. Income from donations and legacies

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|
| Donations | 249,205 | 11,126 | **260,331** | 292,254 |
| Grants | - | 35,616 | **35,616** | 50,182 |
| **Total 2024** | 249,205 | 46,742 | **295,947** | 342,436 |
| Total 2023 | 275,138 | 67,298 | 342,436 | |

## 4. Income from charitable activities

| | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|
| Residential and day care fees | 6,923,250 | **6,923,250** | 6,210,067 |
| Total 2023 | 6,210,067 | 6,210,067 | |

## 5. Other incoming resources

| | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|
| Other | 25,602 | **25,602** | 21,063 |
| Total 2023 | 21,063 | 21,063 | |

**Notes to the financial statements**
**For the year ended 31 December 2024**

## 6. Expenditure on raising funds

### Costs of raising voluntary income

| | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|
| Events and publicity costs | 55,652 | **55,652** | 44,757 |
| Events and publicity costs - gift in kind | - | - | 69,700 |
| Legal and professional | 1,869 | **1,869** | 2,431 |
| General office costs | 2,161 | **2,161** | 2,186 |
| Maintenance/Utilities/Sundry | 2,224 | **2,224** | 1,911 |
| Salaries to generate income | 112,877 | **112,877** | 122,292 |
| **Total 2024** | 174,783 | **174,783** | 243,277 |
| Total 2023 | 243,277 | 243,277 | |

## 7. Analysis of expenditure on charitable activities

### Summary by fund type

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ | Total 2023 £ |
|---|---|---|---|---|
| Residential and day care costs | 6,835,349 | 75,981 | **6,911,330** | 6,782,004 |
| Total 2023 | 6,737,282 | 44,722 | 6,782,004 | |

## 8. Analysis of expenditure by activities

| | **Activities undertaken directly 2024 £** | **Support costs 2024 £** | **Total funds 2024 £** | Total funds 2023 £ |
|---|---|---|---|---|
| Residential and day care costs | 6,377,663 | 533,667 | **6,911,330** | 6,782,004 |
| Total 2023 | 6,198,827 | 583,177 | 6,782,004 | |

### Analysis of direct costs

| | **Residential and day care 2024 £** | **Total funds 2024 £** | Total funds 2023 £ |
|---|---|---|---|
| Staff costs | 4,067,042 | **4,067,042** | 4,051,056 |
| Depreciation | 217,222 | **217,222** | 213,374 |
| Establishment costs | 2,093,399 | **2,093,399** | 1,934,397 |
| **Total 2024** | 6,377,663 | **6,377,663** | 6,198,827 |
| Total 2023 | 6,198,827 | 6,198,827 | |

## 8. Analysis of expenditure by activities (continued)

### Analysis of support costs

| | Residential and day care 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|
| Wages and salaries | 432,116 | **432,116** | 455,229 |
| Depreciation | 17,342 | **17,342** | 17,241 |
| Establishment costs | 76 | **76** | 75 |
| Travel and subsistence | 4,263 | **4,263** | 5,112 |
| Insurance | 4,367 | **4,367** | 5,780 |
| Maintenance, cleaning and repairs | 16,455 | **16,455** | 13,784 |
| Print, post and stationery | 1,038 | **1,038** | 2,961 |
| Telephone and fax | 1,233 | **1,233** | 2,032 |
| Operating lease rentals and equipment | 1,170 | **1,170** | 878 |
| Staff training | 1,849 | **1,849** | 3,328 |
| General expenses | 1,806 | **1,806** | 1,777 |
| Bank charges and interest | 4,775 | **4,775** | 3,135 |
| IT Costs | 962 | **962** | 836 |
| Legal and professional fees | 17,910 | **17,910** | 52,770 |
| Publicity and communications | 6,597 | **6,597** | 3,635 |
| Governance costs | 21,708 | **21,708** | 14,604 |
| **Total 2024** | 533,667 | **533,667** | 583,177 |

## 9. Net income/(expenditure)

This is stated after charging:

| | 2024 £ | 2023 £ |
|---|---|---|
| Depreciation of tangible fixed assets: | **234,564** | 230,439 |
| - owned by the charity | | |
| Auditors' remuneration - audit | **19,086** | 12,276 |
| Operating lease rentals | **1,170** | 878 |

During the year, no Trustees received any remuneration (2023: £NIL).
During the year, no Trustees received any benefits in kind (2023: £NIL).
Trustees received a reimbursement of travel expenses totalling £NIL in the current year, (2023: £105 paid to one trustee).

## 10. Staff costs

| | **2024** | 2023 |
|---|---|---|
| | **£** | £ |
| Wages and salaries | **4,141,579** | 4,154,053 |
| Social security costs | **357,942** | 363,743 |
| Contribution to defined contribution pension schemes | **112,514** | 110,781 |
| | **4,612,035** | 4,628,577 |

No termination payments were made during the year (2023: £Nil) included within wages and salaries.

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

| | **2024** | 2023 |
|---|---|---|
| | **No.** | No. |
| Employees | **171** | 173 |

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

| | **2024** | 2023 |
|---|---|---|
| | **No.** | No. |
| In the band £60,001 - £70,000 | **2** | 2 |
| In the band £70,001 - £80,000 | **1** | 1 |

The total salaries received by key management personnel was £315,852 (2023: £296,951), with benefits of £2,194 (2023: £2,357). Employer pension contributions were a total of £14,838 (2023: £13,235) and employer national insurance contributions were a total of £36,227 (2023: £34,219).

## 11. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 January 2024 | 6,260,745 | 136,462 | 1,539,445 | 7,936,652 |
| Additions | - | - | 67,093 | 67,093 |
| Disposals | - | - | (64,456) | (64,456) |
| At 31 December 2024 | 6,260,745 | 136,462 | 1,542,082 | 7,939,289 |
| **Depreciation** | | | | |
| At 1 January 2024 | 1,983,900 | 121,305 | 1,140,402 | 3,245,607 |
| Charge for the year | 116,167 | 5,044 | 113,351 | 234,562 |
| On disposals | - | - | (64,456) | (64,456) |
| At 31 December 2024 | 2,100,067 | 126,349 | 1,189,297 | 3,415,713 |
| **Net book value** | | | | |
| At 31 December 2024 | 4,160,678 | 10,113 | 352,785 | 4,523,576 |
| At 31 December 2023 | 4,276,845 | 15,157 | 399,043 | 4,691,045 |

Included in land and buildings is freehold land of £716,575 (2023: 716,575), which is not depreciated.

## 12. Debtors

| | 2024 £ | 2023 £ |
|---|---|---|
| Trade debtors | 709,860 | 444,611 |
| Other debtors | 6,577 | 8,754 |
| Prepayments and accrued income | 22,910 | 30,710 |
| | 739,347 | 484,075 |

## 13. Creditors: Amounts falling due within one year

| | 2024 £ | 2023 £ |
|---|---|---|
| Barclays Mortgage | 26,740 | 26,508 |
| Charity Bank Loans | 40,902 | 32,219 |

## 13. Creditors: Amounts falling due within one year (continued)

| | 2024 £ | 2023 £ |
|---|---|---|
| Trade creditors | **172,662** | 163,036 |
| Other taxation and social security | **86,266** | 87,884 |
| Other creditors | **86,955** | 66,163 |
| Accruals and deferred income | **185,647** | 210,271 |
| | **599,172** | 586,081 |

**Deferred income**

Deferred income as at 1 January 2024 is £68,802. There have been resources deferred during the year of £104,516. £68,802 has been released relating to deferred income in previous years. The deferred income as at 31 December 2024 is therefore £104,516.

Deferred income is in relation to fees received in advance.

## 14. Creditors: Amounts falling due after more than one year

| | 2024 £ | 2023 £ |
|---|---|---|
| Barclays Mortgage | **59,608** | 80,933 |
| Charity Bank Loans | **438,582** | 486,351 |
| | **498,190** | 567,284 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | 2024 £ | 2023 £ |
|---|---|---|
| Repayable by installments | **255,807** | 337,107 |
| | **255,807** | 337,107 |

The Barclays Mortgage is secured by way of a charge over the charity's land and buildings at Martha House. The mortgage is repayable in installments until 2028 for £86,348. During the year, the mortgage bore interest at a flexible rate of 1% over the Barclays Base Rate.

Charity Bank holds a fixed legal charge over the freehold property that is Mary House in Hastings. The two loans are repayable by way of the following:

Charity Bank loan 2 is repayable in instalments until 2033 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2024 was £323,010.

Charity Bank loan 3 is repayable in instalments until 2037 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2024 was £156,474.

## 15. Statement of funds

### Statement of funds - current year

| | Balance at 1 January 2024 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2024 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | 3,278,389 | - | - | (105,012) | 3,173,377 |
| **General funds** | | | | | |
| General Funds | 503,773 | 7,198,057 | (7,010,132) | 105,012 | 796,710 |
| Revaluation reserve | 204,135 | - | - | - | 204,135 |
| | 707,908 | 7,198,057 | (7,010,132) | 105,012 | 1,000,845 |
| **Total Unrestricted funds** | 3,986,297 | 7,198,057 | (7,010,132) | - | 4,174,222 |
| **Restricted funds** | | | | | |
| Frances House | 230,001 | - | - | - | 230,001 |
| Mary House | 350,000 | - | - | - | 350,000 |
| Mary House ICT | 2,278 | - | (2,278) | - | - |
| Mary House Misc | 8,087 | 1,134 | (8,087) | - | 1,134 |
| Martha House Misc | - | 1,086 | (100) | - | 986 |
| Deal Garden | - | 3,050 | (3,023) | - | 27 |
| Deal Staff Fund | 2,049 | - | (1,049) | - | 1,000 |
| Core Restricted (Grants) | 30,320 | 35,617 | (47,299) | - | 18,638 |
| Frances House Misc | 540 | - | - | - | 540 |
| Staff Christmas Fund | 2,180 | 2,855 | (4,395) | - | 640 |
| Thera Trainer | 6,750 | 3,000 | (9,750) | - | - |
| Dave Poke Memorial Fund | 3,100 | - | - | - | 3,100 |
| Rainbow Table | 231 | - | - | - | 231 |
| | 635,536 | 46,742 | (75,981) | - | 606,297 |
| **Total of funds** | 4,621,833 | 7,244,799 | (7,086,113) | - | 4,780,519 |

## 15. Statement of funds (continued)

### Statement of funds - prior year

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | 3,272,715 | - | - | 5,674 | 3,278,389 |
| **General funds** | | | | | |
| General Funds | 983,738 | 6,506,268 | (6,980,559) | (5,674) | 503,773 |
| Revaluation reserve | 204,135 | - | - | - | 204,135 |
| | 1,187,873 | 6,506,268 | (6,980,559) | (5,674) | 707,908 |
| **Total Unrestricted funds** | 4,460,588 | 6,506,268 | (6,980,559) | - | 3,986,297 |
| **Restricted funds** | | | | | |
| Frances House | 230,001 | - | - | - | 230,001 |
| Mary House | 350,000 | - | - | - | 350,000 |
| Mary House ICT | 2,278 | - | - | - | 2,278 |
| Mary House Misc | 6,620 | 1,527 | (60) | - | 8,087 |
| Martha House Misc | 3,237 | 23 | (3,260) | - | - |
| Deal Garden | - | 2,750 | (2,750) | - | - |
| Deal Staff Fund | 2,890 | 50 | (891) | - | 2,049 |
| Core Restricted (Grants) | 10,743 | 50,183 | (30,606) | - | 30,320 |
| Frances House Misc | 480 | 525 | (465) | - | 540 |
| Staff Christmas Fund | 1,035 | 3,490 | (2,345) | - | 2,180 |
| Thera Trainer | - | 6,750 | - | - | 6,750 |
| Dave Poke Memorial Fund | 3,100 | - | - | - | 3,100 |
| Rainbow Table | 2,576 | 2,000 | (4,345) | - | 231 |
| | 612,960 | 67,298 | (44,722) | - | 635,536 |
| **Total of funds** | 5,073,548 | 6,573,566 | (7,025,281) | - | 4,621,833 |

**Designated fixed asset fund**

This represents the book value of fixed assets less any associated liabilities and are not deemed to be freely available funds by the Trustees.

**Designated build fund**

The designated build fund represents the charity's own financial investment in the development of Mary House.

**Frances House**

In 2007 £230,000 was donated by the Development Trust towards the extension at Frances House which provided three new places. This donation carries a restriction for a period of 21 years and requires that those three new residents at Frances House must not have previously lived at any other Martha Trust home. The restriction is secured by way of a legal charge over the property. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered remote.

**Mary House**

(i) This fund includes a donation of land and buildings in Hastings from The Agape Trust in 2004. The use to which the land and buildings could be put was restricted by the original donors, Blatchington Court Trust. The restriction requires Martha Trust to provide homes for a period of 99 years and at any one time at least four residents must be people under 31 years, of whom at least two must be visually impaired. This restriction applies to Martha Trust as a whole and not to Mary House individually. If this restriction is breached £350,000 is repayable to Blatchington Court Trust. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered to be remote. These restrictions will be waived on Martha Trust meeting certain criteria.

(ii) The remainder of the fund represents ongoing donations we have been receiving for the benefit of Mary House.

**Martha House**

This fund represents ongoing donations we have been receiving for the benefit of Martha House.

**Deal Staff Fund**

This fund is for donations received towards staff entertainment.

**Core restricted** (Grants)

This fund has been set up to secure core funding for ongoing costs we face as a charity, such as specialist equipment, training and the cost of providing activities to our residents. Grants secured from multiple funders.

**Staff Christmas Fund**

This fund represents donations from families and Trustees for the purchase of gift cards.

**Dave Poke Memorial Fund**

Donations were raised in memory of the parent of one of the residents at Mary House. The family are considering use of the funds either towards a sensory garden or as a bursary for specialist training to support adults with PMLD.

**Mary House Vehicle**

We successfully fundraised for an adapted vehicle for our home in Hastings, Mary House. This vehicle now plays an integral role in our residents lives, enabling them to go out on an individual basis for medical appointments and trips out as an alternative to the use of the communal minibus.

**Rainbow Table**

Our appeal, to purchase two Rainbow Tables for our Deal homes proved popular with funders. These interactive touch screen multipurpose tablets are the perfect addition to our activity offering at Martha. And, we successfully ended the year completing the appeal with two grants pending payment and one Rainbow Table purchased.

**Deal Garden**

This fund represents donations made to fund maintenance of the gardens at Martha and Frances House.

**Thera Trainer**

The Thera Trainer is a piece of physio equipment with a range of benefits such as improved circulation, building muscle tone and bone density and improves the range of movement in residents arms and legs as well as being lots of fun to use.

**Transfers**

During the year, the Trustees have designated funds representing the book value of the fixed assets less any associated borrowings as these are not deemed to be freely available funds by the Trustees.

## 16. Summary of funds

### Summary of funds - current year

| | Balance at 1 January 2024 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2024 £ |
|---|---|---|---|---|---|
| Designated funds | **3,278,389** | **-** | **-** | **(105,012)** | **3,173,377** |
| General funds | **707,908** | **7,198,057** | **(7,010,132)** | **105,012** | **1,000,845** |
| Restricted funds | **635,536** | **46,742** | **(75,981)** | **-** | **606,297** |
| | **4,621,833** | **7,244,799** | **(7,086,113)** | **-** | **4,780,519** |

### Summary of funds - prior year

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|
| Designated funds | 3,272,715 | - | - | 5,674 | 3,278,389 |
| General funds | 1,187,873 | 6,506,268 | (6,980,559) | (5,674) | 707,908 |
| Restricted funds | 612,960 | 67,298 | (44,722) | - | 635,536 |
| | 5,073,548 | 6,573,566 | (7,025,281) | - | 4,621,833 |

## 17. Analysis of net assets between funds

### Analysis of net assets between funds - current period

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|---|
| Tangible fixed assets | 3,942,589 | 580,987 | **4,523,576** |
| Current assets | 1,328,995 | 25,310 | **1,354,305** |
| Creditors due within one year | (599,172) | - | **(599,172)** |
| Creditors due in more than one year | (498,190) | - | **(498,190)** |
| **Total** | 4,174,222 | 606,297 | **4,780,519** |

## 17. Analysis of net assets between funds (continued)

### Analysis of net assets between funds - prior period

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| Tangible fixed assets | 4,108,766 | 582,279 | 4,691,045 |
| Current assets | 1,030,896 | 53,257 | 1,084,153 |
| Creditors due within one year | (586,081) | - | (586,081) |
| Creditors due in more than one year | (567,284) | - | (567,284) |
| **Total** | 3,986,297 | 635,536 | 4,621,833 |

## 18. Reconciliation of net movement in funds to net cash flow from operating activities

| | **2024 £** | 2023 £ |
|---|---|---|
| Net income/expenditure for the period (as per Statement of Financial Activities) | **158,686** | (451,715) |
| **Adjustments for:** | | |
| Depreciation charges | **234,562** | 230,615 |
| Dividends, interests and rents from investments | **25,602** | 24,047 |
| Loss on the sale of fixed assets | **-** | 3,101 |
| Decrease/(increase) in debtors | **(255,272)** | 172,756 |
| Increase in creditors | **4,176** | 119,837 |
| **Net cash provided by operating activities** | **167,754** | 98,641 |

## 19. Analysis of cash and cash equivalents

| | **2024 £** | 2023 £ |
|---|---|---|
| Cash in hand | **614,958** | 600,078 |
| **Total cash and cash equivalents** | **614,958** | 600,078 |

**Notes to the financial statements**
**For the year ended 31 December 2024**

## 20. Analysis of changes in net debt

| | At 1 January 2024 £ | Cash flows £ | At 31 December 2024 £ |
|---|---|---|---|
| Cash at bank and in hand | 600,078 | 14,880 | 614,958 |
| Debt due within 1 year | (58,727) | (8,915) | (67,642) |
| Debt due after 1 year | (567,284) | 69,094 | (498,190) |
| | (25,933) | 75,059 | 49,126 |

## 21. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £112,514 (2023: £110,781). Contributions totaling £17,653 (2023: £17,748) were payable to the fund at the balance sheet date and are included in creditors.

## 22. Operating lease commitments

At 31 December 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2024 £ | 2023 £ |
|---|---|---|
| Not later than 1 year | 31,225 | 32,356 |
| Later than 1 year and not later than 5 years | 46,780 | 57,350 |
| Later than 5 years | 1,248 | 1,399 |
| | 79,253 | 91,105 |

## 23. Related party transactions

During the year ended 31 December 2024 donations totalling £613, plus Gift Aid totalling £Nil (2023: £1,570) were received from Trustees.

## 24. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the board of Trustees.

**MARTHA TRUST**

England & Wales - Charity number 1067885

# Accounts

Registered number: 03467406
Charity number: 1067885

# Martha Trust

**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 December 2023**

**Martha Trust**
**(A company limited by guarantee)**

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**Martha Trust**
**(A company limited by guarantee)**

**Reference and administrative details of the Charity, its Trustees and advisers**
**For the year ended 31 December 2023**

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| **Trustees** | Humphrey Clarke, (resigned as Chairman on 15 December 2023)<br>Adrian Button (resigned 7 December 2023)<br>Georgina Hovey<br>Richard Pitt<br>Rebecca Pryse<br>John Quin<br>Amy Rosie (resigned 17 August 2023)<br>Robert Sparkes<br>Roger Walton, (appointed as Chairman on 15 December 2023) |
| **Company registered number** | 03467406 |
| **Charity registered number** | 1067885 |
| **Registered office** | Homemead Lane<br>Hacklinge<br>Deal<br>Kent<br>CT14 0PG |
| **Senior management team** | Natalia Olszewska, Director of Finance and Resources (resigned 4 December 2023)<br>Kelly Hutchings, Associate Director of Finance (appointed 4 December 2023)<br>Owen Nolan, Strategic Health and Social Care Lead<br>Claire Rogerson, Director of People and Culture<br>Alice Moir, Associate Director - Fundraising and Marketing |
| **Company secretary** | Julie Gayler (appointed on 7 December 2023)<br>Natalia Olszewska (resigned on 4 December 2023) |
| **Chief executive officer** | Julie Gayler |
| **Independent auditors** | Kreston Reeves LLP<br>Statutory Auditor<br>Chartered Accountants<br>37 St Margaret's Street<br>Canterbury<br>Kent<br>CT1 2TU |
| **Bankers** | Barclays Bank PLC<br>9 St George Street<br>Canterbury<br>Kent<br>CT1 2JX |
| **Solicitors** | Girlings Solicitors LLP<br>16 Rose Lane<br>Canterbury<br>Kent<br>CT1 2UR |

**Chairman's statement**
**For the year ended 31 December 2023**

The chairman presents his statement for the year.

Each year I write this statement with a sense of hope. Hope that the world will be kinder to those who are less fortunate or more vulnerable, and to organisations like us, who work to support and encourage people with Profound and Multiple Learning Disabilities (PMLD to thrive in the world around them. 2023 was a year that once again set us challenges, and required our teams to dig deep, be creative, show faith and have empathy and understanding in the face of ongoing difficulty.

With Covid now appearing to be an accepted part of life, and government restrictions for care homes all but disappearing, new challenges arose to be met and conquered by all at Martha. Ongoing troubles between the Ukraine and Russia continue to impact on the world economy and result in increases in both energy and food costs. Furthermore, the tightening of budgets for local authorities, the NHS and Adult Social Care resulted in Martha's fee income coming under ever increasing pressure, potentially threatening the longevity of the organisation unless changes were made.

The Senior Management Team (SMT) worked tirelessly to look at ways to both reduce outgoings and increase income without affecting the high-quality, person-centred care we pride ourselves on. This work and determined approach continued throughout 2023 and will need to be sustained into 2024 and beyond. The Board made the decision for the final quarter to increase the support provided to the SMT, setting regular Board meetings to provide guidance and reassurance to the team.

The SMT were quick to recognise the importance of ensuring residents' funding matched their requirements and the level of care and support provided. This led to the start of a project, building on the work by the joint Trustee and SMT Funding Strategy Group initiated in 202, reviewing residents' needs, and challenging funders to recognise these changes and fund accordingly. This work will ensure that not only will Martha Trust receive the appropriate fees, but that residents will be funded for the hours required to meet their individual needs. Alongside this, Martha developed existing relationships to challenge minimal fee increases that result in funding not meeting costs.

Recruitment was a tale of two sites. In Deal, we found ourselves able to recruit well, ending 2023 fully staffed. This was due to hard work, and the exceptional reputation Martha has established in the local area. In Hastings however, we continued to face the normal challenges. This said, recruitment did slowly improve, resulting in the high dependency on agency seen at the start of the year starting to ease towards the end of 2023, a relief to our Mary House team.

Mary House worked hard to address CQC feedback and implement improvements raised during the initial inspection in November 2022. The management teams on both sites came together to work collectively, using learning from each other to make positive changes, including the introduction of medication training and competences that improve our processes, ensure resident safety, and enable Support Workers to increase their hourly pay through increased skills.

As we look forward to 2024, I have made the decision to step down as Chairman, a position I have been privileged to hold for 12 years. This is not a decision I made lightly, but I believe our SMT will benefit from a Chair who is able to provide support and guidance in person. Martha is in safe hands with the unanimously elected new Chair, Roger Walton, an experienced and committed Board member. He and the SMT have my blessings. The Board have asked me to stay on as a Board member, which I am very happy to do. Together, we embrace the future ahead with faith, determination and gratitude for the support of our generous donors.

We believe in Martha, our values and the good we can bring to the world. May the Lord continue to guide and protect us, enabling us to continue our valuable work.

pp. Humphrey Clarke
Chairman (resigned as Chairman on 15 December 2023)
Date: 22nd August 2024.

**Trustees' report**
**For the year ended 31 December 2023**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Martha Trust (the charity) for the year ended 31 December 2023. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

## Public Benefit

### a. Purpose

We are an established regional charity, formed in 1987, providing residential and day care to adults with profound physical and multiple learning disabilities (PMLD). We are passionate about delivering person-centred care, enabling the individuals we support to achieve their highest level of independence and lead a fulfilling, contented and meaningful life.

We achieve this by:
- recognising and respecting people as unique individuals.
- encouraging and supporting everyone to be involved and engaged in the world around them.
- promoting good health and holistic well-being.

Our health goals are to reduce and prevent unnecessary hospital admissions and to prevent delayed discharges.

We achieve this by:

- having individual care and support plans for people, recognising best practice and how we can support people with our nursing teams.
- developing a discharge plan on admission and acting as advocates for the residents' well-being while they are in hospital.

We believe that people with PMLD have the right to make choices about their lives as well as the absolute right to privacy, dignity and respect. They are encouraged and assisted to engage where possible in activities within their local community. Our residential services are supported by a team of in-house care professionals as well as external specialists in health, person-centred planning, communication and physiotherapy.

Our Mission is to offer compassion, friendship and encouragement to people with PMLD, supporting them to lead a full and contented life.

Our Vision is for everyone with profound disabilities to be given the very best opportunities in life, enabling them to engage in the world around them and achieve their individual potential.

Our Values are:

- To treat everyone with respect, dignity and compassion
- To always be supportive and encouraging
- To promote a culture of inclusion and diversity
- To act with integrity and honesty at all times
- To champion the needs and rights of people with profound disabilities

While Martha Trust is driven by Christian values, we offer care and support to people from all faiths and backgrounds. We employ staff based on their skills and experience and do not discriminate on grounds of faith, gender, age, ethnic origin, disability, marital status, race, nationality or sexual orientation.

**b. Our strategic aims**

1. Be an outstanding provider offering high quality services and support for our residents
2. Generate sufficient fee and fundraising income to ensure ongoing financial viability
3. Operate an effective and efficient charity
4. Be an employer of choice in our local area
5. Enhance our links with community to the benefit of our residents

**c. Our strategic objectives for 2022-2024**

Objectives supporting each Strategic Aim

1. Be an outstanding provider offering high quality services and support for our residents
   - 1.1. Understand the needs of the residents we serve and ensure we can evidence the impact of our services
   - 1.2. Ensure our services are safe, effective, caring, responsive and well-led
   - 1.3. Working closely with CQC and local authorities; to be outstanding in clinical expertise with an emphasis on residents needs

2. Generate sufficient fee and fundraising income to ensure ongoing financial viability
   - 2.1 Ensure fee income for each resident is sufficient to fully cover the cost of their individual care needs
   - 2.2 Grow and sustain voluntary income
   - 2.3 Maintain efficient staffing levels and costs and limited use of agency staff
   - 2.4 Ensure value for money by applying principles of economy, efficiency and effectiveness

3. Operate an effective and efficient charity
   - 3.1 Ensure our organisation is well-governed and that our strategies, plans and budgets are aligned
   - 3.2 Maintain effective risk management to aid and inform decision-making
   - 3.3 Measure impact and outcomes in line with our Mission

4. Be an employer of choice in our local area
   - 4.1 Support, develop and manage our staff in the achievement of our objectives
   - 4.2 Foster a culture where individuals of all backgrounds feel confident to be themselves, and are included and empowered
   - 4.3 Continue to evolve our strategic approach to recruitment and retention

5. Enhance our links with community to the benefit of our residents
   - 5.1 Identify and take advantage of opportunities to support residents to be active members of the local community
   - 5.2 Develop initiatives to engage with our local communities, promoting the work of Martha Trust and ways to support the charity
   - 5.3 Identify and promote volunteering opportunities to individuals, businesses and local groups

The above objectives are in the process of being developed into a formal three year plan. As detailed below, this work was delayed due to the need to focus on Martha Trust's financial position during 2023. The plan will now be completed in 2024. However, some initiatives and projects to deliver the objectives are already live, with progress continuing in 2024 as set out in this report. Annual performance will be measured against achievements relating to the plan in 2023 and 2024 and will be reported in the Trustees' Annual Reports for this year and next.

## d. Activities for achieving objectives

Strategy

The biggest challenges in delivering against our strategic aims in 2023 have been the ongoing battle to negotiate appropriate fees against a backdrop of soaring inflation, the steep rise in the cost of living and the national recruitment crisis within the adult social care sector. It is a harsh reality that the combination of these factors has hindered the speed with which we have been able to move forward with the completion and full implementation of our strategic plan.

Martha Trust strives to be an organisation that adapts and evolves to meet the inevitable challenges posed by external forces. During 2023 our focus has been on identifying new strategies to counter funding shortfalls and staff vacancies. A process of reassessment and strong fee challenges have led to a number of funding increases, whilst a range of positive changes were introduced to improve staff retention and recruitment. These included an early pay increase above the National Minimum Wage, introduction of values-based supervisions and a change to the management of the rota which resulted in a significant decrease in agency use by the end of the year.

By recognising the complex needs of those we support, we recognise the responsibility we have in ensuring that we protect the long-term sustainability of the organisation and can provide residents with the caring home for life that they deserve – and while doing so set new industry standards of excellence.

We are passionate about supporting people with PMLD to lead a full and contented life. We achieve this by recognising and respecting people as unique individuals, encouraging and supporting everyone to be involved and engaged in the world around them and promoting good health and holistic well-being.

Families

We continue to be committed to working alongside families, recognising their wealth of knowledge, listening to feedback and ideas to improve the experience for those involved and create meaningful relationships for the benefit of everyone.

Virtual family forums continued during 2023, which enabled family members from both Martha locations to interact, share views and experiences and develop their own support networks. Social media has proven to be invaluable in enabling families to keep in touch, with dedicated Facebook and WhatsApp platforms set up by the families.

Parent Representative Meetings have continued to take place regularly via Zoom. This has facilitated open and transparent communication between the Representatives and the Martha management team, which has been vital during a year of unexpected external pressures. One of the many benefits from these meetings, has been that consistent communications to wider family members has been far easier to facilitate.

The Relatives Gateway provides access for families to areas of Martha's electronic care plan system, PCS, enabling them to keep up to date with the care and activities of their loved ones. This is currently available to the families of residents who live in Martha's Deal-based homes, but will be rolled out to those residing at Hastings in early 2024.

The 2023 family feedback questionnaire was distributed to families, with 12 responses received, a response rate of 32% compared to 23% in 2022. Whilst this is still a little disappointing, taking into account the other mechanisms we have in place for families to express their views, which we know they utilise, it is less of a concern. Many of our families frequently attend the family forums and are encouraged to raise issues, concerns or positive feedback directly to the Home Managers as and when they need to, as well as utilising the Parent Representative group. The family questionnaire plays a part in the review of our care services but isn't to be used as a stand-alone.

**Trustees' report (continued)**
**For the year ended 31 December 2023**

Family members are recruited to sit on Trustee-led committees when their experience is identified as being of value. This includes the Care Improvement Committee and Funding Strategy Committee, both of which have benefited enormously from the skills and different perspectives brought to the discussions by the families of our residents.

Operations

The Care Improvement Committee, attended by a clinical Trustee and three family members with clinical backgrounds, aims to further develop our service and demonstrate how we are improving the lives of our residents through a long-term care strategy. Positive progress was made by the Committee during 2023 on the priority area of a new medication policy.

Our Quality assurance framework continues to evolve and improve, with the electronic care plan system, PCS, fully embedded. This technology streamlines the process of recording daily care and the review of risk assessments and resident needs. The electronic Medication Administration Record (MAR), which integrates with PCS and provides a safe, efficient system proven to reduce medication errors was successfully introduced at our Hastings location during 2023. This is now live across the organisation.

The organisational governance framework was reviewed and relaunched in 2022, replacing the previous Clinical Governance meetings and is guided by the CQC reg 17 for Governance, encompassing the Regulations for Service Providers and Managers under the Health and Social Care act 2008 and 2009. The framework has developed during 2023, with a new audit system introduced.

Continuous Improvement Plans (CIP) form the basis of improving the quality of the services we offer. Each site has a CIP based on the CQC Key Lines of Enquiry standards. CIPs have been regularly updated during the year to include areas of improvement highlighted in stakeholder questionnaire responses and audits. Focus is placed on areas rated as Good by CQC at the last inspections, with a view to achieving Outstanding. This rolling plan ensures we can react quickly to areas of concern or innovative ideas, put more robust governance in place and evidence our ethos of being a learning organisation.

The activities teams at both Martha locations continue to lead on delivering person-centred activity plans, communication and physiotherapy programmes. PCS provides the platform for recording evidence of activities and review of individual plans due to any changes in need or preferences.

As always, we are keen to explore opportunities offered by new technology which can enable all residents to communicate more effectively, express themselves and have fun. As well as Eye Gaze technology, through generous donations we have been able to introduce two Rainbow Tables for our Deal homes. These interactive, touch-screen, multipurpose tablets are the perfect addition to our activity offering at Martha.

Development of the Martha Trust GDPR policy is an ongoing project, with overall responsibility passing to the CEO and Associate Director of Marketing & Fundraising. Progress is now being made on reviewing and updating processes relating to Martha's care services and HR processes to ensure ongoing compliance with the latest regulations.

We continue to provide monthly information to several CCG Commissioning Support Units on set Key Performance Indicators and are working with other funding authorities to provide more detailed information on the service we provide.

Our People

The recruitment challenges of 2022 continued into 2023 with the teams on both sites working under pressure due to being understaffed. As a result, we saw high use of overtime shifts and agency workers to ensure staffing levels were maintained at a safe level.

Martha was able to implement a pay increase from the start of January 2023, paying above the national minimum wage before it became a legal requirement. This proved to have a positive impact on both recruitment and retention, with new starters joining in the first quarter. The staff questionnaire also fed back that this led to people feeling fairly paid for their roles and valued.

Following positive feedback from the teams, additional incentives were offered to staff to encourage retention. These incentives were supported by the generosity of grateful families of residents.

The work life balance project implemented in 2022 was firmly in place by the start of the year, and flexible working was supported as far as possible. A staff get together was also arranged for all to attend with their families, with our regular supporter, Solley's, hosting the day on their field in Ripple. This was an opportunity for people to get together, have fun on the inflatable assault course all while the SMT and Fundraising team worked behind the bar to look after them as a thank you for their hard work.

As part of the wider project to ensure values are embedded as part of the everyday culture, Value-based supervisions were introduced. This enabled the HR team to spend time with every member of staff, reflecting on how they ensured they treated people well, and providing feedback on what Martha do successfully and what can be done better. Standard supervisions still take place with a focus on people's roles and skills, but this time allows the opportunity for people to consider their behaviour and provide insight for future improvements.

Challenges to funding meant that hard decisions had to be made during 2023 and increases to overtime rates made during Covid to encourage our own staff to cover shifts and reduce the number of visiting agency staff had to be brought back in line with normal policy.

The financial position also highlighted the danger of continuing to staff heavily with agency. Mary House relied on agency, with a low pick up of overtime shifts. Changes were made within the management team, and the management of the rota moved to an organisational position rather than being managed in-house. The individual was tasked with reducing agency costs and increasing overtime pick up. This presented challenges, with the team required to adapt to a new way of working. Despite some negativity and some resistance, by the end of 2023 we were starting to see a real impact, with less agency being booked and more overtime shifts being picked up. This trend is expected to continue into 2024.

Training plans for 2023 needed to be adapted following the CQC inspection at Mary House in November 2022, and the follow up inspection in early 2023. Feedback from the inspectors relating to medication resulted in the prioritisation of delivering a specific Medication course for Support Workers. The specialised course took a sizable amount of the training budget, and the decision to recognise the completion and subsequent passing of medication competencies with an increase in pay, impacted on the 2023 expenditure.

Work began on writing a new course to be introduced in 2024 – 'Values and Empathy'. This course will be delivered internally, and allows time to consider Martha's values, building on the feedback from the recently introduced supervisions and starting to build on the previous plans to embrace Equity, Diversity, and Inclusion. The second part of the course focuses on enabling people to see from a resident's perspective, with an aim on building empathy.

Several training courses planned for later in the year were put on hold due to the budget being used for medication training, and a need to reduce expenditure. Plans for 2024 include moving all mandatory courses online to enable the training budget to be prioritised on courses that focus on improving peoples' skills and/or understanding resident's needs.

Feedback from new starters continues to help us make the induction and Buddy process as effective as possible, encouraging people to embrace our values and commit to ensuring residents can embrace their lives and engage in the world around them.

SMT continued to be led and guided by our CEO, Julie Gayler, with other members continuing to grow in their roles. Natalia Olszewska stepped down as Finance Director in the last quarter, allowing Kelly Hutchings to step up into a role of Interim Financial Controller and enabling Kelly to gain new strategic experience, working with SMT on challenging fees, increasing income, and reducing expenditure.

The second half of 2023 was difficult for Martha due to concerns around the financial pressures faced by the organisation. Continuous failures by funders to increase fees, high agency and staffing costs all contributed to a challenging outlook. Julie Gayler took a positive approach to the challenges, harnessing the strength and passion within SMT to adopt a strategic approach that saw 2023 end with a lower deficit than might otherwise have occurred. This level of tenacity, positivity and determination will be carried into 2024.

There were also difficulties faced on both sites related to relationships with families. This impacted on the care teams, and much time was spent ensuring that support was provided at all levels to deal with some of the very demanding situations. Work is underway to strengthen the professional boundaries and expectations we have when working with families and external agencies, to avoid the same issues arises and ensuring we learn from the experiences. A revised, all encompassing 'Code of Conduct' will be introduced in 2024.

Overall, the staffing numbers in the care teams across the organisation remained steady with 22 leavers for the year, and 21 new starters. 12 leavers were from the Deal site, and 10 from Hastings. General movement in contracted hours, and 2 of the Deal leavers being in supernumerary positions led to a slight increase in the level of staffing on the rota, with Deal looking to be fully staffed for both nurses and Support Workers in early 2024. However, levels of employee vacancies at Mary House remain a concern due to the wider impact they have on both team morale and agency costs. At the end of 2023 applications for roles were steady and agency use reduced compared to the start of the year.

Teams were advised in December 2023 that overtime rates would be reducing further to time and a third, and that the annual pay increase would not be implemented until April 2024 due to challenges with finances. Despite this news, all staff received a £50 voucher for Christmas, and the increases implemented to recognise increased skills in the form of competencies remained in place.

Fundraising

2023 was the second full year, post pandemic that we were able to run our full series of events and face-to-face fundraising. Income raised via our fundraising events programme continues to grow, with our music events and golf days proving extremely popular with our supporters and the wider community of Deal. The majority of our events saw growth and income from all of them, except one, was at an all-time high.

Income from our car challenge was down on 2022, as we had a number of cars drop out. A total of seven cars headed off to Barcelona. This event is a high profile event often picked up by the media and continues to provide us with great connections with local businesses and develops long term supporters.

Our strategy for focussing our events around providing an enjoyable as well as a rewarding experience is proving the right focus for our charity. Where possible we also aim for our fundraising events, especially our music ones, to be accessible and inclusive.

General income was down on budget, but this is a reflection on the challenges facing the charity sector as a whole and the impact the cost-of-living crisis is having on general fundraising.

We continue to build on support from local businesses and nurture relationships, we saw growth in support through sponsorship of our events programme and gifts in kind.

As a charity we receive a large number of Gifts in Kind (GIK) donations each year alongside monetary donations. Such donations play a vital role in achieving our fundraising objectives so in 2023 we took the decision to start including GIK support in our annual report and accounts. These donations are included in our fundraising income and expenditure lines.

Our profile in the local communities within which we work continues to grow and we are spreading awareness further into Kent and Sussex. We continue to build good foundations in the Hastings area with key community groups. Our social media strategy continues to gather momentum with our Facebook followers up 9.4%, Instagram up 17% on 2022, Twitter up 6.8% and LinkedIn up 17.8%. Our social media is a great tool in promoting our fundraising activity, support for Martha, as well as raising awareness of profound disability.

Towards the end of 2022, we expanded our fundraising team, appointing a new post of Fundraising and Events Assistant to support our fundraising and to help raise awareness of our work in the Hastings area. Sadly this role did not work out as we had planned and the role ceased in April 2023. Our fundraising team was the equivalent of 2.72 f/t roles in 2024.

Core Grant Income

Our core grant income stream, which focuses on securing core funding support from trusts and foundations delivered 16% over forecasted income.

In 2023, our aim was to secure core funding towards items we have to pay for as a charity. We focussed our core approaches this year around activities, Person Centred Software and fundraising events costs.

Restricted Appeals

In 2023, we had a number of restricted projects for equipment.

Our appeal, to purchase two Rainbow Tables for our Deal homes started in 2022 and completed in January 2023. These interactive, touch-screen, multipurpose tablets are the perfect addition to our activity offering at Martha and we successfully completed the appeal in January and purchased the second Rainbow Table.

We ended the year securing 68% of the funding needed for our THERA trainer appeal, so this carried forward into 2024.The THERA Trainer Tigo is essentially an exercise bike designed specifically for people with limited mobility.

A number of restricted donations were received for us to enhance our gardens at our Deal homes, with a large grant to support a volunteer day by a team from Swiss Re.

## Achievements and performance

### a. Key financial performance indicators

Martha Trust had another challenging year in 2023. The adult social care sector continued to suffer the effects of the cost-of-living crisis, combined with the under-funding that has become systemic in the sector and is widely debated within the national press and service provider membership groups. We have to report that once again the fee increases that we did receive were insufficient to cover the full extent of cost increases. Inflationary fee increases we received for 2023 were on average 2.9%, significantly lower than the 5.2% increase in the Consumer Price Index and the 9.7% increase in minimum wage. It is unclear how National and Local Government envisaged this gap would be filled and it was largely to blame for the size of our deficit in 2023. Total income was £6.6 million (2022: £6.4 million) and the deficit was £451,715 (2022: £64,039). Room occupancy which has a direct impact on income decreased to 94.9% compared to 96.5% in 2022, due to the sad death of three residents during the year and the time lag to fill resident vacancies caused by necessary assessments required by funders.

Over the last six years, the full rate of minimum wage has risen by 33.1%, from £7.83 per hour to £10.42 per hour. None of our funding authorities have increased their fees by anything near 33.1% over that six-year period. None of our funding authorities have so far increased their fees by 9.7% for 2024. The mismatch between increases in minimum wage and inflationary fee increases clearly means a significant gap in funding because approximately 70% of our costs are staff costs. It is notable that the Government, having set the minimum wage each year, did not recognise a need to properly compensate through fees those organisations that are, like Martha Trust, largely publicly funded.

Marketing of care services is still generating new care enquiries. We are further building on relationships with stakeholder authorities that resulted from marketing activity in recent years. We continue to engage with local Social Care and NHS funders, to enhance relationships with them at both of our locations.

The level of new care enquiries in 2023 continued to be encouraging. This is, as in previous years, partly due to our profile being raised through marketing and partly due to a sustained and particularly high level of demand in a time of shrinking service provision in South East England.

We have a continuing system of expenditure monitoring and control and a rigorous budgeting process. We negotiate with existing suppliers as well as potential new suppliers in order to source goods and services at the best possible price. Although there continue to be increases in costs, we have achieved efficiencies across the organisation where this was possible. Having said that, we suffered cost increases that we are unable to control as outlined above.

The year ended with the following results:

- Total income £6.57m (2022: £6.4m)
- Expenditure £7.03m (2022: 6.46m)
- Deficit £0.45m (2022: £0.06m)
- Percentage costs of management and administration 8.3% (2022: 8.59%)
- Occupancy 94.9% (2022: 96.5%)
- Balance Sheet total funds £4.62m (2022: £5.07m)

### b. Review of activities

There were three new residential placements during the year. The respite service was suspended in March 2020 due to Covid-19 and remains closed. Enquiries from families and clinical professionals seeking a possible placement continue to be at an encouraging level and residential rooms are very much in demand.

### c. Investment policy and performance

The investment policy agreed by the Trustees is to place funds in cash deposits on fixed and short-term arrangements but with the primary objective of ensuring Martha Trust's cash flow requirements are met.

### d. Factors relevant to achieve objectives

Our staff team works as seamlessly as possible to ensure that occupancy is maximised and that care is provided to not just meet residents' needs but to make a real difference to their lives. Some of the major challenges are outlined in a later section of this report, but we ensure that everyone has their needs regularly reassessed and that full and comprehensive care plans, risk assessments and other important documentation are in place and regularly updated in support of our objective to ensure our services are safe, effective, caring, responsive and well-led.

## Financial review

### a. Going concern

The adverse impact on our overall finances of underfunding from our major funding authorities and high staff vacancies, resulting in substantial agency cost, were understandably a cause for concern. Work is in hand to mitigate these issues and, as a consequence, the Trustees are now confident that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

### b. Financial risk management objectives and policies

Financial risk is minimised in several ways by Martha Trust. The ways we manage risk include seeking adequate fees for residents, effective cost control and proper appraisal of any developments. Through our policies and procedures our financial risk management is embedded in our organisational culture.

### c. Principal risks and uncertainties

In common with many providers of social care and health services, Martha Trust faces risks and uncertainties regarding the sustainability of fee levels in the long term. As noted above there have not been sufficient fee increases to cover cost pressures in full, particularly wage increases. Costs in the care sector are rising faster than general inflation. Regulation and good practice have caused notable cost increases as we need to spend more on maintaining and enhancing the quality of care. The Trustees have always believed it is absolutely correct for stakeholders to have confidence that our service is safe, effective, caring, responsive and well led. Securing funding for the essential spending that is increasingly required remains very challenging.

As mentioned in a. above, staff vacancies and the impact of agency cost are another concern. Staffing costs continue to be impacted by increases in National Living Wage (NLW). Although some funding authorities have increased fee levels, those increases do not cover the increase in wage costs. This results in continued pressure on resources and a greater challenge in maintaining financial stability.

As also mentioned in a. above, inadequate fee increases remain of concern. In particular, for the second year running, Kent County Council, are proposing no increase whatsoever to residents on the Deal site, and Kent and Medway ICB are proposing a mere increase of 1.8%. Neither of these take any account of inflationary situation. We have developed relationships with funding authorities where in previous years there was no relationship. By working to resist pressure on fees, by nurturing relationships with stakeholders, by increasing the number of rooms and by maximising our bed occupancy level we continue to meet risk with concerted action and therefore safeguard the future of Martha Trust.

### d. Principal funding

The main source of income for Martha Trust is from contracts with local authorities and NHS ICBs. Since Martha Trust provides care for people drawn from all parts of the UK, the charity has cultivated and maintained a wide range of relationships.

In addition, Martha Trust has, over several years, developed a marketing strategy specifically for its care services that has broadened its reach, enabling it to source placements from a greater number of authorities. This will help to maximise overall occupancy levels and therefore fee income. Alongside this strategy we are working more closely with Sussex ICB as well as with Kent & Medway ICB in order to source a higher level of placements from local areas.

Fundraising income finances some of our capital expenditure including developments within our homes like new rooms and specialist equipment, as well as providing some unrestricted funding. Other than fees for services and specific funding for the effects of Covid on our costs, no income is received from any statutory sources.

We are also grateful for the vital contributions by our supporters who help Martha Trust provide the level of service and care that we are all committed to. Without this support it would not be possible for the charity to continue to undertake its current level of service provision.

We believe that giving to charity should be a positive experience, and to help make sure this is the case the charity has put in place a policy that seeks to ensure that the highest possible standards of fundraising practice are being adopted. This policy acknowledges the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the charity. The charity voluntarily subscribes to the Fundraising Regulator and complies with all aspects of its Code of Practice as well as ensuring its fundraising activity follows the principles set out under GDPR. Fundraising activity is predominantly carried out by our own in-house team and volunteers. The charity does not utilise the services of any external commercial fundraisers for general fundraising purposes. However during 2023, Martha sought support from a Fundraising Consultant for the purposes of its strategy and appeal approach to Trusts and Foundations

Martha welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

### e. Material investments policy

We do not participate in material investments.

## Structure, governance and management

### a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Trust Deed.

The principal object of the charity is to provide residential or 'inclusive care', for people with profound physical and multiple learning disabilities (PMLD), as well as respite services and support to families caring for people with PMLD.

### b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

### c. Policies adopted for the induction and training of Trustees

For all new Trustees we undertake an induction programme using the guidance from the Charity Commission under the heading of good governance.

We discuss with them the seven principles of the Charity Governance Code:

- Organisational Purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board Effectiveness
- Equality, Diversity and Inclusion and
- Openness and Accountability

This ensures that they have a full understanding of their responsibilities. In addition, new Trustees will attend a seminar on their responsibilities by a charity firm during the first year of their Trusteeship at Martha Trust. New Trustees will also be allocated an experienced Trustee to guide them in their first six months of Trusteeship.

**d. Pay policy for senior staff**

The Trustees are able to claim reasonable travelling and other expenses properly incurred by them in connection with their attendance at meetings of Trustee Board, Committee or General meetings, or otherwise in connection with the discharge of their duties but are not paid remuneration. Some Trustees choose to donate their expenses back to Martha Trust.

All salaried roles at Martha, including those of the Directors and Chief Executive Officer, have been evaluated based on comparator market data by an independent HR consultancy, TRP Ltd, specialising in remuneration and reward issues.

**e. Organisational structure and decision making**

At the year end the Board of Trustees consisted of nine Trustees, who are also Directors of Martha Trust for the purposes of company law. The Senior Management Team consisted of the Chief Executive Officer, Director of Finance and Resources, Strategic Health & Social Care Lead, Director of People and Culture, and Associate Director of Fundraising and Marketing.

There are four full Board Meetings per year, plus at least four Audit & Finance Committee Meetings. The Funding Strategy Group meets periodically and has two Trustees and one family representative. The Care Improvement Committee meets quarterly and has one Trustee and two family representatives.

In terms of financial control, revenue and capital budgets are prepared for the forthcoming financial year and the Audit and Finance Committee considers the budgets prior to the start of that year. Once agreed, budgets are presented to Trustees for approval. Additionally, regular forecasts are prepared and reviewed during each financial year.

The budgets and forecasts are the cornerstone for financial operations during the year.

The CEO currently holds the CQC registration for the Hastings site, with a Home Manager responsible for the operational management of the home. Registration for the Deal site is held by the Senior Registered Home Manager (SRHM) who also provides clinical advice and support to the Hastings home management team.

All new care policies or changes to existing care policies are reviewed and approved at the organisation Governance meetings, which involve the SMT and management teams across all functions.

**f. Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

## Plans for future periods

### a. Future developments

The challenges faced during 2023, most importantly the ability to negotiate appropriate fees against a backdrop of financial pressure on commissioners, and the impact of the ongoing national recruitment crisis within the adult social care sector, will very likely remain as we look to the future.

Delivery against key objectives of our 3-year strategic plan will involve the new strategies now in place to counter funding shortfalls. These include regular reassessment of residents' needs and approaches to funders to fully fund those needs, together with robust challenges to inadequate annual fee increases.

We will work to identify new ways to further improve staff retention and recruitment, thereby reducing agency costs, one example of which will be exploring opportunities for overseas recruitment. It is anticipated that staffing is likely to be stable at Deal, but recruitment at Hastings will remain challenging in 2024. In the meantime, efforts will continue to ensure people feel valued, appreciated and well supported, leading to employment at Martha being a positive experience. Our commitment to being an excellent employer, delivering high quality care remains.

In line with our strategic aims set out above, we will also:

Continue to be an outstanding provider that others can aspire to by:

- Demonstrating our understanding of the needs of the residents at Martha Trust and ensuring we can evidence the impact of our support.
- Ensuring our services are safe, effective, caring, responsive and well-led.
- Working closely with CQC and funding authorities, aim to be outstanding in clinical knowledge and safeguarding with an emphasis on residents' needs.
- Being a leading provider in our work on communication with people with PMLD through traditional methods and using the latest technology.

Generate sustainable funding and maximise resources to provide our residents with the best possible lives by:

- Growing, maximising and sustaining statutory, earned and fundraising income.
- Producing three-year budget plan, incorporating income and expenditure, to live within our means.
- Ensuring value for money by applying principles of economy, efficiency and effectiveness.
- Consider new opportunities to increase service provision, but only where the outcomes will contribute to the longevity of Martha Trust

Operate a well-governed, efficient organisation, supporting and developing the staff and volunteers who work for us by:

- Ensuring our charity is well-governed with alignment of strategy, business plan and financial sustainability.
- Managing our quality standards and risks effectively within our regulatory frameworks.
- Supporting, developing and managing our staff in the achievement of our objectives.

## Risk Policy

The charity maintains a risk register which firstly identifies all risks and then has a scoring system to further identify major risks. The Director of Finance and Resources is responsible for maintaining the register, which is reviewed monthly at SMT meetings. The CEO discusses serious risks with the Trustees and the relevant subcommittee who will then agree whether it should be subject to a board paper and discussion.

## Reserves Policy

At 31 December 2022, the Trustees considered it appropriate to set free reserves held to equivalent of at least four months expected general expenditure for one home (four and half months in previous year), which is in the region of £600,000. The free reserves at 31 December 2023 amounted to £504,773. This is lower than our reserves policy, however action has been made to rectify this with a surplus to date following the year end. The Trustees will continue to review reserves on a regular basis, in accordance with the Charity Commission guidance.

## Remuneration and social investment policy

Martha Trust recognises the importance of a sound remuneration and benefits policy when it comes to attracting and retaining highly skilled and motivated staff. This policy cannot stand still in isolation and must be reviewed regularly in absolute terms and compared to other similar organisations to ensure its competitiveness.

Staff should be rewarded in relation to:

1. The level of responsibility and the value placed on comparable jobs within the Trust.
2. The value placed on comparable jobs in the local area.

In addition to an annual inflation-linked review, regular reviews will be carried out by the Chief Executive in conjunction with the Home Managers to ensure that Martha Trust remains competitive in respect of its pay and benefits policy generally.

We do not currently undertake any social investment and hence have no policy for this.

## Trustee Declaration

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and

- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

- That Trustee had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The board of Trustees welcomed the new Charity Governance Code published in December 2020. The Trustees considered some of the new requirements of The Code aspirational and thus have faced constraints in immediately implementing all of its recommendations. Nevertheless, the board will continue to strive for continuous improvement, exploring possibilities for extending the range of skills and experience of existing trustees, recruiting where any shortfalls are identified. An independent board review is planned for 2024.

**Trustees' report (continued)**
**For the year ended 31 December 2023**

Martha Trust is committed to evolving as an organisation to reflect the changing values and principles within society.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**Roger Walton**

Date: 22 August 2024

**Statement of Trustees' responsibilities**
**For the year ended 31 December 2023**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Independent auditors' report to the Members of Martha Trust

### Opinion

We have audited the financial statements of Martha Trust (the 'charity') for the year ended 31 December 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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.

**Independent auditors' report to the Members of Martha Trust (continued)**

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

## Independent auditors' report to the Members of Martha Trust (continued)

### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, Care Quality Commission inspection reports and fundraising practices and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety, Care Quality Commission inspection reports and fundraising practices) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

## Independent auditors' report to the Members of Martha Trust (continued)

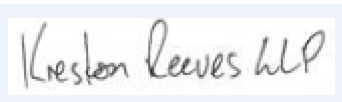
misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.




**Samantha Rouse FCCA DChA (Senior statutory auditor)**
for and on behalf of
**Kreston Reeves LLP**
Statutory Auditor
Chartered Accountants
Canterbury

22 August 2024

**Martha Trust**
**(A company limited by guarantee)**

## Statement of financial activities (incorporating income and expenditure account)
## For the year ended 31 December 2023

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 3 | **275,138** | **67,298** | **342,436** | 306,849 |
| Charitable activities | 4 | **6,210,067** | **-** | **6,210,067** | 6,084,018 |
| Other income | 5 | **21,063** | **-** | **21,063** | 9,983 |
| **Total income** | | **6,506,268** | **67,298** | **6,573,566** | 6,400,850 |
| **Expenditure on:** | | | | | |
| Raising funds | 6 | **243,277** | **-** | **243,277** | 154,091 |
| Charitable activities | 7 | **6,737,282** | **44,722** | **6,782,004** | 6,310,798 |
| **Total expenditure** | | **6,980,559** | **44,722** | **7,025,281** | 6,464,889 |
| **Net movement in funds** | | **(474,291)** | **22,576** | **(451,715)** | (64,039) |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **4,460,588** | **612,960** | **5,073,548** | 5,137,587 |
| Net movement in funds | | **(474,291)** | **22,576** | **(451,715)** | (64,039) |
| **Total funds carried forward** | | **3,986,297** | **635,536** | **4,621,833** | 5,073,548 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 44 form part of these financial statements.

**Martha Trust**

**(A company limited by guarantee)**
**Registered number: 03467406**

## Balance sheet
**As at 31 December 2023**

| | Note | | 2023 £ | | As restated 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 11 | | **4,691,045** | | 4,753,318 |
| | | | **4,691,045** | | 4,753,318 |
| **Current assets** | | | | | |
| Debtors | 12 | **484,075** | | 656,831 | |
| Cash at bank and in hand | | **600,078** | | 754,768 | |
| | | **1,084,153** | | 1,411,599 | |
| Creditors: amounts falling due within one year | 13 | **(586,081)** | | (468,458) | |
| **Net current assets** | | | **498,072** | | 943,141 |
| **Total assets less current liabilities** | | | **5,189,117** | | 5,696,459 |
| Creditors: amounts falling due after more than one year | 14 | | **(567,284)** | | (622,911) |
| **Total net assets** | | | **4,621,833** | | 5,073,548 |
| **Charity funds** | | | | | |
| Restricted funds | 16 | | **635,536** | | 612,960 |
| Unrestricted funds | | | | | |
| Designated funds | 16 | **3,278,389** | | 3,272,715 | |
| General funds | 16 | **503,773** | | 983,738 | |
| Revaluation reserve | | **204,135** | | 204,135 | |
| Total unrestricted funds | 16 | | **3,986,297** | | 4,460,588 |
| **Total funds** | | | **4,621,833** | | 5,073,548 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

**Roger Walton**
Chairman
Date: 22 August 2024

The notes on pages 25 to 44 form part of these financial statements.

## Statement of cash flows
## For the year ended 31 December 2023

| | Note | 2023 £ | 2022 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net cash used in operating activities | 19 | **98,641** | 51,313 |
| **Cash flows from investing activities** | | | |
| Dividends, interests and rents from investments | | **(24,047)** | (28,628) |
| Purchase of tangible fixed assets | | **(171,443)** | (72,966) |
| **Net cash used in investing activities** | | **(195,490)** | **(101,594)** |
| **Cash flows from financing activities** | | | |
| Repayments of borrowing | | **(57,841)** | (252,609) |
| **Net cash used in financing activities** | | **(57,841)** | **(252,609)** |
| **Change in cash and cash equivalents in the year** | | **(154,690)** | **(302,890)** |
| Cash and cash equivalents at the beginning of the year | | **754,768** | 1,057,658 |
| **Cash and cash equivalents at the end of the year** | 20 | **600,078** | 754,768 |

The notes on pages 25 to 44 form part of these financial statements

**Notes to the financial statements**
**For the year ended 31 December 2023**

## 1. General information

Martha Trust is a charity, limited by guarantee, domiciled in England and Wales, registration number 03467406.

The registered office is Homemead Lane, Hacklinge, Deal, Kent, CT14 0PG.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Martha Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

The charity's functional currency is Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

### 2.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

### 2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## 2. Accounting policies (continued)

### 2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor;s intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 2. Accounting policies (continued)

### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

### 2.6 Going concern

The charity has a net deficit of £451,715 during the year ended 31 December 2023. The adverse impact of underfunding from our major funding authorities and high staff vacancies resulting in substantial agency cost were a cause of concern for the majority of 2023, however these issues have now largely been addressed. Work is in hand to mitigate these issues and, as a consequence, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### 2.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised.

Tangible fixed assets are carried at cost or deemed cost, net of depreciation and any provision for impairment. Deemed cost represents the fair value of certain freehold properties owned by the charity, at the date of transition to FRS 102, 1 January 2014. Under the cost mode, freehold property will not be subject to further valuations.

## 2. Accounting policies (continued)

### 2.8 Tangible fixed assets and depreciation (continued)

Depreciation is not charged on freehold land. Depreciation is provided from when assets become available for use at rates calculated to write off the cost or deemed cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold property | - 2% straight line |
| Motor vehicles | - 20% straight line |
| Fixtures and fittings | - 10% - 20% straight line |
| Freehold land | - not depreciated |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

### 2.9 Interest receivable

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

### 2.10 Operating leases

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

### 2.11 Debtors

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

### 2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.13 Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### 2.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required the Trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results from the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgement has had the most significant impact on the amounts recognised in the financial statements:

The charity has recognised tangible fixed assets with a carrying value of £4,691,045 at the reporting date (see note 11). These assets are stated at their cost less provision for depreciation and impairment. The charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired (see note 2.8). For material assets such as land and buildings the charity determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the charity's forecasts for the foreseeable future which do not include any restructuring activities that the charity is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

### 2.16 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

## 3. Income from donations and legacies

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|
| Donations | 275,138 | 17,116 | **292,254** | 264,945 |
| Grants | - | 50,182 | **50,182** | 41,904 |
| **Total 2023** | 275,138 | 67,298 | **342,436** | 306,849 |
| Total 2022 | 247,071 | 59,778 | 306,849 | |

## 4. Income from charitable activities

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|
| Residential and day care fees | 6,210,067 | - | **6,210,067** | 6,026,230 |
| Covid-19 fees | - | - | - | 57,788 |
| | 6,210,067 | - | **6,210,067** | 6,084,018 |
| Total 2022 | 6,026,230 | 57,788 | 6,084,018 | |

## 5. Other incoming resources

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|
| Other | 21,063 | **21,063** | 9,983 |
| Total 2022 | 9,983 | 9,983 | |

## 6. Expenditure on raising funds

### Costs of raising voluntary income

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|
| Events and publicity costs | 44,757 | **44,757** | 50,348 |
| Events and publicity costs - gift in kind | 69,700 | **69,700** | - |
| Legal and professional | 2,431 | **2,431** | 2,287 |
| General office costs | 2,186 | **2,186** | 2,778 |
| Maintenance/Utilities/Sundry | 1,911 | **1,911** | 1,892 |
| Salaries to generate income | 122,292 | **122,292** | 96,786 |
| **Total 2023** | 243,277 | **243,277** | 154,091 |
| Total 2022 | 154,091 | 154,091 | |

## 7. Analysis of expenditure on charitable activities

### Summary by fund type

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ | As restated Total 2022 £ |
|---|---|---|---|---|
| Residential and day care costs | 6,737,282 | 44,722 | **6,782,004** | 6,310,798 |
| Total 2022 as restated | 6,183,340 | 127,458 | 6,310,798 | |

## 8. Analysis of expenditure by activities

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|
| Residential and day care costs | 6,198,827 | 583,177 | **6,782,004** | 6,310,798 |
| Total 2022 | 5,755,453 | 555,345 | 6,310,798 | |

### Analysis of direct costs

| | Residential and day care 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|
| Staff costs | 4,051,056 | **4,051,056** | 3,601,651 |
| Depreciation | 213,374 | **213,374** | 207,549 |
| Establishment costs | 1,934,397 | **1,934,397** | 1,946,253 |
| **Total 2023** | 6,198,827 | **6,198,827** | 5,755,453 |
| Total 2022 | 5,755,453 | 5,755,453 | |

## 8. Analysis of expenditure by activities (continued)

### Analysis of support costs

| | Residential and day care 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|
| Wages and salaries | 455,229 | **455,229** | 447,386 |
| Depreciation | 17,241 | **17,241** | 17,953 |
| Establishment costs | 75 | **75** | 29 |
| Travel and subsistence | 5,112 | **5,112** | 7,924 |
| Insurance | 5,780 | **5,780** | 2,475 |
| Maintenance, cleaning and repairs | 13,784 | **13,784** | 14,153 |
| Print, post and stationery | 2,961 | **2,961** | 1,988 |
| Telephone and fax | 2,032 | **2,032** | 1,478 |
| Operating lease rentals and equipment | 878 | **878** | 1,498 |
| Staff training | 3,328 | **3,328** | 10,234 |
| General expenses | 1,777 | **1,777** | 1,815 |
| Bank charges and interest | 3,135 | **3,135** | 1,867 |
| IT Costs | 836 | **836** | 2,255 |
| Legal and professional fees | 52,770 | **52,770** | 29,340 |
| Publicity and communications | 3,635 | **3,635** | 2,950 |
| Governance costs | 14,604 | **14,604** | 12,000 |
| **Total 2023** | 583,177 | **583,177** | 555,345 |

## 9. Net income/(expenditure)

This is stated after charging:

| | 2023 £ | 2022 £ |
|---|---|---|
| Depreciation of tangible fixed assets: | **230,439** | 225,502 |
| - owned by the charity | | |
| Auditors' remuneration - audit | **12,276** | 12,000 |
| Operating lease rentals | **878** | 1,498 |

During the year, no Trustees received any remuneration (2022: £NIL).
During the year, no Trustees received any benefits in kind (2022: £NIL).
One Trustees received a reimbursement of travel expenses totalling £105 in the current year, (2022: £89 paid to one trustee).

**Notes to the financial statements**
**For the year ended 31 December 2023**

## 10. Staff costs

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| Wages and salaries | **4,154,053** | 3,743,271 |
| Social security costs | **363,743** | 337,285 |
| Contribution to defined contribution pension schemes | **110,781** | 65,267 |
| | **4,628,577** | 4,145,823 |

No termination payments were made during the year (2022: £Nil) included within wages and salaries.

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

| | **2023** | 2022 |
|---|---|---|
| | **No.** | No. |
| Employees | **173** | 169 |

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

| | **2023** | 2022 |
|---|---|---|
| | **No.** | No. |
| In the band £60,001 - £70,000 | **2** | 1 |
| In the band £70,001 - £80,000 | **1** | 1 |

The total salaries received by key management personnel was £296,951 (2022: £277,405). Employer pension contributions were a total of £13,235 (2022: £11,291) and employer national insurance contributions were a total of £34,219 (2022: £30,044).

## 11. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 January 2023 | **6,260,745** | **136,462** | **1,404,715** | **7,801,922** |
| Additions | - | - | **171,443** | **171,443** |
| Disposals | - | - | **(36,713)** | **(36,713)** |
| At 31 December 2023 | **6,260,745** | **136,462** | **1,539,445** | **7,936,652** |
| **Depreciation** | | | | |
| At 1 January 2023 | **1,867,732** | **116,262** | **1,064,610** | **3,048,604** |
| Charge for the year | **116,168** | **5,043** | **109,404** | **230,615** |
| On disposals | - | - | **(33,612)** | **(33,612)** |
| At 31 December 2023 | **1,983,900** | **121,305** | **1,140,402** | **3,245,607** |
| **Net book value** | | | | |
| At 31 December 2023 | **4,276,845** | **15,157** | **399,043** | **4,691,045** |
| At 31 December 2022 | 4,393,013 | 20,200 | 340,105 | 4,753,318 |

Included in land and buildings is freehold land at a valuation of £716,575 (2022: £716,575), which is not depreciated.

The Charity has adopted a policy of deemed cost for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

| | 2023 £ |
|---|---|
| At cost: | **6,056,610** |
| At valuation: 1998 at open market value | **204,135** |
| | **6,260,745** |

## 11. Tangible fixed assets (continued)

Included in the net book value of property displayed above are the following amounts ascribable to land:

| | 2023 £ | 2022 £ |
|---|---|---|
| Cost | **6,056,610** | 6,056,610 |
| Accumulated depreciation | **(1,798,704)** | (1,690,252) |
| | **4,257,906** | 4,366,358 |

## 12. Debtors

| | 2023 £ | 2022 £ |
|---|---|---|
| Trade debtors | **444,611** | 556,109 |
| Other debtors | **8,754** | 10,933 |
| Prepayments and accrued income | **30,710** | 89,789 |
| | **484,075** | 656,831 |

## 13. Creditors: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|---|---|---|
| Barclays Mortgage | **26,508** | 23,496 |
| Charity Bank Loans | **32,219** | 37,445 |
| Trade creditors | **163,036** | 118,032 |
| Other taxation and social security | **87,884** | 81,275 |
| Other creditors | **66,163** | 46,587 |
| Accruals and deferred income | **210,271** | 161,623 |
| | **586,081** | 468,458 |

### Deferred income

Deferred income as at 1 January 2023 is £70,009. There have been resources deferred during the year of £68,802. £70,009 has been released relating to deferred income in previous years. The deferred income as at 31 December 2023 is therefore £68,802.

Deferred income is in relation to fees received in advance.

## 14. Creditors: Amounts falling due after more than one year

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| Barclays Mortgage | **80,933** | 104,320 |
| Charity Bank Loans | **486,351** | 518,591 |
| | **567,284** | 622,911 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| Repayable by installments | **337,107** | 358,931 |
| | **337,107** | 358,931 |

The Barclays Mortgage is secured by way of a charge over the charity's land and buildings at Martha House. The mortgage is repayable in installments until 2028 for £107,441. During the year, the mortgage bore interest at a flexible rate of 1% over the Barclays Base Rate.

Charity Bank holds a fixed legal charge over the freehold property that is Mary House in Hastings. The two loans are repayable by way of the following:

Charity Bank loan 2 is repayable in installments until 2033 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2023 was £352,593.

Charity Bank loan 3 is repayable in installments until 2037 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2023 was £165,976.

## 15. Prior year adjustments

A prior year adjustment has been recognised in relation to the allocation of Covid-19 expenditure between restricted funds and unrestricted funds. It was identified that the Covid expenditure in prior years should be allocated to the restricted fund for Local Authority grants in relation to Covid-19 and had been incorrectly allocated as unrestricted expenditure. Due to the material nature of the misallocation, the financial statements have been adjusted accordingly.

The adjustment has not impacted the surplus of the charity. The impact is a decrease to unrestricted expenditure by £39,421 and to increase restricted expenditure by £39,421 in the prior year, and an increase to unrestricted funds brought forward by £133,516 and to decrease restricted funds brought forward by £133,516 as at 1 January 2022.

**Notes to the financial statements**
**For the year ended 31 December 2023**

## 16. Statement of funds

### Statement of funds - current year

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | 3,272,715 | - | - | 5,674 | 3,278,389 |
| **General funds** | | | | | |
| General Funds | 983,738 | 6,506,268 | (6,980,559) | (5,674) | 503,773 |
| Revaluation reserve | 204,135 | - | - | - | 204,135 |
| | 1,187,873 | 6,506,268 | (6,980,559) | (5,674) | 707,908 |
| **Total Unrestricted funds** | 4,460,588 | 6,506,268 | (6,980,559) | - | 3,986,297 |
| **Restricted funds** | | | | | |
| Frances House | 230,001 | - | - | - | 230,001 |
| Mary House | 350,000 | - | - | - | 350,000 |
| Mary House ICT | 2,278 | - | - | - | 2,278 |
| Mary House Misc | 6,620 | 1,527 | (60) | - | 8,087 |
| Martha House | 3,237 | 23 | (3,260) | - | - |
| Deal Water Garden | - | 2,750 | (2,750) | - | - |
| Deal Staff Fund | 2,890 | 50 | (891) | - | 2,049 |
| Core Restricted | 10,743 | 50,183 | (30,606) | - | 30,320 |
| Frances House Misc | 480 | 525 | (465) | - | 540 |
| Staff Christmas Fund | 1,035 | 3,490 | (2,345) | - | 2,180 |
| Thera Trainer | - | 6,750 | - | - | 6,750 |
| Dave Poke Memorial Fund | 3,100 | - | - | - | 3,100 |
| Rainbow Table | 2,576 | 2,000 | (4,345) | - | 231 |
| | 612,960 | 67,298 | (44,722) | - | 635,536 |
| **Total of funds** | 5,073,548 | 6,573,566 | (7,025,281) | - | 4,621,833 |

**Notes to the financial statements**
**For the year ended 31 December 2023**

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

**Statement of funds - prior year**

| | Balance at 1 January 2022 £ | As restated Income £ | As restated Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2022 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | 3,160,190 | - | - | 112,525 | 3,272,715 |
| **General funds** | | | | | |
| General Funds | 1,148,735 | 6,283,284 | (6,335,756) | (112,525) | 983,738 |
| Revaluation reserve | 204,135 | - | - | - | 204,135 |
| | 1,352,870 | 6,283,284 | (6,335,756) | (112,525) | 1,187,873 |
| **Total Unrestricted funds** | 4,513,060 | 6,283,284 | (6,335,756) | - | 4,460,588 |
| **Restricted funds** | | | | | |
| Frances House | 230,556 | 10 | (85) | - | 230,481 |
| Mary House | 350,000 | - | - | - | 350,000 |
| Mary House Vehicle | 16,200 | - | (16,200) | - | - |
| Mary House ICT | 3,075 | - | (797) | - | 2,278 |
| Mary House Misc | 5,618 | 3,928 | (2,926) | - | 6,620 |
| Martha House | 2,314 | 1,771 | (848) | - | 3,237 |
| Deal Staff Fund | 2,862 | 205 | (177) | - | 2,890 |
| Core Restricted | 5,000 | 41,904 | (36,161) | - | 10,743 |
| Staff Christmas Fund | - | 2,785 | (1,750) | - | 1,035 |
| Local Authority - Covid-19 | - | 57,788 | (57,788) | - | - |
| Dave Poke Memorial Fund | 3,100 | - | - | - | 3,100 |
| Bladder Scanner | 5,800 | - | (5,800) | - | - |
| Rainbow Table | - | 6,675 | (4,099) | - | 2,576 |
| Deal Garden | - | 2,500 | (2,500) | - | - |
| | 624,525 | 117,566 | (129,131) | - | 612,960 |
| **Total of funds** | 5,137,585 | 6,400,850 | (6,464,887) | - | 5,073,548 |

## 16. Statement of funds (continued)

### Designated fixed asset fund

This represents the book value of fixed assets less any associated liabilities and are not deemed to be freely available funds by the Trustees.

### Designated build fund

The designated build fund represents the charity's own financial investment in the development of Mary House.

### Frances House

In 2007 £230,000 was donated by the Development Trust towards the extension at Frances House which provided three new places. This donation carries a restriction for a period of 21 years and requires that those three new residents at Frances House must not have previously lived at any other Martha Trust home. The restriction is secured by way of a legal charge over the property. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered remote.

### Mary House

(i) This fund includes a donation of land and buildings in Hastings from The Agape Trust in 2004. The use to which the land and buildings could be put was restricted by the original donors, Blatchington Court Trust. The restriction requires Martha Trust to provide homes for a period of 99 years and at any one time at least four residents must be people under 31 years, of whom at least two must be visually impaired. This restriction applies to Martha Trust as a whole and not to Mary House individually. If this restriction is breached £350,000 is repayable to Blatchington Court Trust. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered to be remote. These restrictions will be waived on Martha Trust meeting certain criteria.

(ii) The remainder of the fund represents ongoing donations we have been receiving for the benefit of Mary House.

### Martha House

This fund represents ongoing donations we have been receiving for the benefit of Martha House.

### Deal Water Garden

This fund represents donations made to fund a water feature garden at Martha House.

### Deal Staff Fund

This fund is for donations received towards staff entertainment.

### Core restricted

This fund has been set up to secure core funding for ongoing costs we face as a charity, such as specialist equipment, training and the cost of providing activities to our residents. Grants secured from multiple funder

**Staff Christmas Fund**

This fund represents donations from families and Trustees for the purchase of gift cards.

**COVID Funds**

There are four funds that represent grants received to enable the charity to purchase necessary PPE and equipment during COVID-19.

**Dave Poke Memorial Fund**

Donations were raised in memory of the parent of one of the residents at Mary House. The family are considering use of the funds either towards a sensory garden or as a bursary for specialist training to support adults with PMLD.

**Mary House Vehicle**

We successfully fundraised for an adapted vehicle for our home in Hastings, Mary House. This vehicle now plays an integral role in our residents lives, enabling them to go out on an individual basis for medical appointments and trips out as an alternative to the use of the communal minibus.

**Bladder Scanner**

We successfully raised funds to purchase a bladder scanner and associated training that was needed. With the use of this diagnostic aid we will be able to scan and measure the volume of urine within the bladder so avoiding the use of unnecessary catheterization; reduce the rates of urinary tract infection due to incomplete emptying and help to manage incontinence. This piece of equipment will allow us to better support our residents health and wellbeing.

**Rainbow Table**

Our appeal, to purchase two Rainbow Tables for our Deal homes proved popular with funders. These interactive touch screen multipurpose tablets are the perfect addition to our activity offering at Martha. And, we successfully ended the year completing the appeal with two grants pending payment and one Rainbow Table purchased.

**Deal Garden**

A number of restricted monies were received for use to enhance our gardens at our Deal homes, raised through in memory donations and a grant to support a volunteer day by a team from Swiss Re.

**Thera Trainer**

The Thera Trainer is a piece of physio equipment with a range of benefits such as improved circulation, building muscle tone and bone density and improves the range of movement in residents arms and legs as well as being lots of fun to use.

**Transfers**

During the year, the Trustees have designated funds representing the book value of the fixed assets less any associated borrowings as these are not deemed to be freely available funds by the Trustees.

## 17. Summary of funds

### Summary of funds - current year

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|
| Designated funds | **3,272,715** | **-** | **-** | **5,674** | **3,278,389** |
| General funds | **1,187,873** | **6,506,268** | **(6,980,559)** | **(5,674)** | **707,908** |
| Restricted funds | **612,960** | **67,298** | **(44,722)** | **-** | **635,536** |
| | **5,073,548** | **6,573,566** | **(7,025,281)** | **-** | **4,621,833** |

### Summary of funds - prior year

| | Balance at 1 January 2022 £ | As restated Income £ | As restated Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2022 £ |
|---|---|---|---|---|---|
| Designated funds | 3,160,190 | - | - | 112,525 | 3,272,715 |
| General funds | 1,352,870 | 6,283,284 | (6,335,756) | (112,525) | 1,187,873 |
| Restricted funds | 624,525 | 117,566 | (129,131) | - | 612,960 |
| | 5,137,585 | 6,400,850 | (6,464,887) | - | 5,073,548 |

## 18. Analysis of net assets between funds

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

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| Tangible fixed assets | 4,108,766 | 582,279 | **4,691,045** |
| Current assets | 1,030,896 | 53,257 | **1,084,153** |
| Creditors due within one year | (586,081) | - | **(586,081)** |
| Creditors due in more than one year | (567,284) | - | **(567,284)** |
| **Total** | 3,986,297 | 635,536 | **4,621,833** |

## 18. Analysis of net assets between funds (continued)

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

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|---|
| Tangible fixed assets | 4,160,702 | 592,616 | 4,753,318 |
| Current assets | 1,216,645 | 194,954 | 1,411,599 |
| Creditors due within one year | (468,458) | - | (468,458) |
| Creditors due in more than one year | (622,911) | - | (622,911) |
| **Total** | 4,285,978 | 787,570 | 5,073,548 |

## 19. Reconciliation of net movement in funds to net cash flow from operating activities

| | **2023 £** | 2022 £ |
|---|---|---|
| Net expenditure for the year (as per Statement of Financial Activities) | **(451,715)** | (64,039) |
| **Adjustments for:** | | |
| Depreciation charges | **230,615** | 225,503 |
| Dividends, interests and rents from investments | **24,047** | 28,628 |
| Loss on the sale of fixed assets | **3,101** | 2,532 |
| Decrease/(increase) in debtors | **172,756** | (118,691) |
| Increase/(decrease) in creditors | **119,837** | (22,620) |
| **Net cash provided by operating activities** | **98,641** | 51,313 |

## 20. Analysis of cash and cash equivalents

| | **2023 £** | 2022 £ |
|---|---|---|
| Cash in hand | **600,078** | 754,768 |
| **Total cash and cash equivalents** | **600,078** | 754,768 |

## 21. Analysis of changes in net debt

| | At 1 January 2023 £ | Cash flows £ | At 31 December 2023 £ |
|---|---|---|---|
| Cash at bank and in hand | 754,768 | (154,690) | 600,078 |
| Debt due within 1 year | (60,941) | 2,214 | (58,727) |
| Debt due after 1 year | (622,911) | 55,627 | (567,284) |
| | 70,916 | (96,849) | (25,933) |

## 22. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £110,781 (2022: £65,267). Contributions totaling £17,748 (2022: £15,072) were payable to the fund at the balance sheet date and are included in creditors.

## 23. Operating lease commitments

At 31 December 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2023 £ | 2022 £ |
|---|---|---|
| Not later than 1 year | 32,356 | 32,509 |
| Later than 1 year and not later than 5 years | 57,350 | 60,559 |
| Later than 5 years | 1,399 | 3,221 |
| | 91,105 | 96,289 |

## 24. Related party transactions

During the year ended 31 December 2023 donations totaling £1,345, plus Gift Aid totalling £225 (2022: £2,219) were received from Trustees.

## 25. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the board of Trustees.

**MARTHA TRUST**

England & Wales - Charity number 1067885

# Accounts

Registered number: 03467406
Charity number: 1067885

# Martha Trust

**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 December 2022**

**Contents**

**Reference and administrative details of the Charity, its Trustees and advisers**
**For the year ended 31 December 2022**

| | |
|---|---|
| **Trustees** | Humphrey Clarke, Chairman<br>Adrian Button (appointed 24 November 2022)<br>Georgina Hovey<br>Richard Pitt (appointed 6 January 2022)<br>Rebecca Pryse<br>John Quin<br>Amy Rosie<br>Robert Sparkes<br>Roger Walton |
| **Company registered number** | 03467406 |
| **Charity registered number** | 1067885 |
| **Registered office** | Homemead Lane<br>Hacklinge<br>Deal<br>Kent<br>CT14 0PG |
| **Senior management team** | Natalia Olszewska, Director of Finance and Resources<br>Owen Nolan, Strategic Health and Social Care Lead<br>Claire Rogerson, Director of People and Culture<br>Alice Moir, Associate Director - Fundraising and Marketing |
| **Company secretary** | Natalia Olszewska |
| **Chief executive officer** | Julie Gayler |
| **Independent auditors** | Kreston Reeves LLP<br>Statutory Auditor<br>37 St Margaret's Street<br>Canterbury<br>Kent<br>CT1 2TU |
| **Bankers** | Barclays Bank PLC<br>9 St George Street<br>Canterbury<br>Kent<br>CT1 2JX |
| **Solicitors** | Girlings Solicitors LLP<br>16 Rose Lane<br>Canterbury<br>Kent<br>CT1 2UR |

**Chairman's statement**
**For the year ended 31 December 2022**

The chairman presents his statement for the year.

We started the year with a positive notion of hope, after several demanding years due to the Covid pandemic. Sadly, while hope remained, 2022 was again a challenging year that required the Martha management team to use their knowledge, skills, creativity, and empathy to ensure that our values were upheld in all areas of our work and our mission to see residents thrive continued.

Covid lingered in the background, with our dedicated staffing teams continuing to wear face masks, and test diligently to ensure residents remained safe and well. Once again, our people demonstrated their commitment and care for our vulnerable adults, putting their needs above their own comfort. Time and time again we are reminded of the fantastic people who choose to work with us, and how the happiness and ongoing good health of residents is a testament to their hard work and devotion.

The news of the war in Ukraine, touched us all and our thoughts and prayers continue to be with all those affected, and the many people displaced, away from their homes and family at this time. The resulting impact on the world economy, and inflationary increases here in the UK, have directly impacted Martha, particularly in costs of both food and energy.

The SMT were quick to recognise how rising costs would impact our staff and worked tirelessly to provide meaningful support in various ways that allowed people to retain their dignity. Feedback from teams showed these were gratefully received, and initiatives were also used to enhance recruitment efforts. The Board, and Remuneration Committee explored ways in which we could further support staff, particularly in the form of a significant pay increase for January 2023, recognising the impact of inflation on everyone's daily lives.

The challenges we saw in 2021 in relation to recruitment in the Care Sector, continued in 2022. This was recognised as a national crisis with Skills for Care reporting more than 165,000 vacancies in care. Martha continued to work to ensure people felt valued and appreciated, and while applications continued to be slow, we have faith that this work will come to fruition next year. As a result of staffing levels and a need to ensure the care provided remained at our high standards, the use of agency continued and reached unprecedented levels, resulting in costs exceeding our budget. This, combined with the Governments decision not to provide Adult Social Care with additional funding, and local Authorities looking to reduce costs and offer reduced fee increases, leads us to believe that our biggest future challenge will be of a financial nature.

One of our successes in 2022 was the result of the 'Work Life Balance Project'. This was the outcome of reviewing the efficiencies on shifts and handover times, and thereafter reducing shift lengths. Martha was then able to propose that people worked less hours, for the same salary on a higher hourly rate. Combined with an annual increase to take effect from January 2023, we were able to meet our hopes of significantly increasing peoples pay per hour, another way of making Martha an attractive employer.

As we look forward to 2023, our drive to improve and prosper, while holding on to our core beliefs continues but with a different focus and new challenges. The cost-of-living crisis and funding shortfalls will require a positive and creative approach in all strategic areas. However, we embrace these challenges with the knowledge that we have proven that we have the skills and faith within the organisation to reinvent and evolve our strategies. As always, the generous support of our donors will be invaluable, and we continue to be grateful for their support and the Lord's guidance.

RHClarke

Humphrey Clarke
Chairman
Date: 17 Aug 23

**Trustees' report**
**For the year ended 31 December 2022**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Martha Trust (the charity) for the year ended 31 December 2022. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

**Public Benefit**

**a. Purpose**

We are an established regional charity, formed in 1987, providing residential and day care to adults with profound physical and multiple learning disabilities (PMLD). We are passionate about delivering person-centred care, enabling the individuals we support to achieve their highest level of independence and lead a fulfilling, contented and meaningful life.

We achieve this by:
- recognising and respecting people as unique individuals.
- encouraging and supporting everyone to be involved and engaged in the world around them.
- promoting good health and holistic well-being.

Our health goals are to reduce and prevent unnecessary hospital admissions and to prevent delayed discharges.

We achieve this by:

- having individual care and support plans for people, recognising best practice and how we can support people with our nursing teams.
- developing a discharge plan on admission and acting as advocates for the residents' well-being while they are in hospital.

We believe that people with PMLD have the right to make choices about their lives as well as
the absolute right to privacy, dignity and respect. They are encouraged and assisted to engage where possible in activities within their local community. Our residential services are supported by a team of in-house care professionals as well as external specialists in health, person-centred planning, communication and physiotherapy.

Our Mission is to offer compassion, friendship and encouragement to people with profound and multiple disabilities, supporting them to lead a full and contented life.

Our Vision is for everyone with profound disabilities to be given the very best opportunities in life, enabling them to engage in the world around them and achieve their individual potential.

Our Values are:

- To treat everyone with respect, dignity and compassion
- To always be supportive and encouraging
- To promote a culture of inclusion and diversity
- To act with integrity and honesty at all times
- To champion the needs and rights of people with profound disabilities

While Martha Trust is driven by Christian values, we offer care and support to people from all faiths and backgrounds. We employ staff based on their skills and experience and do not discriminate on grounds of faith, gender, age, ethnic origin, disability, marital status, race, nationality or sexual orientation.

**b. Our strategic aims**

1. Be an outstanding provider offering high quality services and support for our residents
2. Generate sufficient fee and fundraising income to ensure ongoing financial viability
3. Operate an effective and efficient charity
4. Be an employer of choice in our local area
5. Enhance our links with community to the benefit of our residents

**c. Our strategic objectives for 2022-2024**

Objectives supporting each Strategic Aim

1. Be an outstanding provider offering high quality services and support for our residents
1.1. Understand the needs of the residents we serve and ensure we can evidence the impact of our services
1.2. Ensure our services are safe, effective, caring, responsive and well-led
1.3. Working closely with CQC and local authorities; to be outstanding in clinical expertise with an emphasis on residents needs

2. Generate sufficient fee and fundraising income to ensure ongoing financial viability
2.1 Ensure fee income for each resident is sufficient to fully cover the cost of their individual care needs
2.2 Grow and sustain voluntary income
2.3 Maintain efficient staffing levels and costs and limited use of agency staff
2.4 Ensure value for money by applying principles of economy, efficiency and effectiveness

3. Operate an effective and efficient charity
3.1 Ensure our organisation is well-governed and that our strategies, plans and budgets are aligned
3.2 Maintain effective risk management to aid and inform decision-making
3.3 Measure impact and outcomes in line with our Mission

4. Be an employer of choice in our local area
4.1 Support, develop and manage our staff in the achievement of our objectives
4.2 Foster a culture where individuals of all backgrounds feel confident to be themselves, and are included and empowered
4.3 Continue to evolve our strategic approach to recruitment and retention

5. Enhance our links with community to the benefit of our residents
5.1 Identify and take advantage of opportunities to support residents to be active members of the local community
5.2 Develop initiatives to engage with our local communities, promoting the work of Martha Trust and ways to support the charity
5.3 Identify and promote volunteering opportunities to individuals, businesses and local groups

The above objectives are in the process of being developed into a formal three year plan to be published in 2023. However, some initiatives and projects to deliver the objectives are already live, with progress achieved during 2022 set out in this report. Annual performance will be measured against the published plan during 2023 and 2024 and will be reported in the Trustee Annual Reports for those years.

**d. Activities for achieving objectives**

Strategy

During 2022 the biggest challenges in delivering against our strategic aims have been soaring inflation, the steep rise in the cost of living and the national recruitment crisis within the adult social care sector, as well as the ongoing battle to negotiate appropriate fees. It is a harsh reality that the combination of these factors has hindered the speed with which we have been able to move forward with activities to deliver our strategic plan.

Martha Trust strives to be an organisation that adapts and evolves to meet the inevitable challenges posed by external forces. This was demonstrated during the Covid 19 pandemic and that determination and vision has again been evident during 2022. Despite the unforeseen, difficult financial climate and recruitment pressures, we have made some significant progress with supporting our staff teams through the introduction of various initiatives, including the Work Life Balance Project explained later in the report.

By recognising the complex needs of those we support, we recognise the responsibility we have in ensuring that we protect the long-term sustainability of the organisation and can provide residents with the caring home for life that they deserve – and in doing so set new industry standards of excellence.

We are passionate about supporting people with PMLD to lead a full and contented life. We achieve this by recognising and respecting people as unique individuals, encouraging and supporting everyone to be involved and engaged in the world around them and promoting good health and holistic well-being.

Families

We continue to be committed to working alongside families, recognising their wealth of knowledge, listening to feedback and ideas to improve the experience for those involved and create meaningful relationships for the benefit of everyone.

Virtual family forums continued during 2022, which enabled family members from both Martha locations to interact, share views and experiences and develop their own support networks. Social media has proven to be invaluable in enabling families to keep in touch, with dedicated Facebook and WhatsApp platforms set up by the families.

Parent Representative Meetings have continued to take place regularly via Zoom. This has facilitated open and transparent communication between the Representatives and the Martha management team, which has been vital during a year of unexpected external pressures. One of the many benefits from these meetings, has been that consistent communications to wider family members has been far easier to facilitate.

The 2022 family feedback questionnaire was distributed to families, with nine responses received. Although the response rate is a little disappointing, when we take into account the other mechanisms we have in place for families to express their views, which we know they utilise, it is less of a concern. Many of our families frequently attend the family forums and are encouraged to raise issues, concerns or positive feedback directly to the Home Managers as and when they need to, as well as utilising the Parent Representative group. The family questionnaire plays a part in the review of our care services but isn't to be used as a stand-alone.

Family members are recruited to sit on Trustee-led committees when their experience is identified as being of value. This includes the Care Improvement Committee and Funding Strategy Committee, both of which have benefited enormously from the skills and different perspectives brought to the discussions by the families of our residents.

Operations

Whilst Covid-19 continued to impact on staffing levels during 2022, much of the operational learning from managing the service, gained during the first year of the pandemic, delivered efficiencies that enabled the organisation to still make considerable progress with many of its objectives.

The Care Improvement Committee, attended by a clinical Trustee and three family members with clinical backgrounds, aims to further develop our service and demonstrate how we are improving the lives of our residents through a long-term care strategy. Positive progress was made by the Committee during 2022 on the priority areas of resident care reviews and a new medication policy.

Our Quality assurance framework continues to evolve and improve, with the electronic care plan system, PCS, fully embedded. This technology streamlines the process of recording daily care and the review of risk assessments and resident needs. An electronic Medication Administration Record (MAR) has been introduced in 2022 following a trial period at the Deal site, which integrates with PCS and provides a safe, efficient system proven to reduce medication errors. This system will be introduced at our Hastings location during 2023.

The organisational governance framework has been reviewed and relaunched in 2022. The new framework replaces the existing Clinical Governance meetings and is guided by the CQC reg 17 for Governance, encompassing the Regulations for Service Providers and Managers under the Health and Social Care act 2008 and 2009.

Continuous Improvement Plans (CIP) form the basis of improving the quality of the services we offer. Each site has a CIP based on the CQC Key Lines of Enquiry standards. CIPs have been regularly updated during the year to include areas of improvement highlighted in stakeholder questionnaire responses and audits. Focus is placed on areas rated as Good by CQC at the last inspections, with a view to achieving Outstanding. This rolling plan ensures we can react quickly to areas of concern or innovative ideas, put more robust governance in place and evidence our ethos of being a learning organisation.

Following restructures, the activities teams at both Martha locations continue to lead on delivering person-centred activity plans, communication and physiotherapy programmes. PCS provides the platform for recording evidence of activities and review of individual plans due to any changes in need.

As always, we are keen to explore opportunities offered by new technology which can enable all residents to communicate more effectively, express themselves and have fun. As well as Eye Gaze technology, through generous donations we have been able to introduce interactive digital activity tables called Rainbow tables, which offer fun individual and group activities.

In 2022 we were excited to be the first care home in the UK to trial a new product 'AIR with Flavour®' developed by Biozoon. Many of our residents at Martha have issues with their swallowing so are reliant on a PEG tube for their food, fluid and medicine intake. For them the transition can be hard and many miss the sensations and joy of eating, tasting and drinking orally. 'Air with Flavour®' gives people who are unable to eat and drink in the usual way the ability to taste again without the need to swallow.

Development of the Martha Trust GDPR policy is an ongoing project, progress having initially been slowed by the Covid pandemic. In 2022 overall responsibility for GDPR was given to the Director of Finance and Resources and progress is now being made on reviewing and updating processes relating to Martha's care services and HR processes to ensure ongoing compliance with the latest regulations.

We continue to provide monthly information to several CCG Commissioning Support Units on set Key Performance Indicators and are working with other funding authorities to provide more detailed information on the service we provide.

Our People

2022 was a challenging year for Martha in terms of staffing levels, particularly on the Hastings site. This was in part to the ongoing national shortage of people wanting to work in the care sector. As a result, the priorities were to ensure that Martha continued to establish itself as an excellent employer, working to appeal to new recruits and also retain the good people in the teams.

In terms of retention, the ongoing efforts to ensure employees felt valued and appreciated continued through the year. Shopping vouchers were issued for Easter, our 35th Anniversary, Harvest Festival and Christmas. Families were invited to contribute to a gift for all staff, and as a result a further £10 voucher from families was issued to everyone. The remaining funds will be used to support an organisational family day in 2023.

It was recognised that some employees may be struggling with the increasing costs of daily living. As a result, Martha installed an employee food cupboard in all locations – providing all with the opportunity to have a free hot meal while at work. This was followed up later in the year with the decision to provide complimentary sanitary products in all Martha bathrooms, addressing ‘period poverty’ and enabling all employees to retain their dignity while at work.

Mental Health Day was celebrated across the organisation, with leaflets reminding people of the mental health first aiders on site, and we saw the return of the ’Art of Brilliant’ with workshops delivered to boost morale after the challenges of the past few years.

The decision was made to continue to pay all Covid-19 related absences at full pay, with this benefit remaining in place throughout 2022. The approach enabled Martha to keep residents safe, while ensuring that anyone who contracted Covid-19 did not suffer any negative financial impacts.

The Remuneration Committee formed in 2021 was instrumental in working with the SMT to implement several new initiatives including an increase in employer pension contributions to 5%, and improvements to the pay employees receive for maternity, paternity and after the loss of a child.

One of the biggest changes to the People approach at Martha in 2022 was the proposal and communication of the ‘Work Life Balance Project,’ due to be implemented on 2nd January 2023 following the previous work completed by the ‘Working Improvement Group’.

This project saw Martha take the principles of the ‘Four-day week’ and apply them in a way which is workable for the care sector. Day shift times were reduced from seven and a half hours to seven, with the handover period during which both day shifts were present in the home, changing from an hour and a half to thirty minutes. The hourly rate of pay staff receive was then adjusted to ensure that no one took home reduced pay if they were working fewer hours. Essentially, employees would be working less time for the same pay, but for recruitment purposes the hourly rate advertised increased to £10.55 per hour for a Support Worker.

Some initial concerns were expressed but following further consultation and explanations the final changes were to be implemented from 2nd January 2023. This date was chosen to enable the annual salary increase to be applied at the same time, making the process as efficient as possible.

From a business perspective, this change enables Martha to demonstrate to funders a move towards improving efficiency. It also enabled Martha to increase the Support Workers hourly rate above the minimum set by the government with less impact on expenditure. During 2023 Martha will be supporting teams to ensure these changes work and there is not negative impact on the organisation due to the reduction in working hours.

The plans to further embrace Equity, Diversity and Inclusion (EDI) have not moved a far as we had initially hoped at the star of the year. The continuation of Covid, ongoing recruitment challenges and the need to prioritise the ‘Work Life Balance Project’ meant that it was not appropriate timing to conduct a further questionnaire to launch the wider, cultural EDI work. However, our training provisions have started to work towards better inclusivity, with trainers working with people to provide accessible training rather than taking the same approach for all. Toward the end of 2022 we worked with our external training provider to amend the new ‘Oliver McGowen’ Training, ensuring such an important message would be well accessed by the whole team. This led away from the traditional method of asking people to read through literature and into a more inclusive and interactive approach.

Training in general has increased throughout the year, and fewer courses were cancelled due to Covid outbreaks. The focus has been on ensuring mandatory courses are delivered and compliance figures increased. Reviewing competencies and ensuring training provided is correctly applied has also been a focus throughout 2022. In 2023 we will move towards providing more specialist training that enables people to develop skills further. The planned higher level Safeguarding training took place, and the new team of Designated Safeguarding Leads is in place and working well. Getting people into training sessions while ensuring the homes were at safe staffing levels was not always possible.

The Care Certificate rollout out was successful and will continue through 2023 with support provided on each site for the groups working through the workbooks to gain their qualification. The NVQ provision in Deal failed to be as successful as had hoped, but this is likely to be due to the low staffing levels and a preference for people to pick up overtime rather than study, and not feeling able to do both. This will be revisited in 2023 with a higher level of support likely to be needed.

Feedback from new employees showed that the work on a clearer and easier to read handbook had been well received, and the decision to make the buddy period more individual depending on experience was made. A new induction for agency staff joining the team was implemented to ensure they received a full induction to be able to reach their full potential.

The SMT continued to work under the guidance and leadership of Julie Gayler. Owen Nolan joined SMT in January 2022 as the Strategic Health and Social Care Lead for Martha. Hady Tagg was promoted to Home Manager in Mary House, and Phil Linkin promoted to Senior RHM at Deal, providing oversight and support in Hastings. Angela Howie also stepped into the new position of Senior Nurse at Deal.

Overall, the staffing numbers across the organisation saw a decline with 37 leavers for the year, and 23 new starters. It should be noted however that a number of people identified as ‘leavers’ were those who started the employment process but failed to physically start employment. General movement led to a stagnant level of staffing despite the changes to the plans in recruitment and retention. At the start of 2022 the vacancy level of care employees for the organisation sat at 29.8% and changed little to 29% in December 2022. This percentage was different for each site with Deal improving slightly having started the year with a vacancy percentage of 24.5% and ending on 20.6%. Mary House however increased its vacancies from 37% in January to 43.3% These vacancies included both nurses and Support Workers. Levels of employee vacancies remain a concern due to the wider impact they have on both team morale and agency costs. At the end of 2022 applications for roles were low and agency use high.

The hope is that the increase in hourly rates, and a stable management team will enable Martha to improve staffing levels and therefore reduce the ongoing concern of agency costs. Efforts to reduce agency use have included ensuring people who work overtime are paid fairly and above the rates of most organisations. Throughout 2022 Martha paid all overtime shifts at double time, believing that familiarity and continuity of care are vital to ensure residents live a full life and enjoy their freedom in the world post Covid.

A focus on our People and embedding our values to ensure those who work at Martha feel part of a wider community and are appreciated will continue into 2023. Improving efficiency to ensure the People function is creating value for money and supporting business values is also a key priority. People are the key to Martha’s success and we are committed to creating a positive and supportive employee experience.

Fundraising

2022 was the first full year, post pandemic that we were able to run our full series of events and face-to-face fundraising started to get off the ground once again. Income raised via our fundraising events programme continues to grow, with our music events and golf days proving extremely popular with our supporters and the wider community of Deal. All our events saw growth and income from each event was at an all-time high.

Our car challenge was postponed for three years due to restrictions on travel because of Covid-19, so our 2022 was full at 15 cars and the sponsorship raised through this event was our best ever.

Our strategy for focussing our events around providing an enjoyable as well as a rewarding experience is proving the right focus for our charity. Where possible we also aim for our fundraising events, especially our music ones to be accessible and inclusive.

General income was up on forecast, boosted by a large one-off donation, as well as a number of local organisations hosting their own Music4Martha events. In Memory giving continues to be a popular way to show support of Martha.

We continue to build on support from local businesses and nurture relationships, we saw growth in support through sponsorship of our events programme and gifts in kind.

Our profile in the local communities within which we work continues to grow and we are spreading awareness further into Kent and Sussex. We continue to build good foundations in the Hastings area with key community groups. Our social media strategy continues to gather momentum with our Facebook followers up 10.1%, Instagram (launched February 2021) up 61.6% on 2021 and Twitter up 4%. Our social media is a great tool in promoting our fundraising activity, support for Martha and recruitment, as well as raising awareness of profound disability.

Towards the end of 2022, we expanded our fundraising team, appointing a new post of Fundraising and Events Assistant to support our fundraising and to help raise awareness of our work in the Hastings area. For 2022, our fundraising team was the equivalent of 2.56 f/t roles.

<u>Core grant income</u>

Our core grant income stream, which focuses on securing core funding support from Trusts and Foundations was 23% below budget, although we did secure support of our Activities programme at Martha. This reflects the competition faced in grant fundraising with so many charities now reliant on this income stream.

In 2022, our aim was to secure core funding towards items we have to pay for as a charity. We focussed our core approaches this year around activities, Person Centred Software and fundraising events costs.

<u>Restricted Appeals</u>

In 2022, we had a range of restricted projects for equipment.

Our appeal, to purchase two Rainbow Tables for our Deal homes proved popular with funders. These interactive, touch-screen, multipurpose tablets are the perfect addition to our activity offering at Martha and we successfully ended the year completing the appeal with two grants pending payment and one Rainbow Table purchased.

We started our appeal for a THERA trainer for our home in Hastings mid-way through the year. The THERA Trainer Tigo is essentially an exercise bike designed specifically for people with limited mobility. We ended the year still waiting for first grant to be awarded towards this appeal, but with a number of applications awaiting outcome we are hopeful to complete this in the first half of 2023.

We were successfully awarded a £1,000 grant to create an ‘Allotment at Home’ for our residents at Deal. The space we plan to create will have special raised beds at wheelchair height and grow fruit and vegetables as well as herbs and flowers to create a sensory experience. It will enable our residents to grow their own produce on site and have access to their allotment all year round.

A number of restricted donations were received for us to enhance our gardens at our Deal homes, raised through in-memory donations and a grant to support a volunteer day by a team from Swiss Re.

## Achievements and performance

### a. Key financial performance indicators

Martha Trust had a challenging year in 2022 due to cost of living crisis affecting the adult social services sector without additional funding being offered by the government. The deficit result at year end was not entirely surprising considering low inflationary increases from funding authorities contrasted with rising costs amplified by scarcity of care staff. Total income was £6.4 million (2021: £6.35 million) and the deficit was £64,039 (2021: surplus £498,830). Room occupancy decreased to 96.5% compared to 98.6% in 2021. There was one vacancy at the end of 2022.

In 2022 Martha Trust experienced the greatest erosion of real terms fee values with funding authorities reluctant to award increases for cost inflation despite record inflation levels. We had to renew our efforts to challenge funding authorities across the board and also to ensure that we frequently review the change in needs of existing and new residents to confirm they are fully funded. We were particularly disappointed with Kent County Council who totally disregarded the economic realities and gave no increase whatsoever for their residents on our Deal site.

Over the last five years, the minimum wage for over 21 year olds had risen 21.3%, from £7.83 per hour to £9.50 per hour. Kent County Council had only increased their fees by 12.17% over the last five years. Minimum wage is set to rise further to £10.42 in April 2023. The mismatch between increase in minimum wage and inflationary fee increases creates a significant gap in funding because approximately 70% of our costs are staff costs. In addition, the inflationary pressures in the wider economy in 2023 are expected to be exceptionally high, driving all of our other cost up by a percentage we currently cannot quantify.

Marketing of care services is still generating new care enquiries. We have further built on relationships with stakeholder authorities that resulted from marketing activity in recent years and we continue to engage with local funding authorities to enhance relationships with them. We now have a closer working relationship with authorities in Sussex and we continue to work with them to a greater extent than had been the case several years ago in respect of Mary House, Hastings.

Overall the level of new care enquiries in 2022 has been high. This is partly due to our profile being raised through marketing and partly due to a sustained and particularly high level of demand in a time of shrinking service provision in South East England. Many new enquiries are driven by closure of other care homes.

We have a continuing system of expenditure monitoring and control and a rigorous budgeting process. We negotiate with existing suppliers as well as potential new suppliers in order to source goods and services at the best possible price. Although there continue to be increases in costs due to operational needs we have achieved efficiencies across the organisation with only slight increase in total cost.

The year ended with the following results:

- Total income £6.4m (2021: £6.35m)
- Expenditure £6.46m (2021: 5.85m)
- Deficit £0.06m (2021: Surplus £0.5m)
- Percentage costs of management and administration 8.59% (2021: 8.05%)
- Occupancy 96.5% (2021: 98.6%)
- Balance Sheet total funds £5.07m (2021: £5.13m)

### b. Review of activities

There were three new residential placements during the year. There were no new respite placements during the year. The respite service was suspended for the foreseeable future in March 2020 due to Covid-19 and remains closed. Enquiries from families and clinical professionals seeking a possible placement continue to be at an encouraging level and residential rooms are very much in demand.

### c. Investment policy and performance

The investment policy agreed by the Trustees is to place funds in cash deposits on fixed and short-term arrangements but with the primary objective of ensuring Martha Trust's cash flow requirements are met.

### d. Factors relevant to achieve objectives

Our staff team works as seamlessly as possible to ensure that occupancy is maximised and that care is provided to not just meet residents' needs but to make a real difference to their lives. Some of the major challenges are outlined in a later section of this report but we ensure that everyone has their needs regularly reassessed and that full and comprehensive care plans, risk assessments and other important documentation are in place and regularly updated.

## Financial review

### a. Going concern

The charity has a net deficit of £64,039 during the year ended 31 December 2022. The adverse impact of high staff vacancies resulting in substantial agency cost and underfunding from our major funding authorities are cause of concern. Work is in hand to mitigate these issues and, as a consequence, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

### b. Financial risk management objectives and policies

Financial risk is minimised in several ways by Martha Trust. The ways we manage risk include seeking adequate fees for residents, effective cost control and proper appraisal of any developments. Through our policies and procedures our financial risk management is embedded in our organisational culture.

### c. Principal risks and uncertainties

In common with many providers of social care and health services, Martha Trust faces risks and uncertainties regarding the sustainability of fee levels in the long term. As noted above there have not been sufficient fee increases to cover inflationary pressures in full. Costs in the care sector are rising faster than general inflation. Regulation and good practice have caused notable cost increases as we need to spend more on maintaining and enhancing the quality of care. The Trustees have always believed it is absolutely correct for stakeholders to have confidence that our service is safe, effective, caring, responsive and well led. Securing funding for the essential spending that is increasingly required remains very challenging.

As mentioned in a. above, staff vacancies and the impact of agency cost are of our main concern. Staffing costs continue to be impacted by increases in National Living Wage (NLW). Although some funding authorities have increased fee levels, those increases do not cover the increase in wage costs. This results in continued pressure on resources and a greater challenge in maintaining financial stability.

As also mentioned in a. above, inadequate fee increases remain of concern. In particular, for the second year running, Kent County Council, are proposing no increase whatsoever to residents on the Deal site, and Kent and Medway ICB are proposing a mere increase of 1.8%. Neither of these take any account of inflationary situation. We have developed relationships with funding authorities where in previous years there was no relationship. By working to resist pressure on fees, by nurturing relationships with stakeholders, by increasing the number of rooms and by maximising our bed occupancy level we continue to meet risk with concerted action and therefore safeguard the future of Martha Trust.

### d. Principal funding

The main source of income for Martha Trust is from contracts with local authorities and NHS ICBs. Since Martha Trust provides care for people drawn from all parts of the UK, the charity has cultivated and maintained a wide range of relationships and is not dependent upon any one funder.

In addition, Martha Trust has, over several years, developed a marketing strategy specifically for its care services that has broadened its reach, enabling it to source placements from a greater number of authorities. This will help to maximise overall occupancy levels and therefore fee income. Alongside this strategy we are working more closely with Sussex ICB as well as with Kent & Medway ICB in order to source a higher level of placements from local areas.

Fundraising income finances most of our capital expenditure including developments within our homes like new rooms and specialist equipment, as well as providing some unrestricted funding. Other than fees for services and specific funding for the effects of Covid on our costs, no income is received from any statutory sources.

We are also grateful for the vital contributions by our supporters who help Martha Trust provide the level of service and care that we are all committed to. Without this support it would not be possible for the charity to continue to undertake its current level of service provision.

We believe that giving to charity should be a positive experience, and to help make sure this is the case the charity has put in place a policy that seeks to ensure that the highest possible standards of fundraising practice are being adopted. This policy acknowledges the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the charity. The charity voluntarily subscribes to the Fundraising Regulator, and complies with all aspects of its Code of Practice as well as ensuring its fundraising activity follows the principles set out under GDPR. All fundraising activity is carried out by our own in-house team and volunteers. The charity does not utilise the services of any external commercial fundraisers.

Martha welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

### e. Material investments policy

We do not participate in material investments.

## Structure, governance and management

### a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Trust Deed.

The principal object of the charity is to provide residential or 'inclusive care', for people with profound physical and multiple learning disabilities (PMLD), as well as respite services and support to families caring for people with PMLD.

### b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

### c. Policies adopted for the induction and training of Trustees

For all new Trustees we undertake an induction programme using the guidance from the Charity Commission under the heading of good governance.

We discuss with them the seven principles of the Charity Governance Code:
- Organisational Purpose
- Leadership
- Integrity
- Decision making, risk and control
- Board Effectiveness
- Equality, Diversity and Inclusion and
- Openness and Accountability

This ensures that they have a full understanding of their responsibilities. In addition, new Trustees will attend a seminar on their responsibilities by a charity firm during the first year of their Trusteeship at Martha Trust. New Trustees will also be allocated an experienced Trustee to guide them in their first six months of Trusteeship.

### d. Pay policy for senior staff

The Trustees are able to claim reasonable travelling and other expenses properly incurred by them in connection with their attendance at meetings of Trustee Board, Committee or General meetings, or otherwise in connection with the discharge of their duties, but are not paid remuneration. Some Trustees choose to donate their expenses back to Martha Trust.

All salaried roles at Martha, including those of the Directors and Chief Executive Officer, have been evaluated based on comparator market data by an independent HR consultancy, TRP Ltd, specialising in remuneration and reward issues.

### e. Organisational structure and decision making

At the year end the Board of Trustees consisted of nine Trustees, who are also Directors of Martha Trust for the purposes of company law. The Senior Management Team consisted of the Chief Executive Officer, Director of Finance and Resources, Strategic Health & Social Care Lead, Director of People and Culture, and Associate Director of Fundraising and Marketing.

There are four full Board Meetings per year, plus at least four Audit & Finance Committee Meetings. The Funding Strategy Group meets periodically and has two Trustees and one family representative. The Care Improvement Committee meets quarterly and has one Trustee and two family representatives. The Remuneration Committee meets at least once a year and it has two Trustees.

In terms of financial control, the Director of Finance and Resources prepares revenue and capital budgets for the forthcoming financial year. The Audit and Finance Committee considers the budgets prior to the start of that year. Once agreed, budgets are presented to Trustees for approval. Additionally, regular forecasts are prepared and reviewed during each financial year.

The budgets and forecasts are the cornerstone for financial operations during the year.

The CEO currently holds the CQC registration for the Hastings site, with a Home Manager responsible for the operational management of the home. Registration for the Deal site is held by the Senior Registered Home Manager (SRHM) who also provides clinical advice and support to the Hastings home management team.

All new care policies or changes to existing care policies are reviewed and approved at the organisation Governance meetings, which involve the SMT and management teams across all functions.

**f. Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

**a. Future developments**

Continue to be an outstanding provider that others can aspire to by:

- Demonstrating our understanding of the needs of the residents at Martha Trust and ensuring we can evidence the impact of our support.
- Ensuring our services are safe, effective, caring, responsive and well-led.
- Working closely with CQC and funding authorities, aim to be outstanding in clinical knowledge and safeguarding with an emphasis on residents' needs.
- Being a leading provider in our work on communication with people with PMLD through traditional methods and using the latest technology.

Generate sustainable funding and maximise resources to provide our residents with the best possible lives by:

- Growing, maximising and sustaining statutory, earned and fundraising income.
- Producing three-year budget plan, incorporating income and expenditure, to live within our means.
- Ensuring value for money by applying principles of economy, efficiency and effectiveness.
- Exploring redevelopment of under-utilised space to make best use of office space and opportunities for staff to work off site.

Operate a well-governed, efficient organisation, supporting and developing the staff and volunteers
who work for us by:

- Ensuring our charity is well-governed with alignment of strategy, business plan and financial sustainability.
- Managing our quality standards and risks effectively within our regulatory frameworks.
- Supporting, developing and managing our staff in the achievement of our objectives.

Risk Policy

The charity maintains a risk register which firstly identifies all risks and then has a scoring system to further identify major risks. The Director of Finance and Resources is responsible for maintaining the register, which is reviewed monthly at SMT meetings. The CEO discusses serious risks with the Trustees and the relevant subcommittee who will then agree whether it should be subject to a board paper and discussion.

Reserves Policy

At 31 December 2022, the Trustees considered it appropriate to set free reserves held to equivalent of at least four months expected general expenditure for one home (four and half months in previous year), which is in the region of £600,000. The free reserves at 31 December 2022 amounted to £809,128. The Trustees will continue to review reserves on a regular basis, in accordance with the Charity Commission guidance.

Remuneration and social investment policy

Martha Trust recognises the importance of a sound remuneration and benefits policy when it comes to attracting and retaining highly skilled and motivated staff. This policy cannot stand still in isolation and must be reviewed regularly in absolute terms and compared to other similar organisations to ensure its competitiveness.

**Trustees' report (continued)**
**For the year ended 31 December 2022**

Staff should be rewarded in relation to:

1. The level of responsibility and the value placed on comparable jobs within the Trust.
2. The value placed on comparable jobs in the local area.

In addition to an annual inflation-linked review, regular reviews will be carried out by the Chief Executive in conjunction with the Home Managers to ensure that Martha Trust remains competitive in respect of its pay and benefits policy generally.

We do not currently undertake any social investment and hence have no policy for this.

## Trustee Declaration

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and

- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

- That Trustee had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The board of Trustees welcomed the new Charity Governance Code published in December 2020. The Trustees considered some of the new requirements of The Code aspirational and thus have faced constraints in immediately implementing all of its recommendations. Nevertheless, the board will continue to strive for continuous improvement, exploring possibilities for extending the range of skills and experience of existing trustees, recruiting where any shortfalls are identified. An independent board review is planned for 2023.

This report was approved by the Trustees on 9 August 2023 and signed on their behalf by:

Martha Trust is committed to evolving as an organisation to reflect the changing values and principles within society.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**Humphrey Clarke**
(Chair of Trustees)

Date: 17 August 2023

**Statement of Trustees' responsibilities**
**For the year ended 31 December 2022**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Independent auditors' report to the Members of Martha Trust

### Opinion

We have audited the financial statements of Martha Trust (the 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 2.6 in the financial statements, which indicates that the charity has a net deficit of £64,039 during the year ended 31 December 2022. As stated in note 2.6, these events or conditions, along with the other matters as set forth in note 2.6, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the Trustees' assessment of the charitable company's ability to continue to adopt the going concern basis of accounting included sensitivity analysis regarding future occupancy rates, CCG expected fee income increases and expected cost increases.

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

**Independent auditors' report to the Members of Martha Trust (continued)**

## Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

## Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

## Independent auditors' report to the Members of Martha Trust (continued)

### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, Care Quality Commission inspection reports and fundraising practices and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety, Care Quality Commission inspection reports and fundraising practices) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance.

**Independent auditors' report to the Members of Martha Trust (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the Members of Martha Trust (continued)**

## 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

**Samantha Rouse FCCA DChA (Senior statutory auditor)**

for and on behalf of
**Kreston Reeves LLP**

Statutory Auditor
Chartered Accountants

Canterbury

17 August 2023

## Statement of financial activities (incorporating income and expenditure account)
## For the year ended 31 December 2022

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 3 | **247,071** | **59,778** | **306,849** | 336,122 |
| Charitable activities | 4 | **6,026,230** | **57,788** | **6,084,018** | 6,019,878 |
| Other income | 5 | **9,983** | **-** | **9,983** | (9,327) |
| **Total income** | | **6,283,284** | **117,566** | **6,400,850** | 6,346,673 |
| **Expenditure on:** | | | | | |
| Raising funds | 6 | **154,091** | **-** | **154,091** | 126,626 |
| Charitable activities | 7 | **6,222,761** | **88,037** | **6,310,798** | 5,721,217 |
| **Total expenditure** | | **6,376,852** | **88,037** | **6,464,889** | 5,847,843 |
| **Net movement in funds** | | **(93,568)** | **29,529** | **(64,039)** | 498,830 |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **4,379,546** | **758,041** | **5,137,587** | 4,638,757 |
| Net movement in funds | | **(93,568)** | **29,529** | **(64,039)** | 498,830 |
| **Total funds carried forward** | | **4,285,978** | **787,570** | **5,073,548** | 5,137,587 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 44 form part of these financial statements.

**Martha Trust**
**(A company limited by guarantee)**
**Registered number: 03467406**

**Balance sheet**
**As at 31 December 2022**

| | Note | | 2022 £ | | 2021 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 11 | | **4,753,318** | | 4,908,387 |
| | | | **4,753,318** | | 4,908,387 |
| **Current assets** | | | | | |
| Debtors | 12 | **656,831** | | 538,140 | |
| Cash at bank and in hand | | **754,768** | | 1,057,658 | |
| | | **1,411,599** | | 1,595,798 | |
| Creditors: amounts falling due within one year | 13 | **(468,458)** | | (535,537) | |
| **Net current assets** | | | **943,141** | | 1,060,261 |
| **Total assets less current liabilities** | | | **5,696,459** | | 5,968,648 |
| Creditors: amounts falling due after more than one year | 14 | | **(622,911)** | | (831,061) |
| **Total net assets** | | | **5,073,548** | | 5,137,587 |
| **Charity funds** | | | | | |
| Restricted funds | 15 | | **787,570** | | 758,041 |
| Unrestricted funds | | | | | |
| Designated funds | 15 | **3,272,715** | | 3,160,192 | |
| General funds | 15 | **809,128** | | 1,015,219 | |
| Revaluation reserve | | **204,135** | | 204,135 | |
| Total unrestricted funds | 15 | | **4,285,978** | | 4,379,546 |
| **Total funds** | | | **5,073,548** | | 5,137,587 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

H Clarke

**Humphrey Clarke**
Chairman

Date: 17 August 2023

The notes on pages 25 to 44 form part of these financial statements.

**Martha Trust**

**(A company limited by guarantee)**

## Statement of cash flows
**For the year ended 31 December 2022**

| | Note | 2022 £ | 2021 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net cash used in operating activities | 18 | **51,313** | 880,724 |
| **Cash flows from investing activities** | | | |
| Dividends, interests and rents from investments | | **(28,628)** | (35,350) |
| Purchase of tangible fixed assets | | **(72,966)** | (177,444) |
| **Net cash used in investing activities** | | **(101,594)** | **(212,794)** |
| **Cash flows from financing activities** | | | |
| Repayments of borrowing | | **(252,609)** | (203,953) |
| **Net cash used in financing activities** | | **(252,609)** | **(203,953)** |
| **Change in cash and cash equivalents in the year** | | **(302,890)** | **463,977** |
| Cash and cash equivalents at the beginning of the year | | **1,057,658** | 593,681 |
| **Cash and cash equivalents at the end of the year** | 19 | **754,768** | 1,057,658 |

The notes on pages 25 to 44 form part of these financial statements

**Notes to the financial statements**
**For the year ended 31 December 2022**

## 1. General information

Martha Trust is a charity, limited by guarantee, domiciled in England and Wales, registration number 03467406.

The registered office is Homemead Lane, Hacklinge, Deal, Kent, CT14 0PG.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Martha Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

The charity's functional currency is Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

### 2.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

### 2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## 2. Accounting policies (continued)

### 2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor;s intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 2. Accounting policies (continued)

### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

### 2.6 Going concern

The charity has a net deficit of £64,039 during the year ended 31 December 2022. The adverse impact of high staff vacancies resulting in substantial agency cost and underfunding from our major funding authorities are a cause of concern. Work is in hand to mitigate these issues and, as a consequence, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### 2.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised.

Tangible fixed assets are carried at cost or deemed cost, net of depreciation and any provision for impairment. Deemed cost represents the fair value of certain freehold properties owned by the charity, at the date of transition to FRS 102, 1 January 2014. Under the cost mode, freehold property will not be subject to further valuations.

## 2. Accounting policies (continued)

### 2.8 Tangible fixed assets and depreciation (continued)

Depreciation is not charged on freehold land. Depreciation is provided from when assets become available for use at rates calculated to write off the cost or deemed cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold property | - 2% straight line |
| Motor vehicles | - 20% straight line |
| Fixtures and fittings | - 10% - 20% straight line |
| Freehold land | - not depreciated |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

### 2.9 Interest receivable

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

### 2.10 Operating leases

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

### 2.11 Debtors

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

### 2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.13 Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### 2.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required the Trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results from the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgement has had the most significant impact on the amounts recognised in the financial statements:

The charity has recognised tangible fixed assets with a carrying value of £4,753,318 at the reporting date (see note 11). These assets are stated at their cost less provision for depreciation and impairment. The charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired (see note 2.8). For material assets such as land and buildings the charity determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the charity's forecasts for the foreseeable future which do not include any restructuring activities that the charity is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

### 2.16 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### 2.17 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**Notes to the financial statements**
**For the year ended 31 December 2022**

## 3. Income from donations and legacies

| | **Unrestricted funds 2022 £** | **Restricted funds 2022 £** | **Total funds 2022 £** | Total funds 2021 £ |
|---|---|---|---|---|
| Donations | 247,071 | 17,874 | **264,945** | 265,377 |
| Grants - Covid-19 | - | 41,904 | **41,904** | 35,796 |
| Government grants - Furlough | - | - | **-** | 34,949 |
| **Total 2022** | 247,071 | 59,778 | **306,849** | 336,122 |
| Total 2021 | 228,099 | 108,023 | 336,122 | |

## 4. Income from charitable activities

| | **Unrestricted funds 2022 £** | **Restricted funds 2022 £** | **Total funds 2022 £** | Total funds 2021 £ |
|---|---|---|---|---|
| Residential and day care fees | 6,026,230 | - | **6,026,230** | 5,914,051 |
| Covid-19 fees | - | 57,788 | **57,788** | 105,827 |
| | 6,026,230 | 57,788 | **6,084,018** | 6,019,878 |
| Total 2021 | 5,914,051 | 105,827 | 6,019,878 | |

## 5. Other incoming resources

| | **Unrestricted funds 2022 £** | **Total funds 2022 £** | Total funds 2021 £ |
|---|---|---|---|
| Other | 9,983 | **9,983** | (9,327) |
| Total 2021 | (9,327) | (9,327) | |

**Notes to the financial statements**
**For the year ended 31 December 2022**

## 6. Expenditure on raising funds

### Costs of raising voluntary income

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|
| Events and publicity costs | 50,348 | **50,348** | 34,746 |
| Legal and professional | 2,287 | **2,287** | 1,896 |
| General office costs | 2,778 | **2,778** | 1,660 |
| Maintenance/Utilities/Sundry | 1,892 | **1,892** | 1,367 |
| Salaries to generate income | 96,786 | **96,786** | 86,957 |
| **Total 2022** | 154,091 | **154,091** | 126,626 |
| Total 2021 | 126,626 | 126,626 | |

## 7. Analysis of expenditure on charitable activities

### Summary by fund type

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Total 2021 £ |
|---|---|---|---|---|
| Residential and day care costs | 6,222,761 | 88,037 | **6,310,798** | 5,721,217 |
| Total 2021 | 5,588,013 | 133,204 | 5,721,217 | |

**Notes to the financial statements**
**For the year ended 31 December 2022**

## 8. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|
| Residential and day care costs | 5,755,453 | 555,345 | **6,310,798** | 5,721,217 |
| Total 2021 | 5,250,294 | 470,923 | 5,721,217 | |

### Analysis of direct costs

| | Residential and day care 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|
| Staff costs | 3,601,651 | **3,601,651** | 3,579,005 |
| Depreciation | 207,549 | **207,549** | 189,932 |
| Establishment costs | 1,946,253 | **1,946,253** | 1,481,357 |
| **Total 2022** | 5,755,453 | **5,755,453** | 5,250,294 |
| Total 2021 | 5,250,294 | 5,250,294 | |

**Notes to the financial statements**
**For the year ended 31 December 2022**

## 8. Analysis of expenditure by activities (continued)

### Analysis of support costs

| | Residential and day care 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|
| Wages and salaries | 447,386 | **447,386** | 389,921 |
| Depreciation | 17,953 | **17,953** | 18,353 |
| Establishment costs | 29 | **29** | - |
| Travel and subsistence | 7,924 | **7,924** | 3,675 |
| Insurance | 2,475 | **2,475** | 2,121 |
| Maintenance, cleaning and repairs | 14,153 | **14,153** | 13,913 |
| Print, post and stationery | 1,988 | **1,988** | 1,532 |
| Telephone and fax | 1,478 | **1,478** | 1,106 |
| Operating lease rentals and equipment | 1,498 | **1,498** | 1,527 |
| Staff training | 10,234 | **10,234** | 1,731 |
| General expenses | 1,815 | **1,815** | 1,193 |
| Bank charges and interest | 1,867 | **1,867** | 2,049 |
| IT Costs | 2,255 | **2,255** | 4,866 |
| Legal and professional fees | 29,340 | **29,340** | 19,484 |
| Publicity and communications | 2,950 | **2,950** | 1,052 |
| Governance costs | 12,000 | **12,000** | 8,400 |
| **Total 2022** | 555,345 | **555,345** | 470,923 |

## 9. Net income/(expenditure)

This is stated after charging:

| | 2022 £ | 2021 £ |
|---|---|---|
| Depreciation of tangible fixed assets: | **225,502** | 200,346 |
| - owned by the charity | | |
| Auditors' remuneration - audit | **12,000** | 8,400 |
| Operating lease rentals | **1,498** | 1,527 |

During the year, no Trustees received any remuneration (2021: £NIL).
During the year, no Trustees received any benefits in kind (2021: £NIL).
One Trustee received a reimbursement of travel expenses totalling £89 in the current year, (2021: £1,236 paid to two trustees).

## 10. Staff costs

| | **2022** **£** | 2021 £ |
|---|---|---|
| Wages and salaries | **3,743,271** | 3,688,192 |
| Social security costs | **337,285** | 305,767 |
| Contribution to defined contribution pension schemes | **65,267** | 61,924 |
| | **4,145,823** | 4,055,883 |

No termination payments were made during the year (2021: one employee totaling £1,620) included within wages and salaries.

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

| | **2022** **No.** | 2021 No. |
|---|---|---|
| Employees | **169** | 176 |

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

| | **2022** **No.** | 2021 No. |
|---|---|---|
| In the band £60,001 - £70,000 | **1** | - |
| In the band £70,001 - £80,000 | **1** | 2 |

The total salaries received by key management personnel was £277,405 (2021: £333,052). Employer pension contributions were a total of £11,291 (2021: £8,929) and employer national insurance contributions were a total of £30,044 (2021: £43,763).

## 11. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 January 2022 | **6,260,745** | **119,462** | **1,368,503** | **7,748,710** |
| Additions | **-** | **17,000** | **55,966** | **72,966** |
| Disposals | **-** | **-** | **(19,754)** | **(19,754)** |
| At 31 December 2022 | **6,260,745** | **136,462** | **1,404,715** | **7,801,922** |
| **Depreciation** | | | | |
| At 1 January 2022 | **1,751,565** | **111,218** | **977,540** | **2,840,323** |
| Charge for the year | **116,167** | **5,044** | **104,291** | **225,502** |
| On disposals | **-** | **-** | **(17,221)** | **(17,221)** |
| At 31 December 2022 | **1,867,732** | **116,262** | **1,064,610** | **3,048,604** |
| **Net book value** | | | | |
| At 31 December 2022 | **4,393,013** | **20,200** | **340,105** | **4,753,318** |
| At 31 December 2021 | 4,509,180 | 8,244 | 390,963 | 4,908,387 |

Included in land and buildings is freehold land at a valuation of £716,575 (2021: £716,575), which is not depreciated.

The Charity has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

| | 2022 £ |
|---|---|
| At cost: | **6,056,610** |
| At valuation: 1998 at open market value | **204,135** |
| | **6,260,745** |

## 11. Tangible fixed assets (continued)

Included in the net book value of property displayed above are the following amounts ascribable to land:

| | 2022 £ | 2021 £ |
|---|---|---|
| Cost | **6,056,610** | 6,056,610 |
| Accumulated depreciation | **(1,690,252)** | (1,581,802) |
| | **4,366,358** | 4,474,808 |

## 12. Debtors

| | 2022 £ | 2021 £ |
|---|---|---|
| Trade debtors | **556,109** | 468,394 |
| Other debtors | **10,933** | 13,013 |
| Prepayments and accrued income | **89,789** | 56,733 |
| | **656,831** | 538,140 |

## 13. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|---|---|---|
| Barclays Mortgage | **23,496** | 58,435 |
| Charity Bank Loan 2 | **28,338** | 29,342 |
| Charity Bank Loan 3 | **9,107** | 17,623 |
| Trade creditors | **118,032** | 68,713 |
| Other taxation and social security | **81,275** | 92,287 |
| Other creditors | **46,587** | 47,243 |
| Accruals and deferred income | **161,623** | 221,894 |
| | **468,458** | 535,537 |

**Deferred income**

Deferred income as at 1 January 2022 is £22,382. There have been resources deferred during the year of £70,009. £22,382 has been released relating to deferred income in previous years. The deferred income as at 31 December 2021 is therefore £70,009.

Deferred income is in relation to fees received in advance.

**Notes to the financial statements**
**For the year ended 31 December 2022**

## 14. Creditors: Amounts falling due after more than one year

| | **2022** £ | 2021 £ |
|---|---|---|
| Barclays Mortgage | **104,320** | 135,138 |
| Charity Bank Loan 2 | **352,608** | 378,934 |
| Charity Bank Loan 3 | **165,983** | 316,989 |
| | **622,911** | 831,061 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | **2022** £ | 2021 £ |
|---|---|---|
| Repayable by installments | **358,931** | 523,794 |
| | **358,931** | 523,794 |

The Barclays Mortgage is secured by way of a charge over the charity's land and buildings at Martha House. The mortgage is repayable in installments until 2028 for £127,816. During the year, the mortgage bore interest at a flexible rate of 1% over the Barclays Base Rate.

Charity Bank holds a fixed legal charge over the freehold property that is Mary House in Hastings. The two loans are repayable by way of the following:

Charity Bank loan 2 is repayable in installments until 2033 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2022 was £380,947.

Charity Bank loan 3 is repayable in installments until 2037 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2022 was £175,089.

**Notes to the financial statements**
**For the year ended 31 December 2022**

## 15. Statement of funds

### Statement of funds - current year

| | Balance at 1 January 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2022 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | 3,160,192 | - | - | 112,523 | 3,272,715 |
| **General funds** | | | | | |
| General Funds | 1,015,219 | 6,283,284 | (6,376,852) | (112,523) | 809,128 |
| Revaluation reserve | 204,135 | - | - | - | 204,135 |
| | 1,219,354 | 6,283,284 | (6,376,852) | (112,523) | 1,013,263 |
| **Total Unrestricted funds** | 4,379,546 | 6,283,284 | (6,376,852) | - | 4,285,978 |
| **Restricted funds** | | | | | |
| Frances House | 230,556 | 10 | (85) | - | 230,481 |
| Mary House | 350,000 | - | - | - | 350,000 |
| Mary House Vehicle | 16,200 | - | (16,200) | - | - |
| Mary House ICT | 3,075 | - | (797) | - | 2,278 |
| Mary House Misc | 5,618 | 3,928 | (2,926) | - | 6,620 |
| Martha House | 2,314 | 1,771 | (848) | - | 3,237 |
| Deal Staff Fund | 2,862 | 205 | (177) | - | 2,890 |
| Core Restricted | 5,000 | 41,904 | (36,161) | - | 10,743 |
| Staff Christmas Fund | - | 2,785 | (1,750) | - | 1,035 |
| Local Authority - Covid-19 | 133,516 | 57,788 | (16,694) | - | 174,610 |
| Dave Poke Memorial Fund | 3,100 | - | - | - | 3,100 |
| Bladder Scanner | 5,800 | - | (5,800) | - | - |
| Rainbow Table | - | 6,675 | (4,099) | - | 2,576 |
| Deal Garden | - | 2,500 | (2,500) | - | - |
| | 758,041 | 117,566 | (88,037) | - | 787,570 |
| **Total of funds** | 5,137,587 | 6,400,850 | (6,464,889) | - | 5,073,548 |

## 15. Statement of funds (continued)

### Statement of funds - prior year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2021 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | 3,015,334 | - | - | 144,858 | 3,160,192 |
| **General funds** | | | | | |
| General Funds | 741,893 | 6,132,823 | (5,714,639) | (144,858) | 1,015,219 |
| Revaluation reserve | 204,135 | - | - | - | 204,135 |
| | 946,028 | 6,132,823 | (5,714,639) | (144,858) | 1,219,354 |
| **Total Unrestricted funds** | 3,961,362 | 6,132,823 | (5,714,639) | - | 4,379,546 |
| **Restricted funds** | | | | | |
| Frances House | 230,556 | - | - | - | 230,556 |
| Mary House | 350,000 | - | - | - | 350,000 |
| Mary House Vehicle | - | 16,200 | - | - | 16,200 |
| Mary House ICT | 3,075 | - | - | - | 3,075 |
| Mary House Misc | 4,248 | 4,007 | (2,637) | - | 5,618 |
| Martha House | 2,270 | 2,500 | (2,456) | - | 2,314 |
| Deal Water Garden | 400 | - | (400) | - | - |
| Deal Staff Fund | 922 | 2,070 | (130) | - | 2,862 |
| Core Restricted | - | 35,796 | (30,796) | - | 5,000 |
| Masonic Lodge Beds | 16,908 | - | (16,908) | - | - |
| Staff Christmas Fund | - | 3,730 | (3,730) | - | - |
| Local Authority - Covid-19 | 69,016 | 105,827 | (41,327) | - | 133,516 |
| Dave Poke Memorial Fund | - | 3,100 | - | - | 3,100 |
| Communications for All | - | 34,820 | (34,820) | - | - |
| Bladder Scanner | - | 5,800 | - | - | 5,800 |
| | 677,395 | 213,850 | (133,204) | - | 758,041 |
| **Total of funds** | 4,638,757 | 6,346,673 | (5,847,843) | - | 5,137,587 |

## 15. Statement of funds (continued)

### Designated fixed asset fund

This represents the book value of fixed assets less any associated liabilities and are not deemed to be freely available funds by the Trustees.

### Designated build fund

The designated build fund represents the charity's own financial investment in the development of Mary House.

### Frances House

In 2007 £230,000 was donated by the Development Trust towards the extension at Frances House which provided three new places. This donation carries a restriction for a period of 21 years and requires that those three new residents at Frances House must not have previously lived at any other Martha Trust home. The restriction is secured by way of a legal charge over the property. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered remote.

### Mary House

(i) This fund includes a donation of land and buildings in Hastings from The Agape Trust in 2004. The use to which the land and buildings could be put was restricted by the original donors, Blatchington Court Trust. The restriction requires Martha Trust to provide homes for a period of 99 years and at any one time at least four residents must be people under 31 years, of whom at least two must be visually impaired. This restriction applies to Martha Trust as a whole and not to Mary House individually. If this restriction is breached £350,000 is repayable to Blatchington Court Trust. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered to be remote. These restrictions will be waived on Martha Trust meeting certain criteria.

(ii) The remainder of the fund represents ongoing donations we have been receiving for the benefit of Mary House.

### Martha House

This fund represents ongoing donations we have been receiving for the benefit of Martha House.

### Deal Water Garden

This fund represents donations made to fund a water feature garden at Martha House.

### Deal Staff Fund

This fund is for donations received towards staff entertainment.

### Core restricted

This fund has been set up to secure core funding for ongoing costs we face as a charity, such as specialist equipment, training and the cost of providing activities to our residents. Grants secured from multiple funder

**Masonic Lodge Beds**

This fund represents donations for 14 beds across Hastings and Deal.

**Staff Christmas Fund**

This fund represents donations from families and Trustees for the purchase of gift cards.

**COVID Funds**

There are four funds that represent grants received to enable the charity to purchase necessary PPE and equipment during COVID-19.

**Dave Poke Memorial Fund**

Donations were raised in memory of the parent of one of the residents at Mary House. The family are considering use of the funds either towards a sensory garden or as a bursary for specialist training to support adults with PMLD.

**Mary House Vehicle**

We successfully fundraised for an adapted vehicle for our home in Hastings, Mary House. This vehicle now plays an integral role in our residents lives, enabling them to go out on an individual basis for medical appointments and trips out as an alternative to the use of the communal minibus.

**Bladder Scanner**

We successfully raised funds to purchase a bladder scanner and associated training that was needed. With the use of this diagnostic aid we will be able to scan and measure the volume of urine within the bladder so avoiding the use of unnecessary catheterization; reduce the rates of urinary tract infection due to incomplete emptying and help to manage incontinence. This piece of equipment will allow us to better support our residents health and wellbeing.

**Communications for All**

With most of our residents non-verbal our communications programme has proved life changing. As part of the development plan for communications at Martha, we identified the need to purchase two new portable eye-gaze units (Eye16 units) for use at our Deal homes to give our residents a voice and ability to have a say in their life. We are delighted that we exceeded our target raising enough for three Tobuu Dynavox I-16 units. Alongside this, the appeal also lead to one of the parents of a resident purchasing a unit for their son.

**Rainbow Table**

Our appeal, to purchase two Rainbow Tables for our Deal homes proved popular with funders. These interactive touch screen multipurpose tablets are the perfect addition to our activity offering at Martha. And, we successfully ended the year completing the appeal with two grants pending payment and one Rainbow Table purchased.

**Deal Garden**

A number of restricted monies were received for use to enhance our gardens at our Deal homes, raised through in memory donations and a grant to support a volunteer day by a team from Swiss Re.

**Transfers**

During the year, the Trustees have designated funds representing the book value of the fixed assets less any associated borrowings as these are not deemed to be freely available funds by the Trustees.

## 16. Summary of funds

### Summary of funds - current year

| | Balance at 1 January 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2022 £ |
|---|---|---|---|---|---|
| Designated funds | **3,160,192** | **-** | **-** | **112,523** | **3,272,715** |
| General funds | **1,219,354** | **6,283,284** | **(6,376,852)** | **(112,523)** | **1,013,263** |
| Restricted funds | **758,041** | **117,566** | **(88,037)** | **-** | **787,570** |
| | **5,137,587** | **6,400,850** | **(6,464,889)** | **-** | **5,073,548** |

### Summary of funds - prior year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2021 £ |
|---|---|---|---|---|---|
| Designated funds | 3,015,334 | - | - | 144,858 | 3,160,192 |
| General funds | 946,028 | 6,132,823 | (5,714,639) | (144,858) | 1,219,354 |
| Restricted funds | 677,395 | 213,850 | (133,204) | - | 758,041 |
| | 4,638,757 | 6,346,673 | (5,847,843) | - | 5,137,587 |

## 17. Analysis of net assets between funds

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

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|---|
| Tangible fixed assets | 4,160,703 | 592,615 | **4,753,318** |
| Current assets | 1,216,644 | 194,955 | **1,411,599** |
| Creditors due within one year | (468,458) | - | **(468,458)** |
| Creditors due in more than one year | (622,911) | - | **(622,911)** |
| **Total** | 4,285,978 | 787,570 | **5,073,548** |

## 17. Analysis of net assets between funds (continued)

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

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|---|
| Tangible fixed assets | 4,295,624 | 612,763 | 4,908,387 |
| Current assets | 1,450,520 | 145,278 | 1,595,798 |
| Creditors due within one year | (535,537) | - | (535,537) |
| Creditors due in more than one year | (831,061) | - | (831,061) |
| **Total** | 4,379,546 | 758,041 | 5,137,587 |

## 18. Reconciliation of net movement in funds to net cash flow from operating activities

| | **2022 £** | 2021 £ |
|---|---|---|
| Net income/expenditure for the year (as per Statement of Financial Activities) | **(64,039)** | 498,830 |
| **Adjustments for:** | | |
| Depreciation charges | **225,503** | 200,346 |
| Dividends, interests and rents from investments | **28,628** | 35,350 |
| Loss on the sale of fixed assets | **2,532** | 18,601 |
| Increase in debtors | **(118,691)** | (19,408) |
| Increase/(decrease) in creditors | **(22,620)** | 147,005 |
| **Net cash provided by operating activities** | **51,313** | 880,724 |

## 19. Analysis of cash and cash equivalents

| | **2022 £** | 2021 £ |
|---|---|---|
| Cash in hand | **754,768** | 1,057,658 |
| **Total cash and cash equivalents** | **754,768** | 1,057,658 |

## 20. Analysis of changes in net debt

| | At 1 January 2022 £ | Cash flows £ | At 31 December 2022 £ |
|---|---|---|---|
| Cash at bank and in hand | **1,057,658** | **(302,890)** | **754,768** |
| Debt due within 1 year | **(58,435)** | **34,939** | **(23,496)** |
| Debt due after 1 year | **(135,138)** | **30,818** | **(104,320)** |
| Finance leases | **(346,331)** | **(34,616)** | **(380,947)** |
| | **517,754** | **(271,749)** | **246,005** |

## 21. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £65,267 (2021: £61,924). Contributions totaling £15,072 (2021: £15,150) were payable to the fund at the balance sheet date and are included in creditors.

## 22. Operating lease commitments

At 31 December 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 £ | 2021 £ |
|---|---|---|
| Not later than 1 year | **32,509** | 36,057 |
| Later than 1 year and not later than 5 years | **60,559** | 64,112 |
| Later than 5 years | **3,221** | 8,525 |
| | **96,289** | 108,694 |

## 23. Related party transactions

During the year ended 31 December 2022 donations totaling £2,219 (2021: £NIL) were received from Trustees.

## 24. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the board of Trustees.

# Accounts

Registered number: 03467406
Charity number: 1067885

# Martha Trust

**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 December 2021**

**Martha Trust**
**(A company limited by guarantee)**

**Contents**

**Martha Trust**

**(A company limited by guarantee)**

**Reference and administrative details of the Charity, its Trustees and advisers**
**For the year ended 31 December 2021**

| | |
|---|---|
| **Trustees** | Humphrey Clarke, Chairman<br>Georgina Hovey<br>Richard Pitt (appointed 6 January 2022)<br>Rebecca Pryse<br>John Quin<br>Amy Rosie<br>Robert Sparkes<br>Roger Walton |
| **Company registered number** | 03467406 |
| **Charity registered number** | 1067885 |
| **Registered office** | Homemead Lane<br>Hacklinge<br>Deal<br>Kent<br>CT14 0PG |
| **Senior management team** | George White, CEO (retired 1 November 2021)<br>Julie Gayler, Deputy CEO, CEO from 1 November 2021<br>Natalia Olszewska, Director of Finance and Resources<br>Owen Nolan, Senior Registered Home Manager and Learning Disability Lead<br>Claire Doe, Associate Director of People and Culture<br>Alice Moir, Associate Director - Fundraising and Marketing |
| **Company secretary** | Natalia Olszewska |
| **Chief executive officer** | Julie Gayler |
| **Independent auditors** | Kreston Reeves LLP<br>Statutory Auditor<br>37 St Margaret's Street<br>Canterbury<br>Kent<br>CT1 2TU |
| **Bankers** | Barclays Bank PLC<br>9 St George Street<br>Canterbury<br>Kent<br>CT1 2JX |
| **Solicitors** | Girlings Solicitors LLP<br>16 Rose Lane<br>Canterbury<br>Kent<br>CT1 2UR |

## Chairman's statement
## For the year ended 31 December 2021

The chairman presents his statement for the year.

Throughout the first year of the pandemic we hoped that 2021 would be a year when everything went back to normal and our focus could return to ensuring residents lives could be lived as fully as possible with fewer restrictions. Following the first months of lockdowns, 2021 saw a partial return to normality, and a sense of relief was felt by all. As frontline carers supporting adults with profound and multiple disabilities, we had been fortunate to be first in line to receive vaccinations and boosters, both of which were mostly enthusiastically received. Unfortunately, as the year progressed, further variants of Covid brought in more uncertainty and renewed concerns for the health of our residents and staff. The teams across the organisation were therefore, again, primarily focused on reacting to the changes required to balance the safety of all at Martha with the need to enable life to be lived to its fullest.

Nationally there has been a recognised 'crisis' in the social care sector in terms of staff vacancy levels, with Skills for Care quoting more than 105,000 roles available on average each day in 2020/21. Previously I have spoken about the high retention rate we have achieved at Martha, and the work we do to ensure our culture is one which retains our staff through appreciation, support and values. 2021 was a challenge in terms of staff recruitment and retention, and we did see our care team numbers reduce for a variety of reasons, including several long standing employees who chose to retire and a few who did not wish to be vaccinated against Covid 19. However, with the strong foundations already in place we did manage to continue to attract new employees and maintain a turnover lower than the industry standard. Whilst it is important to recognise that throughout 2021 we saw our staffing numbers dropping month by month due to care staff leaving, the management team worked tirelessly and as a result recruitment did not halt altogether. We were delighted to welcome thirty five new and also returning people into the team over the course of the year.

One positive outcome of the pandemic continues to be stronger, collaborative working relationships with our residents' families. Thanks to the wonders of modern technology, we were able to hold two virtual Family Forums, which have never been so well attended and enabled families from both Martha locations to meet as one. Our Family Representative Group met regularly with the management team, ensuring that current Covid policies were discussed and communicated effectively.

2021 has been a year of reflection in relation to equity, diversity and inclusion (EDI). Based in Kent and East Sussex, our teams are perhaps not as diverse as those based in London, but we have been looking at how we are able to attract and welcome all to our Martha community. This has seen us take a new approach, considering the possibility of adjustments and adaptions at interview and going on to support people within our teams who may have otherwise struggled. The employment of a young gentleman with a learning disability in Mary House who has been supported by his job coach as part of an external scheme, has been a real success story and shown what we can achieve when we open ourselves up to the possibilities and challenge ourselves on how we work, make decisions and develop new ideas. He has proved to be a popular and effective member of the team, who brings joy to the shifts, not just a tick in a box for EDI.

We continued to challenge funding authorities for appropriate fee levels to meet the needs of residents. Whilst we had some successes this was offset by rising costs, specifically related to the increase in the minimum wage. The latter part of 2021 saw unusually high inflation, putting additional pressure on the management of Martha's finances to deliver the exceptional level of service we strive to achieve.

October saw the start of a new era at Martha Trust with George White stepping down as CEO after ten years of loyal service, having led Martha forward into the strong position it is now. He hands the reins over to his Deputy CEO, Julie Gayler, who has the full backing and trust of the Board of Trustees. Julie joined Martha Trust in 2009 and developed the current values, mission and vision of Martha. I have every faith that under her leadership and example, Martha will continue to grow from strength to strength.

**Chairman's statement (continued)**
**For the year ended 31 December 2021**

It has been another year in which our staff have risen to the challenges, working above and beyond what would normally be required. They have surpassed themselves once again, demonstrating their dedication, commitment and strength in ensuring the health and wellbeing of all residents. In doing so, they have shown extraordinary resilience and selflessness. The people we employ here at Martha are our biggest asset and we will continue to nurture them, knowing that in turn they will provide the best possible care for those we support, who remain at the heart of all we do. For this, as Trustees, we are forever grateful and we keep all our residents and staff in our prayers. We are truly grateful to our good Heavenly Father for looking after us in this time of trouble.

Humphrey Clarke
Chairman
Date: 18 August 2022

**Trustees' report**
**For the year ended 31 December 2021**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Martha Trust (the charity) for the year ended 31 December 2021. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## Public Benefit

### a. Purpose

We are an established regional charity, formed in 1987, providing residential and respite care to adults with profound physical and multiple learning disabilities (PMLD). We are passionate about delivering person-centred care, enabling the individuals we support to achieve their highest level of independence and lead a fulfilling, contented and meaningful life.

We achieve this by:
- recognising and respecting people as unique individuals.
- encouraging and supporting everyone to be involved and engaged in the world around them.
- promoting good health and holistic well-being.

Our health goals are to reduce and prevent unnecessary hospital admissions and to prevent delayed discharges.

We achieve this by:

- having individual care and support plans for people, recognising best practice and how we can support people with our nursing teams.
- developing a discharge plan on admission and acting as advocates for the residents' well-being while they are in hospital.

We believe that people with PMLD have the right to make choices about their lives as well as the absolute right to privacy, dignity and respect. They are encouraged and assisted to engage where possible in activities within their local community. Our residential services are supported by a team of in-house care professionals as well as external specialists in health, person-centred planning, communication and physiotherapy.

Our mission, vision and values have been reviewed and updated during 2021 and are as follows:

Our Mission is to offer compassion, friendship and encouragement to people with profound and multiple disabilities, supporting them to lead a full and contented life.

Our Vision is for everyone with profound disabilities to be given the very best opportunities in life, enabling them to engage in the world around them and achieve their individual potential.

Our Values are:

- To treat everyone with respect, dignity and compassion
- To always be supportive and encouraging
- To promote a culture of inclusion and diversity
- To act with integrity and honesty at all times
- To champion the needs and rights of people with profound disabilities,

While Martha Trust is driven by Christian values, we offer care and support to people from all faiths and backgrounds. We employ staff based on their skills and experience and do not discriminate on grounds of faith, gender, age, ethnic origin, disability, marital status, race, nationality or sexual orientation.

### b. Our strategic aims

1. Be an outstanding provider offering high quality services and support for our residents
2. Generate sufficient fee and fundraising income to ensure ongoing financial viability
3. Operate an effective and efficient charity
4. Be an employer of choice in our local area
5. Enhance our links with community to the benefit of our residents

### c. Our strategic objectives for 2022-2024

Objectives supporting each Strategic Aim

1. Be an outstanding provider offering high quality services and support for our residents
1.1. Understand the needs of the residents we serve and ensure we can evidence the impact of our services
1.2. Ensure our services are safe, effective, caring, responsive and well-led
1.3. Working closely with CQC and local authorities; to be outstanding in clinical expertise with an emphasis on residents needs

2. Generate sufficient fee and fundraising income to ensure ongoing financial viability
2.1 Ensure fee income for each resident is sufficient to fully cover the cost of their individual care needs
2.2 Grow and sustain voluntary income
2.3 Maintain efficient staffing levels and costs and limited use of agency staff
2.4 Ensure value for money by applying principles of economy, efficiency and effectiveness

3. Operate an effective and efficient charity
3.1 Ensure our organisation is well-governed and that our strategies, plans and budgets are aligned
3.2 Maintain effective risk management to aid and inform decision-making
3.3 Measure impact and outcomes in line with our Mission

4. Be an employer of choice in our local area
4.1 Support, develop and manage our staff in the achievement of our objectives
4.2 Foster a culture where individuals of all backgrounds feel confident to be themselves, and are included and empowered
4.3 Continue to evolve our strategic approach to recruitment and retention

5. Enhance our links with community to the benefit of our residents
5.1 Identify and take advantage of opportunities to support residents to be active members of the local community
5.2 Develop initiatives to engage with our local communities, promoting the work of Martha Trust and ways to support the charity
5.3 Identify and promote volunteering opportunities to individuals, businesses and local groups

The above objectives will be prioritised and developed into a 3 year plan in 2022. These will be set out in our 2022 Trustee Annual Report, with annual performance being measured against them in forthcoming reports.

### d. Activities for achieving objectives

Martha Trust strives to be an organisation that adapts and evolves to reflect the changing values and principles within our society, whilst reacting to the changing needs of our residents, staff and stakeholders. We endeavour to proactively respond to external influences such as government policy and changing legislation, taking a long-term strategic approach. This approach is demonstrated by the development of Martha's Equity, Diversity and Inclusion (EDI) policy.

By recognising the complex needs of those we support, we also recognise the responsibility we have in ensuring that we protect the long term sustainability of the organisation and are able to provide residents with the caring home for life that they deserve – and in doing so setting new industry standards of excellence.

We are passionate about supporting people with PMLD to lead a full and contented life. We achieve this by recognising and respecting people as unique individuals, encouraging and supporting everyone to be involved and engaged in the world around them and promoting good health and holistic well-being.

## Covid-19 Pandemic

The Covid-19 pandemic has continued to provide huge challenges for Martha Trust in terms of interpreting and implementing the very fluid changes to government guidance relating to infection, prevention and control. At the same time maintaining the safety of residents who are extremely high risk and managing the pressure on staffing numbers, due to fluctuating community infection levels, has for a second year drawn on the commitment, courage and stamina of the teams across Martha.

Whilst the pandemic has required the Senior and Home Management teams to focus on the day-to-day operation of the service and the widespread changes this has involved, their determination to continually improve performance across all areas of Martha has led to the delivery of a number of key organisational objectives set out for 2021.

## Strategy

The Strategy Review Sub-Committee has continued to meet regularly to support the Senior Management Team in their aim to develop a three year strategy. It was agreed that the primary aim of the strategy was to enable Martha to remain viable and, if possible, to remain independent.

A range of financial metrics were therefore reviewed to better understand the financial pressures on Martha and how the organisation should respond to improve efficiency and thus financial viability. These included:

- Lessons from the past (last 5 years' financials)
- Fee levels (reflecting the needs of residents and the cost of meeting those needs)
- Lessons from Covid (positive changes which lead to cost savings)
- Services provision
- Resource sharing
- Investment in staff and recruitment (living wage, training, kickstart scheme, apprenticeships)
- Providing excellent care (continuous improvement plans to maintain\exceed "good" CQC rating at both locations)
- Mission, Vision and Values review

The Committee agreed that in order to develop a meaningful and focused strategy, the Mission, Vision and Value review was a priority. Once the review had been completed, new strategic aims and objectives were developed, as set out above. These were approved at the November 2021 Trustee Board Meeting.

The Senior Management Team will be developing a three-year plan to deliver the agreed objectives, to be presented to the Trustee Board in 2022.

## Families

We continue to be committed to working alongside families, recognising their wealth of knowledge, listening to feedback and ideas to improve the experience for those involved and create meaningful relationships for the benefit of everyone.

Virtual family forums continued during 2021, which were well attended and enabled family members from both Martha locations to interact, share views and experiences and develop their own support networks. Social media has proven to be invaluable in enabling families to keep in touch, with dedicated Facebook and WhatsApp platforms set up by the families.

Parent Representative Meetings have continued to take place regularly via Zoom. This has facilitated open and transparent communication between the Representatives and the Martha management team, which has been vital during a year of ever-changing regulations and guidelines affecting residents and their family members. One of the many benefits of these from these meetings, has been that consistent communications to wider family members has been far easier to achieve.

The 2021 family feedback questionnaire was distributed to families, with 8 responses received. Although the response rate is a little disappointing, when we take into account the other mechanisms we have in place for families to express their views, which we know they utilise, it is less of a concern. Many of our families frequently attend the family forums and are encouraged to raise issues, concerns or positive feedback directly to the Home Managers as and when they need to as well as utilising the parent rep groups. The family questionnaire plays a part in the review of our care services but isn't to be used as a stand alone.

Those families who completed the questionnaire all rated Martha as good or excellent in all questions in the 'Overall' section with all saying that they would recommend Martha. This is the third consecutive year that we have had a unanimous positive response to this section of our questionnaire. It is also worth highlighting that all responders to the 2021 survey answered excellent to 'being made to feel welcome' in the homes and 'feeling able to raise a concern if they had to.'

Operations

Whilst Covid-19 continued to present daily challenges throughout a second year, much of the operational learning from managing the service, gained during the pandemic in 2020, delivered efficiencies that enabled the organisation to still make considerable progress with many of its objectives.

The new Care Improvement Committee, formed with Trustee involvement in May 2021, aims to further improve our service and demonstrate how we are improving the lives of our residents through a long-term care strategy. Positive progress was made by the Committee during 2021 on the priority areas of resident care reviews and medication.

Our Quality assurance framework continues to evolve and improve, with the electronic care plan system, PCS, fully embedded. This technology streamlines the process of recording daily care and the review of risk assessments and resident needs. An electronic Medication Administration Record (MAR) will be trialled on the Deal site in early 2022, which will be integrated with PCS and provide a safe, efficient system proven to reduce medication errors.

All new and updated care and HR related policies are reviewed at six-weekly Clinical Governance Meeting and ratified at the weekly SMT meetings.

Continuous Improvement Plans (CIP) form the basis of improving the quality of the services we offer. Each site has a CIP based on the CQC Key Lines of Enquiry standards. CIPs have been regularly updated during the year to include areas of improvement highlighted in stakeholder questionnaire responses and audits. Focus is placed on areas rated as Good by CQC at the last inspections, with a view to achieving Outstanding. This rolling plan ensures we can react quickly to areas of concern or innovative ideas, put more robust governance in place and evidence our ethos of being a learning organisation.

The activities team at both Martha locations have been restructured, with specific responsibilities assigned to designated leads for person-centred activity plans, communication and physiotherapy programmes. PCS provides the platform for recording evidence of activities and review of individual plans due to any changes in need. Since the introduction of the Eye Gaze technology in all homes, communication programmes for residents who are able to take part have been further developed and a successful fundraising campaign has enabled the purchase of more Eye Gaze units. We continue to explore opportunities offered by new technology which can enable all residents to communicate more effectively and express themselves.

Development of the Martha Trust GDPR policy is an ongoing project, with progress being slowed by the Covid pandemic. In 2022 the focus will be on updating processes relating to Martha's care services and HR processes to ensure continued compliance with the latest regulations.

We continue to provide monthly information to several CCG Commissioning Support Units on set Key Performance Indicators and are working with other funding authorities to provide more detailed information on the service we provide.

Our People

The success of our People Plan in 2020 meant that we started 2021 in a strong position in terms of staffing numbers due to good retention and recruitment levels. Despite the best efforts of the teams, this success did not continue through the remainder of the year and we saw people move on with some leaving the care sector altogether, others moving to new opportunities in other settings or to nurse training, and a number of long standing employees choosing this year to start their retirement. Efforts to review the recruitment strategy saw an increase in the use of social media, and a timetable to ensure adverts are refreshed on an ongoing basis to keep them interesting and higher on the job sites. Bright banners depicting a rainbow and 'Hero's work here' were erected outside both homes. Whilst recruitment of staff continues to be challenging, this reflected the national shortage of people willing to work in the care sector. In total, 35 new people were welcomed into the teams across the organisation. Whilst the turnover rate has decreased slightly from 30.12% in 2020 to 29.68% in 2021, and still sits lower than the national average of 34.4% (as quoted by the Skills for Care report 'The state of the adult social care sector and workforce in England' published in October 2021). There is still work to do, to ensure that that staffing levels are sufficient to provide the level of care required to deliver excellent standards of care.

Ongoing gestures of appreciation remain important in ensuring all who work at Martha feel valued and seen. Easter Eggs and a gift voucher to help with the costs of Easter were distributed, and regular treats continued on a weekly basis, with Mary House choosing to use their budget to hold a weekly 'treat raffle' in which a whole shift has the opportunity to order in a takeaway delivered to the home. At Christmas, families once again generously donated to provide all staff with a £20 Tesco voucher as a Thank you specifically from them. This year, messages from the families were included in the cards containing the vouchers, enabling families to make the gift really special and remind everyone of their purpose. Both sites enjoyed the Christmas boxes provided, as well as home cooked Christmas dinners prepared by the kitchen teams.

A new strategic group of Trustees and members of the SMT formed to specifically look at remuneration and make recommendations to the Audit and Finance Committee. This committee considered the ongoing challenges facing Martha in terms of recruitment and retention and were able to recommend increases to hourly rates introduced from January 2022 as well as a one off 'Covid Thank You' bonus to all staff which was paid in their December pay in time for Christmas. The response from employees was overwhelmingly positive and grateful.

In 2020 a 'Working Improvement Group' was created with a plan of utilising 2021 to review shift times and patterns. As work commenced, and the increasing challenges around recruitment and retention became clear, the group identified the need for this work to be completed with caution and sensitivity so as not to alarm the current staffing team, many of whom have flexible working agreements in place to balance their work and home commitments. As a result, this project will slowly continue in 2022 with the group working to better understand the working of each shift and the needs of the residents before making any recommendations for change. Staff input and communication will be key in ensuring any proposed changes are a success.

The importance of Equity, Diversity and Inclusion (EDI) was recognised this year, as a way of ensuring that Martha continues to grow and adapt to our changing societies. The inclusion of all people is vital to staying true to our values as well as another means to support recruitment and retention objectives. In 2021 a project was started, looking for the right person to support and guide us in our EDI journey. Fortunately, the opportunity arose to meet Mike Clarke, an experienced and talented voice on EDI with strong Christian values. In 2022 this project will move forward, gaining voices from within the staff team and looking at our current position to be able to develop our approach and our strategy. In advance of the completion of this work the wording of adverts has been updated and changes have already been seen in the attitudes of the management teams who have looked for ways in which we can support those who may have obstacles in their way, but are values-driven and committed to working at Martha. On both sites people have been supported with small adjustments made, which have enabled people to thrive and be valuable members of the team.

Clear and regular communication with our staff remains a vital way of ensuring people feel connected and valued. Email has continued to be the best form of sharing changes and updates to guidance, and to share good news with everyone. House meetings have been held, and the opportunity for people to join by zoom encouraged to improve attendance. The lifting of restrictions led to more opportunities for management teams to be more visible in the homes without putting anyone at risk, and Head Office teams held a team building day at Deal in the autumn in which the surrounding gardens were tidied and plants added to create more colour and interest. Further team building days will be held at both sites next year following the success of this initial trial and the positive impacts seen.

This year, the staff questionnaire was split into two, with the standard questions being asked and a separate questionnaire requesting feedback on the organisational response to Covid-19 and how staff felt in terms of support and guidance. Overall the response was very positive with an increase across the organisation of employees feeling that Martha is a good place to work, that they can trust their manager and that Martha treats people fairly.

The 'Everyone matters survey – Covid Response' fed back that 80% of employees felt communication during Covid was good or excellent, and that PPE provision was also good or excellent. Comments highlighted how teams had pulled together and become closer during the pandemic but also identified how people felt their workloads had increased as a result of Covid.

As a result of the questionnaire feedback, work to support mental health and wellbeing was increased, with webinars to learn about mindfulness or stress management shared with teams and a leaflet containing signposts to access support created for each site, enabling managers to be able to give these to employees. Communications, ensuring the most up to date guidance was shared with teams, continued. Both sites were encouraged to hold 'theme days' as a way of lifting spirits of all at Martha and we saw successful days on both sites with Deal choosing a 'Grease' theme and Mary House a 'Disney Day'. Following the success of these events for both staff and residents, we hope to see more themed days in 2022.

The mixture of face to face and online training courses continued to be of benefit with the ongoing changes in terms of Covid-19 guidance and the ability to safely have groups of people in a room together. However, with higher absence levels the biggest challenge was releasing people from shifts to attend the training. This has led to smaller groups attending, resulting in lower value for money from the sessions and making it more difficult to ensure that all our staff had received training within the prescribed period. Focus was therefore aimed at higher risk area courses such as core requirements in manual handling, safeguarding and infection control. In 2022 the amount of training on each rota will be increased to ensure that training gaps are addressed as quickly as possible. The planned refresher training for Safeguarding Champions, Designated Leads and Trainers will also roll into 2022 due to the need to maximise the impact of the time available for training.

Work continued on the re-implementation of the Care Certificate. Following feedback from employees who previously completed this training, we worked with our trusted training company to write a face to face Care Certificate programme tailored more towards supporting Leaning Disability in a care setting. Skills for Care have provided modules to enable the Care Certificate to accommodate various settings, rather than only focusing on elderly care. On both sites, a member of the management team attended the training to enable them to act as an assessor for Martha, signing off written elements as well as observations.

In early 2022 the sessions will start with the plan being to split the Care Certificate into two manageable sessions. A full day of face to face training will take trainees through the first half of the workbook with people then having a minimum of a month to complete the written work and observations. The second session will complete the supported learning and trainees will have a further eight weeks to get their workbooks signed off. Assessors will sign off workbooks and issue certificates upon completion.

The Deal site has trialled a new approach to supporting employees through their NVQs. A new provider with specialist knowledge of the client group was found, and an assessor with a nursing background in learning disabilities allocated to Martha Trust. Rather than rely on managers to put forward those who had expressed an interest in supervision, the whole staff team were invited to apply for a place on the training programme with limited spaces available. The group of five Support Workers enrolled on to their learning in August with the plan to roll out the same in Mary House in early 2022.

Work started on reviewing the induction people receive when joining the team. The staff handbook was rewritten in clearer language, and all policies condensed into a more readable and accessible format. In 2022 further work will be completed to ensure new starters have the best possible introduction to the work we do, enabling them to succeed and enjoy their roles.

Finally, we saw a number of changes in the senior leadership team. From October 2021, Julie Gayler took the place of George White as CEO. With her years of experience at Martha and clear understanding of the values, mission and vision, we are very fortunate that Julie has been able to take the helm to guide Martha forward. George moves into a new role of 'Ambassador', enabling him to continue to support Martha through connections and networking. Further changes include Natalia Olszewska moving to become the Director of Finance and Resources, Claire Doe being promoted to Director of People and Culture, and Alice Moir promoted to Associate Director of Fundraising and Marketing.

Owen Nolan, who was Senior Registered Home Manager and Learning Disability Lead, took a short break from employment at Martha Trust, but will return to Martha in the New Year in a new role of Strategic Health and Social Care Lead.

Fundraising

When the planning and forecasting for 2021 took place in the Summer of 2020 we were hopeful that we would see the Covid-19 pandemic come to an end by the start of the new year. And that come 2021 we would see life return to some sort of normality and as such our traditional fundraising programme could be delivered.

Sadly as we went into 2021 the pandemic very much remained and with lockdowns continuing and social distancing rules in place for the first half of the year that saw many of our face-to-face fundraising opportunities and events impacted.

Our fundraising team were quick to react and moved key fundraising activity to the second half of the year. They also identified new fundraising opportunities to help bridge income short falls from cancelled activity. This went some way to help make up the shortfall from the cancelled events at the beginning of 2021. As the year unfolded all our fundraising events were able to go ahead with one exception, our annual car challenge – Monte Carlo Madness.

General income was slightly up on forecast, boosted by our lockdown fundraisers who took on a challenge of their own or got behind national campaigns such as 5K May and Sir Tom 100. In Memory giving continues to be a popular way to show support of Martha. We also saw an 8% uplift in our regular giving in 2021.
We continue to build on support from local businesses and nurture relationships, we continue to grow support through sponsorship of our events programme.

We were fortunate to receive the second half of a significant legacy in 2021 which boosted our unrestricted income.

Our profile in the local communities within which we work continues to grow and we are spreading awareness further into Kent and Sussex. We continue to build good foundations in the Hastings area with key community groups. Our social media strategy continues to gather momentum with our Facebook followers up 18.2% on 2020 and Twitter up 2%. We also launched our Instagram and LinkedIn accounts, both of which are generating lots of new followers. Our social media is a great tool in promoting our fundraising activity, support for Martha as well as raising awareness of profound disability.

Our core grant income stream, which focuses on securing core funding support from trusts and foundations delivered almost to target – 97% of forecasted income. This is an area we hope to build on moving forward.
In 2021 we had a number of restricted projects for equipment and an adapted vehicle. All of which we managed to complete during the year. The greatest success was in response to our 'Communications for All' appeal which secured funding for four portable eye gaze units to support our communications work. With most of our residents non-verbal our communications programme has proved life changing, and our goal is to encourage every single resident to be able to make their own decisions and choices throughout the day, ranging from what they would like to wear that particular morning, what they would like to eat and drink and what activities they would like to do for the day.

We end the year with our fundraising team (equivalent of 2.6 f/t roles) working well and delivering good returns in spite of the challenges of fundraising during a pandemic.

## Achievements and performance

### a. Key financial performance indicators

Although Martha Trust had another challenging year due to Covid-19, its financial performance in 2021 was a further significant improvement on the two prior years. Total income was £6.35 million (2020: £5.71 million) and the surplus was £498,830 (2020: £273,939). A large part of this improvement was due to increases in fee income, which is unlikely to be repeated in 2022. Room occupancy increased to 98.6% compared to 97.6% in 2020. There were no vacancies at the end of 2021 although one did arise in January 2022.

We were pleased to conclude several fee negotiations that had been ongoing for some time, resulting in one-off increases. Martha Trust continues to experience the impact of the erosion of real terms fee values overall but for 2020 and for 2021, unlike recent prior years, funding authorities awarded increases for cost inflation although some were below the general level of inflation. We will continue to challenge funding authorities where fees have not kept pace with inflation and also ensure that we frequently review the change in needs of existing and new residents to confirm they are fully funded.

Covid had a significant impact on our finances in 2021. We lost £223k in projected income from events, respite and day care. In addition, our expenditure increased by an additional £41k on PPE alone and there were many more additional costs because of Covid that we are not able to quantify. However, we were fortunate to receive £142k in grants and additional Covid fees from our local authorities and £35k from the Government for furlough to help us through this difficult year.

Over the last five years, the minimum wage for over 21 year olds had risen 18.8%, from £7.50 per hour to £8.91 per hour. As an example, the fees from one of our main funding authority had only increased by 12.17% during the same period. Minimum wage is set to rise further to £9.50 in April 2022. The mismatch between increase in minimum wage and inflationary fee increases creates a significant gap in funding because approximately 70% of our costs are staff costs. In addition, the inflationary pressures in the wider economy in 2022 are expected to be exceptionally high, driving all of our other cost up by a percentage we currently cannot quantify.

Marketing of care services is still generating new care enquiries. We have further built on relationships with stakeholder authorities that resulted from marketing activity in recent years and we continue to engage with local funding authorities to enhance relationships with them. We now have a closer working relationship with authorities in Sussex and we continue to work with them to a greater extent than had been the case several years ago in respect of Mary House, Hastings.

Overall the level of new care enquiries in 2021 has been high. This is partly due to our profile being raised through marketing and partly due to a sustained and particularly high level of demand in a time of shrinking service provision in South East England.

We have a continuing system of expenditure monitoring and control and a rigorous budgeting process. We negotiate with existing suppliers as well as potential new suppliers in order to source goods and services at the best possible price. Although there continue to be increases in costs due to operational needs we have achieved efficiencies across the organisation with only slight increase in total cost.

**Trustees' report (continued)**
**For the year ended 31 December 2021**

The year ended with the following results:

- Total income £6.35m (2020: £5.71m)
- Expenditure £5.85m (2020: £5.43m)
- Surplus £0.5m (2020: £0.3m)
- Percentage costs of management and administration 8.05% (2020: 8.82%)
- Occupancy 98.6% (2020: 97.6%)
- Balance Sheet total funds £5.1m (2020: £4.6m)

**b. Review of activities**

There were three new residential placements during the year. Two of these were for the new rooms we developed in Mary House. There were no new respite placements during the year. The respite service was suspended for the foreseeable future in March 2020 due to Covid-19 and remains closed. Enquiries from families and clinical professionals seeking a possible placement continue to be at an encouraging level and residential rooms are very much in demand.

**c. Investment policy and performance**

The investment policy agreed by the Trustees is to place funds in cash deposits on fixed and short-term arrangements but with the primary objective of ensuring Martha Trust's cash flow requirements are met.

**d. Factors relevant to achieve objectives**

Our staff team works as seamlessly as possible to ensure that occupancy is maximised and that care is provided to not just meet residents' needs but to make a real difference to their lives. Some of the major challenges are outlined in a later section of this report but we ensure that everyone has their needs regularly reassessed and that full and comprehensive care plans, risk assessments and other important documentation are in place and regularly updated.

**Financial review**

**a. Going concern**

After considering the current and prospective financial position, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**b. Financial risk management objectives and policies**

Financial risk is minimised in several ways by Martha Trust. The ways we manage risk include seeking adequate fees for residents, effective cost control and proper appraisal of any developments. Through our policies and procedures our financial risk management is embedded in our organisational culture.

**c. Principal risks and uncertainties**

In common with many providers of social care and health services, Martha Trust faces risks and uncertainties regarding the sustainability of fee levels in the long term. As noted above there have not been sufficient fee increases to cover inflationary pressures in full. Costs in the care sector are rising faster than general inflation. Regulation and good practice have caused notable cost increases as we need to spend more on maintaining and enhancing the quality of care. The Trustees have always believed it is absolutely correct for stakeholders to have confidence that our service is safe, effective, caring, responsive and well led. Securing funding for the essential spending that is increasingly required remains very challenging.

Staffing costs continue to be impacted by increases in National Living Wage (NLW). Although some funding authorities have increased fee levels, those increases do not cover the increase in wage costs. This results in continued pressure on resources and a greater challenge in maintaining financial stability.

We believe Martha Trust can thrive in the long term and can overcome the challenges we face. Some other care providers have suffered fee reductions but, with one exception, we have not. We have developed relationships with funding authorities where in previous years there was no relationship. By working to resist pressure on fees, by nurturing relationships with stakeholders, by increasing the number of rooms and by maximising our bed occupancy level we continue to meet risk with concerted action and therefore safeguard the future of Martha Trust.

**d. Principal funding**

The main source of income for Martha Trust is from contracts with local authorities and NHS CCGs. Since Martha Trust provides care for people drawn from all parts of the UK, the charity has cultivated and maintained a wide range of relationships and is not dependent upon any one funder.

In addition, Martha Trust has, over several years, developed a marketing strategy specifically for its care services that has broadened its reach, enabling it to source placements from a greater number of authorities. This will help to maximise overall occupancy levels and therefore fee income. Alongside this strategy we are working more closely with Sussex CCGs as well as with CCGs in Kent in order to source a higher level of placements from local areas.

Fundraising income finances most of our capital expenditure including developments within our homes like new rooms and specialist equipment, as well as providing some unrestricted funding. Other than fees for services and specific funding for the effects of Covid on our costs, no income is received from any statutory sources.

We are also grateful for the vital contributions by our supporters who help Martha Trust provide the level of service and care that we are all committed to. Without this support it would not be possible for the charity to continue to undertake its current level of service provision.

We believe that giving to charity should be a positive experience, and to help make sure this is the case the charity has put in place a policy that seeks to ensure that the highest possible standards of fundraising practice are being adopted. This policy acknowledges the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the charity. The charity voluntarily subscribes to the Fundraising Regulator, and complies with all aspects of its Code of Practice as well as ensuring its fundraising activity follows the principles set out under GDPR. All fundraising activity is carried out by our own in-house team and volunteers. The charity does not utilise the services of any external commercial fundraisers.

Martha welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

**e. Material investments policy**

We do not participate in material investments.

## Structure, governance and management

### a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Trust Deed.

The principal object of the charity is to provide residential or 'inclusive care', for people with profound physical and multiple learning disabilities (PMLD), as well as respite services and support to families caring for people with PMLD.

### b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

### c. Policies adopted for the induction and training of Trustees

For all new Trustees we undertake a programme using the guidance from the Charity Commission under the heading of good governance.
We discuss with them the seven principles of Charity Governance Code:

- Organisational Purpose,
- Leadership,
- Integrity,
- Decision making, risk and control,
- Board Effectiveness,
- Equality, Diversity and Inclusion and
- Openness and Accountability,

This ensures that they have a full understanding of their responsibilities. In addition, new Trustees will attend a seminar on their responsibilities by a charity firm during the first year of their Trusteeship at Martha Trust. New Trustees will also be allocated an experienced Trustee to guide them in their first six months of Trusteeship.

### d. Pay policy for senior staff

The Trustees are able to claim reasonable travelling and other expenses properly incurred by them in connection with their attendance at meetings of Trustee Board, Committee or General meetings, or otherwise in connection with the discharge of their duties, but are not paid remuneration. Some Trustees choose to donate their expenses back to Martha Trust.

All salaried roles at Martha, including those of the Directors and Chief Executive Officer, have been evaluated based on comparator market data by an independent HR consultancy, TRP Ltd, specialising in remuneration and reward issues.

### e. Organisational structure and decision making

At the year end the Board of Trustees consisted of eight Trustees, who are also Directors of Martha Trust for the purposes of company law, plus one co-opted family representative. The Senior Management Team consisted of the Chief Executive Officer, Director of Finance and Resources, Senior Registered Home Manager and Learning Disability Lead, Director of People and Culture, and Associate Director of Fundraising and Marketing.

There are four full Board Meetings per year, plus at least four Audit & Finance Committee Meetings. The Funding Strategy Group meets periodically and has two trustees and one family representative. Care Improvement Committee meets quarterly and has one trustee and two family representatives. Remuneration Committee meets at least once a year and it has two trustees.

In terms of financial control, the Director of Finance and Resources prepares revenue and capital budgets for the forthcoming financial year. The Audit and Finance Committee considers the budgets prior to the start of that year. Once agreed, budgets are presented to Trustees for approval. Additionally, regular forecasts are prepared and reviewed during each financial year.

The budgets and forecasts are the cornerstone for financial operations during the year.

Each of the two Martha locations has a Registered Home Manager (RHM). The CEO currently holds the CQC registration for the Hastings site, with a Home Manager responsible for the operational management of the home.

All new care policies or changes to existing care policies are reviewed and approved at the six weekly Clinical Governance Meetings which involve the full organisational management team.

**f. Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

## Plans for future periods

**a. Future developments**

Continue to be an outstanding provider that others can aspire to by:

- Demonstrating our understanding of the needs of the residents at Martha Trust and ensuring we can evidence the impact of our support.
- Ensuring our services are safe, effective, caring, responsive and well-led.
- Working closely with CQC and funding authorities, aim to be outstanding in clinical knowledge and safeguarding with an emphasis on residents' needs.
- Being a leading provider in our work on communication with people with PMLD through traditional methods and using the latest technology.

Generate sustainable funding and maximise resources to provide our residents with the best possible lives by:

- Growing, maximising and sustaining statutory, earned and fundraising income.
- Producing three-year budget plan, incorporating income and expenditure, to live within our means.
- Ensuring value for money by applying principles of economy, efficiency and effectiveness.
- Exploring redevelopment of under-utilised space to make best use of office space and opportunities for staff to work off site.

Operate a well-governed, efficient organisation, supporting and developing the staff and volunteers who work for us by:

- Ensuring our charity is well-governed with alignment of strategy, business plan and financial sustainability.
- Managing our quality standards and risks effectively within our regulatory frameworks.
- Supporting, developing and managing our staff in the achievement of our objectives.

## Risk Policy

The charity maintains a risk register which firstly identifies all risks and then has a scoring system to further identify major risks. The CEO is responsible for maintaining the register and the CEO discusses serious risks with the Trustees and the relevant subcommittee who will then agree whether it should be subject to a board paper and discussion.

## Reserves Policy

At 31 December 2021, the Trustees considered it appropriate to set free reserves held to equivalent of at least four and half months expected general expenditure for one home (four months in previous year), which is in the region of £700,000. The increase has been decided because of an expectation of a more challenging economic outlook in 2022. The free reserves at 31 December 2021 amounted to £1,015,219. The Trustees are satisfied with the level of reserves held due to the level of higher risks and uncertainty within the care sector at the current time. The Trustees will continue to review reserves on a regular basis, in accordance with the Charity Commission guidance.

## Remuneration and social investment policy

Martha Trust recognises the importance of a sound remuneration and benefits policy when it comes to attracting and retaining highly skilled and motivated staff. This policy cannot stand still in isolation and must be reviewed regularly in absolute terms and compared to other similar organisations to ensure its competitiveness.

Staff should be rewarded in relation to:

1. The level of responsibility and the value placed on comparable jobs within the Trust.
2. The value placed on comparable jobs in the local area.

In addition to an annual inflation-linked review, regular reviews will be carried out by the Chief Executive in conjunction with the Home Managers to ensure that Martha Trust remains competitive in respect of its pay and benefits policy generally.

We do not currently undertake any social investment and hence have no policy for this.

## Trustee Declaration

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.
- That Trustee had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The board of trustees welcomed the new Charity Governance Code published in December 2020. In 2021, the trustees have already begun planning how to embrace its recommendations, especially as regards to Equality, Diversity and Inclusion. The trustees consider some of the new requirements of The Code aspirational and thus may face constraints in immediately implementing all of the recommendations of the code. Nevertheless, the board will continue to strive for continuous improvement, exploring possibilities for extending range of skills and experience of existing trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**Humphrey Clarke**
(Chair of Trustees)

Date: 18 August 2022

**Statement of Trustees' responsibilities**
**For the year ended 31 December 2021**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Independent auditors' report to the Members of Martha Trust

### Opinion

We have audited the financial statements of Martha Trust (the 'charity') for the year ended 31 December 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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.

**Independent auditors' report to the Members of Martha Trust (continued)**

## Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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.

## Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

## Independent auditors' report to the Members of Martha Trust (continued)

### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, Care Quality Commission inspection reports and fundraising practices and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety, Care Quality Commission inspection reports and fundraising practices) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance.

**Independent auditors' report to the Members of Martha Trust (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditors' report to the Members of Martha Trust (continued)**

## 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

**Samantha Rouse FCCA DChA (Senior statutory auditor)**

for and on behalf of
**Kreston Reeves LLP**

Statutory Auditor
Chartered Accountants

Canterbury

18 August 2022

## Statement of financial activities (incorporating income and expenditure account)
## For the year ended 31 December 2021

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 3 | 228,099 | 108,023 | 336,122 | 271,010 |
| Charitable activities | 4 | 5,914,051 | 105,827 | 6,019,878 | 5,434,632 |
| Other income | 5 | (9,327) | - | (9,327) | 776 |
| **Total income** | | 6,132,823 | 213,850 | 6,346,673 | 5,706,418 |
| **Expenditure on:** | | | | | |
| Raising funds | 6 | 126,626 | - | 126,626 | 111,841 |
| Charitable activities | 7 | 5,588,013 | 133,204 | 5,721,217 | 5,320,638 |
| **Total expenditure** | | 5,714,639 | 133,204 | 5,847,843 | 5,432,479 |
| **Net movement in funds** | | 418,184 | 80,646 | 498,830 | 273,939 |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 3,961,362 | 677,395 | 4,638,757 | 4,364,818 |
| Net movement in funds | | 418,184 | 80,646 | 498,830 | 273,939 |
| **Total funds carried forward** | | 4,379,546 | 758,041 | 5,137,587 | 4,638,757 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26 to 45 form part of these financial statements.

**Martha Trust**
**(A company limited by guarantee)**
**Registered number: 03467406**

**Balance sheet**
**As at 31 December 2021**

| | Note | | 2021 £ | | 2020 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 11 | | **4,908,387** | | 4,949,890 |
| | | | **4,908,387** | | 4,949,890 |
| **Current assets** | | | | | |
| Debtors | 12 | **538,140** | | 518,732 | |
| Cash at bank and in hand | | **1,057,658** | | 593,681 | |
| | | **1,595,798** | | 1,112,413 | |
| Creditors: amounts falling due within one year | 13 | **(535,537)** | | (390,577) | |
| **Net current assets** | | | **1,060,261** | | 721,836 |
| **Total assets less current liabilities** | | | **5,968,648** | | 5,671,726 |
| Creditors: amounts falling due after more than one year | 14 | | **(831,061)** | | (1,032,969) |
| **Total net assets** | | | **5,137,587** | | 4,638,757 |
| **Charity funds** | | | | | |
| Restricted funds | 15 | | **758,041** | | 677,395 |
| Unrestricted funds | | | | | |
| Designated funds | 15 | **3,160,192** | | 3,015,334 | |
| General funds | 15 | **1,015,219** | | 741,893 | |
| Revaluation reserve | | **204,135** | | 204,135 | |
| Total unrestricted funds | 15 | | **4,379,546** | | 3,961,362 |
| **Total funds** | | | **5,137,587** | | 4,638,757 |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

R W Clarke

**Humphrey Clarke**
Chairman

Date: 18 August 2022

The notes on pages 26 to 45 form part of these financial statements.

**Martha Trust**
**(A company limited by guarantee)**

**Statement of cash flows**
**For the year ended 31 December 2021**

| | Note | 2021<br>£ | 2020<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net cash used in operating activities | 18 | **880,724** | 364,388 |
| **Cash flows from investing activities** | | | |
| Dividends, interests and rents from investments | | **(35,350)** | (52,529) |
| Purchase of tangible fixed assets | | **(177,444)** | (50,730) |
| **Net cash used in investing activities** | | **(212,794)** | **(103,259)** |
| **Cash flows from financing activities** | | | |
| Repayments of borrowing | | **(203,953)** | (102,623) |
| **Net cash used in financing activities** | | **(203,953)** | **(102,623)** |
| **Change in cash and cash equivalents in the year** | | **463,977** | **158,506** |
| Cash and cash equivalents at the beginning of the year | | **593,681** | 435,175 |
| **Cash and cash equivalents at the end of the year** | 19 | **1,057,658** | 593,681 |

The notes on pages 26 to 45 form part of these financial statements

**Notes to the financial statements**
**For the year ended 31 December 2021**

## 1. General information

Martha Trust is a charity, limited by guarantee, domiciled in England and Wales, registration number 03467406.

The registered office is Homemead Lane, Hacklinge, Deal, Kent, CT14 0PG.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Martha Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

The charity's functional currency is Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

### 2.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

### 2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## 2. Accounting policies (continued)

### 2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor;s intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 2. Accounting policies (continued)

### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

### 2.6 Going concern

While the impact of the COVID-19 pandemic has been assessed by the trustees so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charities activities, its residents and suppliers. However, taking into consideration the UK Government's response, its range of measures to support businesses and the charities own reserves and planning, the trustees have reasonable expectation that the charity will continue its activities for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

### 2.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised.

Tangible fixed assets are carried at cost or deemed cost, net of depreciation and any provision for impairment. Deemed cost represents the fair value of certain freehold properties owned by the charity, at the date of transition to FRS 102, 1 January 2014. Under the cost mode, freehold property will not be subject to further valuations.

## 2. Accounting policies (continued)

### 2.8 Tangible fixed assets and depreciation (continued)

Depreciation is not charged on freehold land.Depreciationis provided from when assets become available for use at rates calculated to write off the cost or deemed cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold property | - 2% straight line |
| Motor vehicles | - 20% straight line |
| Fixtures and fittings | - 10% - 20% straight line |
| Freehold land | - not depreciated |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

### 2.9 Interest receivable

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

### 2.10 Operating leases

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

### 2.11 Debtors

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

### 2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.13 Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### 2.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required the Trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results from the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgement has had the most significant impact on the amounts recognised in the financial statements:

The charity has recognised tangible fixed assets with a carrying value of £4,908,387 at the reporting date (see note 11). These assets are stated at their cost less provision for depreciation and impairment. The charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired (see note 2.8). For material assets such as land and buildings the charity determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the charity's forecasts for the foreseeable future which do not include any restructuring activities that the charity is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

### 2.16 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### 2.17 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

## 3. Income from donations and legacies

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|
| Donations | 193,150 | 72,227 | **265,377** | 201,338 |
| Grants - Covid-19 | - | 35,796 | **35,796** | 14,000 |
| Government grants - Furlough | 34,949 | - | **34,949** | 55,672 |
| **Total 2021** | 228,099 | 108,023 | **336,122** | 271,010 |
| Total 2020 | 230,623 | 40,387 | 271,010 | |

## 4. Income from charitable activities

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|
| Residential and day care fees | 5,914,051 | - | **5,914,051** | 5,327,113 |
| Covid-19 fees | - | 105,827 | **105,827** | 107,519 |
| **Total 2021** | 5,914,051 | 105,827 | **6,019,878** | 5,434,632 |
| Total 2020 | 5,327,113 | 107,519 | 5,434,632 | |

## 5. Other incoming resources

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|
| Other | (9,327) | **(9,327)** | 776 |
| Total 2020 | 776 | 776 | |

**Notes to the financial statements**
**For the year ended 31 December 2021**

## 6. Expenditure on raising funds

### Costs of raising voluntary income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|
| Events and publicity costs | 34,746 | **34,746** | 26,453 |
| Legal and professional | 1,896 | **1,896** | 1,459 |
| General office costs | 1,660 | **1,660** | 900 |
| Maintenance/Utilities/Sundry | 1,367 | **1,367** | 1,334 |
| Salaries to generate income | 86,957 | **86,957** | 81,695 |
| **Total 2021** | 126,626 | **126,626** | 111,841 |
| Total 2020 | 111,841 | 111,841 | |

## 7. Analysis of expenditure on charitable activities

### Summary by fund type

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|
| Residential and day care costs | 5,588,013 | 133,204 | **5,721,217** | 5,320,638 |
| Total 2020 | 5,247,058 | 73,580 | 5,320,638 | |

## 8. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|
| Residential and day care costs | 5,250,294 | 470,923 | **5,721,217** | 5,320,638 |
| Total 2020 | 4,841,421 | 479,217 | 5,320,638 | |

### Analysis of direct costs

| | Residential and day care 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|
| Staff costs | 3,579,005 | **3,579,005** | 3,351,793 |
| Depreciation | 189,932 | **189,932** | 192,370 |
| Establishment costs | 1,481,357 | **1,481,357** | 1,297,258 |
| **Total 2021** | 5,250,294 | **5,250,294** | 4,841,421 |
| Total 2020 | 4,841,421 | 4,841,421 | |

## 8. Analysis of expenditure by activities (continued)

### Analysis of support costs

| | Residential and day care 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|
| Wages and salaries | 389,921 | **389,921** | 374,823 |
| Depreciation | 18,353 | **18,353** | 21,297 |
| Establishment costs | - | - | 327 |
| Travel and subsistence | 3,675 | **3,675** | 2,468 |
| Insurance | 2,121 | **2,121** | 1,813 |
| Maintenance, cleaning and repairs | 13,913 | **13,913** | 16,481 |
| Print, post and stationery | 1,532 | **1,532** | 1,685 |
| Telephone and fax | 1,106 | **1,106** | 1,239 |
| Operating lease rentals and equipment | 1,527 | **1,527** | 8,427 |
| Staff training | 1,731 | **1,731** | 7,989 |
| General expenses | 1,193 | **1,193** | 1,432 |
| Bank charges and interest | 2,049 | **2,049** | 1,988 |
| IT Costs | 4,866 | **4,866** | 6,872 |
| Legal and professional fees | 19,484 | **19,484** | 23,290 |
| Publicity and communications | 1,052 | **1,052** | 686 |
| Governance costs | 8,400 | **8,400** | 8,400 |
| **Total 2021** | 470,923 | **470,923** | 479,217 |

## 9. Net income/(expenditure)

This is stated after charging:

| | 2021 £ | 2020 £ |
|---|---|---|
| Depreciation of tangible fixed assets: | **200,346** | 213,667 |
| - owned by the charity | | |
| Auditors' remuneration - audit | **8,400** | 8,400 |
| Operating lease rentals | **1,527** | 8,427 |

During the year, no Trustees received any remuneration (2020: £NIL).
During the year, no Trustees received any benefits in kind (2020: £NIL).
Two Trustees received reimbursement of travel expenses totalling £1,236 in the current year, (2020: £NIL).

## 10. Staff costs

| | **2021** £ | 2020 £ |
|---|---|---|
| Wages and salaries | **3,688,192** | 3,470,013 |
| Social security costs | **305,767** | 282,233 |
| Contribution to defined contribution pension schemes | **61,924** | 56,065 |
| | **4,055,883** | 3,808,311 |

During the year there were termination payments for one employee totaling £1,620 (2020: two employees totaling £6,608) included within wages and salaries. As at December 2021, no amounts were due to the employee. The termination payments in 2021 were for ex gratia payments, by way of compensation for the termination of the employment.

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

| | **2021 No.** | 2020 No. |
|---|---|---|
| Employees | **176** | 173 |

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

| | **2021 No.** | 2020 No. |
|---|---|---|
| In the band £60,001 - £70,000 | **-** | 1 |
| In the band £70,001 - £80,000 | **2** | 1 |

The total salaries received by key management personnel was £333,052 (2020: £305,882). Employer pension contributions were a total of £8,929 (2020: £8,643) and employer national insurance contributions were a total of £43,763 (2020: £35,131).

## 11. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 January 2021 | 6,260,745 | 118,739 | 1,272,286 | 7,651,770 |
| Additions | - | 8,218 | 169,226 | 177,444 |
| Disposals | - | (7,495) | (73,009) | (80,504) |
| At 31 December 2021 | 6,260,745 | 119,462 | 1,368,503 | 7,748,710 |
| **Depreciation** | | | | |
| At 1 January 2021 | 1,636,008 | 110,217 | 955,655 | 2,701,880 |
| Charge for the year | 115,557 | 4,998 | 79,791 | 200,346 |
| On disposals | - | (3,997) | (57,906) | (61,903) |
| At 31 December 2021 | 1,751,565 | 111,218 | 977,540 | 2,840,323 |
| **Net book value** | | | | |
| At 31 December 2021 | 4,509,180 | 8,244 | 390,963 | 4,908,387 |
| At 31 December 2020 | 4,624,737 | 8,522 | 316,631 | 4,949,890 |

Included in land and buildings is freehold land at a valuation of £716,575 (2020: £716,575), which is not depreciated.

Cost or valuation at 31 December 2021 is as follows:

| | 2021 £ |
|---|---|
| At cost: | 6,056,610 |
| At valuation: 1998 at open market value | 204,135 |
| | 6,260,745 |

## 11. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Cost | **6,056,610** | 6,056,610 |
| Accumulated depreciation | **(1,581,802)** | (1,473,961) |
| | **4,474,808** | 4,582,649 |

## 12. Debtors

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Trade debtors | **468,394** | 428,621 |
| Other debtors | **13,013** | 12,422 |
| Prepayments and accrued income | **56,733** | 77,689 |
| | **538,140** | 518,732 |

## 13. Creditors: Amounts falling due within one year

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Barclays Mortgage | **58,435** | 58,128 |
| Charity Bank Loan 2 | **29,342** | 27,843 |
| Charity Bank Loan 3 | **17,623** | 21,474 |
| Trade creditors | **68,713** | 60,327 |
| Other taxation and social security | **92,287** | 69,667 |
| Other creditors | **47,243** | 39,848 |
| Accruals and deferred income | **221,894** | 113,290 |
| | **535,537** | 390,577 |

### Deferred income

Deferred income as at 1 January 2021 is £24,142. There have been resources deferred during the year of £22,382. £24,142 has been released relating to deferred income in previous years. The deferred income as at 31 December 2021 is therefore £22,382.

Deferred income is in relation to fees received in advance.

## 14. Creditors: Amounts falling due after more than one year

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Barclays Mortgage | **135,138** | 191,480 |
| Charity Bank Loan 2 | **378,934** | 432,894 |
| Charity Bank Loan 3 | **316,989** | 408,595 |
| | **831,061** | 1,032,969 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Repayable by installments | **523,794** | 678,038 |
| | **523,794** | 678,038 |

The Barclays Mortgage is secured by way of a charge over the charity's land and buildings at Martha House. The mortgage is repayable in installments until 2023 for £43,827 and until 2028 for the remaining £149,746. During the year, the mortgage bore interest at a flexible rate of 1% over the Barclays Base Rate.

Charity Bank holds a fixed legal charge over the freehold property that is Mary House in Hastings. The two loans are repayable by way of the following:

Charity Bank loan 2 is repayable in installments until 2033 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2021 was £408,276.

Charity Bank loan 3 is repayable in installments until 2037 and bears interest at a rate of 4.4%. The outstanding balance of this loan as at 31 December 2021 was £334,612.

## 15. Statement of funds

### Statement of funds - current year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2021 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | 3,015,334 | - | - | 144,858 | 3,160,192 |
| **General funds** | | | | | |
| General Funds | 741,893 | 6,132,823 | (5,714,639) | (144,858) | 1,015,219 |
| Revaluation reserve | 204,135 | - | - | - | 204,135 |
| | 946,028 | 6,132,823 | (5,714,639) | (144,858) | 1,219,354 |
| **Total Unrestricted funds** | 3,961,362 | 6,132,823 | (5,714,639) | - | 4,379,546 |
| **Restricted funds** | | | | | |
| Frances House | 230,556 | - | - | - | 230,556 |
| Mary House | 350,000 | - | - | - | 350,000 |
| Mary House Vehicle | - | 16,200 | - | - | 16,200 |
| Mary House ICT | 3,075 | - | - | - | 3,075 |
| Mary House Misc | 4,248 | 4,007 | (2,637) | - | 5,618 |
| Martha House | 2,270 | 2,500 | (2,456) | - | 2,314 |
| Deal Water Garden | 400 | - | (400) | - | - |
| Deal Staff Fund | 922 | 2,070 | (130) | - | 2,862 |
| Core restricted | - | 35,796 | (30,796) | - | 5,000 |
| Masonic Lodge Beds | 16,908 | - | (16,908) | - | - |
| Staff Christmas Fund | - | 3,730 | (3,730) | - | - |
| Local Authority - Covid-19 | 69,016 | 105,827 | (41,327) | - | 133,516 |
| Dave Poke Memorial Fund | - | 3,100 | - | - | 3,100 |
| Communications for All | - | 34,820 | (34,820) | - | - |
| Bladder Scanner | - | 5,800 | - | - | 5,800 |
| | 677,395 | 213,850 | (133,204) | - | 758,041 |
| **Total of funds** | 4,638,757 | 6,346,673 | (5,847,843) | - | 5,137,587 |

## 15. Statement of funds (continued)

### Statement of funds - prior year

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2020 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | 3,077,256 | - | - | (61,922) | 3,015,334 |
| **General funds** | | | | | |
| General Funds | 477,358 | 5,558,512 | (5,358,899) | 64,922 | 741,893 |
| Revaluation reserve | 204,135 | - | - | - | 204,135 |
| | 681,493 | 5,558,512 | (5,358,899) | 64,922 | 946,028 |
| **Total Unrestricted funds** | 3,758,749 | 5,558,512 | (5,358,899) | 3,000 | 3,961,362 |
| **Restricted funds** | | | | | |
| Frances House | 230,556 | 450 | (450) | - | 230,556 |
| Mary House | 358,049 | 1,250 | (1,476) | (500) | 357,323 |
| Mary House Vehicle | 2,231 | 39 | - | - | 2,270 |
| Mary House ICT | 400 | - | - | - | 400 |
| Mary House Misc | 842 | 270 | (190) | - | 922 |
| Martha House | 111 | - | (111) | - | - |
| Deal Water Garden | 630 | 30 | (660) | - | - |
| Deal Staff Fund | 13,250 | - | (13,250) | - | - |
| Core restricted | - | 16,908 | - | - | 16,908 |
| Masonic Lodge Beds | - | 2,740 | (2,740) | - | - |
| Staff Christmas Fund | - | 107,519 | (38,503) | - | 69,016 |
| Local Authority - Covid-19 | - | 4,000 | (4,000) | - | - |
| National Lottery - Covid Community Support Fund | - | 4,700 | (2,200) | (2,500) | - |
| Covid-19 | - | 10,000 | (10,000) | - | - |
| | 606,069 | 147,906 | (73,580) | (3,000) | 677,395 |
| **Total of funds** | 4,364,818 | 5,706,418 | (5,432,479) | - | 4,638,757 |

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

**Designated fixed asset fund**

This represents the book value of fixed assets less any associated liabilities and are not deemed to be freely available funds by the Trustees.

**Designated build fund**

The designated build fund represents the charity's own financial investment in the development of Mary House.

**Frances House**

In 2007 £230,000 was donated by the Development Trust towards the extension at Frances House which provided three new places. This donation carries a restriction for a period of 21 years and requires that those three new residents at Frances House must not have previously lived at any other Martha Trust home. The restriction is secured by way of a legal charge over the property. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered remote.

**Mary House**

(i) This fund includes a donation of land and buildings in Hastings from The Agape Trust in 2004. The use to which the land and buildings could be put was restricted by the original donors, Blatchington Court Trust. The restriction requires Martha Trust to provide homes for a period of 99 years and at any one time at least four residents must be people under 31 years, of whom at least two must be visually impaired. This restriction applies to Martha Trust as a whole and not to Mary House individually. If this restriction is breached £350,000 is repayable to Blatchington Court Trust. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered to be remote. These restrictions will be waived on Martha Trust meeting certain criteria.

(ii) The remainder of the fund represents ongoing donations we have been receiving for the benefit of Mary House.

**Martha House**

This fund represents ongoing donations we have been receiving for the benefit of Martha House.

**Deal Water Garden**

This fund represents donations made to fund a water feature garden at Martha House.

**Deal Staff Fund**

This fund is for donations received towards staff entertainment.

**Making Music Accessible**

The grant was provided by Deal Town Council for a special disability changing facility, for Martha's Music on the Farm 2020 event to enable us to provide an inclusive accessible event for the whole community to enjoy. A smaller part of the grant was to fund Music Man sessions for our Deal residents.

**Carriage Riding**

A grant was provided by Whitehead Monckton Charitable Trust for residents to enjoy Carriage Riding at Alkham Valley.

**Core restricted**

This fund has been set up to secure core funding for ongoing costs we face as a charity, such as specialist equipment, training and the cost of providing activities to our residents. Grants secured from multiple funders.

**Masonic Lodge Beds**

This fund represents donations for 14 beds across Hastings and Deal.

**Staff Christmas Fund**

This fund represents donations from families and Trustees for the purchase of gift cards.

**COVID Funds**

There are four funds that represent grants received to enable the charity to purchase necessary PPE and equipment during COVID-19.

**Dave Poke Memorial Fund**

Donations were raised in memory of the parent of one of the residents at Mary House. The family are considering use of the funds either towards a sensory garden or as a bursary for specialist training to support adults with PMLD.

**Mary House Vehicle**

We successfully fundraised for an adapted vehicle for our home in Hastings, Mary House. This vehicle now plays an integral role in our residents lives, enabling them to go out on an individual basis for medical appointments and trips out as an alternative to the use of the communal minibus.

**Bladder Scanner**

We successfully raised funds to purchase a bladder scanner and associated training that was needed. With the use of this diagnostic aid we will be able to scan and measure the volume of urine within the bladder so avoiding the use of unnecessary catheterization; reduce the rates of urinary tract infection due to incomplete emptying and help to manage incontinence. This piece of equipment will allow us to better support our residents health and wellbeing.

**Communications for All**

With most of our residents non-verbal our communications programme has proved life changing. As part of the development plan for communications at Martha, we identified the need to purchase two new portable eye-gaze units (Eye16 units) for use at our Deal homes to give our residents a voice and ability to have a say in their life. We are delighted that we exceeded our target raising enough for three Tobuu Dynavox I-16 units. Alongside this, the appeal also lead to one of the parents of a resident purchasing a unit for their son.

**Transfers**

During the year, the Trustees have designated funds representing the book value of the fixed assets less any associated borrowings as these are not deemed to be freely available funds by the Trustees.

## 16. Summary of funds

### Summary of funds - current year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2021 £ |
|---|---|---|---|---|---|
| Designated funds | **3,015,334** | **-** | **-** | **144,858** | **3,160,192** |
| General funds | **946,028** | **6,132,823** | **(5,714,639)** | **(144,858)** | **1,219,354** |
| Restricted funds | **677,395** | **213,850** | **(133,204)** | **-** | **758,041** |
| | **4,638,757** | **6,346,673** | **(5,847,843)** | **-** | **5,137,587** |

### Summary of funds - prior year

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2020 £ |
|---|---|---|---|---|---|
| Designated funds | 3,077,256 | - | - | (61,922) | 3,015,334 |
| General funds | 681,493 | 5,558,512 | (5,358,899) | 64,922 | 946,028 |
| Restricted funds | 606,069 | 147,906 | (73,580) | (3,000) | 677,395 |
| | 4,364,818 | 5,706,418 | (5,432,479) | - | 4,638,757 |

## 17. Analysis of net assets between funds

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

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|---|
| Tangible fixed assets | 4,295,624 | 612,763 | **4,908,387** |
| Current assets | 1,450,520 | 145,278 | **1,595,798** |
| Creditors due within one year | (535,537) | - | **(535,537)** |
| Creditors due in more than one year | (831,061) | - | **(831,061)** |
| **Total** | 4,379,546 | 758,041 | **5,137,587** |

## 17. Analysis of net assets between funds (continued)

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

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|---|---|---|---|
| Tangible fixed assets | 4,344,933 | 604,957 | 4,949,890 |
| Current assets | 1,039,975 | 72,438 | 1,112,413 |
| Creditors due within one year | (390,577) | - | (390,577) |
| Creditors due in more than one year | (1,032,969) | - | (1,032,969) |
| **Total** | 3,961,362 | 677,395 | 4,638,757 |

## 18. Reconciliation of net movement in funds to net cash flow from operating activities

| | **2021 £** | 2020 £ |
|---|---|---|
| Net income for the year (as per Statement of Financial Activities) | **498,830** | 273,939 |
| **Adjustments for:** | | |
| Depreciation charges | **200,346** | 213,667 |
| Dividends, interests and rents from investments | **35,350** | 52,529 |
| Loss on the sale of fixed assets | **18,601** | 2,437 |
| Increase in debtors | **(19,408)** | (177,720) |
| Increase/(decrease) in creditors | **147,005** | (464) |
| **Net cash provided by operating activities** | **880,724** | 364,388 |

## 19. Analysis of cash and cash equivalents

| | **2021 £** | 2020 £ |
|---|---|---|
| Cash in hand | **1,057,658** | 593,681 |
| **Total cash and cash equivalents** | **1,057,658** | 593,681 |

## 20. Analysis of changes in net debt

| | At 1 January 2021 £ | Cash flows £ | At 31 December 2021 £ |
|---|---|---|---|
| Cash at bank and in hand | **593,681** | **463,977** | **1,057,658** |
| Debt due within 1 year | **(58,128)** | **2,045** | **(56,083)** |
| Debt due after 1 year | **(191,480)** | **201,908** | **10,428** |
| Finance leases | **(436,438)** | **-** | **(436,438)** |
| | **(92,365)** | **667,930** | **575,565** |

## 21. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £61,924 (2020: £56,065). Contributions totaling £15,150 (2020: £10,515) were payable to the fund at the balance sheet date and are included in creditors.

## 22. Operating lease commitments

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2021 £ | 2020 £ |
|---|---|---|
| Not later than 1 year | **36,057** | 23,027 |
| Later than 1 year and not later than 5 years | **64,112** | 40,252 |
| Later than 5 years | **8,525** | - |
| | **108,694** | 63,279 |

## 23. Related party transactions

During the year ended 31 December 2021 donations totaling £186 (2020: £755) were received from Trustees.

## 24. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the board of Trustees.

# Accounts

Registered number: 03467405
Charity number: 1067885

AMENDED

# Martha Trust

**(A company limited by guarantee)**

**Trustees' report and financial statements**

**For the year ended 31 December 2020**

Martha Trust
(A company limited by guarantee)

Contents

Martha Trust
(A company limited by guarantee)

**Reference and administrative details of the Charity, its Trustees and advisers**
**For the year ended 31 December 2020**

| | |
|---|---|
| **Trustees** | Amy Rosie<br>Georgina Hovey<br>Humphrey Clarke, Chairman<br>John Quin<br>Rebecca Pryse<br>Richard Pitt (resigned 24 September 2020)<br>Robert Sparkes<br>Roger Walton |
| **Company registered number** | 03467406 |
| **Charity registered number** | 1067885 |
| **Registered office** | Homemead Lane<br>Hacklinge<br>Deal<br>Kent<br>CT14 0PG |
| **Senior management team** | George White, CEO<br>Julie Gayler, Deputy CEO<br>Natalia Olszewska, Finance Director<br>Owen Nolan, Senior Registered Home Manager and Learning Disability Lead<br>Claire Doe, Associate Director of People and Culture<br>Alice Moir, Marketing Manager |
| **Company secretary** | George White (resigned 25 June 2020)<br>Natalia Olszewska (appointed 25 June 2020) |
| **Chief executive officer** | George White |
| **Independent auditors** | Kreston Reeves LLP<br>Statutory Auditor<br>37 St Margaret's Street<br>Canterbury<br>Kent<br>CT1 2TU |
| **Bankers** | Barclays Bank PLC<br>9 St George Street<br>Canterbury<br>Kent<br>CT1 2JX |
| **Solicitors** | Girlings Solicitors LLP<br>16 Rose Lane<br>Canterbury<br>Kent<br>CT1 2UR |

Martha Trust
(A company limited by guarantee)

## Chairman's statement
## For the year ended 31 December 2020

The chairman presents his statement for the year.

Long after I have written this annual report Martha Trust and indeed most of the world will still be talking about 2020 as the most difficult year they had experienced in their lifetime. From early March until the end of the year we alongside all of our friends in the care industry had to manage an incredibly difficult situation which changed dramatically on an almost daily basis. The trust is blessed with both an experienced board and a Chief Executive and Deputy who have much experience in crisis management and in event planning. We locked down early prior to the government guidance and for seven months we did not have any cases of Covid for either staff or residents. It was not until the last two months of the year that two of our homes had cases but thankfully, due to the mercy of our good Heavenly Father and diligent and professional practice of our staff, these did not spread significantly. Yes, it has been extraordinarily difficult but there have been silver linings and we have learnt so much in this past year.

Looking back to our objectives which we set for 2020 we recognised that whilst the management team were working relentlessly with operational issues we needed systems in place to ensure that we focused on our long term strategic plan. This was achieved by forming a trustee group working with selected members of the management team. This further developed and safeguarded our future by having a clear strategy, particularly in the areas of care and finance. The group will present the new strategy to the board for consideration in 2021.

During the year the Care Quality Commission finally approved our two new rooms in Mary House , Hastings. The delay in approval has been extremely frustrating but we can now look forward to providing a home to two new residents, particularly as there is such a great need across the country for residential placements for people with profound and multiple disabilities. We also challenged funding authorities to properly cover the costs to reflect the needs of residents and ensure that the trust is sustainable for the long term. We made significant progress in this area but it is only the start of the story in ensuring funders meet their obligations.

Technology has allowed the board and the committees to meet regularly throughout the year and has enabled the Senior Management Team to meet with the Family Representative Group on a weekly basis since March 2020. We said we would utilise the voices of families to continue to enhance our inclusive and supportive relationships, all the while improving their experiences with us. By meeting so frequently we were able to both help and encourage much greater support of our residents' families through a wide range of communication, including a variety of Social Media methods.

I could not close this report without returning to our frontline care staff. The courage and dedication they have shown this year has been astounding, despite the risk of getting infected with Covid. Our heroes have continued to put the residents before themselves and with staff like these, one cannot be anything but confident of the progression of Martha Trust throughout the next year and many more to come.

We thank God for His provision, direction and protection in all our activities.

Chairman
Date: 18 August 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Martha Trust (the charity) for the year ended 31 December 2020. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

**Public Benefit**

**a. Purpose**

We are an established regional charity, formed in 1987, providing residential and respite care to adults with profound physical and multiple learning disabilities (PMLD). We are passionate about delivering person-centred care, enabling the individuals we support to achieve their highest level of independence and lead a fulfilling, contented and meaningful life.

We achieve this by:

- recognising and respecting people as unique individuals.
- encouraging and supporting everyone to be involved and engaged in the world around them.
- promoting good health and holistic well-being.

Our health goals are to reduce and prevent unnecessary hospital admissions and to prevent delayed discharges.

We achieve this by:

- having individual care and support plans for people recognising best practice and how we can support people with our nursing teams.
- developing a discharge plan on admission and acting as advocates for the residents' well-being while they are in hospital.

We believe passionately that people with PMLD have the right to make choices about their lives as well as the absolute right to privacy, dignity and respect. They are encouraged and assisted to engage where possible in activities within their local community. Our residential services are supported by a team of in-house care professionals as well as external specialists in health, person-centred planning, communication and physiotherapy.

Our Mission is to offer compassion, friendship and encouragement to people with profound and multiple disabilities, supporting them to lead a full and contented life. Our Values are:

- To treat everyone with respect, dignity and compassion
- To always be supportive and encouraging
- To promote a culture of inclusion and diversity
- To act with integrity and honesty at all times
- To champion the needs and rights of people with profound disabilities

While Martha Trust is driven by Christian values, we offer care and support to people from all faiths and backgrounds. We employ staff based on their skills and experience and do not discriminate on grounds of faith, gender, age, ethnic origin, disability, marital status, race, nationality or sexual orientation.

**b. Our organisational aims**

- To be recognised as an outstanding provider of high quality and innovative services for people with PMLD.

- To offer an environment in which each person can grow and develop whilst enjoying life to the full, through support that is focused on them, flexible, and creative. We are committed to delivering person-centred care, enabling each individual to lead a rewarding life full of happy memories.

- To raise our profile through expert knowledge and community development. We will work to understand the local and national PMLD agenda and participate where appropriate, maintaining links with relevant groups and forums.

- To ensure financial sustainability for the future through:
    - Robust individual needs assessments and fee negotiations on new and existing contracts;
    - Enhancing our marketing strategy to raise awareness of our services to the widest possible audience and communicate the effectiveness of what we do;
    - Continuing to grow our fundraising income through our presence in the local community and greater focus on grant income;
    - Maximisation of the use of under-utilised space by consolidating office space onto one site;
    - Explore new service and income generation opportunities.

**c. Our objectives for 2021**

- Complete the review of our Mission, Vision and Values and Strategic Objectives, reacting to changes and reflecting these in our three-year financial strategy.
- Continue to evolve our strategic approach to recruitment and retention – always recognising that the people who work for Martha Trust together with a culture which supports our values, are key to our ongoing success and improvement.
- Build upon the stronger relationships formed with families following the Covid-19 pandemic, continuing to use those partnerships to enhance their own experiences with us, and those of their loved ones.
- Through the Working Improvement Group review and, if required, create a new shift planning process to ensure service users' needs are met at all times of day and night.
- Establish a Care Improvement Committee with Trustee involvement to seek to further improve our service and demonstrate how we are improving the lives of our residents through a long term care strategy. The first year of this Committee will focus on care reviews and medication.
- Focus development of the Continuous Improvement Plan on areas of improvement highlighted in stakeholder questionnaire responses and by CQC. Continue to build on areas rated as Good with a view to achieving Outstanding.
- Continue to strengthen our quality assurance framework; constantly reviewing policies and considering ways of utilising technology to improve the recording and audit processes.
- Increase the voluntary income against budget by continuing with the work to raise our profile in both Deal and Hastings, utilising the strengths of the marketing and fundraising team.
- Challenge funding authorities to increase their fees in order to cover rising costs as part of an ongoing and constantly evolving three-year financial forecast that reflects the needs of the residents and provides sustainability for the organisation.
- Ensure daily activity plans are reviewed to reflect the changing needs of the people they relate to, and work with staff to ensure evidence is collated.
- Establish an Equality, Diversity and Inclusion Committee involving staff volunteers to ensure we are a fair organisation, recognising our different backgrounds, cultures and abilities. We will draw on the experience of an external consultant to help support this work.
- Focus our training programme for new starters on the Care Certificate and thereafter onto NVQ 2 and 3, as well as our mandatory training. Ensure the programme is effectively upskilling nurses to deliver latest best practice health care, identifying any development opportunities to further improve standards of person-centred care.
- Provide refresher Safeguarding training to the management team and Safeguarding champions and continue roll out of the training to new staff and refresher training to existing staff.
- Work to continuously develop the communication plan, further advancing opportunities for residents to communicate with others and express themselves.
- Build on existing relationships with external stakeholders, including health professionals, local authority multidisciplinary teams and adult safeguarding boards.
- Implement GDPR plans to ensure the organisation meets the latest legal requirements.

We will measure our performance against all these objectives.

**d. Activities for achieving objectives**

Martha Trust strives to be an organisation that adapts and evolves to reflect the changing values and principles within our society, whilst reacting to the changing needs of our residents, staff and stakeholders. We endeavour to proactively respond to external influences such as government policy and changing legislation, taking a long-term strategic approach.

By recognising the complex needs of those we support, we also recognise the responsibility we have in ensuring that we protect the long term sustainability of the organisation and are able to provide residents with the caring home they deserve – and in doing so setting new industry standards of excellence.

We are passionate about supporting people with PMLD to lead a full and contented life. We achieve this by recognising and respecting people as unique individuals, encouraging and supporting everyone to be involved and engaged in the world around them and promoting good health and holistic well-being.

Covid-19 Pandemic

The emergence of the Covid-19 pandemic early in the year has created huge challenges for Martha Trust during 2020, which have affected our ability to deliver against some of our agreed objectives. In addition, the impact of the pandemic has enforced the closure of respite and day care services for the foreseeable future and temporarily delayed the filling of the three residential vacancies at the end of the year.

Our priority this year has been ensuring the health and safety of our residents and staff, involving compliance with constantly evolving government and Public Health England guidelines and resultant widespread changes to the operation of the service. Despite some inevitable outbreaks of the virus, stringent Infection Prevention & Control measures, together with the amazing commitment of staff across the organisation, have helped to limit the number and severity of cases.

Strategy

The Strategy Review Sub-Committee has continued its work, meeting monthly to consider Martha Trust's current position, analyse the last five years of financial information and develop a business plan for the next 3 years, taking into consideration 'Going concern'. Using this information and current economic factors, particularly from funders and fundraising supporters, the Committee will prepare a long-term strategy for the full board to consider in 2021.

Families

We continue to be committed to working alongside families, recognising their wealth of knowledge, listening to feedback and ideas which will improve the experience for those involved and create meaningful relationships for the benefit of everyone. During 2020, we have introduced virtual family forums, which have enabled family members from the two Martha sites to meet for the first time. In addition, the Parent Representative Group have held virtual meetings with the home management teams on a weekly basis during the pandemic, to ensure inclusivity and the efficient dissemination of information to the wider families.

The 2020 family feedback questionnaire was distributed to all 50 families including those of our respite clients. Overall results were more positive for the second year running in most areas. All the families that completed the questionnaire rated us as good or excellent in all questions in the 'Overall' section with each saying they would recommend Martha.

It is also worth highlighting that once again all responders to the 2020 survey answered good or excellent to 'being made to feel welcome' in the homes and 'feeling able to raise a concern if they had to.'

Operations

In 2020 there were some changes to the senior management team (SMT) at Martha. Claire Doe was promoted to Associate Director for People and Culture and we welcomed Alice Moir, Marketing Manager, to the SMT.
We have had a very focused care management team across the organisation this year, who have worked tirelessly to keep the homes as Covid-free as possible. Alongside the existing responsibilities of managing the delivery of a high standard of care, 2020 has been a challenging year for the team. A Covid Response WhatsApp group was formed involving the SMT and home management team, together with the Parent Representatives, with daily Zoom operations meetings during any Covid outbreaks. This proved invaluable in terms of offering support and ensuring consistency in decision-making to deal with the pandemic. We also continued to hold virtual, six weekly Clinical Governance Meetings.

Continuous Improvement Plans (CIP) form the basis of improving the quality of the services we offer. Each site has a CIP based on the CQC Key Lines of Enquiry standards. Improvements identified from a range of sources, including CQC inspections, stakeholder questionnaires, safeguarding enquiries, audits and accident/incident forms, are added to the plan. Actions are agreed and allocated to the relevant individuals or teams, with progress reviewed on a monthly basis. This rolling plan ensures we can react quickly to areas of concern or innovative ideas, put more robust governance in place and evidence our ethos of being a learning organisation.

We continue to provide monthly information to several CCG Commissioning Support Units on set Key Performance Indicators and are working with other funding authorities to provide more detailed information on the service we provide.

Construction of the two new rooms at Mary House was completed in 2018, to enable us to provide a home for two additional individuals with PMLD, together with an interactive computer suite. CQC initially refused registration but after a long appeal process, approval was granted in April 2020.

Our People

2020 was a very difficult year for the whole country and the care sector, and the staff across Martha Trust, once again, demonstrated their commitment and dedication to their roles and the residents here. This emphasised the importance of ensuring that the dedication of our staff team is recognised and valued and that we maximise our efforts to retain good staff.

The implemented People Plan was continued, ensuring that at all times our staff team have been supported, thanked, feel appreciated and valued. This is an ongoing project consisting of smaller acts of recognition and thanks rather than a one off large gesture, which can be more quickly forgotten, especially when times are challenging.

Previous feedback from the staffing teams had told us that the staff at Martha appreciate edible treats. Therefore, since the start of the pandemic, regular treats were provided to the homes during all shifts. These have generally been hand delivered by a member of the management team, who used the opportunity to check in with people and ensure they were okay.

At Easter everyone was gifted an Easter egg, and the summer saw the return of the popular staff raffle celebrating 'Carers' Week'. In addition to edible treats, every member of staff received a gift of hand or face cream, recognising the impact of wearing PPE for long periods of time.

At Christmas, as well as the popular 'Christmas boxes', we were delighted that family donations exceeded all expectations. This meant that the £20 gift vouchers given to all staff were paid for mostly by their contributions. All staff, across the organisation, received the gift as recognition that everyone worked hard and contributed in various ways through the year. This was not just with the efforts against Covid-19 but also in an organisational drive to bring down costs and increase efficiency. These efforts helped to improve the viability of the organisation and give staff job security.

In addition to the ongoing smaller tokens of gratitude, it has been very important to ensure that people were paid fairly, and where possible, were supported financially during the pandemic. Anyone who was absent with a Covid-19 related issue was fully paid during his or her absence, and the rate paid for overtime shifts was increased to double time. A new incentive was also trialled and then implemented to recognise the impact on the work life balance of working weekends. As a result, all staff who work weekend shifts receive an additional 50p per hour. These increases were in addition to the annual pay review and subsequent pay increase.

A new policy was introduced to enable staff to request up to two days of their annual leave be paid, receiving this money in their December pay just before Christmas.

The other vital part of making our people feel valued is through providing communication that is both regular and two way. Strong efforts have been made to communicate clearly and on a regular basis and feedback from employees has been that they feel supported and are grateful for the ongoing efforts made to take on board feedback. When staff at Deal said they felt left out from the 'clap for carers' due to the remote location of the home, volunteers from the admin teams, trustees and some families, all came up for several weeks to the Deal site on Thursdays at 8pm, to clap and thank staff. The management teams on both sites have also picked up either Support Worker or domestic duties when needed, to demonstrate solidarity with the teams.

Training moved to a mixture of both online and face-to-face courses. This decision was made in order to trial online training, making financial savings and potentially opening access to a more diverse number of courses. This decision also enabled some online key courses, such as infection control and health and safety, to continue when the homes were in full lockdown, ensuring staff were well trained in priority areas.

Despite the challenges of delivering face-to-face training in-house during the pandemic, our commitment to robust safeguarding practices remains a priority. Modified, socially distanced training sessions were implemented in 2020 to ensure knowledge of the safeguarding policy was enhanced for existing employees and also introduced to new starters. Refresher training is planned for internal trainers and Safeguarding Champions with a safeguarding consultant, together with basic training for other staff.

The annual staff questionnaire was released to all Martha staff in January 2020. Although the Covid-19 dominated much of the work of the management team, we continued working towards being the best employer we can be.

In response to the questionnaire feedback, we were able to implement:

- An increase in pay for staff on the minimum wage to £9 per hour, plus an enhanced weekend incentive. A new Trustee-led Remuneration Committee has been introduced to ensure we continue to review our levels of pay and other incentives through the year, remaining competitive and fair.
- In recognition of the commitment of our staff throughout an extremely difficult year, we have surprised them with small gestures including cakes, vouchers and Christmas hampers for each shift.
- The response to the question of feeling able to communicate with supervisors and managers rose for the third time in six years to 84%. As always, communication is key to ensuring Martha Trust continues to evolve in an informed and positive way. Whilst the pandemic affected our ability to meet face to face, the well-established Staff Listening Group continues to provide a valuable exchange of information and ideas between the Senior Management Team and the staff. House meetings have been replaced with more regular written updates and staff surveys to gauge opinions and include staff in decisions.
- 92% of staff responded that they are given further training opportunities to develop their skills. In 2020, we introduced online training and increased the number of competencies available to upskill staff to progress to new roles.
- An amazing 82% of staff stated they were happy at work. The resilience, teamwork and atmosphere within the homes has shone throughout the year.
- Despite the challenges of 2020, 93% of staff agreed that Martha Trust is a good place to work. This was a reflection of the efforts of the management team to keep everyone at Martha safe. Communication of the ever-changing Covid-19 guidance was crucial, along with sourcing the adequate and correct PPE.

Fundraising

When the planning and forecasting for 2020 took place we could never have envisaged the year that lay ahead. The Covid-19 pandemic impacted significantly on our ability to fundraise with little or no community and Face-to-Face fundraising in 2020.

With the majority of our fundraising events cancelled this year including our flagship events – Monte Carlo Madness (our annual car challenge) and Music on the Farm it left us with a significant gap in our unrestricted income.

The fundraising team reacted rapidly in dealing with the changes to the fundraising environment and sought out new opportunities and campaign activities in response to lockdown. This went some way to help make up the shortfall in income from the cancelled events. We also focussed on nurturing existing supporter relationships during this time.

In the latter part of the year, we held two Zoom Bingo events, which proved to be extremely successful, and had planned a Christmas drive in cinema double bill – sadly, this event had to be cancelled due to water logged fields.

One event we were able to go ahead with was our golf day at Prince's Golf Club. The event was adapted to fit the relevant social distancing guidelines and was a great success surpassing the forecasted income which was an amazing achievement considering the challenges faced. It demonstrated that by working closely with the venue and adapting elements of the event we were still able to deliver on income whilst ensuring Covid-19 safe event for our supporters.

Our Covid-19 appeal targeting existing supporters alongside applications to Emergency Covid-19 funds proved very successful and bridged a significant amount of the lost income from Face-to-Face fundraising in 2020.

General income was up on forecast, boosted by our lockdown fundraisers who took part in the 2.6k challenge or who took on a challenge of their own like Pat Wilson with her Masks4Martha, which raised an incredible £10,076 in 2020. Whilst donations from regular donors remains static.

We continue to build on support from local businesses and nurture relationships; we saw some success with local solicitors following a campaign for donations from the residual funds.

We were also fortunate to receive a significant legacy in 2020, which boosted our unrestricted income.

Our profile in the local communities within which we work continues to grow and we are spreading awareness further into Kent and Sussex. We continue to build good foundations in the Hastings area with key community groups. Our social media strategy continues to gather momentum with our Facebook followers up 15.5% on 2019 and Twitter remained static.

We end the year with our fundraising team (equivalent of 2.5 f/t roles) working well and delivering good returns in spite of the challenges of fundraising during a pandemic.

**Achievements and performance**

**a. Key financial performance indicators**

Although Martha Trust had a challenging year due to Covid-19, its financial performance in 2020 was a significant improvement on the two prior years. Total income was £5.71 million (2019: £5.26 million) and the surplus was £273,939 (2019: loss £156,007). A large part of this turnaround was due to increases in fee income which were effectively a partial catching-up after several years with limited increases. Room occupancy increased to 97.6% compared to 96.3% in 2019, although there were three vacancies at the end of 2020.

Martha Trust continues to experience the impact from the erosion of real terms fee values overall but for the first time in recent years, all funding authorities awarded inflationary increases during 2020. We continue to challenge where fees have not kept pace with inflation and we have achieved some fee increases where individual residents' support needs have changed although these only fund the necessary increase in staffing cost to meet the residents' increased needs. Care enquiries are increasing for residents with more complex needs. It is important to ensure that when welcoming such new residents staffing of additional support in excess of the basic package is fully funded in order to ensure the long-term viability of Martha Trust as a home for all the residents

Covid had a significant impact on our finances in 2020. We had lost £40k of our events income, £58k in respite income, £30k in day care income and £86k due to delays in filling our vacancies because of Covid restrictions. Our expenditure increased by an additional £39k on PPE alone and there were many more additional costs because of Covid that we are not able to quantify. We were fortunate to receive £14k in grants, £108k additional Covid fees from our local authorities and £56k from the Government for furlough to help us through this difficult year.

Marketing of care services is still generating new care enquiries. We have further built on relationships with stakeholder authorities that resulted from marketing activity in recent years and we continue to engage with local funding authorities to enhance relationships with them. We now have a closer working relationship with authorities in Sussex and we continue to work with them to a greater extent than had been the case several years ago in respect of Mary House, Hastings. The level of new care enquiries in 2020 and after the balance sheet date has been high. This is partly due to our profile being raised through marketing and partly due to a particularly high level of demand in a time of shrinking service provision in South East England.

We have a continuing system of expenditure monitoring and control and a rigorous budgeting process. We negotiate with existing suppliers as well as potential new suppliers in order to source goods and services at the best possible price. Although there continue to be increases in costs due to operational needs we have achieved efficiencies across the organisation with only slight increase in total cost.

The year ended with the following results:

- Total income £5.71m (2019: £5.26m)
- Expenditure £5.43m (2019: £5.41m)
- Surplus £0.3m (2019: Loss £0.2m)
- Percentage costs of management and administration 8.82% (2019: 6.93%)
- Occupancy 97.6% (2019: 96.3%)
- Balance Sheet total funds £4.6m (2019: £4.4m)

**b. Review of activities**

There were three new residential placements during the year. There were no new respite placement during the year because the respite service was suspended for the foreseeable future in March 2020 due to Covid-19 and remains closed. Enquiries from families and clinical professionals seeking a possible placement continue to be at an encouraging level and residential rooms are very much in demand.

**c. Investment policy and performance**

The investment policy agreed by the Trustees is to place funds in cash deposits on fixed and short-term arrangements but with the primary objective of ensuring Martha Trust's cash flow requirements are met.

**d. Factors relevant to achieve objectives**

Our staff team works as seamlessly as possible to ensure that occupancy is maximised and that care is provided to not just meet residents' needs but to make a real difference to their lives. Some of the major challenges are outlined in a later section of this report but we ensure that everyone has their needs regularly reassessed and that full and comprehensive care plans, risk assessments and other important documentation are in place and regularly updated.

## Financial review

### a. Going concern

After considering the current and prospective financial position, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

### b. Financial risk management objectives and policies

Financial risk is minimised in several ways by Martha Trust. The ways we manage risk include seeking adequate fees for residents, effective cost control and proper appraisal of any developments. Martha Trust's policies and procedures detail financial risk management in all the ways this is embedded in our organisational culture.

### c. Principal risks and uncertainties

In common with many providers of social care and health services, Martha Trust faces risks and uncertainties regarding the sustainability of fee levels in the long term. As noted above there have not been sufficient fee increases to cover inflationary pressures in full. Costs in the care sector are rising faster than general inflation. Regulation and good practice have caused notable cost increases as we need to spend more on maintaining and enhancing the quality of care. The Trustees have always believed it is absolutely correct for stakeholders to have confidence that our service is safe, effective, caring, responsive and well led. Securing funding for the essential spending that is increasingly required remains very challenging.

Staffing costs continue to be impacted by increases in National Living Wage (NLW). Although some funding authorities have increased fee levels, those increases do not come close to cover the increase in wage costs. This results in continued pressure on resources and a greater challenge in maintaining financial stability.

We believe Martha Trust can thrive in the long term and can overcome the challenges we face. Some other care providers have suffered fee reductions but, with one exception, we have not. We have developed relationships with funding authorities where in previous years there was no relationship. By working to resist pressure on fees, by nurturing relationships with stakeholders, by increasing the number of rooms and by maximising our bed occupancy level we continue to meet risk with concerted action and therefore safeguard the future of Martha Trust.

### d. Principal funding

The main source of income for Martha Trust is from contracts with local authorities and CCGs. Since Martha Trust provides care for people drawn from all parts of the UK, the charity has cultivated and maintained a wide range of relationships and is not dependent upon any one funder.

In addition, Martha Trust has, over several years, developed a marketing strategy specifically for its care services that has broadened its reach, enabling it to source placements from a greater number of authorities. This will help to maximise overall occupancy levels and therefore fee income. Alongside this strategy we are working more closely with Sussex CCGs as well as with CCGs in Kent in order to source a higher level of placements from local areas.

Fundraising income provides for most of our capital expenditure including developments within our homes like new rooms and specialist equipment, as well as providing some unrestricted funding. Other than fees for services, no income is received from any statutory sources.

We are also grateful for the vital contributions by our supporters who help Martha Trust provide the level of service and care that we are all committed to. Without this support it would not be possible for the charity to continue to undertake its current level of service provision.

We believe that giving to charity should be a positive experience, and to help make sure this is the case the charity has put in place a policy that seeks to ensure that the highest possible standards of fundraising practice are being adopted. This policy acknowledges the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the charity. The charity voluntarily subscribes to the Fundraising Regulator, and complies with all aspects of its Code of Practice as well as ensuring its fundraising activity follows the principles set out under GDPR. All fundraising activity is carried out by our own in-house team and volunteers. The charity does not utilise the services of any external commercial fundraisers.

Martha welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

**e. Material investments policy**

We do not participate in material investments.

**Structure, governance and management**

**a. Constitution**

The charity is registered as a charitable company limited by guarantee and was set up by a Trust Deed.

The principal object of the charity is to provide residential or 'inclusive care', for people with profound physical and multiple learning disabilities (PMLD), as well as respite services and support to families caring for people with PMLD.

**b. Method of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

**c. Policies adopted for the induction and training of Trustees**

For all new Trustees we undertake a programme using the guidance from the Charity Commission under the heading of good governance.
We discuss with them the seven principles of Charity Governance Code:

- Organisational Purpose,
- Leadership,
- Integrity,
- Decision making, risk and control,
- Board Effectiveness,
- Equality, Diversity and Inclusion and
- Openness and Accountability,

to ensure that they have a full understanding of their responsibilities. In addition, new Trustees will attend a seminar on their responsibilities by a specialist charity firm during the first year of their Trusteeship at Martha Trust. New Trustees will also be allocated an experienced Trustee to guide them in their first six months of Trusteeship.

**d. Pay policy for senior staff**

The Trustees are able to claim reasonable travelling and other expenses properly incurred by them in connection with their attendance at meetings of Trustee Board, Committee or General meetings, or otherwise in connection with the discharge of their duties, but are not paid remuneration. Some Trustees choose to donate their expenses back to Martha Trust.

All salaried roles at Martha, including those of the Directors and Chief Executive Officer, have been evaluated based on comparator market data by an independent HR consultancy, TRP Ltd, specialising in remuneration and reward issues.

**e. Organisational structure and decision making**

At the year end the Board of Trustees consisted of 7 Trustees, who are also Directors of Martha Trust for the purposes of company law, plus one co-opted family representative. The Senior Management Team consists of the Chief Executive Officer, Deputy CEO, Finance Director, Senior Registered Home Manager and Learning Disability Lead, Associate Director of People and Culture, and Marketing Manager.

There are four full Board Meetings per year, plus at least four Audit & Finance Committee Meetings. The Strategy Review Sub-Committee meets monthly and has three Trustee members. The Funding Strategy Group meets quarterly and has two trustees and one family representative. Care Improvement Committee meets quarterly and has one trustee and two family representatives. Remuneration Committee meets at least once a year and it has two trustees.

In terms of financial control, the Finance Director prepares revenue and capital budgets for the forthcoming financial year. The Audit and Finance Committee consider the budgets prior to the start of that year. Once agreed, budgets are presented to Trustees for approval. Additionally, regular forecasts are prepared and reviewed during each financial year.

The budgets and forecasts are the cornerstone for financial operations during the year.

Each of the two Martha sites has a Registered Home Manager (RHM), one of whom is also the Deputy CEO. The RHM of the Hastings site reports to the Deputy CEO. The RHM's are supported by 3.41 FTE Homes and Deputy Home Managers.

All new care policies or changes to existing care policies are reviewed and approved at the six weekly Clinical Governance Meetings which involve the full organisational management team.

**f. Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular, those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

**Plans for future periods**

**a. Future developments**

Continue to be an outstanding provider that others can aspire to by:

- Demonstrating our understanding of the needs of the residents at Martha Trust and ensuring we can evidence the impact of our support.
- Ensuring our services are safe, effective, caring, responsive and well-led.
- Working closely with CQC and funding authorities, aim to be outstanding in clinical knowledge and safeguarding with an emphasis on residents' needs.
- Being a leading provider in our work on communication with people with PMLD through traditional methods and using the latest technology.

Generate sustainable funding and maximise resources to provide our residents with the best possible lives by:

- Growing, maximising and sustaining statutory, earned and fundraising income.
- Producing three-year budget plan, incorporating income and expenditure, to live within our means.
- Ensuring value for money by applying principles of economy, efficiency and effectiveness.
- Exploring redevelopment of under-utilised space to make best use of office space and opportunities for staff to work off site.

Operate a well-governed, efficient business, supporting and developing the staff and volunteers who work for us by:

- Ensuring our business is well-governed with alignment of strategy, business plan and financial sustainability.
- Managing our quality standards and risks effectively within our regulatory frameworks.
- Supporting, developing and managing our staff in the achievement of our objectives.

**Risk Policy**

The charity maintains a risk register which firstly identifies all risks and then has a scoring system to further identify major risks. The CEO is responsible for maintaining the register and the CEO discusses serious risks with the Trustees and the relevant subcommittee who will then agree whether it should be subject to a board paper and discussion.

**Reserves Policy**

At 31 December 2020, the Trustees considered it appropriate to increase free reserves held to equivalent of at least four month's expected general expenditure for one home (three month's in previous years), which is in the region of £540,000. The free reserves at 31 December 2020 amounted to £741,893. The Trustees are satisfied with the level of reserves held due to the level of higher risks and uncertainty within the care sector at the current time. The Trustees will continue to review reserves on a regular basis, in accordance with the Charity Commission guidance.

**Remuneration and social investment policy**

Martha Trust recognises the importance of a sound remuneration and benefits policy when it comes to attracting and retaining highly skilled and motivated staff. This policy cannot stand still in isolation and must be reviewed regularly in absolute terms and compared to other similar organisations to ensure its competitiveness.

Staff should be rewarded in relation to:

1. The level of responsibility and the value placed on comparable jobs within the Trust.
2. The value placed on comparable jobs in the local area.

In addition to an inflation linked review in January of each year, regular reviews will be carried out by the Chief Executive in conjunction with the Home Managers to ensure that Martha Trust remains competitive in respect of its pay and benefits policy generally.

We do not currently undertake any social investment and hence have no policy for this.

**Trustees' report (continued)**
**For the year ended 31 December 2020**

**Trustee Declaration**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.
- That Trustee had due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

The board of trustees welcomed the new Charity Governance Code published in December 2020. At the beginning of 2021, the trustees have already begun planning how to embrace its recommendations, especially as regards to Equality, Diversity and Inclusion. The trustees consider some of the new requirements of The Code aspirational and thus may face constraints in immediately implementing all of the recommendations of the code. Nevertheless, the board will continue to strive for continuous improvement, exploring possibilities for extending range of skills and experience of existing trustees.

**Auditors**

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**Humphrey Clarke**
(Chair of Trustees)

Date: 18 August 2021

**Statement of Trustees' responsibilities**
**For the year ended 31 December 2020**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Independent auditors' report to the Members of Martha Trust

### Opinion

We have audited the financial statements of Martha Trust (the 'charity') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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.

**Independent auditors' report to the Members of Martha Trust (continued)**

**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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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.

**Independent auditors' report to the Members of Martha Trust (continued)**

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to safeguarding, health and safety, Care Quality Commission inspection reports and fundraising practices and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety, Care Quality Commission inspection reports and fundrasing practices) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Independent auditors' report to the Members of Martha Trust (continued)**

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

**Samantha Rouse FCCA DChA (Senior statutory auditor)**

for and on behalf of
**Kreston Reeves LLP**

Statutory Auditor
Chartered Accountants

Canterbury

19 August 2021

Martha Trust
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)**
**For the year ended 31 December 2020**

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 3 | 230,623 | 40,387 | 271,010 | 252,741 |
| Charitable activities | 4 | 5,327,113 | 107,519 | 5,434,632 | 5,003,521 |
| Other income | 5 | 776 | - | 776 | 2,588 |
| **Total income** | | 5,558,512 | 147,906 | 5,706,418 | 5,258,850 |
| **Expenditure on:** | | | | | |
| Raising funds | 6 | 111,841 | - | 111,841 | 141,264 |
| Charitable activities | 7 | 5,247,058 | 73,580 | 5,320,638 | 5,273,593 |
| **Total expenditure** | | 5,358,899 | 73,580 | 5,432,479 | 5,414,857 |
| **Net income/(expenditure)** | | 199,613 | 74,326 | 273,939 | (156,007) |
| Transfers between funds | 15 | 3,000 | (3,000) | - | - |
| **Net movement in funds** | | 202,613 | 71,326 | 273,939 | (156,007) |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 3,758,749 | 606,069 | 4,364,818 | 4,520,825 |
| Net movement in funds | | 202,613 | 71,326 | 273,939 | (156,007) |
| **Total funds carried forward** | | 3,961,362 | 677,395 | 4,638,757 | 4,364,818 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 42 form part of these financial statements.

Martha Trust
(A company limited by guarantee)
Registered number: 03467406

## Balance sheet
## As at 31 December 2020

| | Note | | 2020 £ | | 2019 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 11 | | 4,949,890 | | 5,115,264 |
| | | | 4,949,890 | | 5,115,264 |
| **Current assets** | | | | | |
| Debtors | 12 | 518,732 | | 341,012 | |
| Cash at bank and in hand | | 593,681 | | 435,175 | |
| | | 1,112,413 | | 776,187 | |
| Creditors: amounts falling due within one year | 13 | (390,577) | | (375,943) | |
| **Net current assets** | | | 721,836 | | 400,244 |
| **Total assets less current liabilities** | | | 5,671,726 | | 5,515,508 |
| Creditors: amounts falling due after more than one year | 14 | | (1,032,969) | | (1,150,690) |
| **Total net assets** | | | 4,638,757 | | 4,364,818 |
| **Charity funds** | | | | | |
| Restricted funds | 15 | | 677,395 | | 606,069 |
| Unrestricted funds | | | | | |
| Designated funds | 15 | 3,015,334 | | 3,077,256 | |
| General funds | 15 | 741,893 | | 477,358 | |
| Revaluation reserve | | 204,135 | | 204,135 | |
| Total unrestricted funds | 15 | | 3,961,362 | | 3,758,749 |
| **Total funds** | | | 4,638,757 | | 4,364,818 |

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

H Clarke

**Humphrey Clarke**
Chairman

Date: 18 August 2021

The notes on pages 23 to 42 form part of these financial statements.

**Martha Trust**
**(A company limited by guarantee)**

**Statement of cash flows**
**For the year ended 31 December 2020**

| | Note | 2020 £ | 2019 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net cash used in operating activities | 18 | 364,388 | 280,784 |
| **Cash flows from investing activities** | | | |
| Dividends, interests and rents from investments | | (52,529) | (49,731) |
| Purchase of tangible fixed assets | | (50,730) | (80,757) |
| **Net cash used in investing activities** | | (103,259) | (130,488) |
| **Cash flows from financing activities** | | | |
| Repayments of borrowing | | (102,623) | (110,204) |
| **Net cash used in financing activities** | | (102,623) | (110,204) |
| **Change in cash and cash equivalents in the year** | | 158,506 | 40,092 |
| Cash and cash equivalents at the beginning of the year | | 435,175 | 395,083 |
| **Cash and cash equivalents at the end of the year** | 19 | 593,681 | 435,175 |

The notes on pages 23 to 42 form part of these financial statements

## 1. General Information

Martha Trust is a charity, limited by guarantee, domiciled in England and Wales, registration number 03467406.

The registered office is Homemead Lane, Hacklinge, Deal, Kent, CT14 0PG.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Martha Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

The charity's functional currency is Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

### 2.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

### 2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## 2. Accounting policies (continued)

### 2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor;s intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

## 2. Accounting policies (continued)

### 2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

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

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

### 2.6 Going concern

While the impact of the COVID-19 pandemic has been assessed by the trustees so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the charities activities, its residents and suppliers. However, taking into consideration the UK Government's response, its range of measures to support businesses and the charities own reserves and planning, the trustees have reasonable expectation that the charity will continue its activities for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

### 2.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised.

Tangible fixed assets are carried at cost or deemed cost, net of depreciation and any provision for impairment. Deemed cost represents the fair value of certain freehold properties owned by the charity, at the date of transition to FRS 102, 1 January 2014. Under the cost mode, freehold property will not be subject to further valuations.

## 2. Accounting policies (continued)

### 2.8 Tangible fixed assets and depreciation (continued)

Depreciation is not charged on freehold land.Depreciationis provided from when assets become available for use at rates calculated to write off the cost or deemed cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold property | - 2% straight line |
| Motor vehicles | - 20% straight line |
| Fixtures and fittings | - 10% - 20% straight line |
| Freehold land | - not depreciated |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

### 2.9 Interest receivable

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

### 2.10 Operating leases

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

### 2.11 Debtors

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

### 2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.13 Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### 2.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required the Trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results from the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgement has had the most significant impact on the amounts recognised in the financial statements:

The charity has recognised tangible fixed assets with a carrying value of £4,949,890 at the reporting date (see note 11). These assets are stated at their cost less provision for depreciation and impairment. The charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired (see note 2.8). For material assets such as land and buildings the charity determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the charity's forecasts for the foreseeable future which do not include any restructuring activities that the charity is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

### 2.16 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### 2.17 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

Martha Trust
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Notes to the financial statements
For the year ended 31 December 2020

## 3. Income from donations and legacies

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|
| Donations | 174,951 | 26,387 | 201,338 | 252,741 |
| Grants - Covid-19 | - | 14,000 | 14,000 | - |
| Government grants - Furlough | 55,672 | - | 55,672 | - |
| **Total 2020** | 230,623 | 40,387 | 271,010 | 252,741 |
| Total 2019 | 215,595 | 37,146 | 252,741 | |

## 4. Income from charitable activities

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|
| Residential and day care fees | 5,327,113 | - | 5,327,113 | 5,003,521 |
| Covid-19 fees | - | 107,519 | 107,519 | - |
| **Total 2020** | 5,327,113 | 107,519 | 5,434,632 | 5,003,521 |
| Total 2019 | 5,003,521 | - | 5,003,521 | |

## 5. Other incoming resources

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|
| Other | 776 | 776 | 2,588 |
| Total 2019 | 2,588 | 2,588 | |

**Notes to the financial statements**
**For the year ended 31 December 2020**

## 6. Expenditure on raising funds

**Costs of raising voluntary income**

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|
| Events and publicity costs | 26,453 | 26,453 | 37,253 |
| Legal and professional | 1,459 | 1,459 | 1,356 |
| General office costs | 900 | 900 | 3,963 |
| Maintenance/Utilities/Sundry | 1,334 | 1,334 | 1,203 |
| Salaries to generate income | 81,695 | 81,695 | 97,489 |
| **Total 2020** | 111,841 | 111,841 | 141,264 |
| Total 2019 | 141,264 | 141,264 | |

## 7. Analysis of expenditure on charitable activities

**Summary by fund type**

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|
| Residential and day care costs | 5,247,058 | 73,580 | 5,320,638 | 5,273,593 |
| Total 2019 | 5,235,387 | 38,206 | 5,273,593 | |

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Notes to the financial statements
For the year ended 31 December 2020

## 8. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|---|
| Residential and day care costs | 4,841,421 | 479,217 | **5,320,638** | **5,273,593** |
| Total 2019 | **4,898,105** | **375,488** | **5,273,593** | |

### Analysis of direct costs

| | Residential and day care 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|
| Staff costs | 3,351,793 | **3,351,793** | **3,286,878** |
| Depreciation | 192,370 | **192,370** | **210,780** |
| Establishment costs | 1,297,258 | **1,297,258** | **1,400,447** |
| **Total 2020** | 4,841,421 | **4,841,421** | **4,898,105** |
| Total 2019 | **4,898,105** | **4,898,105** | |

## 8. Analysis of expenditure by activities (continued)

### Analysis of support costs

| | Residential and day care 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|---|---|---|
| Wages and salaries | 374,823 | 374,823 | 245,185 |
| Depreciation | 21,297 | 21,297 | 21,138 |
| Establishment costs | 327 | 327 | 320 |
| Travel and subsistence | 2,468 | 2,468 | 4,334 |
| Insurance | 1,813 | 1,813 | 2,096 |
| Maintenance, cleaning and repairs | 16,481 | 16,481 | 12,350 |
| Print, post and stationery | 1,685 | 1,685 | 1,898 |
| Telephone and fax | 1,239 | 1,239 | 2,230 |
| Operating lease rentals and equipment | 8,427 | 8,427 | 8,741 |
| Staff training | 7,989 | 7,989 | 2,280 |
| General expenses | 1,432 | 1,432 | 1,018 |
| Bank charges and interest | 1,988 | 1,988 | 2,050 |
| IT Costs | 6,872 | 6,872 | 490 |
| Legal and professional fees | 23,290 | 23,290 | 57,672 |
| Publicity and communications | 686 | 686 | 4,992 |
| Governance costs | 8,400 | 8,400 | 8,695 |
| **Total 2020** | 479,217 | 479,217 | 375,488 |

## 9. Net income/(expenditure)

This is stated after charging:

| | 2020 £ | 2019 £ |
|---|---|---|
| Depreciation of tangible fixed assets: | 213,667 | 231,918 |
| - owned by the charity | | |
| Auditors' remuneration - audit | 8,400 | 8,400 |
| Operating lease rentals | 8,427 | 15,350 |

During the year, no Trustees received any remuneration (2019: £NIL).
During the year, no Trustees received any benefits in kind (2019: £NIL).
No Trustees received reimbursement of expenses in the current year, (2019: 2 Trustees - £195).

**Notes to the financial statements**
**For the year ended 31 December 2020**

## 10. Staff costs

| | 2020 £ | 2019 £ |
|---|---|---|
| Wages and salaries | 3,470,013 | 3,326,091 |
| Social security costs | 282,233 | 252,137 |
| Contribution to defined contribution pension schemes | 56,065 | 51,324 |
| | 3,808,311 | 3,629,552 |

During the year there were termination payments for two employees totaling £6,608 (2019: four employees totaling £26,735) included within wages and salaries. As at December 2020, no amounts were due to the employee. The termination payments in 2020 were for ex gratia payments, by way of compensation for the termination of the employment.

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

| | 2020 No. | 2019 No. |
|---|---|---|
| Employees | 173 | 181 |

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

| | 2020 No. | 2019 No. |
|---|---|---|
| In the band £60,001 - £70,000 | 1 | 1 |
| In the band £70,001 - £80,000 | 1 | 1 |

The total salaries received by key management personnel was £305,882 (2019: £266,563). Employer pension contributions were a total of £8,643 (2019: £6,798) and employer national insurance contributions were a total of £35,131 (2019: £29,952).

## 11. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 January 2020 | 6,260,745 | 118,739 | 1,253,589 | 7,633,073 |
| Additions | - | - | 50,730 | 50,730 |
| Disposals | - | - | (32,033) | (32,033) |
| At 31 December 2020 | 6,260,745 | 118,739 | 1,272,286 | 7,651,770 |

## 11. Tangible fixed assets (continued)

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|
| **Depreciation** | | | | |
| At 1 January 2020 | 1,523,505 | 102,169 | 892,135 | 2,517,809 |
| Charge for the year | 112,503 | 8,048 | 93,116 | 213,667 |
| On disposals | - | - | (29,596) | (29,596) |
| At 31 December 2020 | 1,636,008 | 110,217 | 955,655 | 2,701,880 |
| **Net book value** | | | | |
| At 31 December 2020 | 4,624,737 | 8,522 | 316,631 | 4,949,890 |
| At 31 December 2019 | 4,737,240 | 16,570 | 361,454 | 5,115,264 |

Included in land and buildings is freehold land at a valuation of £716,575 (2019: £716,575), which is not depreciated.

Cost or valuation at 31 December 2020 is as follows:

| | 2020 £ |
|---|---|
| At cost: | 6,056,610 |
| At valuation: 1998 at open market value | 204,135 |
| | 6,260,745 |

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

| | 2020 £ | 2019 £ |
|---|---|---|
| Cost | 6,056,610 | 6,056,610 |
| Accumulated depreciation | (1,473,961) | (1,369,175) |
| | 4,582,649 | 4,687,435 |

**Notes to the financial statements**
**For the year ended 31 December 2020**

## 12. Debtors

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trade debtors | 428,621 | 288,594 |
| Other debtors | 12,422 | 15,652 |
| Prepayments and accrued income | 77,689 | 36,766 |
| | 518,732 | 341,012 |

## 13. Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Barclays Mortgage | 58,128 | 46,218 |
| Charity Bank Loan 1 | - | 2,577 |
| Charity Bank Loan 2 | 27,843 | 24,809 |
| Charity Bank Loan 3 | 21,474 | 18,743 |
| Trade creditors | 60,327 | 81,633 |
| Other taxation and social security | 69,667 | 57,744 |
| Other creditors | 39,848 | 106,749 |
| Accruals and deferred income | 113,290 | 37,470 |
| | 390,577 | 375,943 |

**Deferred income**

Deferred income as at 1 January 2020 is £11,866. There have been resources deferred during the year of £24,142. £11,866 has been released relating to deferred income in previous years. The deferred income as at 31 December 2020 is therefore £24,142.

Deferred income is in relation to fees received in advance.

## 14. Creditors: Amounts falling due after more than one year

| | 2020 £ | 2019 £ |
|---|---|---|
| Barclays Mortgage | **191,480** | **260,412** |
| Charity Bank Loan 2 | **432,894** | **454,089** |
| Charity Bank Loan 3 | **408,595** | **436,189** |
| | **1,032,969** | **1,150,690** |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | 2020 £ | 2019 £ |
|---|---|---|
| Repayable by installments | **678,038** | **782,815** |
| | **678,038** | **782,815** |

The Barclays Mortgage is secured by way of a charge over the charity's land and buildings at Martha House. The mortgage is repayable in installments until 2023 for £76,840 and until 2028 for the remaining £172,768. During the year, the mortgage bore interest at a flexible rate of 1% over the Barclays Base Rate.

Charity Bank holds a fixed legal charge over the freehold property that is Mary House in Hastings. The two loans are repayable by way of the following:

Charity Bank loan 2 is repayable in installments until 2033 and bears interest at a rate of 3.39%. The outstanding balance of this loan as at 31 December 2020 was £436,438.

Charity Bank loan 3 is repayable in installments until 2037 and bears interest at a rate of 3.39%. The outstanding balance of this loan as at 31 December 2020 was £454,368.

## 15. Statement of funds

### Statement of funds - current year

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Transfers In/out £ | Balance at 31 December 2020 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | 3,077,256 | - | - | (61,922) | 3,015,334 |
| **General funds** | | | | | |
| General Funds | 477,358 | 5,558,512 | (5,358,899) | 64,922 | 741,893 |
| Revaluation reserve | 204,135 | - | - | - | 204,135 |
| | 681,493 | 5,558,512 | (5,358,899) | 64,922 | 946,028 |
| **Total Unrestricted funds** | 3,758,749 | 5,558,512 | (5,358,899) | 3,000 | 3,961,362 |
| **Restricted funds** | | | | | |
| Frances House | 230,556 | 450 | (450) | - | 230,556 |
| Mary House | 358,049 | 1,250 | (1,476) | (500) | 357,323 |
| Martha House | 2,231 | 39 | - | - | 2,270 |
| Deal Water Garden | 400 | - | - | - | 400 |
| Deal Staff Fund | 842 | 270 | (190) | - | 922 |
| Making Music Accessible | 111 | - | (111) | - | - |
| Carriage Riding | 630 | 30 | (660) | - | - |
| Core restricted | 13,250 | - | (13,250) | - | - |
| Masonic Lodge Beds | - | 16,908 | - | - | 16,908 |
| Staff Christmas Fund | - | 2,740 | (2,740) | - | - |
| Local Authority - Covid-19 | - | 107,519 | (38,503) | - | 69,016 |
| KCF - Covid-19 grant | - | 4,000 | (4,000) | - | - |
| National Lottery - Covid Community Support Fund | - | 4,700 | (2,200) | (2,500) | - |
| Covid-19 | - | 10,000 | (10,000) | - | - |
| | 606,069 | 147,906 | (73,580) | (3,000) | 677,395 |
| **Total of funds** | 4,364,818 | 5,706,418 | (5,432,479) | - | 4,638,757 |

**Notes to the financial statements**
**For the year ended 31 December 2020**

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

**Statement of funds - prior year**

| | Balance at 1 January 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2019 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Designated fixed asset fund | **3,097,287** | **-** | **-** | **(20,031)** | **3,077,256** |
| **General funds** | | | | | |
| General Funds | **605,350** | **5,221,704** | **(5,369,727)** | **20,031** | **477,358** |
| Revaluation reserve | **204,135** | **-** | **-** | **-** | **204,135** |
| | 809,485 | 5,221,704 | (5,369,727) | **20,031** | **681,493** |
| **Total Unrestricted funds** | 3,906,772 | 5,221,704 | (5,369,727) | **-** | **3,758,749** |
| **Restricted funds** | | | | | |
| Frances House | **230,001** | **595** | **(40)** | **-** | **230,556** |
| Mary House | **363,821** | **9,140** | **(14,912)** | **-** | **358,049** |
| Martha House | **20,231** | **-** | **(18,000)** | **-** | **2,231** |
| Deal Water Garden | **-** | **1,000** | **(600)** | **-** | **400** |
| Deal Staff Fund | **-** | **1,790** | **(948)** | **-** | **842** |
| Making Music Accessible | **-** | **506** | **(395)** | **-** | **111** |
| Carriage Riding | **-** | **630** | **-** | **-** | **630** |
| Core restricted | **-** | **23,485** | **(10,235)** | **-** | **13,250** |
| | 614,053 | 37,146 | (45,130) | **-** | **606,069** |
| **Total of funds** | **4,520,825** | **5,258,850** | **(5,414,857)** | **-** | **4,364,818** |

**Notes to the financial statements**
**For the year ended 31 December 2020**

**Designated fixed asset fund**

This represents the book value of fixed assets less any associated liabilities and are not deemed to be freely available funds by the Trustees.

**Designated build fund**

The designated build fund represents the charity's own financial investment in the development of Mary House.

**Frances House**

In 2007 £230,000 was donated by the Development Trust towards the extension at Frances House which provided three new places. This donation carries a restriction for a period of 21 years and requires that those three new residents at Frances House must not have previously lived at any other Martha Trust home. The restriction is secured by way of a legal charge over the property. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered remote.

**Mary House**

(i) This fund includes a donation of land and buildings in Hastings from The Agape Trust in 2004. The use to which the land and buildings could be put was restricted by the original donors, Blatchington Court Trust. The restriction requires Martha Trust to provide homes for a period of 99 years and at any one time at least four residents must be people under 31 years, of whom at least two must be visually impaired. This restriction applies to Martha Trust as a whole and not to Mary House individually. If this restriction is breached £350,000 is repayable to Blatchington Court Trust. In the opinion of the Trustees this criteria will be met and the likelihood of having to repay the money is considered to be remote. These restrictions will be waived on Martha Trust meeting certain criteria.

(ii) The remainder of the fund represents ongoing donations we have been receiving for the benefit of Mary House.

**Martha House**

This fund represents ongoing donations we have been receiving for the benefit of Martha House.

**Deal Water Garden**

This fund represents donations made to fund a water feature garden at Martha House.

**Deal Staff Fund**

This fund is for donations received towards staff entertainment.

**Making Music Accessible**

The grant was provided by Deal Town Council for a special disability changing facility, for Martha's Music on the Farm 2020 event to enable us to provide an inclusive accessible event for the whole community to enjoy. A smaller part of the grant was to fund Music Man sessions for our Deal residents.

**Carriage Riding**

A grant was provided by Whitehead Monckton Charitable Trust for residents to enjoy Carriage Riding at Alkham Valley.

**Core restricted**

This fund has been set up to secure core funding for ongoing costs we face as a charity, such as specialist equipment, training and the cost of providing activities to our residents. Grants secured from multiple funders.

**Masonic Lodge Beds**

This fund represents donations for 14 beds across Hastings and Deal.

**Staff Christmas Fund**

This fund represents donations from families and Trustees for the purchase of gift cards.

**COVID Funds**

There are four funds that represent grants received to enable the charity to purchase necessary PPE and equipment during COVID-19.

**Transfers**

During the year, the Trustees have designated funds representing the book value of the fixed assets less any associated borrowings as these are not deemed to be freely available funds by the Trustees.

## 16. Summary of funds

**Summary of funds - current year**

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2020 £ |
|---|---|---|---|---|---|
| Designated funds | 3,077,256 | - | - | (61,922) | 3,015,334 |
| General funds | 681,493 | 5,558,512 | (5,358,899) | 64,922 | 946,028 |
| Restricted funds | 606,069 | 147,906 | (73,580) | (3,000) | 677,395 |
| | 4,364,818 | 5,706,418 | (5,432,479) | - | 4,638,757 |

## 16. Summary of funds (continued)

### Summary of funds - prior year

| | Balance at 1 January 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 December 2019 £ |
|---|---|---|---|---|---|
| Designated funds | **3,097,287** | **-** | **-** | **(20,031)** | **3,077,256** |
| General funds | **809,485** | **5,221,704** | **(5,369,727)** | **20,031** | **681,493** |
| Restricted funds | **614,053** | **37,146** | **(45,130)** | **-** | **606,069** |
| | **4,520,825** | **5,258,850** | **(5,414,857)** | **-** | **4,364,818** |

## 17. Analysis of net assets between funds

### Analysis of net assets between funds - current period

| | **Unrestricted funds 2020 £** | **Restricted funds 2020 £** | **Total funds 2020 £** |
|---|---|---|---|
| Tangible fixed assets | 4,344,933 | 604,957 | **4,949,890** |
| Current assets | 1,039,975 | 72,438 | **1,112,413** |
| Creditors due within one year | (390,577) | - | **(390,577)** |
| Creditors due in more than one year | (1,032,969) | - | **(1,032,969)** |
| **Total** | 3,961,362 | 677,395 | **4,638,757** |

### Analysis of net assets between funds - prior period

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|---|---|---|---|
| Tangible fixed assets | 4,509,195 | 606,069 | **5,115,264** |
| Current assets | 776,187 | - | **776,187** |
| Creditors due within one year | (375,943) | - | **(375,943)** |
| Creditors due in more than one year | (1,150,690) | - | **(1,150,690)** |
| **Total** | 3,758,749 | 606,069 | **4,364,818** |

## 18. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2020 £ | 2019 £ |
|---|---|---|
| Net income/expenditure for the period (as per Statement of Financial Activities) | 273,939 | (156,007) |
| **Adjustments for:** | | |
| Depreciation charges | 213,667 | 231,918 |
| Dividends, interests and rents from investments | 52,629 | 51,774 |
| Loss on the sale of fixed assets | 2,437 | 250 |
| Decrease/(increase) in debtors | (177,720) | 92,582 |
| Increase/(decrease) in creditors | (464) | 60,267 |
| **Net cash provided by operating activities** | 364,388 | 280,784 |

## 19. Analysis of cash and cash equivalents

| | 2020 £ | 2019 £ |
|---|---|---|
| Cash in hand | 593,681 | 435,175 |
| **Total cash and cash equivalents** | 593,681 | 435,175 |

## 20. Analysis of changes in net debt

| | At 1 January 2020 £ | Cash flows £ | At 31 December 2020 £ |
|---|---|---|---|
| Cash at bank and in hand | 435,175 | 158,506 | 593,681 |
| Debt due within 1 year | (48,795) | (15,098) | (63,893) |
| Debt due after 1 year | (1,150,690) | 117,721 | (1,032,969) |
| | (807,862) | 261,129 | (546,733) |

**Notes to the financial statements**
**For the year ended 31 December 2020**

## 21. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £56,065 (2019: £51,324). Contributions totaling £10,515 (2019: £11,124) were payable to the fund at the balance sheet date and are included in creditors.

## 22. Operating lease commitments

At 31 December 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 £ | 2019 £ |
|---|---|---|
| Not later than 1 year | **23,027** | **23,891** |
| Later than 1 year and not later than 5 years | **40,252** | **66,663** |
| | **63,279** | **90,554** |

## 23. Related party transactions

During the year ended 31 December 2020 donations totaling £755 (2019: £1,546) were received from Trustees.

## 24. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the board of Trustees.