MARTIN HOUSE

England & Wales · Charity number 517919

Details

Status	Registered
Legal form	Charitable company
Company number	02016332
Registered	1987-04-28
Register	View on the Charity Commission register

Contact

Address	Martin House Grove Road Clifford Wetherby LS23 6TX
Phone	01937845045
Email	resources@martinhouse.org.uk
Website	www.martinhouse.org.uk

Activities

Objects: THE OBJECTS ARE SPECIFICALLY RESTRICTED TO PROMOTING, FOR THE PUBLIC BENEFIT, THE RELIEF OF THOSE IN NEED BY REASON OF ILL HEALTH BY SUCH CHARITABLE MEANS AS THE TRUSTEES SHALL FROM TIME TO TIME THINK FIT AND IN PARTICULAR IN THE NORTH OF ENGLAND AND ADJACENT AREAS IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, WHETHER GEOGRAPHICAL OR OTHERWISE) BY: A) PROVIDING PALLIATIVE CARE, ADVICE, SUPPORT AND INFORMATION TO YOUNG PEOPLE WITH LIFE LIMITING OR LIFE THREATENING CONDITIONS AND PROVIDING ADVICE, SUPPORT AND INFORMATION TO THE FAMILIES, FRIENDS AND CARERS (INCLUDING HEALTH AND SOCIAL CARE PROFESSIONALS) OF SUCH YOUNG PEOPLE; B) PROVIDING, ENCOURAGING AND ASSISTING IN THE PROVISION AND EXPRESSION OF RELIGIOUS, SPIRITUAL, SOCIAL, EMOTIONAL, PSYCHOLOGICAL, HOLISTIC OR OTHER HELP AND GUIDANCE IN THE CONTEXT OF THE DELIVERY OF PALLIATIVE CARE; C) PROMOTING AND ADVANCING THE PROVISION OF PALLIATIVE CARE, IN SUCH WAYS AS THE TRUSTEES SHALL FROM TIME TO TIME THINK FIT, INCLUDING THROUGH EDUCATION, RAISING AWARENESS, RESEARCH AND TRAINING; AND D) PROMOTING AND ADVANCING BEST PRACTICE IN THE PROVISION OF CARE FOR YOUNG PEOPLE WITH LIFE LIMITING OR LIFE THREATENING CONDITIONS.

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Activities: Providing holistic care and support to children and young people with life limiting illnesses and to their families in Yorkshire and the Humber.

Classification

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

Geography

- **Area of benefit:** NORTH OF ENGLAND AND ADJACENT AREAS
- Bradford City
- Calderdale
- City Of Wakefield
- City Of York
- East Riding Of Yorkshire
- Kirklees
- Leeds City
- North East Lincolnshire
- North Yorkshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-30	£17,012,726	£11,008,357	£33,022,516	212
2024-04-30	£13,757,000	£10,815,981	£26,540,501	211
2023-04-30	£10,261,383	£9,918,719	£23,106,170	200
2022-04-30	£8,154,150	£9,089,503	£23,412,459	191
2021-04-30	£7,925,108	£7,861,029	£25,009,310	194

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Trustees

Name	Role	Appointed
Dr Shiela Clare Puri		2022-10-13
Dr Yasmin Zohra Ayesha Khan		2024-10-10
Matthew Rayner		2026-04-23
Melanie Brooksbank		2025-07-24
Nicholas Mant		2025-07-24
Paula Dillon		2025-07-24
Professor Jayne Price		2022-10-13
Richard Lewis		2024-10-10
Tim Straughan		2017-04-06
Will Linley		2025-07-24

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MARTIN HOUSE

England & Wales - Charity number 517919

Accounts

Docusign Envelope ID: 0F0E4FE7-71E3-4600-8BB6-0FF6B8D165D3

Martin House (Limited by Guarantee)
Trustees' report and financial statements
Company registered number 02016332
Charity registration number 517919
For the year ended 30 April 2025

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A25 23/12/2025 #305
COMPANIES HOUSE

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Chair's Overview

'You all exemplify the meaning of compassion, kindness and humility.'
Bereaved Martin House Parent

This year has been one of transformational change at Martin House, the most significant since we opened in 1987. We remain resolute in our Mission *to help children and young people with life-limiting conditions, along with their families, to live well and fully, offering the best possible end-of-life care and support to the family in bereavement.* We have had an unprecedented increase in new referrals (221) and growth in the delivery of care within the community outside the hospice itself. We remain bound to our vision, *that every child and young person has access to palliative care when and where they need it,* but know we are not reaching all who need it.

Our ambitious Build project is central to achieving that as we grow our capacity to support families and transform our environment and facilities to meet the increasingly complex needs of the babies, children and young people that we support. Within the last year we completed the first of two phases in the £21.9m project, opening the new nine-bedded children's wing with ensuite bedrooms, tracking hoists and piped oxygen, alongside a raft of communal facilities that allow a truly holistic approach to care and support for the entire family.

As well as completing Phase 1 the hospice has continued to operate alongside a live building site and this year work has commenced on Phase 2, due for completion in Spring 2026. Phase 2 will create new facilities, including a hydrotherapy pool and an Education Centre. The pool will give many families the chance to swim together for the first time, whilst providing relief, freedom and joy to our children and young people. Martin House has always been a pioneer in the world of children's hospice care. The Education Centre will enable us to help a wider population well beyond the areas that we directly serve in East, West and North Yorkshire.

A project on this scale brings challenges, including maintaining service delivery, impact on the workforce and on income generation. Despite these challenges, improvements have been made across all departments with digital advancements and equality, diversity and inclusion work taking centre stage.

The economic and political landscape has remained challenging for generating income, but our fundraising and retail teams have performed exceptionally well, with the added financial pressure of the Build project. The overall result showing in the accounts for the year is a surplus of £6.5m with the Build capital appeal raising more than £5.7m towards our £12m target.

Our financial position has been managed carefully for over 38 years, setting aside funds for the renewal and rebuilding of Martin House. We believe that that strategy is a good and appropriate use of our reserves. We are confident that we will remain financially sustainable and able to support children and families in the longer term.

We know that the demand for our services continues to grow, as more children live longer and with more complex conditions. We have an exceptional team of staff and volunteers who are there for families in their time of greatest need, and we continue to be inspired by our committed supporters who make everything we do possible. I am immensely grateful to all our staff, volunteers and supporters who combine to make possible the fantastic work done at Martin House.

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Trustees' Report

The Trustees, who also act as Directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 30 April 2025.

OBJECTIVES AND ACTIVITIES

The ***mission*** of Martin House is to help children and young people with a life-limiting condition, along with their families, to live well and fully, offering the best possible end of life care and support to the family in bereavement.

Our ***vision*** is that every child and young person has access to palliative care when and where they need it.

Our core ***values,*** which guide all we do, are:

- **EXCELLENCE** - We will, with enthusiasm, deliver an outstanding service. Always doing our best;
- **RESPECT** - We value the qualities, diversity, abilities and feelings of others;
- **INTEGRITY** - We act with honesty, responsibility and trust; and
- **COMPASSION** - We treat people with empathy and care.

All our services are free of charge to the families we care for. The Charity Commission's general guidance on public benefit is taken into consideration in all our reviews and plans.

Strategic Aims

Our key strategic aims are to:

- Reach more children and young people, meeting evolving needs – Delivering outstanding care;
- Optimise our physical environment – Deliver The Build; and
- Grow sustainable income

Our current strategic objectives are set out in our Strategic Plan 2024-27.

Our achievements and performance against our 2024/25 objectives are set out in the Strategic Report, below.

In Autumn 2023, Martin House started our most ambitious project, named "The Build". By early 2026, our 38-year-old facilities will be extensively improved and transformed to meet the changing needs of our increasingly complex service users. The Build is a £21.9 million project, which includes a brand-new children's wing, which opened in Spring 2025, with larger, ensuite bedrooms to accommodate sizable pieces of medical equipment, with integrated hoisting, piped oxygen and themed family bedrooms. Phase 2 of the project is well underway and will include a large hydrotherapy pool, a new Education Centre, a comprehensive refurbishment of existing buildings to form a Wellbeing Wing and updated young people's bedrooms and social spaces in the Teenage Wing. The year 2024/25 has seen great progress towards the significant capital appeal fundraising target which is vital for The Build's ambitious plans to be realised. The surplus result for the year is almost entirely as a result of the success of the appeal for this project.

Activities

To achieve our objectives, we deliver high-quality, holistic and specialist palliative care services for children and young people with life-limiting conditions, and their families, from diagnosis to death and beyond. These include:

- symptom management;
- emergency palliative care;
- end of life care;
- specialist planned care/short breaks;
- community care (in the home and other community settings);
- in-reach into hospital settings throughout the region;
- bereavement care;
- psychological care and emotional support;
- spiritual and pastoral care;
- family support; and
- a programme of clinical research and education.

Most of these services are delivered from a purpose-built hospice set in six acres of beautiful grounds in Boston Spa, near Wetherby in West Yorkshire. The hospice, the second children's hospice in the UK at the time, was opened in 1987. Since then, it has developed continuously in order to meet the changing needs and expectations of the children, young people and their families who use our services.

The hospice has 15 bedrooms overall; 9 beds in the House, which cares for younger children, and 6 beds in Whitby Lodge, which cares for teenagers (from age 13) and young adults up to 25. This was the first purpose-built teenage and young adult unit in the UK (possibly the world) when it was built in 2002. In addition, there are 7 parent bedrooms and two family rooms where parents and siblings can stay. There are also 2 cooled bedrooms where children and young people can stay for around 5 days after death. Other facilities include a quiet garden room called The Sanctuary for reflection and prayer, sensory room, playroom, teenage and young adult recreation area (the Den), recording studio, art room, music room, education/seminar room and outdoor play areas.

Children and young people can be referred, or self-refer, to Martin House at any point from diagnosis, between the ages of 0-19, if they have a life-limiting condition and live in East, North or West Yorkshire. Children's palliative care encompasses the whole family and continues throughout the life of the child or young person, and beyond for their family.

STRATEGIC REPORT

Achievements and Performance

Palliative Care

During the year to 30 April 2025:

- we cared for 508 children and young people;
- we received 221 new referrals;
- 271 hospital night stays were avoided through our care;
- 735 individuals received specialist paediatric palliative care education from us
- The medical team had 7237 contacts with children and young people needing specialist palliative care
- 100% of family members who responded to our feedback requests said that they would recommend us to another family whose child was in need of palliative care.

Referrals are reviewed, using clear criteria and decisions are made during a weekly multi-disciplinary panel. Decisions to not accept referrals are not taken lightly and are usually based around patients not meeting criteria, such as age or a lack of palliative diagnosis.

Sadly, 81 of the children and young people we were caring for died in the year to 30 April 2025.

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Consistently over 98% of these children and young people died in their preferred place of death, be it home, hospice or hospital. Many of these deaths away from the hospice are supported by the Hospice.

Our Clinical Services Team

Martin House is a regional centre for specialist paediatric palliative care.

Our clinical services team consists of specialist and experienced staff who can look after the children and young people staying at the hospice, in hospitals and in the community. We act as a resource for other health services surrounding us in West, North and East Yorkshire and indeed nationally. We provide highly specialist care and also support, advice and education to many professionals within Yorkshire and the Humber and beyond.

We offer 24/7 Specialist paediatric palliative medicine.

The senior medical team consists of three Consultants in Paediatric Palliative Medicine (one of whom acts as our Chief Medical Officer) and a Specialist Doctor. In addition, there are part-time Specialty Doctors, and together they deliver a 24/7 on-call rota. Martin House also supports specialist trainees in Paediatric Palliative Medicine, as well as other trainees, during their rotations. Our doctors are available twenty-four hours a day, seven days a week. They provide specialist palliative care involving symptom control, end of life care, preferred place of death support and advance care planning. They are able to assist in breaking bad news, difficult decision making and other ethical discussions. The medical and clinical nurse specialists team regularly support hospital teams to provide specialist palliative care for in- patients across the region. They also support children and young people in their own homes.

The multi-disciplinary team are highly trained and able to care for children with extremely complex care needs. Our team includes doctors, nurses, clinical nurse specialists, specialist clinical educators, physiotherapists, a social worker, an applied psychologist, music therapists, admissions liaison nurses, cultural liaison officers, care support staff, a spiritual care practitioner and other family support practitioners.

We look after children and their families from as early as the antenatal period and continue to look after young people with life-limiting conditions, particularly providing valuable continuity during the transition period where care is transferred from paediatrics to adult services. Care extends through the course of the illness from diagnosis, to end of life. The upper age limit at Martin House is 25.

Our team takes a lead in a number of local, national and international groups including the Royal College of Paediatrics and Child Health Paediatric Palliative Medicine Specialist Committee, Association of Paediatric Palliative Medicine and the Children and Young People's Advance Care Plan Collaborative. We work in partnership with national organisations, such as Together for Short Lives, in advocating for children's and young people's palliative care. In addition, the team take an active role in palliative care education and research, including being principal site investigators for national studies.

Hospice at Home

The Hospice at Home service is a specialist palliative care service, delivered in the community by doctors, nurses and clinical nurse specialists. This means that children can receive specialist palliative care in a place of their choosing. Symptom control, end of life care, advance care planning and time- critical memory making can be delivered in the home environment, should that be the preferred place of care for the family. End of life and urgent care can be provided within the family home, in conjunction with local care providers. The Hospice at Home team support hospital teams with urgent discharge from hospital to home for end-of-life care if that is the family's wish. This support helps ensure thorough and robust planning to ensure the transfer happens safely and smoothly as well as in a timely manner.

Hospital In-reach

Members of our team are able to in-reach into hospitals within the region, to support hospital teams in their delivery of palliative care. This includes:

- Doctors and Clinical Nurse Specialists; Advance care planning; symptom control advice; preferred place of death support; End of Life care support; support with difficult conversations; multi-disciplinary team meetings; signposting and staff support/supervision; support with care after death.
- Music therapists deliver sessions in hospitals to improve family experience and act as a resource for other healthcare staff.

Our cooled bedrooms for care after death

There are two additional bedrooms within Martin House which can be cooled, and we also have blankets and mattresses which cool the body enabling a baby, child or young adult to remain at the hospice after they have died. Parents and siblings can stay at the hospice as well, and it gives them the opportunity to navigate the process of saying goodbye to their child or young person in their own time and in their own way. Families have often said how precious it was to be able to spend this kind of time with their child, when they are also confronted with the demands of making funeral arrangements and resuming some of the activities of daily life.

Clinical Education

Martin House is committed to promoting a culture of learning and development. We conduct a learning needs analysis on our team every year and plan the year's education based on its findings. We have embedded externally validated competencies across all areas of care, ensuring we meet the complex needs of the children and young people we support.

We promote Martin House as a learning environment for professional student placements.

As part of our commitment to developing the specialty of paediatric palliative medicine, we have continued to support trainee paediatricians based at Martin House and specialist trainees in Paediatric Palliative Medicine. We encourage medical, nursing and allied health student placements.

Martin House Education Centre

We are a sector-leading education provider in Paediatric Palliative care, committed to developing our contribution to palliative care education outside Martin House and building relationships with stakeholders including neighbouring hospices, community teams, other NHS provider organisations, and universities throughout the region. This year we launched the Martin House Education Centre brand.

Family Support Team & Bereavement

The care we provide at Martin House is holistic and this is underpinned by the work of our family support team. Clinical psychologists, an advanced family support and wellbeing practitioner, a bereavement practitioner, a spiritual care practitioner, music therapists, family support practitioners, a transition support practitioner and a play and activity co-ordinator ensure that care is about more than just the clinical. Our wider team are also skilled at providing holistic support.

Our family support team also provides support to families who have lost a child or young person under any circumstances, including those who had life-limiting conditions and children who died suddenly. This is a resource that families can make use of in a wide variety of ways. Support is family-centred and tailored to individual need. In addition to individual sessions there are groups for bereaved parents, grandparents and siblings.

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Research
Martin House is a leading research active organisation in the field of palliative care for children and young people. Specifically, this entails:

- contributing to the national and international research base on palliative care
- developing and maintaining strong collaborative links with the wider academic and palliative care communities
- identifying and supporting appropriate areas of research, developing research awareness and capability within staff
- informing, where appropriate, the strategic development of Martin House

People & Resources
Over the past year, the People team has made significant strides in fostering a more inclusive, engaged, and high-performing organisation. These developments reflect our continued commitment to creating a workplace where everyone feels valued, supported, and empowered to succeed. The People team has actively engaged with regional and national networks to share best practices and learn from others.

We are proud to be the first hospice in the UK to have achieved accreditation from Inclusive Employers, a nationally recognised benchmark that reflects our commitment to equality, diversity, and inclusion (EDI).

Supporting staff wellbeing remained a priority, especially through The Build. We delivered a series of wellbeing-focused initiatives, including access to national webinars on mental health, stress management and resilience. These efforts have been informed by staff feedback and ongoing collaboration with employees and volunteers across the organisation.

ICT / Digital / Data
Bringing the new Children's Wing online has meant we have integrated a new CCTV, Access Control, Visitor access control system, along with integration of a new audio-visual suite and digital signage.

The focus has also been on revisiting security arrangements and exploring additional products to improve our security profile and strengthen our cyber defences. The Microsoft Secure Score continues to improve as we further refine our systems.

We completed our penetration test this year, with no critical risks. We also continue to meet the NHS Data Security and Protection Toolkit standards, demonstrating our compliance with the stringent data handling requirements of the NHS.

Estates
This year has seen the completion of the construction phase and handover of the new Children's Wing. We have also seen the commencement of the second phase of work at the hospice.

We have implemented a new Computer Aided Facilities Management system to support across the estate to tie in with The Build.

Health & Safety
We are committed to managing, monitoring and reviewing safety, health and environmental (SHE) information to aid continual improvement.

The team has continued to build on our practices throughout the year. The Health, Safety, Wellbeing and Environmental (HSWE) Group has continued to play an important part in developing the health and safety agenda and embedding this across Martin House. The group has contributed to the annual internal audit programme. We have completed an external audit with specialist health and safety consultants. A review of several policies, procedures, and risk assessments has also been undertaken.

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Fundraising

It has been an incredibly busy year for Fundraising as the Public Appeal was launched for The Build whilst ensuring all core campaigns are delivered effectively and are maximised to generate as much income as possible. Managing the impact on both income streams has been the main challenge this year.

The annual 'core' operating income ended in a strong position, particularly considering this was raised simultaneously with our capital appeal. We have seen solid results from our partnership team, hugely boosted by the Together for Short Lives network and the final contribution from the Morrisons partnership. Our regional team has delivered great results with the help of our loyal supporters across the region. We delivered a varied programme of events, including new activity introduced because of The Build appeal. The lottery has remained a reliable contributor to funds again this year. The significant amount raised via legacies has given our overall core income a great boost this year.

We once again delivered a robust Christmas campaign, including our direct mail sharing an emotional story of one of our family's experiences at Martin House, which was well received across the region and generated significant awareness, engagement and income.

The continued support of all donors, supporters, and volunteers is hugely appreciated. We simply could not achieve our financial and non-financial aims without such loyal and generous support.

Fundraising standards and compliance

Martin House is a well-respected regional charity that is very much part of the communities we serve, aiming to deliver high standards in everything we do, be this in the care we provide or in our fundraising activities.

We strive to achieve the highest fundraising standards and we value our wonderful supporters. We expect our fundraising team to act honestly and with integrity at all times and to ensure we remain compliant with all the laws and guidelines that govern us.

We want to inspire trust in our supporters and ensure that all supporters have an excellent experience when donating to Martin House.

We stay up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) to make sure we are legally compliant and adhering to all guidelines. Our fundraisers also follow the Institute of Fundraising's Code of Practice and we are registered with the Fundraising Regulator.

We take our supporters' data very seriously, and we collect and process data in accordance with the Data Protection Act 2018 and the General Data Protection Regulation.

We do not pass our supporters' details to any other charity or organisation for their marketing purposes. Any external groups acting on our behalf must sign an agreement confirming that they will process all our data properly and maintain confidentiality.

We take appropriate physical, electronic and managerial measures to ensure we keep supporters' information secure, accurate and up to date and we only keep it as long as is reasonable and necessary.

Income Generation Complaints

We work hard to ensure that we deliver a high-quality service to our supporters but we may not always get it right. If this happens, we would like to hear about it as soon as possible so we can resolve the problem. If, after this, a supporter feels as though the issue has not been resolved then they may make a complaint. Details of how to complain are listed on our website. In the last year we have received 8 complaints relating to fundraising and lottery activity. These have all been resolved in line with our policy.

Retail

Our shops have had a strong year, exceeding our annual target. Our Furniture Warehouse performed well and online sales platforms have been robust in their contribution. It is thanks to our loyal customers and donors that we are able to see such great success in our shops.

Marketing and Communications

We have embedded a new team structure in Marketing and Communications within the Income Generation Directorate. The focus has been to deliver the demanding needs of the public appeal whilst also delivering all the needs of other departments. We continue to monitor our digital capacity and our digital reach.

Financial review

Principal sources of income

Our principal sources of income are investment income, income from our shops, statutory funding and, by far the largest source, fundraising from the public.

We are reliant upon fundraising from the public to fund the vast majority of our annual running costs. This funding comes to Martin House as donations, legacies, and profits made in our shops. We continue to be overwhelmed by the generosity of the public in supporting us in our charitable objectives.

Grant funding from the NHS Integrated Care Boards and NHS England towards the cost of our service provision covered around 37% of our expenditure on charitable activities and represents only 14% of our total income.

Result for the year

Core Operating Result

The underlying result for 'core' operating income and expenditure for the hospice was a surplus of £0.7m in the year. This was a much improved result on what we had anticipated to be a deficit result when we prepared our original budget. This was a result of the generosity of all of our donors and a number of legacies that were very kindly left to us.

Capital Appeal Result

The overall result showing in the accounts for the year is a surplus of £6.5m. Most significantly in the year, The Build capital appeal raised in excess of £5.7m of valuable funds towards the project to improve and modernise the premises. Income raised from the appeal is a significant reason behind our surplus position for the year and we are enormously grateful to those who have supported our appeal so far.

Financial Planning for the Future

The result for the year also follows significant efforts by the income generation team to adapt our ways of fundraising in the face of a continued challenging environment and to ensure 'core' income is still prioritised alongside the efforts for the capital appeal.

Our financial position has been managed carefully for over 38 years, allowing us to build reserves. We are fortunate that these reserves are currently providing us with some security and stability and are being used in part to fund The Build project.

To support our planned investment in The Build, Trustees had previously set aside a designated fund of £10.5m to contribute towards the project. In the year, in addition to income raised by the capital appeal, we have used £2.75m of our designated fund for payments made to the principal contractor. The accounts therefore still include a designation of reserves of £7.75m to cover our remaining contribution towards The Build.

We are acutely aware that the level of free reserves that we hold is decreasing in line with our investment in the Build project and, as a result, we need to carefully manage budgets and our balance sheet position once the capital appeal has ended and our income reverts to being generated from 'core' activity alone.

The Trustees believe that the above strategy to designate funds is a good and appropriate use of our reserves and are confident that we will remain financially sustainable and able to support children and families in the longer term. Allocating funds to the Build is necessary to ensure that we continue to invest in our infrastructure and improve our services to children and young people.

Financial position

The Balance Sheet, including land and buildings, shows total funds at 30 April 2025 of £33,022,516. Unrestricted funds (including both designated and general funds) are represented by tangible fixed assets of £14,959,549, investments of £15,053,028 and net current assets of £3,009,939. The tangible fixed asset balance has increased significantly in the year as a result of payments to our main contractor and the design team engaged on The Build project. These payments have been capitalised as Assets Under Construction which are and will be depreciated as each of the respective phases of the project are completed and we take occupation.

Reserves statement

a) Background

Martin House makes a long-term commitment to those families that depend on its services and needs to provide a reliable and consistent service beyond the immediate future. The Trustees recognise that unrestricted reserves are necessary to secure future services, meet unexpected expenses, absorb setbacks and take advantage of change and opportunities for development when they arise. The Trustees recognise that much of the organisation's income is uncertain and susceptible to fluctuations beyond its control.

The Trustees are also mindful of the Charity Commission's guidance on Charity reserves: building resilience (updated 14 June 2023)

Having assessed these risks, the Trustees' aim is to build and maintain a financial cushion against the uncertainties that affect our operating environment whilst also generating income to help meet core running costs (care, fundraising, administration and governance).

b) Target reserves level – one year's core running costs

The Trustees consider that one year's core running costs, anticipated to be approximately £11.9m this year, would provide appropriate security against such uncertainties.

c) Minimum reserves level - six months' core running costs

The Trustees recognise that the target of one year's core running costs may not always be achievable. They consider that a minimum of six months' core running costs should be maintained (whilst recognising that they cannot control the organisation's income, so cannot guarantee that the minimum will always be achieved).

That is especially relevant at present because:

- We are currently engaged in an extensive refurbishment and new-build programme ("The Build"), at an estimated total cost of £21.9m. Most elements of the contract price are fixed, but there will be some fluctuations. The cost of The Build is being met partly from reserves and partly from a substantial capital fundraising appeal. The precise amount of reserves required will depend upon the amount raised from that appeal.
- In addition, our annual budget in recent years has anticipated modest operating deficits, taking account of uncertainties of operating income.

d) Reserves at 30 April 2025

At 30 April 2025, our free reserves, including investment funds not designated for a particular purpose, were £9,587,915 (after deducting a designation of £7.75m for funds committed to The Build project). While this level of free reserves represents 9 months running costs, it is above required minimum of 6 months and we continue our fundraising campaign to increase this level.

e) Cash flow management

Of the reserves held at any given time, the Trustees consider that a minimum of three months' core running costs should be held in cash and/or short-term investment assets capable of conversion into cash within 14 days, to enable steady cash flow management.

f) Income generated by reserves

Over the years, the Trustees have been able to invest surplus free reserves in an investment portfolio, to provide long-term commitment and support to the families dependent on Martin House. The income generated by the portfolio makes a valuable contribution to our annual running costs.

Investment Policy

The Trustees' investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a total return in excess of inflation over the long term whilst generating an income to support on-going activities.

The Trustees recognise that they have a duty to consider the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments. At present, no investment restrictions are placed on the investment managers, Brewin Dolphin, who manage the investment portfolio on a discretionary basis and the cash fund portfolio on an execution-only basis. Analysis is provided to Trustees to inform on all aspects of the environmental, social and corporate governance characteristics of our portfolios.

In order to meet the medium-term cashflow requirements of the strategic plan, Martin House currently has two investment portfolios. The 'long term' portfolio is invested to mitigate the risk of inflation over the long term (10 years or more), with a moderate investment risk. The execution- only portfolio contains cash funds which the hospice has designated for The Build project. This portfolio offers a very low risk profile with an almost guaranteed return.

For the year ended 30 April 2025, the long-term portfolio generated a total return of +4.13% compared to the MSCI WMA Balanced Index total return of +5.38%. In addition, the execution-only portfolio holds monies in a cash fund which yields a variable rate of 4.48% per annum.

Plans for future periods

2024-27 Strategic Plan

Following the end of our previous Strategic Plan for 2019-2024, the team at Martin House created a new and ambitious 2024-27 Strategic Plan. This plan was adopted and approved by the Board of Trustees in January 2024.

The key strategic aims of the new strategy are:

- Reach more children and young people, meeting evolving needs – Delivering outstanding care;
- Optimise our physical environment – Deliver The Build; and
- Grow sustainable income

The Strategic Plan is supported by three Directorate Operational Plans:

- Care Directorate Plan
- Income Generation Directorate Plan
- Corporate Services Directorate Plan

These Directorate Plans set out the objectives that will ensure that our key strategic aims are achieved. Each year during the 2024-27 strategic plan period, an annual Operational Plan is produced that ensures that we work towards achieving our overall strategic objectives.

Principal risks and uncertainties

The major risks to which Martin House is exposed and the systems in place to mitigate those risks are set out in the strategic risk register. This is reviewed monthly by the Strategic Leadership Team and quarterly by the Finance and Resources Committee. The Clinical Effectiveness Committee reviews a more detailed operational risk register at each meeting to review clinical risks. The strategic risk register is included in the Board papers for every meeting of Trustees.

The Trustees believe there is an effective system of risk management in place and that all major risks are being mitigated satisfactorily.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure and Governing Documents

Martin House is a registered charity and a company limited by guarantee. The company was incorporated on 1 May 1986 and registered as a charity on 28 April 1987. It is governed by a Memorandum and Articles of Association, which were amended at an EGM on 21 July 2016, following a comprehensive review by the Trustees. The charity has a wholly-owned subsidiary, Martin House (Shops) Limited, which is incorporated in the UK and registered in England (company number 2166209).

The Board of Trustees acts collectively and is responsible for the overall philosophy and strategic direction of Martin House and ensuring that the charity is solvent, well-run, acts within its governing document and other relevant legislation. The Board meets at least quarterly and delegates the general management and operational activities of the hospice to the Strategic Leadership Team, via the Chief Executive.

The Board has a Scheme of Delegation, which sets out which of its powers may be delegated and to whom. This is reviewed regularly and revised as appropriate.

The Board is supported by a number of committees and working groups, each of which has clear terms of reference:

- The Finance and Resources Committee exercises oversight of Martin House's finances, including its systems of financial control and risk management, budgets and accounts, capital expenditure and the management of its investments and cash resources. The Committee also reviews the results of the annual statutory audit and oversees the conduct and appointment of our auditors. The Committee is also responsible for employee remuneration, terms and conditions and appropriate policies and practices.
- The Clinical Effectiveness Committee provides assurance to the Board that Martin House has a robust framework for the management of clinical systems and processes and that clinical care is patient/service user-centred, safe, of high quality, evidence based, appropriate and provides good outcomes. The Committee is also responsible for appropriate policies and practices.
- The Build Project Board - established in 2020 to oversee The Build project and advise the Board of Trustees in relation to the project.

Charity Governance Code

The Charity Governance Code for Larger Charities was refreshed by the Charity Commission in December 2020. This Code is designed as a tool to support continuous improvement. Compliance is not mandatory- trustees are encouraged to meet the principles and outcomes of the Code by either applying the recommended practice or explaining what they have done instead or why they have not applied it. Charity boards that are using this Code effectively will regularly revisit and reflect on the Code's principles.

Martin House is committed to complying with best practice in relation to governance. Trustees have performed a full self-assessment of compliance against the seven principles included within the Code. The charity considers that it is compliant with the Code.

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Four Trustees, Stephen Plews, Tim Halstead, Mike Millington and Jenny Slee, have served on the Board of Martin House for more than nine years. Their reappointment has been subject to rigorous review in accordance with the Charity Governance Code (5.7.4). There is a Trustee succession plan in place to ensure that there is an appropriate balance of experience of Martin House gained over many years and the need for progressive refreshing of the Board.

In accordance with the requirements of the Charity Governance Code, the hospice maintains a register of Trustee and senior staff interests. The following interests have been declared by Trustees and senior staff:

Trustees

Name	Declaration(s)
Tim Halstead	Director of Switalskis Solicitors Limited Director of Martin House (Shops) Limited
Mike Millington	Nil
Stephen Plews	Nil
Gordon Singer	Director of Martin House (Shops) Ltd
Jenny Slee	Nil
Tim Straughan	Director of Martin House (Shops) Limited
Jayne Price	Nil
Shiela Puri	Nil
Yasmin Khan	Regional SRO for palliative and end of life care, NHSE
Richard Lewis	Nil
Melanie Brooksbank	Nil
Paula Dillon	Nil
Will Linley	Nil
Nicholas Mant	Employed as Senior Transformation & Commissioning Manager for Wes Yorkshire Integrated Care Board within Maternity and Children's services

Senior Staff

Name	Declaration(s)
Clair Holdsworth	Nil
Victoria Greensmith	Nil
Antoinette Bell	Nil
Lindsey Fellowes-Freeman	Nil
Robyn Mountain Wade	Nil

Our Trustees

Trustees, who are also Directors, are the members of the charitable company, the equity being limited by guarantee and therefore having no share capital. As at 30 April 2025, Martin House has 10 Trustees.

The Trustees retiring by rotation at the next annual Trustees' meeting are Tim Halstead, Jayne Price and Shiela Puri. The power of appointment rests with the members of the Board.

All the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements. The Trustees who served during 2024/25 and beyond are:

Zoe Donaldson	Member of the Clinical Effectiveness Committee (Resigned 25th July 2024)
Timothy J Halstead	Chair of the Board of Trustees Member of the Finance and Resources Committee
Rifhat Malik MBE	Member of the Clinical Effectiveness Committee (Resigned 25th July 2024)
Professor Patricia McKinney	Member of the Clinical Effectiveness Committee (Resigned 24th April 2025)
Michael Millington	Member of the Finance and Resources Committee
Stephen A Plews	Member of the Finance and Resources Committee
Gordon Singer	Member of the Finance and Resources Committee Vice Chair of the Board of Trustees
Jenny Slee (Cromack)	Member of the Clinical Effectiveness Committee
Tim Straughan	Chair of the Finance and Resources Committee
Jennifer Wilkinson	Member of the Clinical Effectiveness Committee (Resigned 10th October 2024)
Professor Jayne Price	Vice Chair of the Clinical Effectiveness Committee
Dr Shiela Puri	Chair of the Clinical Effectiveness Committee
Dr Yasmin Khan	Member of the Clinical Effectiveness Committee (Appointed 10th October 2024)
Richard Lewis	Member of the Finance and Resources Committee (Appointed 10th October 2024)
Melanie Brooksbank	Member of the Clinical Effectiveness Committee (Appointed 24th July 2025)
Paula Dillon	Member of the Finance and Resources Committee (Appointed 24th July 2025)
Will Linley	Member of the Finance and Resources Committee (Appointed 24th July 2025)
Nicholas Mant	Member of the Clinical Effectiveness Committee (Appointed 24th July 2025)

Non-Trustees serving on Board Committees during 2024/25 were:

Nick Lane Fox	Member of the Finance and Resources Committee

Our People

Martin House employs 210 staff (177 FTE). The Chief Executive, who is appointed by and accountable to the Board, is responsible for the operation of Martin House and leads a Strategic Leadership Team. In 2024/25 this comprised:

Clair Holdsworth	Company Secretary and Chief Executive
Rebecca Wynne	Director of Income Generation (Resigned 31st May 2024)
Robyn Mountain Wade	Director of Income Generation (Appointed 3rd February 2025)
Victoria Greensmith	Director of Clinical Services
Antoinette Bell	Director of People and Resources
Lindsey Fellowes-Freeman	Director of Finance and Corporate Governance

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The Strategic Leadership Team lead the following directorates:

(a) the Clinical Services Directorate. This consists of:
- the care team, which delivers the care and support to children, young people and their families
- the medical team, which provides consultant and doctor led medical care to children, young people and their families

(b) the Resources Directorate. This consists of:
- the facilities team, who maintain and develop the buildings, grounds and equipment
- the IT team, who maintain and develop the IT hardware and software
- the people team, who lead on HR policy and advice, learning and development and volunteer development
- the finance and administration team, who ensure the efficient and smooth running of the organisation

(c) the Income Generation Directorate. This consists of:
- the fundraising team, who raise the voluntary income required to deliver our services
- the retail team, who manage and develop our 12 shops and other retail operations
- the marketing and communication team

Volunteers

Martin House is supported by over 285 registered volunteers and 200 supporter volunteers in a range of roles that enhance our work across the organisation.

This includes our stalwart teams of retail volunteers, administrative and maintenance support volunteers at the hospice, and community-focused representation such as Friends' groups and ambassadors. Our Trustees are also all volunteers.

Remuneration Policy

Remuneration of the CEO and members of the Strategic Leadership Team (SLT) is determined by the Board of Trustees, which delegates responsibility for recommending SLT salaries to the Finance and Resources Committee (FRC). The FRC is also responsible for determining and recommending to the Board the policy for remuneration and reward of employees at Martin House, the pay structure for all employees and the level of any annual cost of living increase, taking into account appropriate benchmarks (including NHS rates for clinical staff and the Croner/Hospice UK annual hospice rewards survey) and prevailing inflation rates. In addition, the FRC is responsible for monitoring the effectiveness of all remuneration, terms and conditions and policies and keeping them under appropriate review.

Ambassadors

Ambassadors do not have any formal role in the governance of the charity but assist by extending our reach and raising our profile. In the year 24/25 the following acted as Ambassadors:

Sir Gareth Southgate: Former England Men's National Football Team Manager and ex-professional footballer

Christine Talbot: TV presenter and broadcaster

Duncan Wood: TV presenter and broadcaster

We are thankful for their continued and generous support of Martin House.

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Legal and Administrative Information

Charity name:	Martin House
Charity registration number:	517919
Company registration number:	02016332
Registered office and operational address:	Grove Road, Boston Spa, Wetherby, LS23 6TX

Subsidiary Undertaking

Company name:	Martin House (Shops) Ltd
Company registration number:	02166209

The principal activities of the trading subsidiary are the sale of bought goods and goods sold as agent. The subsidiary has performed satisfactorily during the year, and all profits generated are donated to Martin House.

Advisors

Auditor:
Azets Audit Services Limited, Chartered Accountants,
12 King Street, Leeds, LS1 2HL

Investment Managers:
Brewin Dolphin,
10 Wellington Place, Leeds LS1 4AN

Principal Bankers:
Barclays Bank Plc
25 James Street, Harrogate HG1 1QX

Auditor:
In accordance with s487(2) of the Companies Act 2006, the auditor, Azets Audit Services Limited is deemed reappointed annually.

The Trustees, in their capacity as Directors, hereby approve the Trustees' Annual Report and the incorporated Strategic Report.

Signed by:
T.Halstead
99E71AFB00A1413...
Timothy J Halstead
Chair

Date: 19 December 2025

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Statement of Trustees' Responsibilities in Respect of the Trustees' Report and the Financial Statements

The Trustees (who are also directors of Martin House for the purposes of company law) are responsible for preparing the Trustees' Annual 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, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

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

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.

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Independent Auditor's Report to the Members of Martin House

Opinion

We have audited the financial statements of Martin House (the "parent charity") and its subsidiary (the "group") for the year ended 30 April 2025 which comprise the consolidated statement of financial activities, the company and consolidated balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 30 April 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 both the group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent Auditor's Report to the Members of Martin House *(continued)*

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of the Trustees
As explained more fully in the Trustees' responsibilities statement, the Trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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Independent Auditor's Report to the Members of Martin House *(continued)*

Extent to which the audit was considered capable of identifying irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias; and
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

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 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.

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

Signed by:
Jessica Lawrence
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Jessica Lawrence (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

Chartered Accountants
Statutory Auditor

Date: 19 December 2025

12 King Street
Leeds
LS1 2HL

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Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2025

	Note	2025 Unrestricted Funds – General £	2025 Unrestricted Funds – Designated £	2025 Restricted Funds £	2025 Total Funds £	2024 Total Funds £
Income from:						
Donations		2,620,667	-	4,971,067	**7,591,734**	**6,950,816**
Legacies		2,374,725	-	406,918	**2,781,643**	**1,105,321**
Income from charitable activities:						
Funding from Integrated Care Boards		-	-	1,270,433	**1,270,433**	**743,799**
NHS England		-	-	1,190,190	**1,190,190**	**1,160,781**
DHSC Capital Grant		-	-	158,596	**158,596**	**-**
Other income		85,858	-	-	**85,858**	**46,404**
Other trading activities:						
Income from retail operations		2,113,637	-	-	**2,113,637**	**2,024,815**
Fundraising events and lottery		1,281,938	-	237,051	**1,518,989**	**1,349,729**
Other activities for generating funds		50,521	-	33,388	**83,909**	**43,249**
Income from investments	***3***	217,737	-	-	**217,737**	**332,204**
Total income		8,745,083	-	8,267,643	**17,012,726**	**13,757,118**
Expenditure on:						
Expenditure on raising funds:	***5***					
Cost of generating voluntary income		1,910,874	-	-	**1,910,874**	**1,402,808**
Cost of retail operations		1,660,233	-	-	**1,660,233**	**1,504,989**
Cost of fundraising events, lottery and other activities		772,703	-	-	**772,703**	**689,886**
Investment managers cost		21,380	-	-	**21,380**	**30,048**
Expenditure on charitable activities	***6***	**3,953,545**	-	**2,667,256**	**6,620,801**	**6,470,750**
Exceptional costs	***6***	**22,366**	-	-	**22,366**	**717,500**
Total expenditure	***7***	**8,341,101**	-	**2,667,256**	**11,008,357**	**10,815,981**
Net (expenditure)/income before net gains/(losses) on investments	***2***	403,982	-	5,600,387	**6,004,369**	**2,941,137**
Net gains/(losses) on investments	***10***	-	477,646	-	**477,646**	**493,194**
Net (expenditure)/income before transfers		**403,982**	**477,646**	**5,600,387**	**6,482,015**	**3,434,331**
Transfers between funds	***17***	9,279,628	(2,706,647)	(6,572,981)	-	-
Net movement in funds for the year		9,683,610	(2,229,001)	(972,594)	**6,482,015**	**3,434,331**
Funds brought forward at beginning of year		9,100,106	16,025,296	1,415,099	**26,540,501**	**23,106,170**
Funds carried forward at end of year	***17, 18***	18,783,716	13,796,295	442,505	**33,022,516**	**26,540,501**

The results for the year all relate to continuing operations.

A detailed statement of financial activities for the comparative year is shown in note 21 to the financial statements.

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

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

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Balance Sheet
as at 30 April 2025

		Group		Charity	
		2025	2024	2025	2024
		£	£	£	£
Fixed assets					
Tangible assets	*9*	**14,959,549**	6,796,396	**14,959,549**	6,796,396
Investments	*10*	**15,053,028**	17,378,215	**15,053,030**	17,378,217
		30,012,577	24,174,611	**30,012,579**	24,174,613
Current assets					
Stock	*11*	**18,328**	21,500	**16,879**	19,172
Debtors	*12*	**3,164,984**	1,486,629	**3,209,608**	1,511,900
Cash on deposit, at bank and in hand	*13*	**1,369,905**	2,786,571	**1,322,371**	2,756,591
		4,553,217	4,294,700	**4,548,858**	4,287,663
Creditors: amounts falling due within one year	*14*	**(1,543,278)**	(1,928,810)	**(1,541,618)**	(1,924,810)
Net current assets		**3,009,939**	2,365,890	**3,007,240**	2,362,853
Net assets		**33,022,516**	26,540,501	**33,019,819**	26,537,466
Funds of the charity:					
Restricted funds	*17*	**442,505**	1,415,099	**442,505**	1,415,099
Unrestricted funds are represented by:					
Designated funds	*17*	**9,750,000**	12,500,000	**9,750,000**	12,500,000
Other investment funds	*17*	**4,046,295**	3,525,296	**4,046,297**	3,525,298
Total unrestricted designated funds		**13,796,295**	16,025,296	**13,796,297**	16,025,298
Unrestricted tangible fixed assets	*18*	**14,959,549**	6,796,396	**14,959,549**	6,796,396
Undesignated general funds	*18*	**3,824,167**	2,303,710	**3,821,468**	2,300,673
Total unrestricted funds		**32,580,011**	25,125,402	**32,577,314**	25,122,367
		33,022,516	26,540,501	**33,019,819**	26,537,466

The notes on pages 26 to 42 form part of these financial statements.

These financial statements were approved by the board of Trustees on 17 December 2025 and were authorised for issue and signed on its behalf by:

Signed by: T.Halstead 99E71AFB00A1413...
T J Halstead
Trustee

Signed by: Tim Straughan F8C3700875C3403...
T Straughan
Trustee

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Consolidated Cash Flow Statement
for the year ended 30 April 2025

	2025		2024	
	£	£	£	£
Cash flows from operating activities:				
Net cash generated by/(used in) operating activities		**4,082,535**		3,765,497
Cash flows from investing activities:				
Dividends, interest and rents from investments	**217,737**		332,204	
Purchase of tangible fixed assets	**(8,539,399)**		(2,380,122)	
Proceeds from the sale of tangible fixed assets	**19,628**		7,242	
Payments to acquire investments	**(10,970,950)**		(12,691,004)	
Proceeds from the sale of investments	**15,603,349**		19,192,172	
Net cash provided by investing activities		**(3,669,635)**		4,460,492
Change in cash and cash equivalents in the year		**412,900**		8,225,989
Cash and cash equivalents at the beginning of the year		**9,547,714**		1,321,725
Cash and cash equivalents at the end of the year		**9,960,614**		9,547,714

Reconciliation of net income to net cash flow from operating activities

	2025	2024
	£	£
Net income for the year	**6,482,015**	3,434,331
Depreciation charge	**353,147**	1,079,373
Gains on investments	**(477,646)**	(493,194)
Dividends, interest and rents from investments	**(217,737)**	(332,204)
Profit on sale of fixed assets	**3,471**	(4,623)
Decrease in stock	**3,172**	810
(Increase)/decrease in debtors	**(1,678,355)**	451,880
Decrease in creditors	**(385,532)**	(370,876)
Net cash inflow from operating activities	**4,082,535**	3,765,497

Analysis of changes in net funds

	At 30 April 2024	Cash flow	At 30 April 2025
	£	£	£
Cash at bank and in hand	2,786,571	(1,416,666)	1,369,905
Cash held as part of investment portfolio	6,761,143	1,829,566	8,590,709
	9,547,714	412,900	9,960,614

Docusign Envelope ID: 0F0E4FE7-71E3-4600-8BB6-0FF6B8D165D3

Notes to the Financial Statements for the Year Ended 30 April 2025

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity Information

Martin House is a company limited by guarantee, the liability of the members is limited to one pound, and a charity registered in England and Wales. The registered office is Martin House, Grove Road, Boston Spa, Wetherby, LS23 6TX.

Accounting Convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

Going Concern

The charitable company meets its daily working capital requirements through its bank account which had funds of £1,322k at 30 April 2025. The charity relies heavily upon funding from voluntary donations, legacies and grants, which all contain elements of uncertainty. Given the charitable company's favourable fundraising record and the level of free reserves available at the year end, the Trustees consider that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Martin House (Shops) Limited on a line-by-line basis. The summarised profit and loss account for the subsidiary is shown in note 4. A separate Statement of Financial Activities, including the income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006. The gross income of the charity was £16,951,312 *(2024: £*13,689,785*)* and the net income was £6,001,673 (*2024: net income* £2,938,103*)* (before gains/losses on investments in each year).

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant. The purpose and use of the restricted funds is set out in note 17.

Designated funds are unrestricted funds designated by the Trustees for a particular purpose.

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Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Income
Income is recognised in the year in which entitlement arises, receipt is probable and the amount can be reliably measured. Income is deferred:

- where the charitable company has to fulfil conditions before becoming entitled to it,
- where the income is received specifically for expenditure in a future accounting period, or
- where donations, sponsorship and entry fees are received in anticipation of an event to be held in a future accounting period.

Legacies
Pecuniary and residuary legacies are recognised when received or before receipt if there is sufficient evidence of entitlement to the legacy, receipt is probable and can be measured with sufficient reliability.

Gifts in kind and volunteers' contributions
Martin House benefits greatly from a variety of gifts in kind and voluntary contributions. Gifts donated for resale are included as income when they are sold. Fixed assets donated to the charity are included as donation income at market value at the time of receipt. Consumables and small items donated for fundraising activities are not recognised in the financial statements. No amounts are included in the financial statements for services donated by volunteers.

Expenditure and irrecoverable VAT
Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT that cannot be recovered. Expenditure is allocated directly to a particular activity where costs relate directly to that activity.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fundraising costs
These include the salaries, direct expenditure and overhead costs of the fundraising team as well as lottery and event costs, investment management costs and the cost of our retail operations.

Charitable activity costs
These include the salaries, direct expenditure and overhead costs of the care and support team.

Operating leases
Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Pensions
Employees who have previously worked for the NHS are entitled to continue to contribute to the NHS Pension Scheme subject to certain conditions. The NHS Scheme is an unfunded final salary scheme operated by the National Health Service. The contributions are calculated so as to spread the cost of pensions over employees' working lives, whilst they remain in qualifying employment, in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of periodic valuations, and any deficit is underwritten by the Treasury.

The scheme is not designed to be run in a way that would enable employers of eligible employees to identify their share of the underlying scheme assets and liabilities, and the scheme is unfunded. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the amount charged against profits represents the contributions payable to the scheme.

Staff not entitled to join the NHS Scheme are automatically enrolled into a defined contribution scheme, in accordance with current pension legislation. In addition, the defined contribution scheme is offered on the same terms to staff not meeting the criteria for automatic enrolment. The amount charged against profits for the scheme represents the contributions payable to the scheme in respect of the accounting period.

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Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Staff costs
The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

Investments
Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio, see note 10, is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the statement of financial activity.

For the purposes of the cash flow statement, the short-term cash deposits held for reinvestment within the long term investment fund have been treated as cash.

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided on investment properties.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

Fixed assets and depreciation
Fixed assets are stated at cost. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2-4% straight line
Furniture and fittings	-	25% straight line
Office furniture and equipment	-	20% to 33% straight line
Vehicles	-	25% reducing balance

All capital expenditure over £1,000 is capitalised as an asset.

Stocks
Purchased goods for resale are valued at the lower of cost and net realisable value.

Donated items of stock for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to assess the amount of donated stock held as there is no system in place to record these items or value them until they are sold. The value of these goods to the charity is instead recognised when they are sold in the shops.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

Notes to the Financial Statements *(continued)*

1 Accounting Policies *(Continued)*

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Depreciation of tangible assets
Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

Legacies
Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

Tax
Martin House is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

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Notes to the Financial Statements *(continued)*

1 Accounting Polices *(Continued)*

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary were gift aided to the parent charitable company in both the current and prior financial year, no corporation tax has arisen.

2 Net expenditure

	2025	2024
	£	£
Net expenditure is stated after charging/(crediting):		
Depreciation and other amounts written off tangible fixed assets	**353,147**	1,079,373
Loss/(profit) on disposal of fixed assets	**3,471**	(4,623)
Auditor's remuneration – audit of charity and subsidiary company accounts	**13,715**	16,400
Auditor's remuneration – other non-audit services	**4,295**	4,650
Operating lease rentals – land and buildings	**235,565**	196,022
Operating lease rentals – equipment	**-**	3,959

3 Income from investments

	2025	2024
	£	£
Gross dividends and interest receivable from listed investments	**172,800**	290,146
Interest from building society and banks	**33,612**	31,393
Property rent	**11,325**	10,665
	217,737	332,204

4 Subsidiary company

The charity has a wholly owned subsidiary, Martin House (Shops) Limited which is incorporated in the UK and registered in England (company number 02166209). The company undertakes various trading activities including the sale of bought goods, the sale of goods as agent, and other trading activities on behalf of the charity. Non-primary purpose trading of the group such as bought good sales in the hospice shops are transacted through the trading subsidiary, Martin House (Shops) in order to adhere with HMRC regulations on non-primary purpose trading within charities. A summary of its trading results for the period is shown below. The company donates all taxable profits to Martin House under Gift Aid.

	2025	2024
	£	£
Profit and loss account		
Turnover	**62,880**	68,849
Cost of sales	**(19,017)**	(23,253)
Gross profit	**43,863**	45,596
Rent and rates	**(6,799)**	(6,392)
Staff costs	**(23,794)**	(24,224)
Other expenses	**(9,108)**	(10,430)
Interest payable to parent company	**(1,466)**	(1,517)
Profit for the year	**2,696**	3,033

Balance Sheet		
Share capital	**2**	2
Profit and loss account	**2,696**	3,033
Total shareholder's funds	**2,698**	3,035

Investment in the wholly owned subsidiary is carried at cost of £2 (*2024: £2*) in the balance sheet of the charity.

The profit for the year is to be gifted to the charitable parent company, however as no deed of covenant exists the distribution has not been recognised in these financial statements.

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Notes to the Financial Statements *(continued)*

Martin House has, in accordance with S479C of the Companies Act 2006, provided a guarantee over the assets of its subsidiary Martin House (Shops) Limited (company registration number 02166209; registered in England & Wales) which permits the subsidiaries to not obtain an audit of its individual financial statements for the period ended 30 April 2025, in accordance with the exemptions conferred by S479A Companies Act 2006. The registered office of the subsidiary is Martin House Grove Road, Boston Spa, Wetherby, West Yorkshire, LS23 6TX.

5 Expenditure on raising funds

For the year ended 30 April 2025	Unrestricted 2025 £	Restricted 2025 £	Total 2025 £
Costs of generating donations & legacies			
Staff costs **(Note 8)**	**1,283,619**	-	**1,283,619**
Publicity and newsletters	**210,411**	-	**210,411**
Professional fees	**16,150**	-	**16,150**
Other	**400,694**	-	**400,694**
	1,910,874	-	**1,910,874**
Cost of retail operations			
Staff costs **(Note 8)**	**899,928**	-	**899,928**
Other	**760,305**	-	**760,305**
	1,660,233	-	**1,660,233**
Lottery and event costs			
Staff costs **(Note 8)**	**123,325**	-	**123,325**
Other	**649,378**	-	**649,378**
	772,703	-	**772,703**
Investment management costs	21,380	-	21,380

For the year ended 30 April 2024	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £
Costs of generating donations & legacies			
Staff costs **(Note 8)**	928,172	-	928,172
Publicity and newsletters	204,469	-	204,469
Professional fees	35,905	-	35,905
Other	234,262	-	234,262
	1,402,808	-	1,402,808
Cost of retail operations			
Staff costs **(Note 8)**	840,796	-	840,796
Other	664,193	-	664,193
	1,504,989	-	1,504,989
Lottery and event costs			
Staff costs **(Note 8)**	147,852	-	147,852
Other	542,034	-	542,034
	689,886	-	689,886
Investment management costs	30,048	-	30,048

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Notes to the Financial Statements *(continued)*

6 Expenditure on charitable activities

	Unrestricted 2025	Restricted 2025	Total 2025	Unrestricted 2024	Restricted 2024	Total 2024
	£	£	£	£	£	£
Provision of care:						
Staff costs **(Note 8)**	**1,746,995**	**2,649,327**	**4,396,322**	1,894,562	2,258,967	4,153,529
Consumables	**198,994**	**-**	**198,994**	203,437	-	203,437
Other	**466,060**	**17,929**	**483,989**	413,680	10,003	423,683
Research	-	-	-	(20,000)	-	(20,000)
Support costs:						
Staff costs **(Note 8)**	**1,072,396**	**-**	**1,072,396**	1,279,841	-	1,279,841
Establishment	**469,100**	**-**	**469,100**	430,260	-	430,260
Exceptional costs	**22,366**	**-**	**22,366**	717,500	-	717,500
	3,975,911	**2,667,256**	**6,643,167**	4,919,280	2,268,970	7,188,250

Exceptional costs of £22,366 (2024: £717,500) relates to the impairment of tangible assets due to their replacement in relation to the ongoing 'Build' project.

7 Total expenditure

Year ended 30 April 2025	Staff costs	Depreciation & Impairment	Other costs	Total
	£	£	£	£
Charitable activities	**5,468,718**	**260,975**	**913,474**	**6,643,167**
Costs of generating funds	**2,306,872**	**92,172**	**1,966,146**	**4,365,190**
Total expenditure	**7,775,590**	**353,147**	**2,879,620**	**11,008,357**

Year ended 30 April 2024	Staff costs	Depreciation	Other costs	Total
	£	£	£	£
Charitable activities	5,433,370	981,299	773,581	7,188,250
Costs of generating funds	1,916,820	98,074	1,612,834	3,627,728
Total expenditure	7,350,190	1,079,373	2,386,415	10,815,978

8 Staff numbers and costs

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

	Average headcount		Average FTE	
	2025	2024	**2025**	2024
	No.	No.	**No.**	No.
Charitable activities – care team and support	**128**	135	**109**	119
Fundraising and shops	**84**	76	**62**	54
	212	211	**171**	173

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Notes to the Financial Statements *(continued)*

8 Staff numbers and costs (*continued*)

The aggregate payroll costs of these persons were as follows:

	2025	2024
	£	£
Wages and salaries	**6,683,226**	6,325,504
Social security costs	**554,761**	527,915
Other pension costs **(Note 15)**	**537,603**	496,771
	7,775,590	7,350,190

Included in the above costs is £250,559 (2024: £239,696) in respect of members of the medical team contracted to the charity by a local NHS trust.

The Trustees do not receive any remuneration. During the year expenses were paid to Trustees of £182 (2024: £136). Trustees are not included in the average number of employees. In accordance with the Memorandum of Association the charity purchased charity Trustee indemnity insurance. The cost of this insurance included in the Statement of Financial Activities was £1,456 (2024: £1,230*)*.

The number of higher paid employees is disclosed below.

	2025	2024
	No.	No.
£50,000 to £60,000	9	-
£60,001 to £70,000	2	2
£70,001 to £80,000	2	2
£80,001 to £90,000	1	2
£90,001 to £100,000	1	-
£100,001 to £110,000	2	1

Pension contributions totalling £38,901 (2024: £32,540) were made for the 5 (2024: 5) higher paid employees.

The key management personnel of the charity (and group) comprise the Trustees and the senior management team. The total employee benefits of the 5 (2024: 5) key management personnel employed by the charity (and group) were £479,521 (2024: £477,283*)*.

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Notes to the Financial Statements *(continued)*

9. Tangible fixed assets

CHARITY AND GROUP	Freehold land and buildings £	Assets under construction £	Furniture and fittings £	Office furniture and equipment £	Vehicles £	Total £
Cost						
At beginning of year	4,873,397	4,296,277	1,910,688	1,352,540	205,604	12,638,506
Additions	-	8,371,817	51,573	116,009	-	8,539,399
Disposals	(804,736)	-	(75,509)	(92,571)	(9,719)	(982,535)
At end of year	4,068,661	12,668,094	1,886,752	1,375,978	195,885	20,195,370
Depreciation						
At beginning of year	2,905,506	-	1,713,072	1,108,673	114,859	5,842,110
Charge for year	96,206	-	96,639	137,599	22,703	353,147
On disposals	(804,736)	-	(72,567)	(73,148)	(8,985)	(959,436)
At end of year	2,196,976	-	1,737,144	1,173,124	128,577	5,235,821
Net book value						
At 30 April 2025	1,871,685	12,668,094	149,608	202,854	67,308	14,959,549
At 30 April 2024	1,967,891	4,296,277	197,616	243,867	90,745	6,796,396

The cost of freehold land and buildings includes £75,000 *(2024: £75,000)* of land which is not depreciated.

10. Fixed asset Investments

CHARITY	2025 £	2024 £
Listed investments (Note 10(a))	**6,282,310**	10,437,063
Cash held as part of investment portfolio	**8,590,708**	6,761,142
Investment in Martin House (Shops) Limited (Note 4)	**2**	2
Unlisted investment	**10**	10
Investment property (Note 10(b))	**180,000**	180,000
	15,053,030	17,378,217

GROUP	2025 £	2024 £
Listed investments (Note 10(a))	**6,282,310**	10,437,063
Cash held as part of investment portfolio	**8,590,708**	6,761,142
Unlisted investment	**10**	10
Investment property (Note 10(b))	**180,000**	180,000
	15,053,028	17,378,215

These investments both in income and long-term growth support the work of the hospice.

10(a) Listed investments

	2025 £	2024 £
Market value at beginning of year	10,437,063	16,475,037
Additions	10,970,950	12,691,004
Disposal proceeds	(15,603,349)	(19,192,172)
Realised and unrealised investment gains	477,646	463,194
Market value at end of year	6,282,310	10,437,063
Historical cost at end of year	5,769,964	9,527,306

Notes to the Financial Statements *(continued)*

10(b) Investment property

	2025	2024
	£	£
Market value at beginning of year	**180,000**	150,000
Revaluation	**-**	30,000
Market value at end of year	**180,000**	180,000

The historical cost of the investment property was deemed to be £133,000.

The Trustees have estimated the fair value of the investment property, with reference to other similar property transactions in the vicinity. A professional valuation has not been obtained as the Trustees do not consider it necessary due to the non-specialist nature of the investment property. The Trustees conclude that there has been no material change in the fair value during the year.

The carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £6,282,310 (2024: £10,437,063).

11. Stock

	Group		Charity	
	2025	2024	**2025**	2024
	£	£	£	£
Goods for resale	**2,364**	4,005	**915**	1,677
T-shirt stock fundraising (not for resale)	**15,964**	17,495	**15,964**	17,495
	18,328	21,500	**16,879**	19,172

12 Debtors

	Group		Charity	
	Due within one year	Due within one year	Due within one year	Due within one year
	2025	2024	2025	2024
	£	£	£	£
Amounts due from Martin House (Shops) Limited	**-**	-	**44,624**	25,273
Accrued income and prepayments	**2,616,371**	1,205,938	**2,616,371**	1,205,936
VAT recoverable	**548,613**	280,691	**548,613**	280,691
	3,164,984	1,486,629	**3,209,608**	1,511,900

The loan from Martin House is covered by a debenture dated 30th April 1992 which provides for interest to be paid at 3% over Barclays Bank Plc base rate. The debenture is secured by a floating charge over all the assets of the Company, and there is no fixed date for repayment.

13 Cash at bank, in hand and on deposit

	Group		Charity	
	2025	2024	**2025**	2024
	£	£	£	£
Bank and building society deposits	**1,368,242**	2,785,078	**1,321,538**	2,755,928
Cash in hand	**1,663**	1,493	**833**	663
	1,369,905	2,786,571	**1,322,371**	2,756,591

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Notes to the Financial Statements *(continued)*

14 Creditors: amounts falling due within one year

	Group		Charity	
	2025	2024	**2025**	2024
	£	£	**£**	£
Trade creditors	**261,683**	348,607	**261,683**	348,607
Other taxes and social security costs	**153,268**	131,310	**153,268**	131,310
Other creditors	**680,712**	1,014,200	**680,712**	1,014,200
Accruals and deferred income	**447,615**	434,693	**445,955**	430,693
	1,543,278	1,928,810	**1,541,618**	1,924,810

15 Pension costs

The hospice operates two pension schemes: the NHS Scheme and a defined contribution scheme, both of which are treated as defined contribution schemes as disclosed in Note 1. The charge for the year was as follows:

	2025	2024
	£	£
NHS Pension Scheme	**304,312**	271,781
Defined contribution scheme	**233,290**	224,990
	537,602	496,771

NHS Scheme
Eligible employees are able to remain in the NHS Pension Scheme. The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and employees of other approved organisations. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of the benefits payable, and the basis for the valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

16 Commitments

Total commitments for future minimum lease payments under non-cancellable operating leases are as follows:

CHARITY AND GROUP

	Land and buildings 2025	**Equipment 2025**	Land and buildings 2024	Equipment 2024
	£	**£**	£	£
Within one year	**225,441**	**-**	184,650	-
More than one year and less than 5 years	**440,002**	**-**	416,704	-
More than 5 years	**23,024**	**-**	15,000	-
	688,467	**-**	616,354	-

Notes to the Financial Statements *(continued)*

Total commitments for capital expenditure under non-cancellable contracts are as follows:

CHARITY AND GROUP

	2025	2024
	£	£
Commitments contracted for in relation to The Build	**7,469,771**	15,870,586

17 Statement of funds

For the year ended 30 April 2025	As At 1 May 2024 £	Income £	Expenditure £	Investment gains £	Transfers £	As at 30 April 2025 £
GROUP						
Unrestricted funds						
General funds	9,100,106	8,745,083	(8,341,101)	-	9,279,628	**18,783,716**
Designated funds						
Build and Deficit	12,500,000	-	-	-	(2,750,000)	**9,750,000**
Other investment funds	3,525,296	-	-	477,646	43,353	**4,046,295**
Total designated funds	16,025,296	-	-	477,646	(2,706,647)	**13,796,295**
Total unrestricted funds	25,125,402	8,745,083	(8,341,101)	477,646	6,572,981	**32,580,011**
CHARITY						
Unrestricted funds						
General funds	9,097,069	8,682,203	(8,277,883)	-	9,279,628	**18,781,017**
Designated funds						
Build and Deficit fund	12,000,000	-	-	-	(2,750,000)	**9,750,000**
Other investment funds	3,525,298	-	-	477,646	43,353	**4,046,297**
Total designated funds	16,025,298	-	-	477,646	(2,706,647)	**13,796,297**
Total unrestricted funds	25,122,367	8,682,203	(8,277,883)	477,646	6,572,981	**32,577,314**
GROUP AND CHARITY						
Restricted Funds						
NHS England Grant	-	1,123,182	(1,123,182)	-	-	-
Pensions Indexation funding	-	67,008	(67,008)	-	-	-
Integrated Care Board grants	-	1,270,433	(1,270,433)	-	-	-
Garden Fund	11,344	-	-	-	(11,344)	-
Care equipment - regional	4,801	-	-	-	-	**4,801**
Donations – Capital (baths, decoration, chair, training)	94	-	(84)	-	-	**10**
Donations Trusts	68,650	134,146	(202,796)	-	-	-
Donations Individuals	-	60	(60)	-	-	-
Donations Regional	-	500	-	-	-	**500**
Donations - Capital Appeal	732,491	4,130,241	-	-	(4,862,732)	-
Donations - Capital Appeal Public	138,097	1,042,664	-	-	(1,168,760)	**12,001**
Events Allocated to Capital Appeal	-	237,051	-	-	(237,051)	-
Capital Appeal - Art Room	54,622	-	-	-	(54,622)	-
Capital Appeal - Children's wing	-	79,876	-	-	(79,876)	-
Capital Appeal - Wellbeing Centre	400,000	10,336	-	-	-	**410,336**
Donations - Corporate for Bereavement	-	11,550	-	-	-	**11,550**
Capital Grant DHSC	-	158,596	-	-	(158,596)	-
Kitchen and Catering improvements	5,000	2,000	(3,693)	-	-	**3,307**
	1,415,099	8,267,643	(2,667,256)	-	(6,572,981)	**442,505**

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Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

For the year ended 30 April 2024	As At 1 May 2023 £	Income £	Expenditure £	Investment (losses) £	Transfers £	As at 30 April 2024 £
GROUP						
Unrestricted funds						
General funds	6,116,968	7,161,926	(8,547,011)	-	4,368,223	**9,100,106**
Designated funds						
Build and Deficit fund	12,500,000	-	-	-	-	**12,500,000**
Other investment funds	3,047,409	-	-	493,194	(15,307)	**3,525,296**
Total designated funds	15,547,409	-	-	493,194	(15,307)	**16,025,296**
Total unrestricted funds	21,664,377	7,161,926	(8,547,011)	493,194	4,352,916	**25,125,402**
CHARITY						
Unrestricted funds						
General funds	6,114,407	7,163,064	(8,548,625)	-	4,368,223	**9,097,069**
Designated funds						
Build and Deficit fund	12,500,000	-	-	-	-	**12,500,000**
Other investment funds	3,047,411	-	-	493,194	(15,307)	**3,525,298**
Total designated funds	15,547,411	-	-	493,194	(15,307)	**16,025,298**
Total unrestricted funds	21,661,818	7,163,064	(8,548,625)	493,194	4,352,916	**25,122,367**
GROUP AND CHARITY						
Restricted Funds						
NHS England Grant	-	1,093,781	(1,093,781)	-	-	-
Pensions Indexation funding	-	67,000	(67,000)	-	-	-
Integrated Care Board grants	-	743,799	(743,799)	-	-	-
Garden Fund	11,344	-	-	-	-	**11,344**
Rebuild	28,975	-	-	-	(28,975)	-
Care equipment - regional	4,801	-	-	-	-	**4,801**
Donations – Capital (baths, decoration, chair, training)	34	200	(140)	-	-	**94**
Donations Trusts	326,243	88,187	(336,680)	-	(9,100)	**68,650**
Sanctuary Garden	-	50,542	(3,000)	-	(47,542)	-
Donations - Capital Appeal	1,070,396	3,857,705	-	-	(4,195,610)	**732,491**
Donations - Capital Appeal Public	-	138,097	-	-	-	**138,097**
Capital Appeal - Art Room	-	54,622	-	-	-	**54,622**
Capital Appeal - Children's wing	-	71,689	-	-	(71,689)	-
Capital Appeal - Wellbeing Centre	-	400,000	-	-	-	**400,000**
Kitchen and catering Improvements	-	5,000	-	-	-	**5,000**
Donations - Corporate for Bereavement	-	24,570	(24,570)	-	-	-
	1,441,793	6,595,192	(2,268,970)	0	(4,352,916)	**1,415,099**

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Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

Unrestricted funds
General funds – these represent the free reserves and fixed assets of the charity that are not designated or restricted for particular purposes.

The Trustees have designated elements of the investment fund for specific purposes, as follows:

Deficit budget fund – funds of £2.0m have been designated to cover the deficits anticipated in the next 3-5 years.

Rebuild fund – funds of £7.75m have been designated to contribute towards the cost of our extensive Build project plans.

The remainder of our designated funds, held within investments, are held to comply with our policy of holding six months running costs in reserves.

Restricted funds – represent monies received for specific purposes as follows:

NHS England Grant – this is a grant received to support us in our aim to continue the provision of the high level of specialist care for the children and families in Yorkshire.

Pension indexation funding – is a contribution from NHS England towards the cost of our employer's NHS pension contributions.

Integrated Care Boards grants – are grants received from ICBs covering East, North and West Yorkshire and the Humber. Each contributes towards the cost of care provided by Martin House to children and young people and their families in the respective geographical areas served by each ICB.

Grants from various Trusts & Foundations and donations - Funding for core clinical costs, medical equipment, cultural liaison officers, bereavement salaries, sibling support groups, training bursaries, a refurbishment of the Sanctuary garden, emergency travel for families and a residential trip for young people.

Garden Fund (Whitby Lodge Courtyard Project) – consists of charitable donations to fund the redevelopment of the Lodge Courtyard area for the enjoyment of our teenagers and young adults.

Garden Donations - Specified garden purchases after the Build project.

Rebuild Fund – Funding from our Capital Appeal in aid of our upcoming extensive Build and refurbishment project.

Care equipment – funding for care equipment from individuals and Trusts.

Other capital funds – consist of contributions from Trusts and other sources for specific items of equipment.

Other restricted donations – donations for small equipment, bereavement library and Christmas party.

Trust donations for project/designated spend – funding for vehicles, beds and garden grant from Trusts.

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Notes to the Financial Statements *(continued)*

Donations care equipment – funding from individuals and clubs for specialist chairs, baths, Oxford Text Book and a small restricted pot of funds not yet specified.

Donations capital (baths, decoration, chairs, training) – capital funding from Trusts for the specialist bath appeal. Palliative care training for doctors.

Transfers
Transfers totalling £6,572,981 have been made from restricted to general funds where capital expenditure has been incurred from restricted funds, and the assets purchased are held for a general purpose within the charity with no ongoing restrictions in use.

18 Analysis of net assets between funds

As at 30 April 2025		Tangible fixed assets	Investments	Net current assets	Total
GROUP		£	£	£	£
Restricted funds		-		442,505	**442,505**
Unrestricted funds	- Designated	-	13,796,295	-	**13,796,295**
	- Other	14,959,549	1,256,733	2,567,434	**18,783,716**
		14,959,549	15,053,028	3,009,939	**33,022,516**
CHARITY					
Restricted funds		-	-	442,505	**442,505**
Unrestricted funds	- Designated	-	13,796,297	-	**13,796,297**
	- Other	14,959,549	1,256,733	2,564,735	**18,781,017**
		14,959,549	15,053,030	3,007,240	**33,019,819**

As at 30 April 2024		Tangible fixed assets	Investments	Net current assets	Total
GROUP		£	£	£	£
Restricted funds		-	-	1,415,099	**1,415,099**
Unrestricted funds	- Designated	-	16,025,296	-	**16,025,296**
	- Other	6,796,396	1,352,919	950,791	**9,100,106**
		6,796,396	17,378,215	2,365,890	**26,540,501**
CHARITY					
Restricted funds		-	-	1,415,099	**1,415,099**
Unrestricted funds	- Designated	-	16,025,298	-	**16,025,298**
	- Other	6,796,396	1,352,919	947,754	**9,097,069**
		6,796,396	17,378,217	2,362,853	**26,537,466**

The unrestricted designated investment fund includes unrealised gains on investments of £512,346 (2024: £897,171).

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Notes to the Financial Statements *(continued)*

19 Contingent Liabilities

The charity is party to a cross guarantee in respect of a group VAT registration. At 30 April 2025 the total group VAT balance was a debtor of £266,066 *(2024:* debtor of £280,691*)*.

20 Related Party Transactions

During the year, Martin House conducted the following transactions with its subsidiary, Martin House (Shops) Limited:

Martin House levied rent on Martin House (Shops) Limited amounting to £6,539 (2024: £6,105), and interest amounting to £1,466 (2024: £1,517).

Martin House (Shops) Limited donated £3,033 (2024: £2,558) to Martin House under Gift Aid.

At 30 April 2025, Martin House had a debtor balance of £44,624 owed by Martin House (Shops) Limited (2024: £25,273 debtor balance).

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Notes to the Financial Statements *(continued)*

21 Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2024

	2024 Unrestricted Funds – General £	2024 Unrestricted Funds – Designated £	2024 Restricted Funds £	2024 Total Funds £
Income from:				
Donations	2,260,204	-	4,690,612	6,950,816
Legacies	1,105,321	-	-	1,105,321
Income from charitable activities:				
Funding from Integrated Care boards	-	-	743,799	743,799
NHS England grants	-	-	1,160,781	1,160,781
Covid 19 grants	-	-	-	-
Other income	46,404	-	-	46,404
Other trading activities:				
Income from retail operations	2,024,815	-	-	2,024,815
Fundraising events and lottery	1,349,729	-	-	1,349,729
Other activities for generating funds	43,249	-	-	43,249
Income from investments	332,204	-	-	332,204
Total income	7,161,926	-	6,595,192	13,757,118
Expenditure on:				
Expenditure on raising funds:				
Cost of generating voluntary income	1,402,808	-	-	1,402,808
Cost of retail operations	1,504,989	-	-	1,504,989
Cost of fundraising events, lottery and other activities	689,886	-	-	689,886
Investment managers cost	30,048	-	-	30,048
Expenditure on charitable activities	4,201,780	-	2,268,970	6,470,750
Exceptional costs	717,500			717,500
Total expenditure	8,547,011	-	2,268,970	10,815,981
Net income/(expenditure) before net (losses)/gains on investments	(1,385,085)	-	4,326,222	2,941,137
Net gains/(losses) on investments	-	493,194	-	493,194
	(1,385,085)	493,194	4,326,222	3,434,331
Transfers between funds	4,368,223	(15,307)	(4,352,916)	-
Net movement in funds for the year	2,983,138	477,887	(26,694)	3,434,331
Funds brought forward at beginning of year	6,116,968	15,547,409	1,441,793	23,106,170
Funds carried forward at end of year	9,100,106	16,025,296	1,415,099	26,540,501

MARTIN HOUSE

England & Wales - Charity number 517919

Accounts

Martin House (Limited by Guarantee)
Trustees' report and financial statements
Company registered number 02016332
Charity registration number 517919
For the year ended 30 April 2024

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COMPANIES HOUSE

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Trustees' Report

The Trustees, who also act as Directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 30 April 2024.

OBJECTIVES AND ACTIVITIES

The ***mission*** of Martin House is to help children and young people with a life-limiting condition, along with their families, to live well and fully, offering the best possible end of life care and support to the family in bereavement.

Our ***vision*** is that every child and young person has access to palliative care when and where they need it.

Our core ***values***, which guide all we do, are:

- **EXCELLENCE** We will, with enthusiasm, deliver an outstanding service. Always doing our best.
- **RESPECT** We value the qualities, diversity, abilities and feelings of others
- **INTEGRITY** We act with honesty, responsibility and trust
- **COMPASSION** We treat people with empathy and care

All our services are free of charge to the families we care for. The Charity Commission's general guidance on public benefit is taken into consideration in all our reviews and plans.

Strategic Aims

Our key strategic aims are to:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters.

Our current strategic objectives are set out inour Strategic Plan 2019-24.

Our achievements and performance against our 2023/24 objectives are set out in the Strategic Report, below.

The Build

This year, Martin House started our most ambitious project, named "The Build". The Build contract was signed and work started on site in October 2023. By the end of 2025 our 37-year-old facilities will be extensively improved and transformed to meet the changing needs of our increasingly complex service users. The Build is a £21.9 million project, which includes a brand-new children's wing with larger, ensuite bedrooms to accommodate sizable pieces of medical equipment, with integrated hoisting and piped oxygen, themed family bedrooms, a large hydrotherapy pool, a new Education Centre, a comprehensive refurbishment of existing buildings to form a Wellbeing Wing and updated young people's bedrooms and social spaces in the Teenage Wing. The year 23/24 has seen great progress towards the significant capital appeal fundraising target of £12m, which is vital for The Build's ambitious plans to be realised.

Activities

To achieve our objectives, we deliver high-quality, holistic and specialist palliative care services for children and young people with life-limiting conditions, and their families, from diagnosis to death and beyond. These include:

- symptom management
- emergency care
- end of life care
- specialist planned care/short breaks
- community care (in the home and other community settings)
- bereavement care
- psychological care and emotional support
- spiritual and pastoral care
- a programme of clinical research and education

Most of these services are delivered from a purpose-built hospice set in six acres of beautiful grounds in Boston Spa, near Wetherby in West Yorkshire. The hospice, the second children's hospice in the UK at the time, was opened in 1987. Since then, it has developed continuously in order to meet the changing needs and expectations of the children, young people and their families who use our services.

The hospice has 9 beds in the House, which cares for the younger children, and 6 beds in Whitby Lodge, which cares for teenagers (from age 13) and young adults up to age 25. This was the first purpose-built teenage and young adult unit in the UK (possibly the world) when it was built in 2002. In addition, there are 9 family bedrooms where parents and siblings can stay and 3 cooled bedrooms where children and young people can stay after death until their funeral. Other facilities include a chapel, sensory room, playroom, teenage and young adult recreation area (the Den), recording studio, art room, music room, education/seminar room and outdoor play areas.

Children and young people can be referred, or self-refer, to Martin House at any point from diagnosis, between the ages of 0-19, if they have a life-limiting condition and live in East, North or West Yorkshire. Children's palliative care encompasses the whole family and continues throughout the life of the child or young person up to age 25, and beyond for their family.

STRATEGIC REPORT

Achievements and Performance

Palliative Care

During the year to 30 April 2024:

- we cared for 559 children and young people;
- we received 140 new referrals, of which 121 were accepted;
- we accepted 107 new referrals for our bereavement service; and
- 513 hospital night stays were avoided through our care

Referrals are reviewed, using clear criteria and decisions are made during a weekly multi-disciplinary panel. Decisions to not accept referrals are not taken lightly and are usually based around patients not meeting criteria, such as age or a lack of palliative diagnosis.

Sadly, 81 of the children and young people we were caring for died in the year to 30 April 2024.

Consistently over 90% of these children and young people died in their preferred place of death, be it home, hospice or hospital. Many of these deaths away from the hospice are supported by the Hospice.

Our Clinical Services Team

Martin House is a regional centre for specialist paediatric palliative care.

Our clinical services team consists of specialist and experienced staff who can look after the children and young people staying at the hospice and in the community. We act as a resource for other health services surrounding us in West, North and East Yorkshire and indeed nationally. We provide highly specialist care and also support, advice and education to many professionals within Yorkshire and the Humber and beyond.

We offer 24/7 Specialist paediatric palliative medicine.

The senior medical team consists of three Consultants in Paediatric Palliative Medicine (one of whom acts as our Chief Medical Officer) and a Specialist Doctor. In addition, there are part-time Specialty Doctors, and together they deliver a 24/7 on-call rota. Martin House also supports specialist trainees in Paediatric Palliative Medicine, as well as other trainees, during their rotations. Our doctors are available for queries/consultation/referrals twenty-four hours a day, seven days a week by telephoning Martin House. They provide specialist palliative care involving symptom control, end of life care, preferred place of death support and advance care planning. They are able to assist in breaking bad news, difficult decision making and other ethical discussions. The medical and clinical nurse specialists team regularly support hospital teams to provide specialist palliative care for in-patients across the region. They also support children and young people in their own homes.

The multi-disciplinary team are highly trained and able to care for children with extremely complex care needs. Our team includes doctors, nurses, clinical nurse specialists, specialist clinical educators, physiotherapists, a social worker, an applied psychologist, music therapists, admissions liaison nurses, cultural liaison officers, care support staff, a spiritual care practitioner and counsellors.

We look after children and their families from as early as the antenatal period and continue to look after young people with life-limiting conditions, particularly providing valuable continuity during the transition period where care is transferred from paediatrics to adult services. Care extends through the course of the illness from diagnosis, to end of life. The upper age limit at Martin House is 25.

Our team takes a lead in a number of local, national and international groups including the Royal College of Paediatrics and Child Health Paediatric Palliative Medicine Specialist Committee, Association of Paediatric Palliative Medicine and the Children and Young People's Advance Care Plan Collaborative. We work in partnership with national organisations, such as Together for Short Lives, in advocating for children's and young people's palliative care. In addition, the team take an active role in palliative care education and research, including being principal site investigators for national studies.

Hospice at Home

The Hospice at Home service is a specialist palliative care service, delivered in the community by doctors, nurses and clinical nurse specialists. This means that children can receive specialist palliative care in a place of their choosing. Symptom control, end of life care, advance care planning and time-critical memory making can be delivered in the home environment, should that be the preferred place of care for the family. End of life and urgent care can be provided within the family home, in conjunction with local care providers. The Hospice at Home team support hospital teams with urgent discharge from hospital to home for end-of-life care if that is the family's wish. This support helps ensure thorough and robust planning to ensure the transfer happens safely and smoothly as well as in a timely manner.

Hospital In-reach

Members of our team in-reach into hospitals within the region, to support hospital teams in their delivery of palliative care. This includes:

- Doctors and Clinical Nurse Specialists; Advance care planning; symptom control advice; preferred place of death support; End of Life care support; support with difficult conversations; multi-disciplinary team meetings; signposting and staff support/supervision; support with care after death.
- Music therapists deliver sessions in hospitals to improve family experience and act as a resource for other healthcare staff.

Our cooled bedrooms for care after death

There are two additional bedrooms within Martin House, and one within Whitby Lodge which can be cooled, and we also have blankets and mattresses which cool the body enabling a baby, child or young adult to remain at the hospice after they have died. Parents and siblings can stay at the hospice as well, and it gives them the opportunity to navigate the process of saying goodbye to their child or young person in their own time and in their own way. Families have often said how precious it was to be able to spend this kind of time with their child, when they are also confronted with the demands of making funeral arrangements and resuming some of the activities of daily life.

Clinical Education

Martin House is committed to promoting a culture of learning and development. We conduct a learning needs analysis on our team every year and plan the year's education based on its findings. We have embedded externally validated competencies across all areas of care, ensuring we meet the complex needs of the children and young people we support.

We are committed to developing our contribution to palliative care education outside Martin House and building relationships with stakeholders including neighbouring hospices, community teams, other NHS provider organisations, and universities throughout the region.

We promote Martin House as a learning environment for professional student placements. As part of our commitment to developing the specialty of paediatric palliative medicine, we have continued to support trainee paediatricians based at Martin House and specialist trainees in Paediatric Palliative Medicine. We encourage medical, nursing and allied health student placements.

Family Support Team

The care we provide at Martin House is holistic and this is underpinned by the work of our family support team. Clinical psychologists, an advanced family support and wellbeing practitioner, bereavement counsellors, a spiritual care practitioner, music therapists, an artist-in residence, family support practitioners, a transition support practitioner and a play and activity co-ordinator ensure that care is about more than just the clinical. Our wider team are also skilled at providing holistic support.

Bereavement team

The bereavement team offers support to families who have lost a child or young person under any circumstances, including those who had life-limiting conditions and children who died suddenly. This is a resource that families can make use of in a wide variety of ways. We offer individual or family meetings, face to face, over the telephone or remote support. Support is family-centred and tailored to individual need. In addition to individual sessions there are groups for bereaved parents, grandparents and siblings.

Research
Martin House is a leading research active organisation in the field of palliative care for children and young people. Specifically, this entails:

- contributing to the national and international research base on palliative care
- developing and maintaining strong collaborative links with the wider academic and palliative care communities
- identifying and supporting appropriate areas of research, developing research awareness and capability within staff
- informing, where appropriate, the strategic development of Martin House

People & Resources
The People team have made significant strides in various areas enhancing both employee experience and organisational culture, collectively providing continuous improvement and inclusivity.

These include achieving Menopause Friendly Accreditation and demonstrating commitment to supporting staff impacted by the Menopause. It also involves developing a new recruitment module in the new HR system to streamline the hiring process and improving both candidate and management experience, developing new values (EXCELLENCE, RESPECT, INTEGRITY and COMPASSION) and a behavioural framework, fostering a more cohesive and values driven work environment, successfully reducing staff sickness through new processes, introducing new policies, supporting consultations and employee relation cases and revamping the volunteer forum and processes, ensuring better engagement and support initiatives.

ICT / Digital / Data
This year has focused heavily on replacement of old client server based legacy systems, moving these to modern SaaS (Software as a Service) based systems. The business systems that are being replaced / introduced include, the HR system (Natural HR), the Finance system (Iplicit), the Customer Relationship Management system (Blackbaud NXT), the retail Electronic Point Of Sale system (Azurri), the Payroll system (Moorepay), the Incident Management system (OfficeLabs) and a new Computer Aided Facilities Management system (Concerto).

We completed our penetration test this year, with zero critical, high or medium risks. We also continue to meet the NHS Data Security and Protection Toolkit standards, demonstrating our compliance with the stringent data handling requirements of the NHS.

Estates
The most significant development in the year has, without doubt, been the commencement of our long anticipated Build project which, having gained planning approval in late 2020, will see the hospice site be transformed. Alongside The Build, the Estates team have continued with the ongoing programme of maintenance at the hospice to ensure our accommodation for children and families is safe, comfortable and appealing until phase 1 of The Build is handed over during FY 24/25.

The team has also supported retail to deliver its maintenance plan. We have procured a new Computer Aided Facilities Management system to support across the estate to tie in with The Build.

Health & Safety

Martin House is committed to managing, monitoring and reviewing safety, health and environmental (SHE) information to aid continual improvement.

The team have continued to build on our practices throughout the year. The Health, Safety, Wellbeing and Environmental (HSWE) Group has continued to play an important part in developing the health & safety agenda and embedding this across Martin House. The group have also contributed to the annual internal audit programme.

A review of a number of policies, procedures and risk assessments has also been undertaken and support provided to teams with the development of safe systems of work.

Fundraising

It has been a busy year for fundraising; planning for the public appeal and delivering our private phase strategy whilst ensuring all core campaigns are delivered effectively and are maximised to generate as much income as possible. We still witness some impact from the cost-of-living crisis; evidenced in a drop in average donation rate which seems to be consistent across the sector. The team has worked tirelessly to deliver our ambitious aims.

The annual 'core' operating income has been strong, particularly considering the climate combined with our appeal. We have seen strong results from our partnership team, hugely boosted by the Together for Short Lives network and the Morrisons partnership. Our regional team has delivered great results with the help of our loyal supporters across the region. We delivered a strong programme of events and the lottery has exceeded our expectations for the year. However, the income we have received from legacies has been below average this year and has meant our growth was not as high as expected.

We once again delivered a robust Christmas campaign, including our direct mail sharing an emotional story of one of our family's experiences at Martin House, which was well received across the region and generated significant awareness, engagement and income.

The continued support of all donors, supporters and volunteers is hugely appreciated. We simply could not achieve our financial and non-financial aims without such loyal and generous support.

Fundraising standards and compliance

Martin House is a well-respected regional charity that is very much part of the communities we serve, aiming to deliver high standards in everything we do, be this in the care we provide or in our fundraising activities.

We strive to achieve the highest fundraising standards and we value our wonderful supporters. We expect our fundraising team to act honestly and with integrity at all times and to ensure we remain compliant with all the laws and guidelines that govern us.

We want to inspire trust in our supporters and ensure that all supporters have an excellent experience when donating to Martin House.

We stay up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) to make sure we are legally compliant and adhering to all guidelines. Our fundraisers also follow the Institute of Fundraising's Code of Practice and we are registered with the Fundraising Regulator.

We take our supporters' data very seriously and we collect and process data in accordance with the Data Protection Act 2018 and the General Data Protection Regulation.

We do not pass our supporters' details to any other charity or organisation for their marketing purposes. Any external groups acting on our behalf have to sign an agreement confirming that they will process all our data properly and maintain confidentiality.

We take appropriate physical, electronic and managerial measures to ensure we keep supporters' information secure, accurate and up to date and we only keep it as long as is reasonable and necessary.

Income Generation Complaints

We work hard to ensure that we deliver a high-quality service to our supporters but we may not always get it right. If this happens, we would like to hear about it as soon as possible so we can resolve the problem. If, after this, a supporter feels as though the issue has not been resolved then they may make a complaint. Details of how to complain are listed on our website. In the last year we have received 4 complaints relating to fundraising and lottery activity. These have all been resolved in line with our policy.

Retail

Our shops have had a strong year, exceeding our annual target. Our Furniture Warehouse performed incredibly well and all other shops delivered against their targets. It is thanks to our loyal customers and donors that we are able to see such great success in our shops.

Marketing and Communications

We have a new team structure in Marketing and Communications and welcomed the team into the Income Generation Directorate. The focus has been to review and align the team and build strong reliable relations with key internal departments, such as Fundraising, Care and our People Team. We have also reviewed our digital capacity and continue to grow our digital reach.

Financial review

Principal sources of income

Our principal sources of income are statutory funding, investment income, income from our shops and, by far the largest source, fundraising from the public.

We are reliant upon fundraising from the public to fund the large majority of our annual running costs. This funding comes to Martin House as donations, legacies, and profits made in our shops. We continue to be overwhelmed by the generosity of the public in supporting us in our charitable objectives.

Grant funding from the NHS Integrated Care Boards and NHS England towards the cost of our service provision covered around 26% of our expenditure on charitable activities and represents 14% of our total income.

Result for the year

Core Operating Result

The underlying result for 'core' operating income and expenditure for the hospice was a deficit of £1.4m in the year. This was a larger deficit than we had anticipated in our original budget for the year and was largely as a result of a continued difficult fundraising environment, further infrastructure development and inflationary pressures for much of the year.

Our expenditure line includes an 'exceptional' item of £0.7m in relation to a fixed asset impairment charge in the year. This is for fixed assets which are to be disposed of during FY 24/25 as a result of The Build project and which have therefore had their usable life revised down to under 12 months.

Capital Appeal Result

The overall result showing in the accounts for the year is, however, a surplus of £2,941,198. Most significantly in the year, The Build capital appeal raised in excess of £4.5m of valuable funds towards the project which will improve and modernise the premises over the coming two years. Income raised from the appeal is the ultimate reason behind our surplus position for the year and we are enormously grateful to those who have supported our appeal so far.

Financial Planning for the Future

The result for the year also follows significant efforts by the income generation team to adapt our ways of fundraising in the face of a continued challenging environment and to ensure 'core' income is still prioritised alongside the efforts for the capital appeal.

Our financial position has been managed carefully for over 37 years, allowing us to build reserves. We are fortunate that these reserves are currently providing us with some security and stability and are being used in part to fund The Build project.

To support our planned investment, the Trustees agreed a short-term financial plan that would see some annual deficits for 'core' income and expenditure incurred for a few years, to be funded from our reserves, before returning to break-even. The accounts therefore include a combined designation of reserves of £12.5m to cover both our contribution towards The Build and anticipated deficits. We are acutely aware, however, that the level of free reserves that we hold will decrease in line with our investment in the Build project and our need to carefully manage budgets and our balance sheet position once the capital appeal has ended and our income reverts to being generated from 'core' activity alone.

The Trustees believe that above strategy to designate funds is a good and appropriate use of our reserves and are confident that we will remain financially sustainable and able to support children and families in the longer term. Allocating funds to the Build and short-term deficit budgets is necessary to ensure that we continue to invest in our infrastructure and improve our services to children and young people.

Financial position

The Balance Sheet shows total funds at 30 April 2024 of £26,540,501. Unrestricted funds (including both designated and general funds) are represented by tangible fixed assets of £6,796,396, investments of £17,378,215 and net current assets of £950,791. The tangible fixed asset balance has increased significantly in the year as a result of payments to our main contractor and the design team engaged on The Build project. These payments have been capitalised as Assets Under Construction which will start to depreciate as each of the phases of the project are completed and we take occupation.

Reserves statement

a) Background

Martin House makes a long-term commitment to those families that depend on its services and needs to provide a reliable and consistent service beyond the immediate future. The Trustees recognise that unrestricted reserves are necessary to secure future services, meet unexpected expenses, absorb setbacks and take advantage of change and opportunities for development when they arise. The Trustees recognise that much of the organisation's income is uncertain and susceptible to fluctuations beyond its control.

The Trustees are also mindful of the Charity Commission's guidance on Charity reserves: building resilience (updated 14 June 2023)

Having assessed these risks, the Trustees' aim is to build and maintain a financial cushion against the uncertainties that affect our operating environment whilst also generating income to help meet core running costs (care, fundraising, administration and governance).

b) Target reserves level – one year's core running costs

The Trustees consider that one year's core running costs, anticipated to be approximately £10.8m by 2025, would provide appropriate security against such uncertainties.

c) Minimum reserves level - six months' core running costs

The Trustees recognise that the target of one year's core running costs may not always be achievable. They consider that a minimum of six months' core running costs should be maintained (whilst recognising that they cannot control the organisation's income, so cannot guarantee that the minimum will always be achieved).

That is especially relevant at present because:

- We are currently engaged in an extensive refurbishment and new-build programme ("The Build"), at an estimated total cost of £21,900,000. Most elements of the contract price are fixed, but there will be some fluctuations. The cost of The Build is being met partly from reserves and partly from a substantial capital fundraising appeal. The precise amount of reserves required will depend upon the amount raised from that appeal.
- In addition, our annual budget in recent years has anticipated modest operating deficits, taking account of uncertainties of operating income.

d) Reserves at 30 April 2024

At 30 April 2024, our free reserves, including investment funds not designated for a particular purpose, were £5,829,006 (after deducting a combined designation of £12.5m for funds committed to both The Build project and short-term future deficit budgets). Whilst this level of free reserves represents less than a year's core running costs, it is in line with our required minimum of 6 months' core running costs.

e) Cash flow management

Of the reserves held at any given time, the Trustees consider that a minimum of three months' core running costs should be held in cash and/or short-term investment assets capable of conversion into cash within 14 days, to enable steady cash flow management.

f) Income generated by reserves

Over the years, the Trustees have been able to invest surplus free reserves in an investment portfolio, to provide long-term commitment and support to the families dependent on Martin House. The annual income generated by the portfolio makes a valuable contribution to our annual running costs.

The majority of our free reserves is currently invested. The Trustees acknowledge and intend that the portfolio will reduce to help to fund both The Build and budgeted operating deficits. Future budgets will take into account the reduction in income arising from the portfolio.

Investment Policy

The Trustees' investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a total return in excess of inflation over the long term whilst generating an income to support on-going activities.

The Trustees recognise that they have a duty to consider the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments. At present, no investment restrictions are placed on the investment managers, Brewin Dolphin, who manage the investment portfolio on a discretionary basis and the gilt portfolio on an execution only basis. Analysis is provided to Trustees to inform on all aspects of the environmental, social and corporate governance characteristics of our portfolios.

In order to meet the medium-term cashflow requirements of the strategic plan, Martin House currently has two investment portfolios. The 'long term' portfolio is invested to mitigate the risk of inflation over the long term (10 years or more), with a moderate investment risk. The execution-only gilt portfolio contains funds which the hospice has designated for The Build project and future short-term deficit budgets. This portfolio offers a very low risk profile with an almost guaranteed return.

For the year ended 30 April 2024, the long-term portfolio generated a total return of +9.24% compared to the MSCI WMA Balanced Index total return of +10.22%. Up until its closure on 26 March 2024, the medium-term portfolio generated a total return of+5.16% compared to the MSCI WMA Conservative Index total return of +8.08%. During the year, a gilt portfolio was opened, and this currently holds a UK government gilt which will return approximately 5.05% when held to maturity. In addition, the gilt portfolio holds monies in a cash fund which yields a variable rate of 5.25% per annum.

2019-24 Strategic Plan

Following the end of our previous Strategic Plan for 2015-18, the team at Martin House created a new and ambitious 2019-24 Strategic Plan. This plan was adopted and approved by the Board of Trustees in January 2019.

The key strategic aims of the new strategy are:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters

The Strategic Plan is supported by three Directorate Plans:

- Care Directorate Plan
- Income Generation Directorate Plan
- Corporate Services Directorate Plan

These Directorate Plans set out the objectives that will ensure that our key strategic aims are achieved. Each year during the 2019-24 strategic plan period, an annual Operational Plan is produced that ensures that we work towards achieving our overall strategic objectives. A new strategic plan is now in development.

Principal risks and uncertainties

The major risks to which Martin House is exposed and the systems in place to mitigate those risks are set out in the strategic risk register. This is reviewed monthly by the Strategic Leadership Team and quarterly by the Finance and Resources Committee. The Clinical Effectiveness Committee reviews a more detailed operational risk register at each meeting to review clinical risks. The strategic risk register is included in the Board papers for every meeting of Trustees.

The Trustees believe there is an effective system of risk management in place and that all major risks are being mitigated satisfactorily.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure and Governing Documents

Martin House is a registered charity and a company limited by guarantee. The company was incorporated on 1 May 1986 and registered as a charity on 28 April 1987. It is governed by a Memorandum and Articles of Association, which were amended at an EGM on 21 July 2016, following a comprehensive review by the Trustees. The charity has a wholly-owned subsidiary, Martin House (Shops) Limited, which is incorporated in the UK and registered in England (company number 2166209).

The Board of Trustees acts collectively and is responsible for the overall philosophy and strategic direction of Martin House and ensuring that the charity is solvent, well-run, acts within its governing document and other relevant legislation. The Board meets at least quarterly and delegates the general management and operational activities of the hospice to the Strategic Leadership Team, via the Chief Executive.

The Board has a Scheme of Delegation, which sets out which of its powers may be delegated and to whom. This is reviewed regularly and revised as appropriate.

The Board is supported by a number of committees and working groups, each of which has clear terms of reference:

- The Finance and Resources Committee exercises oversight of Martin House's finances, including its systems of financial control and risk management, budgets and accounts, capital expenditure and the management of its investments and cash resources. The Committee also reviews the results of the annual statutory audit and oversees the conduct and appointment of our auditors. The Committee is also responsible for employee remuneration, terms and conditions and appropriate policies and practices.
- The Clinical Effectiveness Committee provides assurance to the Board that Martin House has a robust framework for the management of clinical systems and processes and that clinical care is patient/service user-centered, safe, of high quality, evidence based, appropriate and provides good outcomes. The Committee is also responsible for appropriate policies and practices.
- The Build Project Board - established in 2020 to oversee The Build project and advise the Board of Trustees in relation to the project.

Charity Governance Code

The Charity Governance Code for Larger Charities was published by the Charity Commission in July 2017. This Code is designed as a tool to support continuous improvement. Compliance is not mandatory- trustees are encouraged to meet the principles and outcomes of the Code by either applying the recommended practice or explaining what they have done instead or why they have not applied it. Charity boards that are using this Code effectively will regularly revisit and reflect on the Code's principles.

Martin House is committed to complying with best practice in relation to governance. Trustees have performed a full self-assessment of compliance against the seven principles included within the Code. The charity considers that it is compliant with the Code.

Seven Trustees, Jenny Wilkinson, Stephen Plews, Zoe Donaldson, Tim Halstead, Mike Millington, Jenny Slee and Rifhat Malik, have served on the Board of Martin House for more than nine years. Their reappointment has been subject to rigorous review in accordance with the Charity Governance Code (5.7.4). There is a Trustee succession plan in place to ensure that there is an appropriate balance of experience of Martin House gained over many years and the need for progressive refreshing of the Board.

In accordance with the requirements of the Charity Governance Code, the hospice maintains a register of Trustee and senior staff interests. The following interests have been declared by Trustees and senior staff:

Trustees

Name	Declaration(s)
Zoe Donaldson	Deputy Director for NHS England Husband is a GP in the locality
Tim Halstead	Director and Chief Operating Officer of Switalskis Solicitors Limited Director of Martin House (Shops) Limited
Rifhat Malik MBE	Nil
Patricia McKinney	Nil
Mike Millington	Nil
Stephen Plews	Nil
Gordon Singer	Governor at the King David High School, Manchester
Jenny Slee	Nil
Tim Straughan	Group Director of NHS England Director of Spectrum CIC Director of Martin House (Shops) Limited Director of Citizone Ltd
Jenny Wilkinson	Director of Martin House (Shops) Limited
Jayne Price	Nil
Shiela Puri	Member of Keep the NHS Public Volunteer for Doctors of the World Husband is a surgeon at Yorkshire Clinic

Senior Staff

Name	Declaration(s)
Clair Holdsworth	Nil
Rebecca Wynne	Nil
Victoria Greensmith	Nil
Antoinette Stewart	Nil
Lindsey Fellowes-Freeman	Nil

Our Trustees

Trustees, who are also Directors, are the members of the charitable company, the equity being limited by guarantee and therefore having no share capital. As at 30 April 2024, Martin House has 12 Trustees.

The Trustees retiring by rotation at the next annual Trustees' meeting are Zoe Donaldson, Jenny Slee, Gordon Singer and Mike Millington. The power of appointment rests with the members of the Board.

All the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements. The Trustees who served during 2023/24 are:

Zoe Donaldson	Member of the Clinical Effectiveness Committee (Resigned 25th April 2024)
Timothy J Halstead LLB	Chair of the Board of Trustees Member of the Finance and Resources Committee
Rifhat Malik MBE	Member of the Clinical Effectiveness Committee (Resigned 25th April 2024)
Professor Patricia McKinney	Member of the Clinical Effectiveness Committee
Michael Millington BSc Hons MBA	Member of the Finance and Resources Committee
Stephen A Plews	Member of the Finance and Resources Committee
Gordon Singer	Member of the Finance and Resources Committee Vice Chair of the Board of Trustees
Jenny Slee (Cromack) LLB	Member of the Clinical Effectiveness Committee
Tim Straughan	Chair of the Finance and Resources Committee
Jennifer Wilkinson	Member of the Clinical Effectiveness Committee (Resigned 10th October 2024)
Professor Jayne Price	Vice Chair of the Clinical Effectiveness Committee
Dr Shiela Puri	Chair of the Clinical Effectiveness Committee

Non-Trustees serving on Board Committees during 2023/24 were:

Nick Lane Fox, Member of the Finance and Resources Committee

Our People

Martin House employs 202 staff (168.81 FTE). The Chief Executive, who is appointed by and accountable to the Board, is responsible for the operation of Martin House and leads a Strategic Leadership Team. In 2023/24 this comprised:

Clair Holdsworth - Company Secretary and Chief Executive

Rebecca Wynne - Director of Income Generation

Victoria Greensmith – Director of Clinical Services

Antoinette Bell – Director of People and Resources

Lindsey Fellowes-Freeman - Director of Finance and Corporate Governance

The Strategic Leadership Team lead the following directorates:

a) the Clinical Services Directorate. This consists of:

- the care team, which delivers the care and support to children, young people and their families
- the medical team, which provides consultant and doctor led medical care to children, young people and their families

b) the Resources Directorate. This consists of:

- the facilities team, who maintain and develop the buildings, grounds and equipment
- the IT team, who maintain and develop the IT hardware and software
- the people team, who lead on HR policy and advice, learning and development and volunteer development
- the finance and administration team, who ensure the efficient and smooth running of the organisation

c) the Income Generation Directorate. This consists of:

- the fundraising team, who raise the voluntary income required to deliver our services
- the retail team, who manage and develop our 12 shops and other retail operations
- the marketing and communication team

Volunteers

Martin House is supported by over 280 registered volunteers and 120 supporter volunteers in a range of roles that enhance our work across the organisation.

This includes our stalwart teams of retail volunteers, administrative and maintenance support volunteers at the hospice, and community-focused representation such as Friends' groups and ambassadors. Our Trustees are also all volunteers.

Remuneration Policy

Remuneration of the CEO and members of the Strategic Leadership Team (SLT) is determined by the Board of Trustees, which delegates responsibility for recommending SLT salaries to the Finance and Resources Committee (FRC). The FRC is also responsible for determining and recommending to the Board the policy for remuneration and reward of employees at Martin House, the pay structure for all employees and the level of any annual cost of living increase, taking into account appropriate benchmarks (including NHS rates for clinical staff and the Croner/Hospice UK annual hospice rewards survey) and prevailing inflation rates. In addition, the FRC is responsible for monitoring the effectiveness of all remuneration, terms and conditions and policies and keeping them under appropriate review.

Ambassadors

Ambassadors do not have any formal role in the governance of the charity but assist by extending our reach and raising our profile. In the year 23/24 the following acted as Ambassadors:

Gareth Southgate OBE: England Men's National Football Team Manager and ex-professional footballer

Christine Talbot: TV presenter and broadcaster

Duncan Wood: TV presenter and broadcaster

We are thankful for their continued and generous support of Martin House.

Legal and Administrative Information

Charity name:	Martin House
Charity registration number:	517919
Company registration number:	02016332
Registered office and operational address:	Grove Road, Boston Spa, Wetherby, LS23 6TX

Subsidiary Undertaking

Company name:	Martin House (Shops) Ltd
Company registration number:	02166209

The principal activities of the trading subsidiary are the sale of bought goods and goods sold as agent. The subsidiary has performed satisfactorily during the year, and all profits generated are donated to Martin House.

Advisors

Auditor:
Azets Audit Services Limited, Chartered Accountants,
Triune Court, Monks Cross Drive, York YO32, 9GZ

Investment Managers:
Brewin Dolphin,
10 Wellington Place, Leeds LS1 4AN

Principal Bankers:
Barclays Bank Plc
25 James Street, Harrogate HG1 1QX

Auditor:
In accordance with s487(2) of the Companies Act 2006, the auditor, Azets Audit Services Limited is deemed reappointed annually.

The Trustees, in their capacity as Directors, hereby approve the Trustees' Annual Report and the incorporated Strategic Report.

Timothy J Halstead
Chair

Date: 10.10.24

Statement of Trustees' Responsibilities in Respect of the Trustees' Report and the Financial Statements

The Trustees (who are also directors of Martin House for the purposes of company law) are responsible for preparing the Trustees' Annual 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, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

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

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 Auditor's Report to the Members of Martin House

Opinion

We have audited the financial statements of Martin House (the "parent charity") and its subsidiary (the "group") for the year ended 30 April 2024 which comprise the consolidated statement of financial activities, the company and consolidated balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 30 April 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 both the group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Martin House *(continued)*

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of the Trustees
As explained more fully in the Trustees' responsibilities statement, the Trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Independent Auditor's Report to the Members of Martin House *(continued)*

Extent to which the audit was considered capable of identifying irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias; and
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

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 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.

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

Alan Sidebottom

Alan Sidebottom (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

Chartered Accountants
Statutory Auditor

Date: 18/10/2024

Triune Court
Monks Cross Drive
York
YO32 9GZ

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2024

	Note	2024 Unrestricted Funds – General £	2024 Unrestricted Funds – Designated £	2024 Restricted Funds £	2024 Total Funds £	2023 Total Funds £
Income from:						
Donations		2,260,204	-	4,690,612	6,950,816	3,662,768
Legacies		1,105,321	-	-	1,105,321	1,162,306
Income from charitable activities:						
Funding from Integrated Care Boards		-	-	743,799	743,799	890,291
NHS England		-	-	1,160,781	1,160,781	984,229
Covid 19 Grants		-	-	-	-	25,052
Other income		46,404	-	-	46,404	40,325
Other trading activities:						
Income from retail operations		2,024,815	-	-	2,024,815	1,870,419
Fundraising events and lottery		1,349,729	-	-	1,349,729	1,175,227
Other activities for generating funds		43,249	-	-	43,249	47,482
Income from investments	*3*	332,204	-	-	332,204	403,284
Total income		7,161,926	-	6,595,192	13,757,118	10,261,383
Expenditure on:						
Expenditure on raising funds:	*5*					
Cost of generating donations and legacies		1,402,808	-	-	1,402,808	1,493,981
Cost of retail operations		1,504,989	-	-	1,504,989	1,409,431
Cost of fundraising events, lottery and other activities		689,886	-	-	689,886	682,484
Investment managers cost		30,048	-	-	30,048	52,269
Expenditure on charitable activities	*6*	4,201,780	-	2,268,970	6,470,750	6,280,554
Exceptional costs	*6*	717,500	-	-	717,500	-
Total expenditure	*7*	8,547,011	-	2,268,970	10,815,981	9,918,719
Net (expenditure)/income before net gains/(losses) on investments	*2*	(1,385,085)	-	4,326,222	2,941,137	342,665
Net gains/(losses) on investments	*10*	-	493,194	-	493,194	(648,954)
Net (expenditure)/income before transfers		(1,385,085)	493,194	4,326,222	3,434,331	(306,289)
Transfers between funds	*17*	4,368,223	(15,307)	(4,352,916)	-	-
Net movement in funds for the year		2,983,138	477,887	(26,694)	3,434,331	(306,289)
Funds brought forward at beginning of year		6,116,968	15,547,409	1,441,793	23,106,170	23,412,459
Funds carried forward at end of year	*17, 18*	9,100,106	16,025,296	1,415,099	26,540,501	23,106,170

The results for the year all relate to continuing operations.

A detailed statement of financial activities for the comparative year is shown in note 21 to the financial statements.

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

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

Balance Sheet
as at 30 April 2024

		Group		Charity	
		2024	2023	2024	2023
		£	£	£	£
Fixed assets					
Tangible assets	*9*	**6,796,396**	4,583,898	**6,796,396**	4,583,898
Investments	*10*	**17,378,215**	16,885,021	**17,378,217**	16,885,023
		24,174,611	21,468,919	**24,174,613**	21,468,921
Current assets					
Stock	*11*	**21,500**	22,310	**19,172**	20,880
Debtors	*12*	**1,486,629**	1,938,509	**1,511,900**	1,944,458
Cash on deposit, at bank and in hand	*13*	**2,786,571**	1,061,751	**2,756,591**	1,050,921
		4,294,700	3,022,570	**4,287,663**	3,016,259
Creditors: amounts falling due within one year	*14*	**(1,928,810)**	(1,385,319)	**(1,924,810)**	(1,381,569)
Net current assets		**2,365,890**	1,637,251	**2,362,853**	1,634,690
Net assets		**26,540,501**	23,106,170	**26,537,466**	23,103,611
Funds of the charity:					
Restricted funds	*17*	**1,415,099**	1,441,793	**1,415,099**	1,441,793
Unrestricted funds are represented by:					
Build and deficit budget funds	*17*	**12,500,000**	12,500,000	**12,500,000**	12,500,000
Other investment funds	*17*	**3,525,296**	3,047,409	**3,525,298**	3,047,411
Total unrestricted designated funds		**16,025,296**	15,547,409	**16,025,298**	15,547,411
Unrestricted tangible fixed assets	*18*	**6,796,396**	4,583,898	**6,796,396**	4,583,898
Undesignated general funds	*18*	**2,303,710**	1,533,070	**2,300,673**	1,530,509
Total unrestricted funds		**25,125,402**	21,664,377	**25,122,367**	21,661,818
		26,540,501	23,106,170	**26,537,466**	23,103,611

The notes on pages 26 to 42 form part of these financial statements.

These financial statements were approved by the board of Trustees on 10.10.24 and were authorised for issue and signed on its behalf by:

T J Halstead
Trustee

T Straughan
Trustee

Consolidated Cash Flow Statement
for the year ended 30 April 2024

	2024		2023	
	£	£	£	£
Cash flows from operating activities:				
Net cash generated by/(used in) operating activities		**3,765,497**		(427,264)
Cash flows from investing activities:				
Dividends, interest and rents from investments	**332,204**		354,526	
Purchase of tangible fixed assets	**(2,380,122)**		(756,386)	
Proceeds from the sale of tangible fixed assets	**7,242**		7,168	
Payments to acquire investments	**(12,691,004)**		(395,786)	
Proceeds from the sale of investments	**19,192,172**		1,254,335	
Net cash provided by investing activities		**4,460,492**		463,857
Change in cash and cash equivalents in the year		**8,225,989**		36,593
Cash and cash equivalents at the beginning of the year		**1,321,725**		1,285,132
Cash and cash equivalents at the end of the year		**9,547,714**		1,321,725

Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net income/(expenditure) for the year	**3,434,331**	**(306,289)**
Depreciation charge	**1,079,373**	**347,189**
(Gains)/losses on investments	**(493,194)**	**648,954**
Dividends, interest and rents from investments	**(332,204)**	**(403,284)**
Profit on sale of fixed assets	**(4,623)**	**(5,061)**
Decrease/(increase) in stock	**810**	**5,884**
(Increase)/decrease in debtors	**451,880**	**(706,030)**
Decrease in creditors	**(370,876)**	**(8,627)**
Net cash inflow/(outflow) from operating activities	**3,765,497**	**(427,264)**

Analysis of changes in net funds

	At 30 April 2023	Cash flow	At 30 April 2024
	£	£	£
Cash at bank and in hand	1,061,751	1,724,820	2,786,571
Cash held as part of investment portfolio	259,974	6,501,169	6,761,143
	1,321,725	8,225,989	9,547,714

Notes to the Financial Statements for the Year Ended 30 April 2024

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity Information

Martin House is a company limited by guarantee, the liability of the members is limited to one pound, and a charity registered in England and Wales. The registered office is Martin House, Grove Road, Boston Spa, Wetherby, LS23 6TX.

Accounting Convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

Going Concern

The charitable company meets its daily working capital requirements through its bank account which had funds of £2,757k at 30 April 2024. The charity relies heavily upon funding from voluntary donations, legacies and grants, which all contain elements of uncertainty. Given the charitable company's favourable fundraising record and the level of free reserves available at the year end, the Trustees consider that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Martin House (Shops) Limited on a line-by-line basis. The summarised profit and loss account for the subsidiary is shown in note 4. A separate Statement of Financial Activities, including the income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006. The gross income of the charity was £13,689,785 *(2023: £10,261,383)* and the net income was £2,938,103 *(2023: net income* £342,665*)* (before gains/losses on investments in each year).

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant. The purpose and use of the restricted funds is set out in note 17.

Designated funds are unrestricted funds designated by the Trustees for a particular purpose.

Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Income
Income is recognised in the year in which entitlement arises, receipt is probable and the amount can be reliably measured. Income is deferred:

- where the charitable company has to fulfil conditions before becoming entitled to it,
- where the income is received specifically for expenditure in a future accounting period, or
- where donations, sponsorship and entry fees are received in anticipation of an event to be held in a future accounting period.

Legacies
Pecuniary and residuary legacies are recognised when received or before receipt if there is sufficient evidence of entitlement to the legacy, receipt is probable and can be measured with sufficient reliability.

Gifts in kind and volunteers' contributions
Martin House benefits greatly from a variety of gifts in kind and voluntary contributions. Gifts donated for resale are included as income when they are sold. Fixed assets donated to the charity are included as donation income at market value at the time of receipt. Consumables and small items donated for fundraising activities are not recognised in the financial statements. No amounts are included in the financial statements for services donated by volunteers.

Expenditure and irrecoverable VAT
Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT that cannot be recovered. Expenditure is allocated directly to a particular activity where costs relate directly to that activity.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fundraising costs
These include the salaries, direct expenditure and overhead costs of the fundraising team as well as lottery and event costs, investment management costs and the cost of our retail operations.

Charitable activity costs
These include the salaries, direct expenditure and overhead costs of the care and support team.

Operating leases
Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Pensions
Employees who have previously worked for the NHS are entitled to continue to contribute to the NHS Pension Scheme subject to certain conditions. The NHS Scheme is an unfunded final salary scheme operated by the National Health Service. The contributions are calculated so as to spread the cost of pensions over employees' working lives, whilst they remain in qualifying employment, in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of periodic valuations, and any deficit is underwritten by the Treasury.

The scheme is not designed to be run in a way that would enable employers of eligible employees to identify their share of the underlying scheme assets and liabilities, and the scheme is unfunded. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the amount charged against profits represents the contributions payable to the scheme.

Staff not entitled to join the NHS Scheme are automatically enrolled into a defined contribution scheme, in accordance with current pension legislation. In addition, the defined contribution scheme is offered on the same terms to staff not meeting the criteria for automatic enrolment. The amount charged against profits for the scheme represents the contributions payable to the scheme in respect of the accounting period.

Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Staff costs
The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

Investments
Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio, see note 10, is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the statement of financial activity.

For the purposes of the cash flow statement, the short-term cash deposits held for reinvestment within the long term investment fund have been treated as cash.

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided on investment properties.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

Fixed assets and depreciation
Fixed assets are stated at cost. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2-4% straight line
Furniture and fittings	-	25% straight line
Office furniture and equipment	-	20% to 33% straight line
Vehicles	-	25% reducing balance

All capital expenditure over £250 is capitalised as an asset.

Stocks
Purchased goods for resale are valued at the lower of cost and net realisable value.

Donated items of stock for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to assess the amount of donated stock held as there is no system in place to record these items or value them until they are sold. The value of these goods to the charity is instead recognised when they are sold in the shops.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

Notes to the Financial Statements *(continued)*

1 Accounting Policies *(Continued)*

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Depreciation of tangible assets
Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

Legacies
Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

Tax
Martin House is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

Notes to the Financial Statements *(continued)*

1 Accounting Polices *(Continued)*

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary were gift aided to the parent charitable company in both the current and prior financial year, no corporation tax has arisen.

2 Net expenditure

	2024	2023
	£	£
Net expenditure is stated after charging/(crediting):		
Depreciation and other amounts written off tangible fixed assets	**1,079,373**	347,189
Loss/(profit) on disposal of fixed assets	**(4,623)**	(5,061)
Auditor's remuneration – audit of charity and subsidiary company accounts	**16,400**	15,675
Auditor's remuneration – other non-audit services	**4,650**	2,300
Operating lease rentals – land and buildings	**196,022**	199,779
Operating lease rentals – equipment	**3,959**	3,959

3 Income from investments

	2024	2023
	£	£
Gross dividends and interest receivable from listed investments	**290,146**	396,047
Interest from building society and banks	**31,393**	1,812
Property rent	**8,865**	3,625
Lease Incentive Ripon Shop	**1,800**	1,800
	332,204	403,284

4 Subsidiary company

The charity has a wholly owned subsidiary, Martin House (Shops) Limited which is incorporated in the UK and registered in England (company number 2166209). The company undertakes various trading activities including the sale of bought goods, the sale of goods as agent, and other trading activities on behalf of the charity. Non-primary purpose trading of the group such as bought good sales in the hospice shops are transacted through the trading subsidiary, Martin House (Shops) in order to adhere with HMRC regulations on non-primary purpose trading within charities. A summary of its trading results for the period is shown below. The company donates all taxable profits to Martin House under Gift Aid.

	2024	2023
	£	£
Profit and loss account		
Turnover	**68,849**	70,972
Cost of sales	**(23,253)**	(28,235)
Gross profit	**45,596**	42,737
Rent and rates	**(6,392)**	(6,381)
Staff costs	**(24,224)**	(22,711)
Other expenses	**(10,430)**	(9,949)
Interest payable to parent company	**(1,517)**	(1,137)
Profit for the year	**3,033**	2,559
Balance Sheet		
Share capital	**2**	2
Profit and loss account	**3,033**	2,559
Total shareholder's funds	**3,035**	2,561

Investment in the wholly owned subsidiary is carried at cost of £2 *(2023: £2)* in the balance sheet of the charity.

The profit for the year is to be gifted to the charitable parent company, however as no deed of covenant exists the distribution has not been recognised in these financial statements.

Notes to the Financial Statements *(continued)*

5 Expenditure on raising funds

For the year ended 30 April 2024	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £
Costs of generating donations & legacies			
Staff costs **(Note 8)**	**928,172**	-	**928,172**
Publicity and newsletters	**204,469**	-	**204,469**
Professional fees	**35,905**	-	**35,905**
Other	**234,262**	-	**234,262**
	1,402,808	-	**1,402,808**
Cost of retail operations			
Staff costs **(Note 8)**	**840,796**	-	**840,796**
Other	**664,193**	-	**664,193**
	1,504,989	-	**1,504,989**
Lottery and event costs			
Staff costs **(Note 8)**	**147,852**	-	**147,852**
Other	**542,034**	-	**542,034**
	689,886	-	**689,886**
Investment management costs	**30,048**	-	**30,048**

For the year ended 30 April 2023	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Costs of generating donations & legacies			
Staff costs **(Note 8)**	1,137,983	-	1,137,983
Publicity and newsletters	205,138	-	205,138
Professional fees	12,508	-	12,508
Other	137,073	1,279	138,352
	1,492,702	1,279	1,493,981
Cost of retail operations			
Staff costs **(Note 8)**	798,615	-	798,615
Other	610,816	-	610,816
	1,409,431	-	1,409,431
Lottery and event costs			
Staff costs **(Note 8)**	145,599	-	145,599
Other	536,885	-	536,885
	682,484	-	682,484
Investment management costs	52,269	-	52,269

Notes to the Financial Statements *(continued)*

6 Expenditure on charitable activities

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Provision of care:						
Staff costs (Note 8)	1,894,562	2,258,967	4,153,529	1,935,933	2,181,612	4,117,545
Consumables	203,437	-	203,437	210,036	-	210,036
Other	413,680	10,003	423,683	450,800	8,378	459,178
Research	(20,000)	-	(20,000)	(30,000)	-	(30,000)
Support costs:						
Staff costs (Note 8)	1,279,841	-	1,279,841	1,144,142	-	1,144,142
Establishment	430,260	-	430,260	379,653	-	379,653
Exceptional costs	717,500	-	717,500	-	-	-
	4,919,280	2,268,970	7,188,250	4,090,564	2,189,990	6,280,554

Exceptional costs of £717,500 relates to the impairment of tangible assets due to their replacement in relation to the ongoing 'Build' project.

7 Total expenditure

Year ended 30 April 2024	Staff costs £	Depreciation & Impairment £	Other costs £	Total £
Charitable activities	5,433,370	981,299	773,581	7,188,250
Costs of generating funds	1,916,823	98,074	1,612,834	3,627,728
Total expenditure	7,350,193	1,079,373	2,386,415	10,815,981

Year ended 30 April 2023	Staff costs £	Depreciation £	Other costs £	Total £
Charitable activities	5,261,687	257,373	761,494	6,280,554
Costs of generating funds	2,082,197	89,816	1,466,152	3,638,165
Total expenditure	7,343,884	347,189	2,227,646	9,918,719

8 Staff numbers and costs

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

	Average headcount 2024 No.	2023 No.	Average FTE 2024 No.	2023 No.
Charitable activities – care team and support	135	134	119	115
Fundraising and shops	76	66	54	58
	211	200	173	173

Notes to the Financial Statements *(continued)*

8 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£	£
Wages and salaries	6,325,504	6,271,922
Social security costs	527,915	595,762
Other pension costs **(Note 15)**	496,771	476,200
	7,350,190	7,343,884

Included in the above costs is £239,696 *(2023: £212,410)* in respect of members of the medical team contracted to the charity by a local NHS trust.

The Trustees do not receive any remuneration. During the year expenses were paid to Trustees of £136 *(2023: £29)*. This related to the reimbursement of expenses for 1 Trustee (2023:1). Trustees are not included in the average number of employees. In accordance with the Memorandum of Association the charity purchased charity Trustee indemnity insurance. The cost of this insurance included in the Statement of Financial Activities was £1,230 *(2023: £1,230)*.

The number of higher paid employees is disclosed below.

	2024	2023
	No.	No.
£60,000 to £70,000	2	2
£70,001 to £80,000	2	2
£80,001 to £90,000	-	-
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-

Pension contributions totalling £32,540 *(2023: £29,510)* were made for the 5 (2023: 5) higher paid employees.

The key management personnel of the charity (and group) comprise the Trustees and the senior management team. The total employee benefits of the 5 *(2023: 5)* key management personnel employed by the charity (and group) were £477,283 *(2023: £454,612)*.

9. Tangible fixed assets

CHARITY AND GROUP	Freehold land and buildings	Assets under construction	Furniture and fittings	Office furniture and equipment	Vehicles	Total
	£	£	£	£	£	£
Cost						
At beginning of year	4,817,626	1,239,196	1,827,698	1,253,891	237,943	9,376,354
Additions	55,771	3,057,081	82,990	98,649	-	3,294,491
Disposals	-	-	-	-	(32,339)	(32,339)
At end of year	4,873,397	4,296,277	1,910,688	1,352,540	205,604	12,638,506
Depreciation						
At beginning of year	2,109,699	-	1,593,475	975,044	114,238	4,792,456
Charge for year	795,807	-	119,597	133,629	30,340	1,079,373
On disposals	-	-	-	-	(29,719)	(29,719)
At end of year	2,905,506	-	1,713,072	1,108,673	114,859	5,842,110
Net book value						
At 30 April 2024	**1,967,891**	**4,296,277**	**197,616**	**243,867**	**90,745**	**6,796,396**
At 30 April 2023	2,707,927	1,239,196	234,223	278,847	123,705	4,583,898

The cost of freehold land and buildings includes £75,000 *(2023: £75,000)* of land which is not depreciated.

Notes to the Financial Statements *(continued)*

10. Fixed asset investments

CHARITY	2024	2023
	£	£
Listed investments (Note 10(a))	**10,437,063**	16,475,037
Cash held as part of investment portfolio	**6,761,142**	259,974
Investment in Martin House (Shops) Limited (Note 4)	**2**	2
Unlisted investment	**10**	10
Investment property (Note 10(b))	**180,000**	150,000
	17,378,217	16,885,023

GROUP	2024	2023
	£	£
Listed investments (Note 10(a))	**10,437,063**	16,475,037
Cash held as part of investment portfolio	**6,761,142**	259,974
Unlisted investment	**10**	10
Investment property (Note 10(b))	**180,000**	150,000
	17,378,215	16,885,021

These investments both in income and long-term growth support the work of the hospice.

10(a) Listed investments

	2024	2023
	£	£
Market value at beginning of year	**16,475,037**	17,982,540
Additions	**12,691,004**	395,786
Disposal proceeds	**(19,192,172)**	(1,254,335)
Realised and unrealised investment gains	**463,194**	(648,954)
Market value at end of year	**10,437,063**	16,475,037
Historical cost at end of year	**9,527,306**	13,726,157

10(b) Investment property

	2024	2023
	£	£
Market value at beginning of year	**150,000**	150,000
Revaluation	**30,000**	-
Market value at end of year	**180,000**	150,000

The historical cost of the investment property was deemed to be £133,000.

The Trustees have estimated the fair value of the investment property, with reference to other similar property transactions in the vicinity. A professional valuation has not been obtained as the Trustees do not consider it necessary due to the non-specialist nature of the investment property. The Trustees conclude that there has been no material change in the fair value during the year.

The carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £10,437,063 (2023: £16,475,037).

Notes to the Financial Statements *(continued)*

11. Stock

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Goods for resale	**4,005**	2,064	**1,677**	634
T-shirt stock fundraising (not for resale)	**17,495**	20,246	**17,495**	20,246
	21,500	22,310	**19,172**	20,880

12 Debtors

	Group		Charity	
	Due within one year 2024	Due within one year 2023	Due within one year 2024	Due within one year 2023
	£	£	£	£
Amounts due from Martin House (Shops) Limited	**-**	-	25,273	5,949
Accrued income and prepayments	**1,205,938**	1,834,412	1,205,936	1,834,412
VAT recoverable	**280,691**	104,097	280,691	104,097
	1,486,629	1,938,509	1,511,900	1,944,458

13 Cash at bank, in hand and on deposit

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Bank and building society deposits	**2,785,078**	1,060,634	**2,755,928**	1,050,634
Cash in hand	**1,493**	1,117	**663**	287
	2,786,571	1,061,751	**2,756,591**	1,050,921

14 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	**2024**	2023
	£	£	**£**	£
Trade creditors	**348,607**	183,207	**348,607**	183,207
Other taxes and social security costs	**131,310**	144,755	**131,310**	144,755
Other creditors	**1,014,200**	24,017	**1,014,200**	24,017
Accruals and deferred income	**434,693**	1,033,340	**430,693**	1,029,590
	1,928,810	1,385,319	**1,924,810**	1,381,569

Notes to the Financial Statements *(continued)*

15 Pension costs

The hospice operates two pension schemes: the NHS Scheme and a defined contribution scheme, both of which are treated as defined contribution schemes as disclosed in Note 1. The charge for the year was as follows:

	2024	2023
	£	£
NHS Pension Scheme	**271,781**	246,808
Defined contribution scheme	**224,990**	229,392
	496,771	476,200

NHS Scheme

Eligible employees are able to remain in the NHS Pension Scheme. The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and employees of other approved organisations. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of the benefits payable, and the basis for the valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

16 Commitments

Total commitments for future minimum lease payments under non-cancellable operating leases are as follows:

CHARITY AND GROUP

	Land and buildings 2024	Equipment 2024	Land and buildings 2023	Equipment 2023
	£	£	£	£
Within one year	**184,650**	-	153,054	3,959
More than one year and less than 5 years	**416,704**	-	367,972	-
More than 5 years	**15,000**	-	50,500	-
	616,354	-	571,526	3,959

Total commitments for capital expenditure under non-cancellable contracts are as follows:

CHARITY AND GROUP

	2024	2023
	£	£
Commitments contracted for in relation to The Build	**15,870,586**	-

Notes to the Financial Statements *(continued)*

17 Statement of funds

For the year ended 30 April 2024	As At 1 May 2023 £	Income £	Expenditure £	Investment gains £	Transfers £	As at 30 April 2024 £
GROUP						
Unrestricted funds						
General funds	6,116,968	7,161,926	(8,547,011)	-	4,368,223	**9,100,106**
Designated funds						
Build and deficit budget funds	12,500,000	-	-	-	-	**12,500,000**
Other investment funds	3,047,409	-	-	493,194	(15,307)	**3,525,296**
Total designated funds	15,547,409	-	-	493,194	(15,307)	**16,025,296**
Total unrestricted funds	21,664,377	7,161,926	(8,547,011)	493,194	4,352,916	**25,125,402**
CHARITY						
Unrestricted funds						
General funds	6,114,407	7,163,064	(8,548,625)	-	4,368,223	**9,097,069**
Designated funds						
Build and deficit budget funds	12,500,000	-	-	-	-	**12,500,000**
Other investment funds	3,047,411	-	-	493,194	(15,307)	**3,525,298**
Total designated funds	15,547,411	-	-	493,194	(15,307)	**16,025,298**
Total unrestricted funds	21,661,818	7,163,064	(8,548,625)	493,194	4,352,916	**25,122,367**
GROUP AND CHARITY						
Restricted Funds						
NHS England Grant	-	1,093,781	(1,093,781)	-	-	-
Pensions Indexation funding	-	67,000	(67,000)	-	-	-
Integrated Care Board grants	-	743,799	(743,799)	-	-	-
Garden Fund	11,344	-	-	-	-	**11,344**
Rebuild	28,975	-	-	-	(28,975)	-
Care equipment - regional	4,801	-	-	-	-	**4,801**
Donations – Capital (baths, decoration, chair, training)	34	200	(140)	-	-	**94**
Donations Trusts	326,243	88,187	(336,680)	-	(9,100)	**68,650**
Sanctuary Garden	-	50,542	(3,000)	-	(47,542)	-
Donations - Capital Appeal	1,070,396	3,857,705	-	-	(4,195,610)	**732,491**
Donations - Capital Appeal Public	-	138,097	-	-	-	**138,097**
Capital Appeal - Art Room	-	54,622	-	-	-	**54,622**
Capital Appeal - Children's wing	-	71,689	-	-	(71,689)	-
Capital Appeal - Wellbeing Centre	-	400,000	-	-	-	**400,000**
Donations - Corporate for Bereavement	-	24,570	(24,570)	-	-	-
Kitchen and Catering improvements	-	5,000	-	-	-	**5,000**
	1,441,793	6,595,192	(2,268,970)	-	(4,352,916)	**1,415,099**

Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

For the year ended 30 April 2023	As At 1 May 2022 £	Income £	Expenditure £	Investment (losses) £	Transfers £	As at 30 April 2023 £
GROUP						
Unrestricted funds						
General funds	4,821,272	6,687,405	(7,709,340)	-	2,317,631	**6,116,968**
Designated funds						
Covid-19 fund	-	18,110	(18,110)	-	-	-
Build and deficit budget funds	14,800,000	-	-	-	(2,300,000)	**12,500,000**
Other investment funds	3,711,733	-	-	(648,954)	(15,370)	**3,047,409**
Total designated funds	18,511,733	18,110	(18,110)	(648,954)	(2,315,370)	**15,547,409**
Total unrestricted funds	23,333,005	6,705,515	(7,727,450)	(648,954)	2,261	**21,664,377**
CHARITY						
Unrestricted funds						
General funds	4,819,308	6,687,403	(7,709,935)	-	2,317,631	**6,114,407**
Designated funds						
Covid-19 fund	-	18,110	(18,110)	-	-	-
Build and deficit budget funds	14,800,000	-	-	-	(2,300,000)	**12,500,000**
Other investment funds	3,711,735	-	-	(648,954)	(15,370)	**3,047,411**
Total designated funds	18,511,735	18,110	(18,110)	(648,954)	(2,315,370)	**15,547,411**
Total unrestricted funds	23,331,043	6,705,513	(7,728,045)	(648,954)	2,261	**21,661,818**
GROUP AND CHARITY						
Restricted Funds						
NHS England grant	-	917,229	(917,229)	-	-	-
Pension indexation funding	-	67,000	(67,000)	-	-	-
Integrated Care Board Grants	-	890,291	(890,291)	-	-	-
Hospice UK	-	6,942	(6,942)	-	-	-
Garden Fund	11,344	-	-	-	-	**11,344**
Rebuild	28,975	-	-	-	-	**28,975**
Care equipment - Regional	4,989	-	(164)	-	(636)	**4,189**
Donations - Care equipment	612	-	-	-	-	**612**
Donations - Capital (baths, decoration, chair, training)	33,534	-	(33,500)	-	-	**34**
Donations - Trusts	-	602,421	(274,553)	-	(1,625)	**326,243**
Donations – Capital Appeal	-	1,070,396	-	-	-	**1,070,396**
Donations – Events	-	1,589	(1,589)	-	-	-
	79,454	3,555,868	(2,191,268)	-	(2,261)	**1,441,793**

Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

Unrestricted funds
General funds – these represent the free reserves and fixed assets of the charity that are not designated or restricted for particular purposes.

The Trustees have designated elements of the investment fund for specific purposes, as follows:

Build and deficit budget funds - £12.5m has been designated to cover to contribute towards the cost of our extensive Build project and also to cover the deficits anticipated in the next 3-5 years.

The remainder of our designated funds, held within investments, are held to comply with our policy of holding six months running costs in reserves.

Restricted funds – represent monies received for specific purposes as follows:

NHS England Grant – this is a grant received to support us in our aim to continue the provision of the high level of specialist care for the children and families in Yorkshire.

Pension Indexation funding – is a contribution from NHS England towards the cost of our employer's NHS pension contributions.

Integrated Care Boards grants – are grants received from ICBs covering East, North and West Yorkshire and the Humber. Each contributes towards the cost of care provided by Martin House to children and young people and their families in the respective geographical areas served by each ICB.

Grants from various Trusts & Foundations and donations - Funding for core clinical costs, medical equipment, cultural liaison officers, bereavement salaries, sibling support groups, training bursaries, a refurbishment of the Sanctuary garden, emergency travel for families and a residential trip for young people.

Garden Fund (Whitby Lodge Courtyard Project) – consists of charitable donations to fund the redevelopment of the Lodge Courtyard area for the enjoyment of our teenagers and young adults.

Garden Donations - Specified garden purchases after the Build project.

Rebuild Fund – Funding from our Capital Appeal in aid of our upcoming extensive Build and refurbishment project.

Care equipment – funding for care equipment from individuals and Trusts.

Other capital funds – consist of contributions from Trusts and other sources for specific items of equipment.

Other restricted donations – donations for small equipment, bereavement library and Christmas party.

Trust donations for project/designated spend – funding for vehicles, beds and garden grant from Trusts.

Notes to the Financial Statements *(continued)*

Donations care equipment – funding from individuals and clubs for specialist chairs, baths, Oxford Text Book and a small restricted pot of funds not yet specified.

Donations capital (baths, decoration, chairs, training) – capital funding from Trusts for the specialist bath appeal. Palliative care training for doctors.

Transfers
Transfers totalling £4,352,916 have been made from restricted to general funds where capital expenditure has been incurred from restricted funds in relation to "The Build", and the assets purchased are held for a general purpose within the charity with no ongoing restrictions in use.

18 Analysis of net assets between funds

As at 30 April 2024		Tangible fixed assets	Investments	Net current assets	Total
GROUP		£	£	£	£
Restricted funds		-	-	1,415,099	**1,415,099**
Unrestricted funds	- Designated	-	16,025,296	-	**16,025,296**
	- Other	6,796,396	1,352,919	950,791	**9,100,106**
		6,796,396	17,378,215	2,365,890	**26,540,501**
CHARITY					
Restricted funds		-	-	1,415,099	**1,415,099**
Unrestricted funds	- Designated	-	16,025,298	-	**16,025,298**
	- Other	6,796,396	1,352,919	947,754	**9,097,069**
		6,796,396	17,378,217	2,362,853	**26,537,466**

As at 30 April 2023		Tangible fixed assets	Investments	Net current assets	Total
GROUP		£	£	£	£
Restricted funds		-	-	1,441,794	**1,441,793**
Unrestricted funds	- Designated	-	15,547,409	-	**15,547,409**
	- Other	4,583,898	1,337,612	195,458	**6,116,968**
		4,583,898	16,885,021	1,637,251	**23,106,170**
CHARITY					
Restricted funds		-	-	1,441,794	**1,441,793**
Unrestricted funds	- Designated	-	15,547,411	-	**15,547,411**
	- Other	4,583,898	1,337,612	192,897	**6,114,407**
		4,583,898	16,885,023	1,634,691	**23,103,611**

The unrestricted designated investment fund includes unrealised gains on investments of £897,171 (2023: £2,745,510).

Notes to the Financial Statements *(continued)*

19 Contingent Liabilities

The charity is party to a cross guarantee in respect of a group VAT registration. At 30 April 2024 the total group VAT balance was a debtor of £280,691 *(2023:* debtor of £104,097*)*.

20 Related Party Transactions

During the year, Martin House conducted the following transactions with its subsidiary, Martin House (Shops) Limited:

Martin House levied rent on Martin House (Shops) Limited amounting to £6,105 (2023: £5,947), and interest amounting to £1,517 (2023: £1,137).

Martin House (Shops) Limited donated £2,558 (2023: £1,962) to Martin House under Gift Aid.

At 30 April 2024, Martin House had a debtor balance of £25,273 owed by Martin House (Shops) Limited (2023: £5,949 debtor balance).

During the year the charity paid £nil (2023: £6,207) to the spouse of one of its Trustees, Tim Straughan, who was employed by the charity in a part-time role.

Notes to the Financial Statements *(continued)*

21 Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2023

	2023 Unrestricted Funds – General £	2023 Unrestricted Funds – Designated £	2023 Restricted Funds £	2023 Total Funds £
Income from:				
Donations	1,988,362	-	1,674,406	3,662,768
Legacies	1,162,306	-	-	1,162,306
Income from charitable activities:				
Funding from Integrated Care boards	-	-	890,291	890,291
NHS England grants	-	-	984,229	984,229
Covid 19 grants	-	18,110	6,942	25,052
Other income	40,325	-	-	40,325
Other trading activities:				
Income from retail operations	1,870,419	-	-	1,870,419
Fundraising events and lottery	1,175,227	-	-	1,175,227
Other activities for generating funds	47,482	-	-	47,482
Income from investments	403,284	-	-	403,284
Total income	6,687,405	18,110	3,555,868	10,261,383
Expenditure on:				
Expenditure on raising funds:				
Cost of generating voluntary income	1,492,702	-	1,279	1,493,981
Cost of retail operations	1,391,321	18,110	-	1,409,431
Cost of fundraising events, lottery and other activities	682,484	-	-	682,484
Investment managers cost	52,269	-	-	52,269
Expenditure on charitable activities	4,090,564	-	2,189,990	6,280,554
Total expenditure	7,709,340	18,110	2,191,269	9,918,719
Net income/(expenditure) before net (losses)/gains on investments	(1,021,935)	-	1,364,600	342,665
Net gains/(losses) on investments	-	(648,954)	-	(648,954)
	(1,021,935)	(648,954)	1,364,600	(306,289)
Transfers between funds	2,317,631	(2,315,370)	(2,261)	
Net movement in funds for the year	1,295,696	(2,964,324)	1,362,339	(306,289)
Funds brought forward at beginning of year	4,821,272	18,511,733	79,454	23,412,459
Funds carried forward at end of year	6,116,968	15,547,409	1,441,793	23,106,170

MARTIN HOUSE

England & Wales - Charity number 517919

Accounts

Martin House (Limited by Guarantee)
Trustees' report and financial statements
Company registered number 02016332
Charity registration number 517919
For the year ended 30 April 2023

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Trustees' Report

The Trustees, who also act as Directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 30 April 2023.

OBJECTIVES AND ACTIVITIES

The ***mission*** of Martin House is to help children and young people with a life-limiting condition, along with their families, to live well and fully, offering the best possible end of life care and support to the family in bereavement.

Our ***vision*** is that every child and young person has access to palliative care when and where they need it.

Our core ***values,*** which guide all we do, are:

- being child and family focused
- listening to and valuing each other
- delivering high standards in everything we do
- being flexible, responsive, open and honest
- working holistically and in collaboration with others
- being dedicated, compassionate and caring

All our services are free of charge to the families we care for. The Charity Commission's general guidance on public benefit is taken into consideration in all our reviews and plans.

Strategic Aims

Our key strategic aims are to:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters.

Our current strategic objectives are set out in our Strategic Plan 2019-24, which is available on our website at www.martinhouse.org.uk.

Our achievements and performance against our 2022/23 objectives are set out in the Strategic Report, below.

This year, Martin House has embarked upon preparations for an ambitious project, named "The Build". We expect to sign a contract and start on site towards the end of 2023. Over the next few years, this will see our 37-year-old facilities extensively improved and modernised, to meet the changing needs of our increasingly complex service users. The Build is a £21.9 million project, which includes a brand-new children's wing with larger, ensuite bedrooms to accommodate sizable pieces of medical equipment; themed family bedrooms; a large hydrotherapy pool; a new Education Centre and a comprehensive refurbishment of existing buildings to form a Wellbeing Wing and updated young people's bedrooms and social spaces in the Teenage Wing. The year 22/23 has seen the start of the large capital appeal, vital for The Build's ambitious plans to be realised.

Activities

To achieve our objectives, we deliver high-quality, holistic and specialist palliative care services for children and young people with life-limiting conditions, and their families, from diagnosis to death and beyond. These include:

- Specialist planned care/short breaks
- symptom management
- emergency care
- end of life care
- community care (in the home and other community settings)
- bereavement care
- psychological care and emotional support
- spiritual and pastoral care
- a programme of clinical research and education

Most of these services are delivered from a purpose-built hospice set in six acres of beautiful grounds in Boston Spa, near Wetherby in West Yorkshire. The hospice, the second children's hospice in the UK at the time, was opened in 1987. Since then, it has developed continuously in order to meet the changing needs and expectations of the children, young people and their families who use our services.

The hospice has 9 beds in the House, which cares for the younger children, and 6 beds in Whitby Lodge, which cares for teenagers (from age 13) and young adults up to age 25. This was the first purpose-built teenage and young adult unit in the UK (possibly the world) when it was built in 2002. In addition, there are 9 family bedrooms where parents and siblings can stay and 3 'little rooms' (cooled bedrooms) where children and young people can stay after death until their funeral. Other facilities include a chapel, sensory room, playroom, teenage and young adult recreation area (the Den), recording studio, art room, music room, education/seminar room and outdoor play areas.

Children and young people can be referred, or self-refer, to Martin House at any point from diagnosis, between the ages of 0-19, if they have a life-limiting condition and live in East, North or West Yorkshire. Children's palliative care encompasses the whole family and continues throughout the life of the child or young person up to age 25, and beyond for their family.

STRATEGIC REPORT

Achievements and Performance

Palliative Care

During the year to 30 April 2023, we:

- we cared for 581 children and young people;
- we received 151 new referrals, of which 106 were accepted;
- we accepted 85 new referrals for our bereavement service; and
- 309 hospital night stays were avoided through our care

Referrals are reviewed, using clear criteria and decisions are made during a weekly multi-disciplinary panel. Decisions to not accept referrals are not taken lightly and are usually based around patients not meeting criteria, such as age or a lack of palliative diagnosis.

Sadly, 69 of the children and young people we were caring for died in the year to 30 April 2023. 96% of these children and young people died in their preferred place of death.

Our Clinical Services Team

Martin House is a regional centre for specialist paediatric palliative care.

Our clinical services team consists of specialist and experienced staff who can look after the children and young people staying at the hospice and in the community. We act as a resource for other health services

surrounding us in West, North and East Yorkshire and indeed nationally. We provide highly specialist care and also support, advice and education to many professionals within Yorkshire and the Humber and beyond.

We offer 24/7 Specialist paediatric palliative medicine.

The senior medical team consists of two Consultants in Paediatric Palliative Medicine (one of whom acts as our Chief Medical Officer) and a specialist doctor. In addition, there are part-time specialty doctors, and together they deliver a 24/7 on-call rota. Martin House also supports a specialist trainee in Paediatric Palliative Medicine, as well as other trainees, during their rotations. Additionally, we support Non-Medical Prescriber training for selected members of our team. Our doctors are available for queries/consultation/referrals twenty-four hours a day, seven days a week by telephoning Martin House. They provide specialist palliative care involving symptom control, end of life care, preferred place of death support and advance care planning. They are able to assist in breaking bad news, difficult decision making and other ethical discussions. The medical and clinical nurse specialists team regularly support hospital teams to provide specialist palliative care for in-patients across the region. They also support children and young people in their own homes.

The multi-disciplinary team are highly trained and able to care for children with extremely complex care needs. Our team includes doctors, nurses, clinical nurse specialists, specialist clinical educators, physiotherapists, transition lead, social workers, clinical psychologist, music therapists, play and activity co-ordinator, admissions liaison nurses, artists in residence, a chaplain, bereavement counsellors, cultural liaison officers and care support staff.

We look after children and their families from as early as the antenatal period and continue to look after young people with life-limiting conditions, particularly providing valuable continuity during the transition period where care is transferred from paediatrics to adult services. Care extends through the course of the illness from diagnosis, to end of life. The upper age limit at Martin House is 25.

Our team takes a lead in a number of local, national and international groups including the Royal College of Paediatrics and Child Health Paediatric Palliative Medicine Specialist Committee, Association of Paediatric Palliative Medicine and the Children and Young People's Advance Care Plan Collaborative. We work in partnership with national organisations, such as Together for Short Lives, in advocating for children's and young people's palliative care. In addition, the team take an active role in palliative care education and research, including being principal site investigators for national studies.

Hospice at Home
The Hospice at Home service is a specialist palliative care service, delivered in the community by doctors, nurses and clinical nurse specialists. This means that children can receive specialist palliative care in a place of their choosing. Symptom control, end of life care, advance care planning and time-critical memory making can be delivered in the home environment, should that be the preferred place of care for the family. End of life and urgent care can be provided within the family home, in conjunction with local care providers. The Hospice at Home team support hospital teams with urgent discharge from hospital to home for end-of-life care if that is the family's wish. This support helps ensure thorough and robust planning to ensure the transfer happens safely and smoothly as well as in a timely manner.

Hospital In-reach
Members of our team are able to in-reach into hospitals within the region, to support hospital teams in their delivery of palliative care. This includes:

- Doctors and CNS- Advance care planning; symptom control advice; preferred place of death support; End of Life care support; support with difficult conversations; multi-disciplinary team meetings; signposting and staff support/supervision; support with care after death.
- Music therapists deliver sessions in hospitals to improve family experience and act as a resource for other healthcare staff.

Our cooled bedrooms for care after death

There are two additional bedrooms within Martin House, and one within Whitby Lodge, which we call our 'Little Rooms'. These rooms can be cooled, and we also have blankets and mattresses which cool the body enabling a baby, child or young adult to remain at the hospice after they have died. Parents and siblings can stay at the hospice as well, and it gives them the opportunity to navigate the process of saying goodbye to their child or young person in their own time and in their own way. Families have often said how precious it was to be able to spend this kind of time with their child, when they are also confronted with the demands of making funeral arrangements and resuming some of the activities of daily life.

Clinical Education

Martin House is committed to promoting a culture of learning and development. We have embedded externally validated competencies across all areas of care, ensuring we meet the complex needs of the children and young people we support.

We are committed to developing our contribution to palliative care education outside Martin House, building relationships with stakeholders including neighbouring hospices, community teams, other NHS provider organisations, and universities throughout the region.

We promote Martin House as a learning environment for professional student placements. As part of our commitment to developing the specialty of paediatric palliative medicine, we have continued to support a trainee paediatrician based at Martin House and a specialist trainee in Paediatric Palliative Medicine. We encourage medical, nursing and allied health student placements.

Family Support Team

The care we provide at Martin House is holistic and this is underpinned by the work of our family support team. Clinical psychologists, bereavement counsellors, a chaplain, music therapists, artists-in residence and a play and activity co-ordinator ensure that family stays are about more than just receiving clinical care. Our wider team are also skilled at providing holistic support.

Clinical Psychology

Martin House has a Clinical Psychologist who provides specialist knowledge and skills, ensuring optimal psychological and emotional care for the children and for their families. We now also have an Advanced Family Support and Wellbeing Practitioner who is able to provide highly-specialised family support, alongside our psychologist.

Bereavement team

The bereavement team offers support to families who have lost a child or young person under any circumstances, including those who had life-limiting conditions and children who died suddenly. This is a resource that families can make use of in a wide variety of ways. We offer individual or family meetings, face to face, over the telephone or remotely. Support is family-centred and tailored to individual need. In addition to individual sessions there are groups for bereaved parents, grandparents and siblings.

Chaplain

This role serves to promote holistic pastoral and spiritual care within Martin House. It aims to help the hospice respond sensitively to the needs of families from a wide variety of cultures and faiths. Our chaplain also provides pre-bereavement family support.

Research

Martin House is a leading research active organisation in the field of palliative care for children and young people. Specifically, this entails:

- contributing to the national and international research base on palliative care
- developing and maintaining strong collaborative links with the wider academic and palliative care communities
- identifying and supporting appropriate areas of research, developing research awareness and capability within staff
- informing, where appropriate, the strategic development of Martin House

People & Resources

The People team have been realigned to focus on core employee lifecycle elements, including volunteering processes and engagement within the wider community to encourage positive experiences for all. Improving our employee relations procedures has enabled us to further mitigate risks to the organisation, support managers, introduce new policies and enhance the employee experience. A key focus has been procuring a new people system to improve efficiency and productivity across the whole organisation, providing comprehensive reporting to support workforce planning and decision making in the future.

We have outsourced a new healthcare benefits provider, enabling us to proactively support attendance management and the physical and mental wellbeing of our employee.

We have further enhanced our employee benefits, offering a new health cash plan provider and local discounts on wellbeing and alternative therapies.

Working in partnership with West Yorkshire Integrated Care Board we are hoping to achieve accreditation to make Martin House a Menopause Friendly Employer.

Digital and Data

The first part of the year focused on the provision of a new virtual network to our retail outlets. Following this infrastructure renewal, the focus has been on the change in organisation-wide business applications and improving internal systems and processes. Clinical data is now gathered on SystmOne an electronic patient record, retail data is collected using the Azurri till system and all internal governance data is reported electronically and analysed using Vantage.

All our mobile phones have been upgraded, with new handsets and centrally controlled with a mobile device manager.

We continue to meet the NHS Data Security and Protection Toolkit standards, demonstrating our compliance with the stringent data handling requirements of the NHS.

Marketing and Communications

We introduced a new Head of Marketing and Communications in April with a key focus to review and align the team to concentrating on fundraising campaigns, internal and external comms and digital and ambassador growth. We continue to develop our website capability.

Estates

This year the Estates team have continued with the ongoing programme of maintenance and redecoration at the hospice and gardens to ensure our accommodation for children and families is safe, comfortable and appealing until The Build project is underway. The team have also supported retail with two new shops in Northallerton and Beverley.

A review of the vehicle fleet was undertaken alongside a collaboration with the Retail team to replace the vans used for deliveries and collections as well as reducing some of the pool cars following an analysis of usage.

Health & Safety
Martin House is committed to reporting, monitoring and reviewing safety, health and environmental (SHE) information to aid continual improvement.

The team have continued to build on our health & safety practice during the year, completing the project plan of working towards ISO 45001. As part of this further developments have been made to our SHE communications plan with the marketing and communications team. The Health, Safety, Wellbeing and Environmental (HSWE) Group has continued to play an important part in developing the health & safety agenda and embedding good practice across Martin House. The group have also contributed to the annual internal audit programme.

A review of a number of policies, procedures and risk assessments has also been undertaken and support provided to teams with the development of safe systems of work.

Digital processes for Retail to complete and submit regular health and safety checks have also been developed and a "Green Charter" has also been created with the input of "Martin House Matters" staff forum, the HSWE Group and the Internal Communications Working Group.

Fundraising
It has been a difficult year for Martin House to raise funds as the cost of living crisis continues alongside other challenging external factors. The Fundraising team have worked hard and along with our loyal supporters have raised much needed funds for the Hospice.

We continued to grow our Events portfolio and this year saw the introduction of 'Lets Glow', a family walk in the dark. Following Covid, we saw the return of our flagship event - The Glitter Ball at Rudding Park which was a huge success. The rest of the Events calendar continues to be developed and attract both new and existing supporters.

As part of the Together for Short Lives network, we have been busy with the Morrisons partnership, which has had a great first year and raised vital funds for our work. We are incredibly thankful for the support that all our partners have shown us, not just over the past financial year but on the whole, and we are excited as this income stream continues to grow.

The regional fundraising team continue to be active in increasing our profile across the region. It is due to events and relationships across the patch that such strong income within the regional team was generated this year. We are incredibly fortunate to have such dedicated supporters within the area who we can work with to grow and maximise all income and awareness generating activity.

The income we have received from legacies has once again been generous - hugely contributing to our overall annual income. We were also able to deliver our Christmas direct mail sharing an emotional story of one of our family's experiences at Martin House which was well received across the region and generated much awareness and income.

We were very fortunate to receive a one-off donation of £495,843 from Southampton Hospital Charity to help fund our work.

We have had a solid year growing our lottery and are grateful to all our weekly players.

Fundraising standards and compliance

Martin House is a well-respected regional charity that is very much part of the communities we serve, aiming to deliver high standards in everything we do - be this in the care we provide or in our fundraising activities.

We strive to achieve the highest fundraising standards and we value our wonderful supporters. We expect our fundraising team to act honestly and with integrity at all times and to ensure we remain compliant with all the laws and guidelines that govern us.

We want to inspire trust in our supporters and ensure that all supporters have an excellent experience when donating to Martin House.

We stay up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) to make sure we are legally compliant and adhering to all guidelines. Our fundraisers also follow the Institute of Fundraising's Code of Practice and we are registered with the Fundraising Regulator.

We take our supporters' data very seriously and we collect and process data in accordance with the Data Protection Act 2018 and the General Data Protection Regulation.

We do not pass our supporters' details to any other charity or organisation for their marketing purposes. We do however need to share limited information about our supporters in order to send them our newsletter which is done by an external mailing house, and in all such cases we have our supporters' explicit permission to do so. Any external groups acting on our behalf have to sign an agreement confirming that they will process all our data properly and maintain confidentiality.

We take appropriate physical, electronic and managerial measures to ensure we keep supporters' information secure, accurate and up to date and we only keep it as long as is reasonable and necessary.

Income Generation Complaints

We work hard to ensure that we deliver a high-quality service to our supporters but we may not always get it right. If this happens, we would like to hear about it as soon as possible so we can resolve the problem. If, after this, a supporter feels as though the issue has not been resolved then they may make a complaint. Details of how to complain are listed on our website. In the last year we have received 5 complaints relating to fundraising and lottery activity. These have all been resolved in line with our policy.

Retail

Our shops have had a brilliant year. Our Furniture Warehouse performed exceptionally well and all the other shops delivered against their targets. It is thanks to our loyal customers and donors that we are able to see such great success in our shops.

Financial review

Principal sources of income

Our principal sources of income are statutory funding, investment income, income from our shops and, by far the largest source, fundraising from the public.

We are reliant upon fundraising from the public to fund the large majority of our annual running costs. This funding comes to Martin House as donations, legacies, and profits made in our shops. We continue to be overwhelmed by the generosity of the public in supporting us in our charitable objectives.

Grant funding from the NHS Integrated Care Boards and NHS England towards the cost of our service provision covered around 30% of our expenditure on charitable activities and represents 18% of our total income.

Result for the year

The Trustees had anticipated incurring a deficit this year, resulting in large from the planned investment in infrastructure, staff and inflationary pressures. The result for the year is, however, a surplus of £342,662. Most significantly in the year, "The Build" capital appeal commenced and raised in excess of £1m of valuable funds towards the project which is due to start in FY 23/24. This is a significant reason behind our surplus position for the year which, otherwise, would have been a deficit for core income and expenditure alone. The result for the year also follows significant efforts by the income generation team to adapt our ways of fundraising in the face of a challenging environment with the effects of the cost of living crisis being evident.

Our financial position has been managed carefully for over 35 years, allowing us to build reserves. We are fortunate that these reserves are currently providing us with some security and stability, whilst we face a number of significant challenges in high inflationary times.

To support our planned investment, the Trustees agreed a medium term financial plan that would see some annual deficits incurred for a few years, to be funded from our reserves, before returning to break-even. The accounts therefore include a designation of reserves of £2m to cover the anticipated deficits.

The Trustees believe that this strategy is a good and appropriate use of our reserves and are confident that we will remain financially sustainable and able to support our children and families in the longer term. These deficits are necessary to ensure that we continue to invest in our infrastructure and improve our services to children and young people.

Our hospice building is now 37 years old, and we are to shortly undertake "The Build", to improve and modernise premises over the next few years, having received planning permission in late 2020. This will require significant investment and, although we are raising funds through a capital appeal as noted above, we also intend to fund this project in part from our reserves. The Trustees have designated reserves of £10.5m to contribute to the cost of the project.

Financial position

The Balance Sheet shows total funds at 30 April 2023 of £23,106,170. Unrestricted funds (including both designated and general funds) are represented by tangible fixed assets of £4,583,898, investments of £16,885,021 and net current assets of £1,637,251.

Reserves policy

The Trustees feel that it is prudent to target a minimum level of free unrestricted reserves sufficient to cover the full operating costs of the hospice (care, fundraising, administration and governance) for at least six months, enabling the charity to tolerate short-term variations in its income streams, and meet the development needs set out in the strategic plan.

The Trustees also consider that a minimum of three months' operating costs should be held in free reserves, in cash and short-term investment assets capable of conversion into cash within 14 days, to enable steady cash flow management.

Martin House makes a long-term commitment to those families that depend on its services and needs to provide a reliable and consistent service beyond the immediate future. The Trustees recognise that unrestricted reserves are necessary to secure future services, meet unexpected expenses, absorb setbacks and take advantage of change and opportunities for development when they arise. The Trustees also recognise that much of the organisation's income is uncertain and susceptible to fluctuations beyond its control. Having assessed these risks, the Trustees' aim is to build and maintain a financial cushion against the uncertainties that affect our operating environment whilst also generating income to help meet current operating costs.

The Trustees consider that one year's running costs, anticipated to be approximately £10.5m by 2024, would provide appropriate security against such uncertainties.

In anticipation of further modest deficits, alongside an extensive refurbishment and new-build programme, the Trustees recognise that during the period of the strategic plan it may not be the case that at all times we will hold one year's running costs in reserve, but this is the target minimum level that we would plan to return to within the five year period of the strategic plan.

At 30 April 2023, our free reserves, including investment funds not designated for a particular purpose (i.e. Funds held for The 'Build' project of £10.5m and deficit budgets of £2.0m), were £4,580,479. While this represents less than a year's running costs, this level of reserves amounts to 6 months of current costs and is therefore in line with our required minimum of 6 months running costs.

Over the years, the Trustees have been able to invest surplus free reserves in an Investment Fund, to provide long-term commitment and support to the families dependent on Martin House. The annual income generated by the Investment Fund makes a valuable contribution to our annual running costs. The majority of our reserves are currently invested in this fund, and it is the intention of the Trustees that the Investment Fund will reduce, as required, to help to fund both the deficits arising and our hospice refurbishment and new-build project.

Investment Policy

The Trustees' investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a total return in excess of inflation over the long term whilst generating an income to support on-going activities.

The Trustees recognise that they have a duty to consider the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments. At present, no investment restrictions are placed on the investment managers, Brewin Dolphin, who manage the portfolio on a discretionary basis. Analysis is also provided to Trustees to inform on all aspects of the environmental, social and corporate governance characteristics of our portfolios.

In order to meet the medium-term cashflow requirements of the strategic plan, Martin House currently has two investment portfolios. The 'long term' portfolio is invested to mitigate the risk of inflation over the long term (10 years or more), with a moderate investment risk. The 'medium- term' portfolio (3-5 years) adopts a lower risk profile and has a bias to income rather than capital growth.

For the year ended 30 April 2023, the long term portfolio gave a total return of -1.20% compared to the MSCI WMA Balanced Index total return of -0.76%. The medium-term portfolio gave a total return of -0.95% compared to the MSCI WMA Conservative Index total return of -4.46%.

Plans for future periods

2019-24 Strategic Plan

Following the end of our previous Strategic Plan for 2015-18, the team at Martin House created a new and ambitious 2019-24 Strategic Plan. This plan was adopted and approved by the Board of Trustees in January 2019.

The key strategic aims of the new strategy are:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters

The Strategic Plan is supported by three Directorate Plans:

- Care Directorate Plan
- Income Generation Directorate Plan
- Corporate Services Directorate Plan

These Directorate Plans set out the objectives that will ensure that our key strategic aims are achieved. Each year during the 2019-24 strategic plan period, an annual Operational Plan is produced that ensures that we work towards achieving our overall strategic objectives. A new strategic plan is now in development.

Principal risks and uncertainties

The major risks to which Martin House is exposed and the systems in place to mitigate those risks are set out in the strategic risk register. This is reviewed monthly by the Strategic Leadership Team and quarterly by the Finance and Resources Committee. The Clinical Effectiveness Committee reviews a more detailed operational risk register at each meeting to review clinical risks. The strategic risk register is included in the Board papers for every meeting of Trustees.

The Trustees believe there is an effective system of risk management in place and that all major risks are being mitigated satisfactorily.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure and Governing Documents

Martin House is a registered charity and a company limited by guarantee. The company was incorporated on 1 May 1986 and registered as a charity on 28 April 1987. It is governed by a Memorandum and Articles of Association, which were amended at an EGM on 21 July 2016, following a comprehensive review by the Trustees. The charity has a wholly-owned subsidiary, Martin House (Shops) Limited, which is incorporated in the UK and registered in England (company number 2166209).

The Board of Trustees acts collectively and is responsible for the overall philosophy and strategic direction of Martin House and ensuring that the charity is solvent, well-run, acts within its governing document and other relevant legislation. The Board meets at least quarterly and delegates the general management and operational activities of the hospice to the Strategic Leadership Team, via the Chief Executive.

The Board has a Scheme of Delegation, which sets out which of its powers may be delegated and to whom. This is reviewed regularly and revised as appropriate.

The Board is supported by a number of committees and working groups, each of which has clear terms of reference:

- The Finance and Resources Committee exercises oversight of Martin House's finances, including its systems of financial control and risk management, budgets and accounts, capital expenditure and the management of its investments and cash resources. The Committee also reviews the results of the annual statutory audit and oversees the conduct and appointment of our auditors. The Committee is also responsible for employee remuneration, terms and conditions and appropriate policies and practices.
- The Clinical Effectiveness Committee provides assurance to the Board that Martin House has a robust framework for the management of clinical systems and processes and that clinical care is patient/service user-centred, safe, of high quality, evidence based, appropriate and provides good outcomes. The Committee is also responsible for appropriate policies and practices.
- The Build Project Board - established in 2020 to oversee The Build project and advise the Board of Trustees in relation to the project.

Charity Governance Code

The Charity Governance Code for Larger Charities was published by the Charity Commission in July 2017. This Code is designed as a tool to support continuous improvement. Compliance is not mandatory - trustees are encouraged to meet the principles and outcomes of the Code by either applying the recommended practice or explaining what they have done instead or why they have not applied it. Charity boards that are using this Code effectively will regularly revisit and reflect on the Code's principles.

Martin House is committed to complying with best practice in relation to governance. Trustees have performed a full self-assessment of compliance against the seven principles included within the Code. The charity considers that it is compliant with the Code.

Six Trustees, Jenny Wilkinson, Stephen Plews, Zoe Donaldson, Tim Halstead, Mike Millington and Jenny Slee, have served on the Board of Martin House for more than nine years. Their reappointment has been subject to rigorous review in accordance with the Charity Governance Code (5.7.4). The Board considers that they bring unique and invaluable experience of Martin House gained over many years and that the need for need for progressive refreshing of the board is suitably met elsewhere.

In accordance with the requirements of the Charity Governance Code, the hospice maintains a register of Trustee and senior staff interests. The following interests have been declared by Trustees and senior staff:

Trustees

Name	Declaration(s)
Zoe Donaldson	Deputy Director for NHS England. Husband is a GP in the locality.
Tim Halstead	Director and Chief Operating Officer of Switalskis Solicitors Limited Director of Martin House (Shops) Ltd
Rifhat Malik MBE	Director Of Give a Gift charity Executive Board Member of LCP HATCH covering East and North East Leeds.
Patricia McKinney	Nil
Mike Millington	Nil
Stephen Plews	Nil
Gordon Singer	Nil
Jenny Slee	Nil
Tim Straughan	Director of NHS England Non-Executive Director of Spectrum CIC Director of Citizone Ltd Director of Martin House Shops (Ltd)
Jenny Wilkinson	Director of Wessex Court Flats Scarborough Ltd Director of Martin House Shops Ltd
Jayne Price	Professor in Children's Nursing Kingston University. Chair of Research Governance Committee at Shooting Star Children's Hospices.
Shiela Puri	Husband is a Consultant Urologist at the Yorkshire Clinic, Bradford

Senior Staff

Name	Declaration(s)
Clair Holdsworth	Nil
Rebecca Wynne	Nil
Victoria Greensmith	Nil
Antoinette Stewart	Nil
Lindsey Fellowes-Freeman	Nil

Our Trustees

The Trustees, who are also Directors, are the members of the charitable company, the equity being limited by guarantee and therefore having no share capital. As at 30 April 2023, Martin House has 12 Trustees.

The Trustees retiring by rotation at the next annual Trustees' meeting are Stephen Plews and Tim Straughan. The power of appointment rests with the members of the Board.

All the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements. The Trustees who served during 2022/23 are:

Zoe Donaldson	Member of the Clinical Effectiveness Committee
Timothy J Halstead LLB	Chair of the Board of Trustees Member of the Finance and Resources Committee
Rifhat Malik MBE	Member of the Clinical Effectiveness Committee
Professor Patricia McKinney	Member of the Clinical Effectiveness Committee
Michael Millington BSc Hons MBA	Member of the Finance and Resources Committee
Stephen A Plews	Member of the Finance and Resources Committee
Gordon Singer	Member of the Finance and Resources Committee
Jenny Slee (Cromack) LLB	Member of the Clinical Effectiveness Committee
Tim Straughan	Chair of the Finance and Resources Committee
Jennifer Wilkinson	Member of the Clinical Effectiveness Committee
Professor Jayne Price	Appointed 13 October 2022 Vice Chair of the Clinical Effectiveness Committee
Dr Shiela Puri	Appointed 13 October 2022 Appointed Chair of the Clinical Effectiveness Committee on 27 April 2023
Professor John Barry Wright	Chair of the Clinical Effectiveness Committee (resigned 21 July 2022)
Dr Anne-Marie Childs	Member of the Clinical Effectiveness Committee (resigned 16 February 2023)
Sue Rumbold	Vice Chair of the Board of Trustees Member of the Clinical Effectiveness Committee (resigned 27 April 2023)

Non-Trustees serving on Board Committees during 2022/23 were:

Nick Lane Fox	Member of the Finance and Resources Committee

Our People

Martin House employs 209 staff (178 FTE). The Chief Executive, who is appointed by and accountable to the Board, is responsible for the operation of Martin House and leads a Strategic Leadership Team. In 2022/23 this comprised:

Clair Holdsworth	Company Secretary and Chief Executive
Rebecca Wynne	Director of Income Generation
Victoria Greensmith	Director of Clinical Services
Antoinette Stewart	Director of People and Resources
Lindsey Fellowes-Freeman	Director of Finance and Corporate Governance

The Strategic Leadership Team lead the following directorates:

(a) the Clinical Services Directorate. This consists of:
- the care team, which delivers the care and support to children, young people and their families
- the medical team, which provides consultant and doctor led medical care to children, young people and their families

(b) the Resources Directorate. This consists of:
- the facilities team, who maintain and develop the buildings, grounds and equipment
- the IT team, who maintain and develop the IT hardware and software
- the people team, who lead on HR policy and advice, learning and development and volunteer development
- the finance and administration team, who ensure the efficient and smooth running of the organisation
- the marketing and communication team

(c) the Income Generation Directorate. This consists of:
- the fundraising team, who raise the voluntary income required to deliver our services
- the retail team, who manage and develop our 12 shops and other retail operations

Volunteers
Martin House is supported by over 350 volunteers in a range of roles that enhance our work across the organisation.

This includes our stalwart teams of retail volunteers, administrative and maintenance support volunteers at the hospice, and community-focused representation such as Friends' groups and ambassadors. Our Trustees are also all volunteers.

Our Volunteer Forum feed directly into volunteering decision making. In September 2022 we achieved the nationally recognised Investing in Volunteers standard, holding an event to celebrate with all our volunteers.

Remuneration Policy
Remuneration of the CEO and members of the Strategic Leadership Team (SLT) is determined by the Board of Trustees, which delegates responsibility for recommending SLT salaries to the Finance and Resources Committee (FRC). The FRC is also responsible for determining and recommending to the Board the policy for remuneration and reward of employees at Martin House, the pay structure for all employees and the level of any annual cost of living increase, taking into account appropriate benchmarks (including NHS rates for clinical staff and the Croner/Hospice UK annual hospice rewards survey) and prevailing inflation rates. In addition, the FRC is responsible for monitoring the effectiveness of all remuneration, terms and conditions and policies and keeping them under appropriate review.

Ambassadors
Ambassadors do not have any formal role in the governance of the charity but assist by extending our reach and raising our profile:

Gareth Southgate OBE: England Men's National Football Team Manager and ex-professional footballer

Christine Talbot: TV presenter and broadcaster

Duncan Wood: TV presenter and broadcaster

We are thankful for their continued and generous support of Martin House.

Legal and Administrative Information

Charity name:	Martin House
Charity registration number:	517919
Company registration number:	02016332
Registered office and operational address:	Grove Road, Boston Spa, Wetherby, LS23 6TX

Subsidiary Undertaking

Company name:	Martin House (Shops) Ltd
Company registration number:	02166209

The principal activities of the trading subsidiary are the sale of bought goods and goods sold as agent. The subsidiary has performed satisfactorily during the year, and all profits generated are donated to Martin House.

Advisors

Auditor:
Azets Audit Services Limited, Chartered Accountants,
Triune Court, Monks Cross Drive, York YO32, 9GZ

Investment Managers:
Brewin Dolphin,
10 Wellington Place, Leeds LS1 4AN

Principal Bankers:
Barclays Bank Plc
25 James Street, Harrogate HG1 1QX

Auditor:
In accordance with s487(2) of the Companies Act 2006, the auditor, Azets Audit Services Limited is deemed reappointed annually.

The Trustees, in their capacity as Directors, hereby approve the Trustees' Annual Report and the incorporated Strategic Report.

T Halstead

Timothy J Halstead
Chair

Date: 12/10/23

Statement of Trustees' Responsibilities in Respect of the Trustees' Report and the Financial Statements

The Trustees (who are also directors of Martin House for the purposes of company law) are responsible for preparing the Trustees' Annual 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, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

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

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 Auditor's Report to the Members of Martin House

Opinion

We have audited the financial statements of Martin House (the "parent charity") and its subsidiary (the "group") for the year ended 30 April 2023 which comprise the consolidated statement of financial activities, the company and consolidated balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 30 April 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 both the group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Martin House *(continued)*

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of the Trustees
As explained more fully in the Trustees' responsibilities statement, the Trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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.

Independent Auditor's Report to the Members of Martin House *(continued)*

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

Extent to which the audit was considered capable of identifying irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias; and
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

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 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.

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

Alan Sidebottom

Alan Sidebottom (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

Chartered Accountants
Statutory Auditor

Date: 08/11/2023

Triune Court
Monks Cross Drive
York
YO32 9GZ

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2023

	Note	2023 Unrestricted Funds – General £	2023 Unrestricted Funds – Designated £	2023 Restricted Funds £	2023 Total Funds £	2022 Total Funds £
Income from:						
Donations		1,988,362	-	1,674,406	3,662,768	2,092,889
Legacies		1,162,306	-	-	1,162,306	1,240,716
Income from charitable activities:						
Funding from Integrated Care Boards		-	-	890,291	890,291	870,301
NHS England grants		-	-	984,229	984,229	828,549
Covid 19 grants		-	18,110	6,942	25,052	157,045
Other income		40,325	-	-	40,325	76,870
Other trading activities:						
Income from retail operations		1,870,419	-	-	1,870,419	1,672,940
Fundraising events and lottery		1,175,227	-	-	1,175,227	812,793
Other activities for generating funds		47,482	-	-	47,482	29,705
Income from investments	*3*	403,284	-	-	403,284	372,342
Total income		6,687,405	18,110	3,555,868	10,261,383	8,154,150
Expenditure on:						
Expenditure on raising funds:						
Cost of generating voluntary income	*5*	1,492,702	-	1,279	1,493,981	1,425,856
Cost of retail operations	*5*	1,391,321	18,110	-	1,409,431	1,232,704
Cost of fundraising events, lottery and other activities	*5*	682,484	-	-	682,484	583,213
Investment managers cost	*5*	52,269	-	-	52,269	70,474
Expenditure on charitable activities	*6*	4,090,564	-	2,189,990	6,280,554	5,777,256
Total expenditure	*7*	7,709,340	18,110	2,191,269	9,918,719	9,089,503
Net (expenditure)/income before net (losses)/gains on investments		(1,021,935)	-	1,364,600	342,665	(935,353)
Net losses on investments		-	(648,954)	-	(648,954)	(661,498)
Net (expenditure)/income before transfers		(1,021,935)	(648,954)	1,364,600	(306,289)	(1,596,851)
Transfers between funds	*17*	2,317,631	(2,315,370)	(2,261)	-	-
Net movement in funds for the year		1,295,696	(2,964,324)	1,362,339	(306,289)	(1,596,851)
Funds brought forward at beginning of year		4,821,272	18,511,733	79,454	23,412,459	25,009,310
Funds carried forward at end of year	*17, 18*	6,116,968	15,547,409	1,441,793	23,106,170	23,412,459

The results for the year all relate to continuing operations.

A detailed statement of financial activities for the comparative year is shown in note 21 to the financial statements.

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

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

Balance Sheet
as at 30 April 2023

		Group		Charity	
		2023	2022	**2023**	2022
		£	£	£	£
Fixed assets					
Tangible assets	*9*	**4,583,898**	4,176,808	**4,583,898**	4,176,808
Investments	*10*	**16,885,021**	18,510,385	**16,885,023**	18,510,387
		21,468,919	22,687,193	**21,468,921**	22,687,195
Current assets					
Stock	*11*	**22,310**	28,194	**20,880**	24,066
Debtors	*12*	**1,938,509**	1,183,721	**1,944,458**	1,194,659
Cash on deposit, at bank and in hand	*13*	**1,061,751**	907,297	**1,050,921**	896,123
		3,022,570	2,119,212	**3,016,260**	2,114,848
Creditors: amounts falling due within one year	*14*	**(1,385,319)**	(1,393,946)	**(1,381,569)**	(1,391,546)
Net current assets		**1,637,251**	725,266	**1,634,691**	723,302
Net assets		**23,106,170**	23,412,459	**23,103,611**	23,410,497
Funds of the charity:					
Restricted funds	*17*	**1,441,793**	79,454	**1,441,793**	79,454
Unrestricted funds are represented by:					
Deficit budget fund	*17*	**2,000,000**	4,300,000	**2,000,000**	4,300,000
Refurbishment fund	*17*	**10,500,000**	10,500,000	**10,500,000**	10,500,000
Other investment funds	*17*	**3,047,409**	3,711,733	**3,047,411**	3,711,735
Total unrestricted designated funds		**15,547,409**	18,511,733	**15,547,411**	18,511,735
Unrestricted tangible fixed assets	*18*	**4,583,898**	4,176,808	**4,583,898**	4,176,808
Undesignated general funds	*18*	**1,533,070**	644,464	**1,530,509**	642,500
Total unrestricted funds		**21,664,377**	23,333,005	**21,661,818**	23,331,043
		23,106,170	23,412,459	**23,103,611**	23,410,497

The notes on pages 29 to 41 form part of these financial statements.

These financial statements were approved by the board of Trustees on 12/10/23 and were authorised for issue and signed on its behalf by:

T J Halstead
Trustee

T Straughan
Trustee

Consolidated Cash Flow Statement
for the year ended 30 April 2023

	2023		2022	
	£	£	£	£
Cash flows from operating activities:				
Net cash used in operating activities		**(427,264)**		(719,290)
Cash flows from investing activities:				
Dividends, interest and rents from investments	**354,526**		336,063	
Purchase of tangible fixed assets	**(756,386)**		(641,885)	
Proceeds from the sale of tangible fixed assets	**7,168**		32,774	
Payments to acquire investments	**(395,786)**		(2,823,233)	
Proceeds from the sale of investments	**1,254,335**		3,134,813	
Net cash provided by investing activities		**463,857**		38,532
Change in cash and cash equivalents in the year		**36,593**		(680,758)
Cash and cash equivalents at the beginning of the year		**1,285,132**		1,965,890
Cash and cash equivalents at the end of the year		**1,321,725**		1,285,132

Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£	£
Net expenditure for the year	**(306,289)**	(1,596,851)
Depreciation charge	**347,189**	329,522
Loss on investments	**648,954**	661,498
Dividends, interest and rents from investments	**(403,284)**	(372,342)
Profit on sale of fixed assets	**(5,061)**	(25,343)
Decrease/(increase) in stock	**5,884**	(23,593)
(Increase)/decrease in debtors	**(706,030)**	491,117
Decrease in creditors	**(8,627)**	(183,298)
Net cash (outflow) from operating activities	**(427,264)**	(719,290)

Analysis of changes in net funds

	At 30 April 2022	Cash flow	At 30 April 2023
	£	£	£
Cash at bank and in hand	907,297	154,454	1,061,751
Cash equivalents	377,835	(117,861)	259,974
	1,285,132	36,593	1,321,725

Notes to the Financial Statements for the Year Ended 30 April 2023

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity Information

Martin House is a company limited by guarantee, the liability of the members is limited to one pound, and a charity registered in England and Wales. The registered office is Martin House, Grove Road, Boston Spa, Wetherby, LS23 6TX.

Accounting Convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

Going Concern

The charitable company meets its daily working capital requirements through its bank account which had funds of £1,000k at 30 April 2023. The charity relies heavily upon funding from voluntary donations, legacies and grants, which all contain elements of uncertainty. Given the charitable company's favourable fundraising record and the level of free reserves available at the year end, the Trustees consider that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Martin House (Shops) Limited on a line-by-line basis. The summarised profit and loss account for the subsidiary is shown in note 4. A separate Statement of Financial Activities, including the income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006. The gross income of the charity was £10,261,383 *(2022: £*8,154,150*)* and the net income was £342,665 (*2022: net expenditure* £935,353*)* (before gains/losses on investments in each year).

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant. The purpose and use of the restricted funds is set out in note 17.

Designated funds are unrestricted funds designated by the Trustees for a particular purpose.

Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Income
Income is recognised in the year in which entitlement arises, receipt is probable and the amount can be reliably measured. Income is deferred:

- where the charitable company has to fulfil conditions before becoming entitled to it,
- where the income is received specifically for expenditure in a future accounting period, or
- where donations, sponsorship and entry fees are received in anticipation of an event to be held in a future accounting period.

Legacies
Pecuniary and residuary legacies are recognised when received or before receipt if there is sufficient evidence of entitlement to the legacy, receipt is probable and can be measured with sufficient reliability.

Gifts in kind and volunteers' contributions
Martin House benefits greatly from a variety of gifts in kind and voluntary contributions. Gifts donated for resale are included as income when they are sold. Fixed assets donated to the charity are included as donation income at market value at the time of receipt. Consumables and small items donated for fundraising activities are not recognised in the financial statements. No amounts are included in the financial statements for services donated by volunteers.

Expenditure and irrecoverable VAT
Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT that cannot be recovered. Expenditure is allocated directly to a particular activity where costs relate directly to that activity.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fundraising costs
These include the salaries, direct expenditure and overhead costs of the fundraising team as well as lottery and event costs, investment management costs and the cost of our retail operations.

Charitable activity costs
These include the salaries, direct expenditure and overhead costs of the care and support team.

Operating leases
Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Pensions
Employees who have previously worked for the NHS are entitled to continue to contribute to the NHS Pension Scheme subject to certain conditions. The NHS Scheme is an unfunded final salary scheme operated by the National Health Service. The contributions are calculated so as to spread the cost of pensions over employees' working lives, whilst they remain in qualifying employment, in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of periodic valuations, and any deficit is underwritten by the Treasury.

The scheme is not designed to be run in a way that would enable employers of eligible employees to identify their share of the underlying scheme assets and liabilities, and the scheme is unfunded. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the amount charged against profits represents the contributions payable to the scheme.

Staff not entitled to join the NHS Scheme are automatically enrolled into a defined contribution scheme, in accordance with current pension legislation. In addition, the defined contribution scheme is offered on the same terms to staff not meeting the criteria for automatic enrolment. The amount charged against profits for the scheme represents the contributions payable to the scheme in respect of the accounting period.

Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Staff costs
The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

Investments
Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio, see note 10, is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the statement of financial activity.

For the purposes of the cash flow statement, the short-term cash deposits held for reinvestment within the long term investment fund have been treated as cash.

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided on investment properties.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

Fixed assets and depreciation
Fixed assets are stated at cost. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2-4% straight line
Furniture and fittings	-	25% straight line
Office furniture and equipment	-	20% to 33% straight line
Vehicles	-	25% reducing balance

All capital expenditure over £250 is capitalised as an asset.

Stocks
Purchased goods for resale are valued at the lower of cost and net realisable value.

Donated items of stock for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to assess the amount of donated stock held as there is no system in place to record these items or value them until they are sold. The value of these goods to the charity is instead recognised when they are sold in the shops.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

Notes to the Financial Statements *(continued)*

1 Accounting Policies *(Continued)*

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Depreciation of tangible assets
Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

Legacies
Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

Tax
Martin House is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

Notes to the Financial Statements *(continued)*

1 Accounting Polices *(Continued)*

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary were gift aided to the parent charitable company in both the current and prior financial year, no corporation tax has arisen.

2 Net expenditure

	2023	2022
	£	£
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	**347,189**	329,522
Loss/(profit) on disposal of fixed assets	**(5,061)**	(25,343)
Auditor's remuneration – audit of charity and subsidiary company accounts	**15,675**	12,900
Auditor's remuneration – other non-audit services	**2,300**	2,100
Operating lease rentals – land and buildings	**199,779**	202,695
Operating lease rentals – equipment	**3,959**	25,379

3 Income from investments

	2023	2022
	£	£
Gross dividends and interest receivable from listed investments	**396,047**	363,181
Interest from building society and banks	**1,812**	186
Property rent	**3,625**	8,975
Lease incentive Ripon Shop	**1,800**	-
	403,284	372,342

4 Subsidiary company

The charity has a wholly owned subsidiary, Martin House (Shops) Limited which is incorporated in the UK and registered in England (company number 2166209). The company undertakes various trading activities including the sale of bought goods, the sale of goods as agent, and other trading activities on behalf of the charity. Non-primary purpose trading of the group such as bought good sales in the hospice shops are transacted through the trading subsidiary, Martin House (Shops) in order to adhere with HMRC regulations on non-primary purpose trading within charities. A summary of its trading results for the period is shown below. The company donates all taxable profits to Martin House under Gift Aid.

	2023	2022
	£	£
Profit and loss account		
Turnover	**70,972**	75,971
Cost of sales	**(28,235)**	(30,486)
Gross profit	**42,737**	45,485
Rent and rates	**(6,381)**	(6,149)
Staff costs	**(22,711)**	(25,607)
Other expenses	**(9,949)**	(10,958)
Interest payable to parent company	**(1,137)**	(809)
Profit for the year	**2,559**	1,962
Balance Sheet		
Share capital	**2**	2
Profit and loss account	**2,559**	1,962
Total shareholder's funds	**2,561**	1,964

Investment in the wholly owned subsidiary is carried at cost of £2 (*2022: £2*) in the balance sheet of the charity.

The profit for the year is to be gifted to the charitable parent company, however as no deed of covenant exists the distribution has not been recognised in these financial statements.

Notes to the Financial Statements *(continued)*

5 Expenditure on raising funds

For the year ended 30 April 2023	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Costs of generating donations & legacies			
Staff costs **(Note 8)**	**1,137,983**	**-**	**1,137,983**
Publicity and newsletters	**205,138**	**-**	**205,138**
Professional fees	**12,508**	**-**	**12,508**
Other	**137,073**	**1,279**	**138,352**
	1,492,702	**1,279**	**1,493,981**
Cost of retail operations			
Staff costs **(Note 8)**	**798,615**	**-**	**798,615**
Other	**610,816**	**-**	**610,816**
	1,409,431	**-**	**1,409,431**
Lottery and event costs			
Staff costs **(Note 8)**	**145,599**	**-**	**145,599**
Other	**536,885**	**-**	**536,885**
	682,484	**-**	**682,484**
Investment management costs	**52,269**	**-**	**52,269**

For the year ended 30 April 2022	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Costs of generating donations & legacies			
Staff costs **(Note 8)**	924,986	-	924,986
Publicity and newsletters	286,330	-	286,330
Professional fees	17,869	-	17,869
Other	196,671	-	196,671
	1,425,856	-	1,425,856
Cost of retail operations			
Staff costs **(Note 8)**	610,337	-	610,337
Other	622,367	-	622,367
	1,232,704	-	1,232,704
Lottery and event costs			
Staff costs **(Note 8)**	132,393	-	132,393
Other	450,820	-	450,820
	583,213		583,213
Investment management costs	70,474	-	70,474

Notes to the Financial Statements *(continued)*

6 Expenditure on charitable activities

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Provision of care:						
Staff costs **(Note 8)**	**1,935,933**	**2,181,612**	**4,117,545**	1,821,632	1,885,392	3,707,024
Consumables	**210,036**	**-**	**210,036**	186,772	-	186,772
Other	**450,800**	**8,378**	**459,178**	416,788	18,541	435,329
Research	**(30,000)**	**-**	**(30,000)**	111,836	-	111,836
Support costs:						
Staff costs **(Note 8)**	**1,144,142**	**-**	**1,144,142**	767,238	22,426	789,664
Establishment	**379,653**	**-**	**379,653**	546,070	561	546,631
	4,090,564	**2,189,990**	**6,280,554**	3,850,336	1,926,920	5,777,256

7 Total expenditure

Year ended 30 April 2023	**Staff costs £**	**Depreciation £**	**Other costs £**	**Total £**
Charitable activities	**5,261,687**	**257,373**	**761,494**	**6,280,554**
Costs of generating funds	**2,082,197**	**89,816**	**1,466,152**	**3,638,165**
Total expenditure	**7,343,884**	**347,189**	**2,227,646**	**9,918,719**

Year ended 30 April 2022	**Staff costs £**	**Depreciation £**	**Other costs £**	**Total £**
Charitable activities	4,496,688	245,435	1,035,133	5,777,256
Costs of generating funds	1,667,716	84,087	1,560,444	3,312,247
Total expenditure	6,164,404	329,522	2,595,577	9,089,503

8 Staff numbers and costs

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

	Average headcount		**Average FTE**	
	2023 No.	2022 No.	**2023 No.**	2022 No.
Charitable activities – care team and support	**134**	129	**115**	108
Fundraising and shops	**66**	62	**58**	54
	200	191	**173**	162

The aggregate payroll costs of these persons were as follows:

	2023 £	2022 £
Wages and salaries	**6,271,922**	**5,327,572**
Social security costs	**595,762**	**461,438**
Other pension costs **(Note 15)**	**476,200**	**375,394**
	7,343,884	**6,164,404**

Included in the above costs is £212,410 *(2022:* £199,119*)* in respect of members of the medical team contracted to the charity by a local NHS trust.

Notes to the Financial Statements *(continued)*

8. Staff numbers and costs *(continued)*

The Trustees do not receive any remuneration. During the year expenses were paid to Trustees of £29 *(2022: £nil)*. Trustees are not included in the average number of employees. In accordance with the Memorandum of Association the charity purchased charity Trustee indemnity insurance. The cost of this insurance included in the Statement of Financial Activities was £1,230 *(2022: £1,230)*.

The number of higher paid employees is disclosed below.

	2023	2022
	No.	No.
£60,000 to £70,000	2	1
£70,001 to £80,000	2	1
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-

Pension contributions totalling £29,510 *(2022: £21,114)* were made for the 5 (2022: 3) higher paid employees.

The key management personnel of the charity (and group) comprise the Trustees and the senior management team. The total employee benefits of the 5 *(2022: 5)* key management personnel employed by the charity (and group) were £454,612 *(2022: £328,408)*.

9. Tangible fixed assets

CHARITY AND GROUP	**Freehold land and buildings**	**Assets under construction**	**Furniture and fittings**	**Office furniture and equipment**	**Vehicles**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Cost						
At beginning of year	4,805,271	820,714	1,670,027	1,145,463	195,262	8,636,737
Additions	12,355	418,482	157,671	108,428	59,452	756,388
Disposals	-	-	-	-	(16,771)	(16,771)
At end of year	4,817,626	1,239,196	1,827,698	1,253,891	237,943	9,376,354
Depreciation						
At beginning of year	2,014,817	-	1,483,474	862,816	98,822	4,459,929
Charge for year	94,882	-	110,001	112,228	30,078	347,189
On disposals	-	-	-	-	(14,662)	(14,662)
At end of year	2,109,699	-	1,593,475	975,044	114,238	4,792,456
Net book value						
At 30 April 2023	**2,707,927**	**1,239,196**	**234,223**	**278,847**	**123,705**	**4,583,898**
At 30 April 2022	2,790,454	820,714	186,553	282,647	96,440	4,176,808

The cost of freehold land and buildings includes £75,000 *(2022: £75,000)* of land which is not depreciated.

10. Fixed asset Investments

CHARITY	**2023**	2022
	£	£
Listed investments (Note 10(a))	**16,475,037**	17,982,540
Cash held as part of investment portfolio	**259,974**	377,835
Investment in Martin House (Shops) Limited (Note 4)	**2**	2
Unlisted investment	**10**	10
Investment property (Note 10(b))	**150,000**	150,000
	16,885,023	18,510,387

Notes to the Financial Statements *(continued)*

10. Fixed asset Investments *(continued)*

GROUP	2023	2022
	£	£
Listed investments (Note 10(a))	**16,475,037**	17,982,540
Cash held as part of investment portfolio	**259,974**	377,835
Unlisted investment	**10**	10
Investment property (Note 10(b))	**150,000**	150,000
	16,885,021	18,510,385

These investments both in income and long-term growth support the work of the hospice.

10(a) Listed investments

	2023	2022
	£	£
Market value at beginning of year	**17,982,540**	18,955,618
Additions	**395,786**	2,823,233
Disposal proceeds	**(1,254,335)**	(3,134,813)
Realised and unrealised investment gains	**(648,954)**	(661,498)
Market value at end of year	**16,475,037**	17,982,540
Historical cost at end of year	**13,726,157**	14,033,725

10(b) Investment property

	2023	2022
	£	£
Market value at beginning and end of year	**150,000**	150,000

The historical cost of the investment property was deemed to be £133,000.

The Trustees have estimated the fair value of the investment property, with reference to other similar property transactions in the vicinity. A professional valuation has not been obtained as the Trustees do not consider it necessary due to the non-specialist nature of the investment property. The Trustees conclude that there has been no material change in the fair value during the year.

The carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £16,475,037 (2022: £17,982,540).

11. Stock

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Goods for resale	**2,064**	5,948	**634**	1,820
T-shirt stock fundraising (not for resale)	**20,246**	22,246	**20,246**	22,246
	22,310	28,194	**20,880**	24,066

Notes to the Financial Statements *(continued)*

12 Debtors

	Group		Charity	
	Due within one year 2023	Due within one year 2022	**Due within one year 2023**	Due within one year 2022
	£	£	**£**	£
Amounts due from Martin House (Shops) Limited	**-**	-	**5,949**	10,938
Accrued income and prepayments	**1,834,412**	1,104,717	**1,834,412**	1,104,717
VAT recoverable	**104,097**	79,004	**104,097**	79,004
	1,938,509	1,183,721	**1,944,458**	1,194,659

13 Cash at bank, in hand and on deposit

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Bank and building society deposits	**1,060,634**	905,155	**1,050,634**	895,154
Cash in hand	**1,117**	2,142	**287**	969
	1,061,751	907,297	**1,050,921**	896,123

14 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade creditors	**183,207**	264,887	**183,207**	264,887
Other taxes and social security costs	**144,755**	127,491	**144,755**	127,491
Other creditors	**24,017**	156,255	**24,017**	156,255
Accruals and deferred income	**1,033,340**	845,313	**1,029,590**	842,913
	1,385,319	1,393,946	**1,381,569**	1,391,546

Notes to the Financial Statements *(continued)*

15 Pension costs

The hospice operates two pension schemes: the NHS Scheme and a defined contribution scheme, both of which are treated as defined contribution schemes as disclosed in Note 1.

	2023	2022
	£	£
NHS Pension Scheme	**246,808**	234,743
Defined contribution scheme	**229,392**	140,651
	476,200	375,394

NHS Scheme

Eligible employees are able to remain in the NHS Pension Scheme. The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and employees of other approved organisations. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of the benefits payable, and the basis for the valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

16 Commitments

Total commitments for future minimum lease payments under non-cancellable operating leases as follows:

CHARITY AND GROUP

	Land and buildings 2023	**Equipment 2023**	Land and buildings 2022	Equipment 2022
	£	**£**	£	£
Within one year	**153,054**	**3,959**	162,815	9,443
More than one year and less than 5 years	**367,972**	**-**	317,963	3,959
More than 5 years	**50,500**	**-**	88,063	-
	571,526	**3,959**	568,841	13,402

Notes to the Financial Statements *(continued)*

17 Statement of funds

For the year ended 30 April 2023	As At 1 May 2022	Income	Expenditure	Investment (losses)	Transfers	As at 30 April 2023
GROUP	£	£	£	£	£	£
Unrestricted funds						
General funds	4,821,272	6,687,405	(7,709,340)	-	2,317,631	**6,116,968**
Designated funds						
Covid-19 fund	-	18,110	(18,110)	-	-	-
Deficit budget fund	4,300,000	-	-	-	(2,300,000)	**2,000,000**
Refurbishment fund	10,500,000	-	-	-	-	**10,500,000**
Other investment funds	3,711,733	-	-	(648,954)	(15,370)	**3,047,409**
Total designated funds	18,511,733	18,110	(18,110)	(648,954)	(2,315,370)	**15,547,409**
Total unrestricted funds	23,333,005	6,705,512	(7,727,450)	(648,954)	2,261	**21,664,377**
CHARITY						
Unrestricted funds						
General funds	4,819,308	6,687,403	(7,709,935)	-	2,317,631	**6,114,407**
Designated funds						
Covid-19 fund	-	18,110	(18,110)	-	-	-
Deficit budget fund	4,300,000	-	-	-	(2,300,000)	**2,000,000**
Refurbishment fund	10,500,000	-	-	-	-	**10,500,000**
Other investment funds	3,711,735	-	-	(648,954)	(15,370)	**3,047,411**
Total designated funds	18,511,735	18,110	(18,110)	(648,954)	(2,315,370)	**15,547,411**
Total unrestricted funds	23,331,043	6,705,511	(7,728,045)	(648,954)	2,261	**21,661,818**
GROUP AND CHARITY						
Restricted Funds						
NHS England grant	-	917,229	(917,229)	-	-	-
Pension indexation funding	-	67,000	(67,000)	-	-	-
Integrated Care Board Grants	-	890,291	(890,291)	-	-	-
Hospice UK	-	6,942	(6,942)	-	-	-
Garden Fund	11,344	-	-	-	-	**11,344**
Rebuild	28,975	-	-	-	-	**28,975**
Care equipment - Regional	4,989	-	(164)	-	(636)	**4,189**
Donations - Care equipment	612	-	-	-	-	**612**
Donations - Capital (baths, decoration, chair, training)	33,534	-	(33,500)	-	-	**34**
Donations - Trusts	-	602,421	(274,553)	-	(1,625)	**326,243**
Donations – Capital Appeal	-	1,070,396	-	-	-	**1,070,396**
Donations – Events	-	1,589	(1,589)	-	-	-
	79,454	3,555,868	(2,191,268)	-	(2,261)	**1,441,793**

Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

For the year ended 30 April 2022	As At 1 May 2021	Income	Expenditure	Investment gains	Transfers	As at 30 April 2022
GROUP	£	£	£	£	£	£
Unrestricted funds						
General funds	5,665,680	6,186,920	(7,142,278)	-	110,950	**4,821,272**
Designated funds						
Covid-19 fund	-	20,305	(20,305)	-	-	-
Deficit budget fund	4,346,846	-	-	-	(46,846)	**4,300,000**
Refurbishment fund	10,451,806	-	-	-	48,194	**10,500,000**
Other investment funds	4,374,450	-	-	(661,498)	(1,219)	**3,711,733**
Total designated funds	19,173,102	20,305	(20,305)	(661,498)	129	**18,511,733**
Total unrestricted funds	24,838,782	6,208,225	(7,163,583)	(661,498)	111,079	**23,333,005**
CHARITY						
Unrestricted funds						
General funds	5,470,609	6,307,828	(7,070,079)	-	110,950	**4,819,308**
Designated funds						
Covid-19 fund	-	20,305	(20,305)	-	-	-
Deficit budget fund	4,346,846	-	-	-	(46,846)	**4,300,000**
Refurbishment fund	10,451,806	-	-	-	48,194	**10,500,000**
Other investment funds	4,374,452	-	-	(661,498)	(1,219)	**3,711,735**
Total designated funds	19,173,104	20,305	(20,305)	(661,498)	129	**18,511,735**
Total unrestricted funds	24,643,713	6,328,133	(7,090,384)	(661,498)	111,079	**23,331,043**
GROUP AND CHARITY						
Restricted Funds						
NHS England grant	-	763,549	(763,549)	-	-	-
Pension indexation funding	-	65,000	(65,000)	-	-	-
Clinical Commissioning Groups' grants	-	870,301	(870,301)	-	-	-
Hospice UK	-	136,740	(136,740)	-	-	-
Whitby Lodge Courtyard project	16,500	-	(4,500)	-	(656)	**11,344**
Wet wheels trips/ Art Fund	28,975	-	-	-	-	**28,975**
Music and animation suite	12,200	-	(12,200)	-	-	-
Other capital funds	25	-	(25)	-	-	-
Care equipment (regional team for care)	12,853	-	(3,604)	-	(9,249)	-
Other restricted donations	4,989	-	-	-	-	**4,989**
Trust donations for project/designated spend	1,142	1,000	(2,142)	-	-	-
Network co-ordinator	2,404	-	(2,404)	-	-	-
Children's Palliative Care Network	32,268	17,024	(17,024)	-	(32,268)	-
CNS & bereavement funding	12,608	-	(5,965)	-	(6,643)	-
Primary care for young people	11,400	-	(5,800)	-	(5,600)	-
Donations care equipment	6,112	4,906	(1,000)	-	(9,406)	**612**
Donations capital (baths, decoration, chair, training)	29,052	88,405	(36,666)	-	(47,257)	**33,534**
	170,528	1,946,925	(1,926,920)	-	(111,079)	**79,454**

Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

Unrestricted funds
General funds – these represent the free reserves and fixed assets of the charity that are not designated or restricted for particular purposes.

The Trustees have designated elements of the investment fund for specific purposes, as follows:

Deficit budget fund – funds of £2.0m have been designated to cover the deficits anticipated in the next 3-5 years.

Rebuild fund – funds of £10.5m have been designated to contribute towards the cost of our extensive Build project plans.

The remainder of our designated funds, held within investments, are held to comply with our policy of holding six months running costs in reserves.

Restricted funds – represent monies received for specific purposes as follows:

NHS England Grant – this is a grant received to support us in our aim to continue the provision of the high level of specialist care for the children and families in Yorkshire.

Pension indexation funding – is a contribution from NHS England towards the cost of our employer's NHS pension contributions.

Integrated Care Boards grants – are grants received from ICBs covering East, North and West Yorkshire and the Humber. Each contributes towards the cost of care provided by Martin House to children and young people and their families in the respective geographical areas served by each ICB.

Hospice UK - The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support between 2020 and 2022 for the same purpose.

Grants from various Trusts & Foundations and donations - Funding for core clinical costs, medical equipment, cultural liaison officers, bereavement salaries, sibling support groups, training bursaries, a refurbishment of the Sanctuary garden, emergency travel for families and a residential trip for young people.

Garden Fund (Whitby Lodge Courtyard Project) – consists of charitable donations to fund the redevelopment of the Lodge Courtyard area for the enjoyment of our teenagers and young adults.

Garden Donations - Specified garden purchases after the Build project.

Rebuild Fund – Funding from our Capital Appeal in aid of our upcoming extensive Build and refurbishment project.

Care equipment – funding for care equipment from individuals and Trusts.

Other capital funds – consist of contributions from Trusts and other sources for specific items of equipment.

Other restricted donations – donations for small equipment, bereavement library and Christmas party.

Trust donations for project/designated spend – funding for vehicles, beds and garden grant from Trusts.

Wet Wheels Trip 2020/Art Fund – Funding for boat trip experience provided by Ilkley Round Table and art fund– grant from The D'Oyly Carte Trust for the art therapy programme 2020/21.

Music and animation suite – funding from individuals and the Ed de Nunzio Charitable Trust to create a music and animation suite in the hospice.

Notes to the Financial Statements *(continued)*

Network co-ordinator – this was a project to support the co-ordination of the Yorkshire and Humber Children and Young People's Palliative Care Network (YHCYPPCN) and was transferred to Leeds Teaching Hospitals Trust in the prior year.

Children's Palliative Care Network – this was funding received to meet the cost of network meetings and conferences of the YHCYPPCN in the prior year.

CNS & bereavement funding & primary care for young people – 'Global Make Some Noise' and The Ed de Nunzio Charitable Trust to provide specialist nursing care.

Donations care equipment – funding from individuals and clubs for specialist chairs, baths, Oxford Text Book and a small restricted pot of funds not yet specified.

Donations capital (baths, decoration, chairs, training) – capital funding from Trusts for the specialist bath appeal. Palliative care training for doctors.

Transfers
Transfers totalling £2,261 have been made from restricted to general funds where capital expenditure has been incurred from restricted funds, and the assets purchased are held for a general purpose within the charity with no ongoing restrictions in use.

18 Analysis of net assets between funds

As at 30 April 2023		Tangible fixed assets	Investments	Net current assets	Total
GROUP		£	£	£	£
Restricted funds		-	-	1,441,793	**1,441,793**
Unrestricted funds	- Designated	-	15,547,409	-	**15,547,409**
	- Other	4,583,898	1,337,612	195,458	**6,116,968**
		4,583,898	16,885,021	1,637,251	**23,106,170**
CHARITY					
Restricted funds		-	-	1,441,793	**1,441,793**
Unrestricted funds	- Designated	-	15,547,411	-	**15,547,411**
	- Other	4,583,898	1,337,612	192,897	**6,114,407**
		4,583,898	16,885,023	1,634,690	**23,103,611**

As at 30 April 2022		Tangible fixed assets	Investments	Net current assets	Total
GROUP		£	£	£	£
Restricted funds		-	-	79,454	**79,454**
Unrestricted funds	- Designated	-	18,511,733	-	**18,511,733**
	- Other	4,176,808	(1,348)	645,812	**4,821,272**
		4,176,808	18,510,385	725,266	**23,412,459**
CHARITY					
Restricted funds		-	-	79,454	**79,454**
Unrestricted funds	- Designated	-	18,511,735	-	**18,511,735**
	- Other	4,176,808	(1,348)	643,848	**4,819,308**
		4,176,808	18,510,387	723,302	**23,410,497**

Notes to the Financial Statements *(continued)*

The unrestricted designated investment fund includes unrealised gains on investments of £2,745,510 (2022: £3,947,177).

19 Contingent Liabilities

The charity is party to a cross guarantee in respect of a group VAT registration. At 30 April 2023 the total group VAT balance was a debtor of £104,097 *(2022:* debtor of £79,004*)*.

20 Related Party Transactions

During the year, Martin House conducted the following transactions with its subsidiary, Martin House (Shops) Limited:

Martin House levied rent on Martin House (Shops) Limited amounting to £5,947 (2022: £5,921), and interest amounting to £1,137 (2022: £809).

Martin House (Shops) Limited donated £1,962 (2022: £195,070) to Martin House under Gift Aid.

At 30 April 2023, Martin House had a debtor balance of £5,949 owed by Martin House (Shops) Limited (2022: £10,938 debtor balance).

During the year the charity paid £6,207 (2022: £17,758) to the spouse of one of its Trustees, Tim Straughan, who was employed by the charity in a part-time role.

Notes to the Financial Statements *(continued)*

21 Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2022

	2022 Unrestricted Funds – General £	2022 Unrestricted Funds – Designated £	2022 Restricted Funds £	2022 Total Funds £
Income from:				
Donations	1,998,578	-	94,311	2,092,889
Legacies	1,240,716	-	-	1,240,716
Income from charitable activities:				
	-	-	870,301	870,301
NHS England grants	-	-	828,549	828,549
Covid 19 grants	-	20,305	136,740	157,045
Other income	59,846	-	17,024	76,870
Other trading activities:				
Income from retail operations	1,672,940	-	-	1,672,940
Fundraising events and lottery	812,793	-	-	812,793
Other activities for generating funds	29,705	-	-	29,705
Income from investments	372,342	-	-	372,342
Total income	6,186,920	20,305	1,946,925	8,154,150
Expenditure on:				
Expenditure on raising funds:				
Cost of generating voluntary income	1,425,856	-	-	1,425,856
Cost of retail operations	1,214,442	18,262	-	1,232,704
Cost of fundraising events, lottery and other activities	583,213	-	-	583,213
Investment managers cost	70,474	-	-	70,474
Expenditure on charitable activities	3,848,293	2,043	1,926,920	5,777,256
Total expenditure	7,142,278	20,305	1,926,920	9,089,503
Net income/(expenditure) before net (losses)/gains on investments	(955,358)	-	20,005	(935,353)
Net gains/(losses) on investments	-	(661,498)	-	(661,498)
	(955,358)	(661,498)	20,005	(1,596,851)
Transfers between funds	110,950	129	(111,079)	-
Net movement in funds for the year	(844,408)	(661,369)	(91,074)	(1,596,851)
Funds brought forward at beginning of year	5,665,680	19,173,102	170,528	25,009,310
Funds carried forward at end of year	4,821,272	18,511,733	79,454	23,412,459

MARTIN HOUSE

England & Wales - Charity number 517919

Accounts

Martin House (Limited by Guarantee)
Trustees' report and financial statements
Company registered number 02016332
Charity registration number 517919
For the year ended 30 April 2022

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COMPANIES HOUSE

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Trustees' Report

The Trustees, who also act as Directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 30 April 2022.

OBJECTIVES AND ACTIVITIES

The ***mission*** of Martin House is to help children and young people with a life-limiting condition, along with their families, to live well and fully, offering the best possible end of life care and support to the family in bereavement.

Our ***vision*** is that every child and young person has access to palliative care when and where they need it.

Our core ***values,*** which guide all we do, are:

- being child and family focused
- listening to and valuing each other
- delivering high standards in everything we do
- being flexible, responsive, open and honest
- working holistically and in collaboration with others
- being dedicated, compassionate and caring

All our services are free of charge to the families we care for. The Charity Commission's general guidance on public benefit is taken into consideration in all our reviews and plans.

Strategic Aims

Our key strategic aims are to:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters.

Our current strategic objectives are set out in our Strategic Plan 2019-24, which is available on our website at www.martinhouse.org.uk.

Our achievements and performance against our 2021/22 objectives are set out in the Strategic Report, below.

Activities

To achieve our objectives, we deliver high-quality, holistic and specialist palliative care services for children and young people with life-limiting conditions, and their families, from diagnosis to death and beyond. These include:

- planned care/short breaks
- symptom management
- emergency care
- end of life care
- community care (in the home and other community settings)
- bereavement care
- psychological care and emotional support
- spiritual and pastoral care
- a programme of clinical research and education

Most of these services are delivered from a purpose-built hospice set in six acres of beautiful grounds in Boston Spa, near Wetherby in West Yorkshire. The hospice, the second children's hospice in the UK at the time, was opened in 1987. Since then, it has developed continuously in order to meet the changing needs and expectations of the children, young people and their families who use our services.

The hospice has 9 beds in the House, which cares for the younger children, and 6 beds in Whitby Lodge, which cares for teenagers (from age 13) and young adults up to age 25 (and occasionally beyond). This was the first purpose-built teenage and young adult unit in the UK (possibly the world) when it was built in 2002. In addition, there are 9 family bedrooms where parents and siblings can stay and 3 'little rooms' (cooled bedrooms) where children and young people can stay after death until their funeral. Other facilities include a chapel, sensory room, playroom, teenage and young adult recreation area (the Den), recording studio, art room, music room, education/seminar room and outdoor play areas.

Children and young people can be referred, or self-refer, to Martin House at any point from diagnosis, between the ages of 0-19, if they have a life-limiting condition and live in East, North or West Yorkshire. Children's palliative care encompasses the whole family and continues throughout the life of the child or young person up to age 25, and beyond for their family.

STRATEGIC REPORT

Achievements and Performance

Palliative Care

As at 31 March 2022, we were actively caring for 430 children and young people and their families. In addition, we provided bereavement support to 118 families.

During the year to 31 March 2022, we:

- received 114 new referrals, of which 103 were accepted;
- accepted 24 new referrals for our community bereavement service;
- delivered 1,406 nights' care for life-limited children and young people in the hospice (776 in Martin House and 630 in Whitby Lodge);
- provided 816 overnight stays for parents, 538 overnight stays for siblings and 141 overnight stays for others of life-limited children and young people;
- provided 100 overnight stays in the little rooms; and
- delivered 1,501 hours of bereavement support.

Sadly, 96 of the children and young people we were caring for died in the year to 30 April 2022. Of these, 17 died at Martin House, 13 died at home, 63 died in hospital and 3 died elsewhere. 95% of the children and young people died in their preferred place of death.

Our Clinical Services Team

Martin House is a regional centre for specialist paediatric palliative care.

Our clinical services team consists of specialist and experienced staff who can look after the children and young people staying at the hospice and in the community. We act as a resource for other health services surrounding us in West, North and East Yorkshire. We provide highly specialist care and also support, advice and education to many professionals within Yorkshire and the Humber and beyond.

We offer 24/7 Specialist paediatric palliative medicine.
The senior medical team consists of two Consultants in Paediatric Palliative Medicine (one of whom acts as our Chief Medical Officer) and a specialist doctor. In addition there are three part-time specialty doctors, and together they deliver a 24/7 on-call rota. Martin House also support a specialist trainee in Paediatric Palliative Medicine, as well as other trainees, during their rotations. Our doctors are available for queries/consultation/referrals twenty-four hours a day, seven days a week by telephoning Martin House. They provide specialist palliative care involving symptom control, end of life care, preferred place of death support and advance care planning. They are able to assist in breaking bad news, difficult decision making and other ethical discussions. The doctors and CNS team regularly support hospital teams to provide specialist palliative care for in-patients across the region.

The multi-disciplinary team are highly trained and able to care for children with extremely complex care needs. Our team includes doctors, nurses, clinical nurse specialists, specialist clinical educators, physiotherapists, transition lead, social workers, clinical psychologist, music therapists, play and activity co-ordinator, admissions liaison nurses, artists in residence, a chaplain, bereavement counsellors, cultural liaison officers and care support staff.

We look after children and their families from as early as the antenatal period and continue to look after young people with life-limiting conditions, particularly providing valuable continuity during the transition period where care is transferred from paediatrics to adult services. Care extends through the course of the illness from diagnosis, to end of life.

Our team takes a lead in a number of local, national and international groups including the Royal College of Paediatrics and Child Health Paediatric Palliative Medicine Specialist Committee, Association of Paediatric Palliative Medicine and the Children and Young People's Advance Care Plan Collaborative. In addition, the team take an active role in palliative care education and research, including being principal site investigators for national studies.

Hospice at Home
The Hospice at Home service is a specialist palliative care service, delivered in the community by doctors, nurses and clinical nurse specialists. This means that children can receive specialist palliative care in a place of their choosing. Symptom control, end of life care, advance care planning and time-critical memory making can be delivered in the home environment, should that be the preferred place of care for the family. End of life and urgent care can be provided within the family home, in conjunction with local care providers. The Hospice at Home team support hospital teams with urgent discharge from hospital to home for end-of-life care if that is the family's wish. This support helps ensure thorough and robust planning to ensure the transfer happens safely and smoothly as well as in a timely manner.

Hospital In-reach
Members of our team are able to in-reach into hospitals within the region, to support hospital teams in their delivery of palliative care. This includes:

- Doctors and CNS- Advance care planning; symptom control advice; preferred place of death support; End of Life care support; support with difficult conversations; multi-disciplinary team meetings; signposting and staff support/supervision; support with care after death.
- Music therapists deliver sessions in hospitals to improve family experience and act as a resource for other healthcare staff

Our cooled bedrooms for care after death

There are two additional bedrooms within Martin House, and one within Whitby Lodge, which we call our 'Little Rooms'. These rooms can be cooled, and we also have blankets and mattresses which cool the body enabling a baby, child or young adult to remain at the hospice after they have died. Parents and siblings can stay at the hospice as well, and it gives them the opportunity to navigate the process of saying goodbye to their child or young person in their own time and in their own way. Families have often said how precious it was to be able to spend this kind of time with their child, when they are also confronted with the demands of making funeral arrangements and resuming some of the activities of daily life.

Clinical Education

Martin House is committed to promoting a culture of learning and development. We have embedded externally validated competencies across all areas of care, ensuring we meet the complex needs of the children and young people we support.

We are committed to developing our contribution to palliative care education outside Martin House, building relationships with stakeholders including neighbouring hospices, community teams, other NHS provider organisations, and universities throughout the region. The Martin House Research Centre is a further example of our investment into clinical research and education.

We promote Martin House as a learning environment for professional student placements. As part of our commitment to developing the specialty of paediatric palliative medicine, we have continued to support a trainee paediatrician based at Martin House and a specialist trainee in Paediatric Palliative Medicine. We accommodate medical, nursing and allied health student placements.

Family Support Team

The care we provide at Martin House is holistic and this is underpinned by the work of our family support team. Clinical psychologists, bereavement counsellors, a chaplain, music therapists, artists-in residence and a play and activity co-ordinator ensure that family stays are about more than just receiving clinical care. Our wider team are also skilled at providing holistic support.

Clinical Psychology

Martin House has a Clinical Psychologist who provides specialist knowledge and skills, ensuring optimal psychological and emotional care for the children and for their families. We now also have an Advanced Family Support and Wellbeing Practitioner who is also able to provide highly-specialised family support, alongside our psychologist.

Bereavement team

The bereavement team offers support to families who have lost a child or young person under any circumstances, including those who had life-limiting conditions and children who died suddenly. This is a resource that families can make use of in a wide variety of ways. We offer individual or family meetings, face to face, over the telephone or remotely. Support is family-centred and tailored to individual need. In addition to individual sessions there are groups for bereaved parents, grandparents and siblings.

Chaplain

This role serves to promote holistic pastoral and spiritual care within Martin House. It aims to help the hospice respond sensitively to the needs of families from a wide variety of cultures and faiths. Our chaplain also provides pre-bereavement family support.

Research

Martin House is a leading research active organisation in the field of palliative care for children and young people. Specifically, this entails:

- contributing to the national and international research base on palliative care
- developing and maintaining strong collaborative links with the wider academic and palliative care communities
- identifying and supporting appropriate areas of research, developing research awareness and capability within staff
- informing, where appropriate, the strategic development of Martin House

Martin House has established a children's palliative care research centre, in collaboration with the University of York. The Martin House Research Centre was launched in partnership with the University of York in January 2017, with funding from both the hospice and the university. Establishment and support of the Martin House Research Centre demonstrates our commitment to research and advancement in the field of children's palliative care. This is one of only two research establishments in children's palliative care in the UK - the other being at Great Ormond Street Hospital.

The Martin House Research Centre provides a multi-disciplinary hub for research in the holistic care and support of children and young people with palliative care needs, their families and professionals working in palliative care. The Centre's outputs help to ensure that all children and families receive equitable, high-quality care. There are three PhD students attached to the Centre and a regular research forum for all staff at Martin House. The Research Centre has enjoyed fantastic progress with several successful bids for external funding for specific research projects.

Organisational Development

Martin House has restructured the Strategic Leadership Team to provide specialist knowledge input from a Finance, Health and Safety and People Perspective. This has led to a more collaborative and informed approach and has helped ensure that the strategic developments for 2022/23 are more aligned across the organisation.

Pay and Reward

Martin House invested in our people this year, following feedback from our staff survey and working closely with our Finance Team, the People Team has conducted a Pay and Reward Review. This review resulted in an increase to all employee salaries and enhanced benefits such as enhanced maternity pay and pension contributions. It has been a timely piece of work given the rising inflation and cost of living. We have already seen that these new salaries and benefits have made us a more attractive employer, as an increasing number of candidates are applying for our vacancies.

Wellbeing

Martin House has a wellbeing strategy this recognises the organisation's work to be an employer of excellence which cares for our employees welfare. Martin House has a representative from the people team on the Mindful Employer Steering Group for Leeds, demonstrating our commitment to making Martin House a safe and nurturing environment to work, our participation gives us opportunity to influence the tools developed by the lead organisations (MIND, Mindwell) through the identification of emerging trends. We also have our own in house working group who look at

wellbeing (HSWE), who have driven the direction of the wellbeing strategy. We are focusing our strategy on first correcting our basic wellbeing needs, such as work/life balance, financial and emotional wellbeing.

Learning and Development
Martin House developed and delivered a Management Development Programme. This has aimed to help upskill our managers on their people management skills and also widen their understanding of other business critical areas, such as Finance and Health and Safety. The programme pilot is shortly concluding and has so far received positive feedback.

Employee Engagement
Over the past 12 months Martin House has relaunched its Staff forum, now known as 'Martin House Matters', this has helped re-engage our workforce post pandemic, enabled there to be a safe space for employees to raise matters of interest and encourage greater collaboration and consultation across the organisation. The Health, Safety, Wellbeing and Environment group has also continued to evolve into an effective resource for ensuring a proactive, continuous improvement approach to these topics. The HR team have also been actively engaging in the Hospice HR network where they have been working collaboratively with other hospice leaders to benchmark pay and resources, in addition to sharing best practice.

Work Design
This year Martin House has reviewed its onboarding process to ensure new employees get the best first impression of the Hospice. This has included formal process mapping, new forms to ensure management policy compliance and a new regular 'Corporate Induction' morning. The new induction has in particular received very good initial feedback.

HR have also reviewed all their policies, including a full rewrite of the employee handbook and introduction of a Family Friendly policy. All our risk assessments have also undergone a full review and re-roll out and staff agreement is now being recorded.

HR have also continued to develop their dashboard to continue to encourage evidenced based decision making and enable us to better identify trends.

Digital Transformation
Expansion and investment into the IT/digital team has provided us with resources to build the platform on which we can start our Martin House digital transformation journey.

As laid out in the digital strategy, significant changes and improvements have been made to the Martin House ICT and digital infrastructure over the last year. The focus has been to reduce the risk facing us, due to running on old, unreliable, and obsolete data serving equipment.

To enable this digital change, we have undertaken and completed a full procurement of a new IT & digital cloud-based infrastructure, along with selecting a new implementation partner and support provider.

We have successfully upgraded Martin House infrastructure and moved all the main data systems to the cloud. The move to Azure cloud-based systems has given the organisation a new level of access to flexible and home working and is a major end user improvement.

We continue to meet the NHS Data Security and Protection Toolkit standards, demonstrating our compliance with the stringent data handling requirements of the NHS.

Facilities

The Facilities Team have worked closely with all teams across the organisation, in particular the Clinical and Retail teams, to implement Covid secure measures required to continue operating. During the year we have continued with our ongoing programme of maintenance and redecoration at the hospice and gardens to ensure our accommodation for children and families is safe, comfortable and appealing until our refurbishment and new-build project is underway.

The Facilities Team have reviewed their structure to continue to support the organisation and as a result have added new roles which include a Facilities Manager, Maintenance Operative and a Safety, Health and Environmental Advisor (apprenticeship role supported by Arco). We have also reviewed the structure of the Housekeeping Team to best support the clinical team on family changeover days.

Health & Safety

Martin House is committed to reporting, monitoring and reviewing Health and Safety information to aid continual improvement. Significant focus has been placed on the development and implementation of Covid secure risk assessments, safe systems and guidelines to help manage through the pandemic.

We have continued to improve our Health & Safety practice during the year, completing actions on our plan in preparation for ISO:45001 accreditation. The Health, Safety, Wellbeing and Environmental (HSWE) Group has continued to play an important part in developing the Health & Safety agenda and embedding good practice across Martin House.

We have updated our health and safety shared area and developed our document register to provide version control and ease of access across the organisation..

We have reviewed a number of policies, procedures and risk assessments and supported teams with the development of safe systems of work.

We have also worked with the clinical leadership team to combine the health, safety, environmental and facilities audit schedule with the clinical audit schedule to improve approach and efficiencies and ensure standardised reporting to internal audits, which has worked very well.

Fundraising

The Martin House Fundraising team have worked hard this year to recover from Covid as positively as possible and as a result have had a brilliant year. We saw the return of our much-loved events programme, our regional fundraisers have been able to get back into our local communities and our partnerships team have moved away from virtual meetings and back to face to face. It's thanks to our loyal supporters that we have been able to recover so well and can now look to the future to continue to build on our 10-year plans.

The events team have been able to get back to some sort of normal, hosting our Dragon Boat race in person once again, raising vital funds. We could also deliver our Three Peaks and One Peak Wander and added some new events to our portfolio such as the Abseil and our very first National Three Peaks events which were a huge success. Much of the year was dedicated to planning for the in person return of our sparkling Glitter Ball event at Rudding Park.

The corporate partnerships income is slowly recovering from the pandemic and we have been grateful for the return of face to face conversations with our partners and prospects. As part of the Together for Short Lives network, we have been busy with the Morrisons partnership, which will raise vital funds for our work. We are incredibly thankful for the support that all of our partners have shown us, not just over the past financial year but on the whole, and we are excited to watch this income stream grow.

The regional fundraising team continue to be incredibly active in increasing our profile across the region. It is due to events and relationships across the patch that such strong income within the regional team was generated this year. We are incredibly fortunate to have such dedicated supporters within the area who we can work with to grow and maximise all income and awareness generating activity.

The income we have received from legacies has once again been incredibly generous - hugely contributing to our overall annual income. We were also able to deliver our second Christmas direct mail sharing an emotional story of one of our family's experiences at Martin House which was incredibly well received across the region and generated much awareness and income.

We have been able to get back out recruiting lottery players face to face which has seen an excellent response and had an incredible 61% increase in players from the first draw of the year to the last.

Fundraising standards and compliance

Martin House is a well-respected regional charity that is very much part of the communities we serve, aiming to deliver high standards in everything we do - be this in the care we provide or in our fundraising activities.

We strive to achieve the highest fundraising standards and we value our wonderful supporters. We expect our fundraising team to act honestly and with integrity at all times and to ensure we remain compliant with all the laws and guidelines that govern us.

We want to inspire trust in our supporters and ensure that all supporters have an excellent experience when donating to Martin House.

We stay up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) to make sure we are legally compliant and adhering to all guidelines. Our fundraisers also follow the Institute of Fundraising's Code of Practice and we are registered with the Fundraising Regulator.

We take our supporters' data very seriously and we collect and process data in accordance with the Data Protection Act 2018 and the General Data Protection Regulation.

We do not pass our supporters' details to any other charity or organisation for their marketing purposes. We do however need to share limited information about our supporters in order to send them our newsletter which is done by an external mailing house, and in all such cases we have our supporters' explicit permission to do so. Any external groups acting on our behalf have to sign an agreement confirming that they will process all our data properly and maintain confidentiality.

We take appropriate physical, electronic and managerial measures to ensure we keep supporters' information secure, accurate and up to date and we only keep it as long as is reasonable and necessary.

Income Generation Complaints
We work hard to ensure that we deliver a high quality service to our supporters but we may not always get it right. If this happens, we would like to hear about it as soon as possible so we can resolve the problem. If, after this, a supporter feels as though the issue has not been resolved then they may make a complaint. Details of how to complain are listed on our website. In the last year we have received 4 complaints relating to fundraising activity. These have all been resolved quickly.

Retail
2021-2022 has seen Martin House retail bounce back after Covid and delivered some exceptional results. Our supporters and donors have remained loyal and the shops are now back to the pre-Covid capacity. Martin House retail is following the trend of national retailers and like many local shops are bouncing back after Covid better than some of the larger, city centre shops. In addition to our clothing shops, eBay and the furniture warehouse have performed very strongly in the last year.

Communications
Martin House has improved external communications this year with the launch of our new Martin House website in April 2022. Our new site is modern, accessible and easy to navigate, and has been designed to optimise the experience of all users.

Financial review
Principal sources of income
Our principal sources of income are statutory funding, investment income, income from our shops and, by far the largest source, fundraising from the public.

We are reliant upon fundraising from the public to fund the large majority of our annual running costs. This funding comes to Martin House as donations, legacies, and profits made in our shops. We continue to be overwhelmed by the generosity of the public in supporting us in our charitable objectives.

Grant funding (excluding Covid-19 grant support) from the NHS Clinical Commissioning Groups and NHS England towards the cost of our service provision covered around 29% of our expenditure on charitable activities, and represents 21% of our total income.

Result for the year
The Trustees had anticipated incurring a significant deficit this year, resulting in large from the anticipated impact on fundraising of the pandemic and planned investment in recruiting of staff. The result for the year is a deficit of £935,353. The deficit was less than anticipated and follows significant efforts by the income generation team to adapt our ways of fundraising in the face of challenging circumstances. The government support in response to the pandemic assisted our operation and included the national hospice wide grants, the furlough scheme and the Kickstart scheme. In the year, Covid funding amounted to £157,045. This has been treated as restricted income and was fully spent in the period.

Our financial position has been managed carefully for over 35 years, allowing us to build reserves. We are fortunate that these reserves are currently providing us with some security and stability, whilst we face a number of significant challenges in high inflationary times.

To support our planned investment, the Trustees have agreed a medium term financial plan that will see significant annual deficits incurred for the next few years, to be funded from our reserves, before returning to break-even. The trustees have designated reserves of £4.3m to cover the anticipated deficits.

The Trustees believe that this strategy is a good and appropriate use of our reserves and are confident that we will remain financially sustainable and able to support our children and families in the longer term. These deficits are necessary to ensure that we continue to invest in and improve our services to children and young people.

Our hospice building is now over 35 years old and plans are underway to shortly undertake an extensive part-rebuild and refurbishment of the premises over the next few years, having received planning permission in late 2020. This will require significant investment and, although we are raising funds through a capital appeal, we also intend to fund this project in part from our reserves. The Trustees have designated reserves of £10.5m to contribute to the cost of the project.

Financial position

The Balance Sheet shows total funds at 30 April 2022 of £23,412,459 Unrestricted funds (which includes both designated and general funds) are represented by tangible fixed assets of £4,176,808, investments of £18,510,387 and net current assets of £723,302.

Reserves policy

As noted above, we anticipate a significant reduction in the level of our free reserves in the short-term, enabling us to make the necessary improvements to ensure the long-term viability of Martin House for the children and families who need our services, now and in the future. With this in mind, the Trustees have approved a revised reserves policy, as follows:

(a) The Trustees feel that it is prudent to target a minimum level of free unrestricted reserves sufficient to cover the full operating costs of the hospice (care, fundraising, administration and governance) for at least six months, enabling the charity to tolerate short-term variations in its income streams, and meet the development needs set out in the strategic plan.

(b) The Trustees also consider that a minimum of three months' operating costs (which form part of the above-mentioned six months of operating costs) should be held in free reserves, in cash and short-term investment assets capable of conversion into cash within 14 days, to enable steady cash flow management.

Martin House makes a long-term commitment to those families that depend on its services and needs to provide a reliable and consistent service beyond the immediate future. The Trustees recognise that unrestricted reserves are necessary to secure future services, meet unexpected expenses, absorb setbacks and take advantage of change and opportunities for development when they arise. The Trustees also recognise that much of the organisation's income is uncertain and susceptible to fluctuations beyond its control. Having assessed these risks, the Trustees' aim is to build and maintain a financial cushion against the uncertainties that affect our operating environment whilst also generating income to help meet current operating costs.

Although the reserves policy refers to at least six months' running costs being held in unrestricted free reserves at all times, the Trustees consider that ideally, one year's running costs, anticipated to be approximately £10,500,000 by 2024, should be our aim to provide appropriate security against such uncertainties.

In anticipation of deficits, alongside an extensive refurbishment and new-build programme, the Trustees recognise that during the period of the strategic plan it may not be the case that at all times we will hold one year's running costs in reserve, but this is the target minimum level that we would plan to return to within the five year period of the strategic plan.

At 30 April 2022, our free reserves, including investment funds not designated for a particular purpose, were £4,354,235 (after deducting a projected figure of £4.3m committed to the deficit budget and £10.5m committed to the rebuild project). While this represents less than a year's running costs, this level of reserves amounts to 6 months of current costs and is therefore in line with our required minimum of 6 months running costs at all times.

Over the years, the Trustees have been able to invest surplus free reserves in an Investment Fund, to provide long-term commitment and support to the families dependent on Martin House. The annual income generated by the Investment Fund makes a valuable contribution to our annual running costs. The majority of our free reserves are currently invested in this fund, and it is the intention of the Trustees that the Investment Fund will be reduced during the next 5 years, as required, to help to fund both the deficits arising and our hospice refurbishment and new-build project.

Investment Policy

The Trustees' investment policy is to produce the best financial return within an acceptable level of risk. The investment objective is to generate a total return in excess of inflation over the long term whilst generating an income to support on-going activities.

The Trustees recognise that they have a duty to consider the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments. At present, no investment restrictions are placed on the investment managers, Brewin Dolphin, who manage the portfolio on a discretionary basis. In the year, Trustees requested that reporting on our investments should include analysis to inform on all aspects of the environmental, social and corporate governance characteristics of our portfolios. The Trustees will review their position at each annual review of the investment policy. The Trustees reviewed the investment policy in 2021 and agreed not to make any changes.

In order to meet the medium-term cashflow requirements of the strategic plan, Martin House currently has two investment portfolios. The 'long term' portfolio is invested to mitigate the risk of inflation over the long term (10 years or more), with a moderate investment risk. The 'medium-term' portfolio (3-5 years) adopts a lower risk profile and has a bias to income rather than capital growth.

For the year ended 30 April 2022, the long term portfolio gave a total return of -1.71% compared to the MSCI WMA Balanced Index total return of +2.63%. The medium-term portfolio gave a total return of -1.09% compared to the MSCI WMA Conservative Index total return of -0.92%.

Plans for future periods

2019-24 Strategic Plan

Following the end of our previous Strategic Plan for 2015-18, the team at Martin House created a new and ambitious 2019-24 Strategic Plan. This plan was adopted and approved by the Board of Trustees in January 2019.

The key strategic aims of the new strategy are:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters

The Strategic Plan is supported by three Directorate Plans:

- Care Directorate Plan
- Income Generation Directorate Plan
- Corporate Services Directorate Plan

These Directorate Plans set out the objectives that will ensure that our key strategic aims are achieved. Each year during the 2019-24 strategic plan period, an annual Operational Plan is being produced that ensures that we work towards achieving our overall strategic objectives.

Principal risks and uncertainties

Our approach to risk management was reviewed and updated following the adoption of the new 2019-24 Strategic Plan. Our new Risk Management Policy and Framework was approved by Trustees in April 2019. It is reviewed annually by Trustees to ensure it remains fit for purpose.

The major risks to which Martin House is exposed and the systems in place to mitigate those risks are set out in the strategic risk register. This is reviewed monthly by the Strategic Leadership Team and quarterly by the Finance and Resources Committee. The Clinical Effectiveness Committee reviews a more detailed operational risk register at each meeting to review clinical risks. The strategic risk register is included in the Board papers for every meeting of Trustees.

The Trustees believe there is an effective system of risk management in place and that all major risks are being mitigated satisfactorily.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure and Governing Documents

Martin House is a registered charity and a company limited by guarantee. The company was incorporated on 1 May 1986 and registered as a charity on 28 April 1987. It is governed by a Memorandum and Articles of Association, which were amended at an EGM on 21 July 2016, following a comprehensive review by the Trustees. The charity has a wholly-owned subsidiary, Martin House (Shops) Limited, which is incorporated in the UK and registered in England (company number 2166209).

The Board of Trustees acts collectively and is responsible for the overall philosophy and strategic direction of Martin House and ensuring that the charity is solvent, well-run, acts within its governing document and other relevant legislation. The Board meets at least quarterly and delegates the general management and operational activities of the hospice to the Strategic Leadership Team, via the Chief Executive.

The Board has a Scheme of Delegation, which sets out which of its powers may be delegated and to whom. This is reviewed regularly and revised as appropriate.

The Board is supported by a number of committees and working groups, each of which has clear terms of reference:

- The Finance and Resources Committee exercises oversight of Martin House's finances, including its systems of financial control and risk management, budgets and accounts, capital expenditure and the management of its investments and cash resources. The Committee also reviews the results of the annual statutory audit and oversees the conduct and appointment of our auditors. The Committee is also responsible for employee remuneration, terms and conditions and policies and practices.

- The Clinical Effectiveness Committee provides assurance to the Board that Martin House has a robust framework for the management of clinical systems and processes and that clinical care is patient/service user-centred, safe, of high quality, evidence based, appropriate and provides good outcomes.
- The Martin House Research Centre Partnership Committee is a joint committee with The University of York, established in January 2017 to oversee the effective operation of the Martin House Research Centre.
- The Build Project Board - established in 2020 to oversee the rebuild/refurbishment project and advise the Board of Trustees in relation to the project.

Charity Governance Code

The Charity Governance Code for Larger Charities was published by the Charity Commission in July 2017. This Code is designed as a tool to support continuous improvement. Compliance is not mandatory - trustees are encouraged to meet the principles and outcomes of the Code by either applying the recommended practice or explaining what they have done instead or why they have not applied it. Charity boards that are using this Code effectively will regularly revisit and reflect on the Code's principles.

Martin House is committed to complying with best practice in relation to governance. Trustees have performed a full self-assessment of compliance against the seven principles included within the Code.

Trustees concluded that the hospice is compliant with the vast majority of the Code. The following areas were identified as areas of non-compliance with the Code:

- The Board of Trustees at Martin House currently consists of 13 Trustees, which is higher than the number recommended as good practice within the Charity Code of Governance (5.6.2). The Board of Trustees have reviewed the membership of the Board and at this time consider that a Board of 13 members is required to bring the broad range of skills and experience required to meet the current strategic objectives.

- Six Trustees, Jenny Wilkinson, Stephen Plews, Zoe Donaldson, Tim Halstead, Mike Millington and Jenny Slee, have served on the Board of Martin House for more than nine years. Their reappointment has been subject to rigorous review in accordance with the Charity Code of Governance (5.7.4). The Board considers that they bring unique and invaluable experience of Martin House gained over many years and that the need for need for progressive refreshing of the board is suitably met elsewhere.

The charity considers that it is compliant with the Code in all other aspects.

In accordance with the requirements of the Code of Governance, the hospice maintains a register of Trustee and senior staff interests. The following interests have been declared by Trustees and senior staff:

Trustees

Name	Declaration(s)
Anne-Marie Childs	Employed as a full time NHS Consultant at LTHT with an Honorary Senior Lecturer Contract at the University of Leeds. Trustee of SMA UK. The Principle Investigator in several Commercial Research Studies exploring novel therapies in Duchenne Muscular Dystrophy and Spinal Muscular Atrophy. Contributed to advisory boards for Sarepta, Biogen, Roche, Novartis, Santhera and PTC Therapeutics. Received sponsorship to attend academic meetings, in particular the European Paediatric Neurology Society Meeting in Glasgow this year.
Zoe Donaldson	Deputy Director for NHS England. Husband is a GP in the locality.
Tim Halstead	Director and Chief Operating Officer, Switalskis Solicitors Limited Director of Martin House (Shops) Ltd
Rifhat Malik MBE	Director Of Give a Gift charity Executive Board Member of LCP HATCH covering East and North East Leeds.
Patricia McKinney	Nil
Mike Millington	Global Business Director of Croda International plc
Stephen Plews	Nil
Sue Rumbold	Trustee of a charity based in Leeds called SNAPs which supports children with special needs and parent support
Gordon Singer	Partner at PricewaterhouseCoopers LLP
Jenny Slee	Nil
Tim Straughan	Director of NHS England Non Executive Director of Spectrum CIC Director of Citizone Limited Director of Martin House Shops (Ltd) Husband of Alison Straughan, an employee of Martin House
Jenny Wilkinson	Director of Martin House (Shops) Ltd
Barry Wright (resigned 21 July 2022)	Now retired from the NHS and the University of the Hull York Medical School. Whilst working for the University of York, was in the same department as Professor Lorna Fraser who leads the Martin House Research Centre.

Senior Staff

Name	Declaration(s)
Clair Holdsworth	Nil
Rebecca Wynne	Nil
Victoria Greensmith	Nil
Antoinette Stewart	Nil
Lindsey Fellowes-Freeman	Nil

Our Trustees

The Trustees, who are also Directors, are the members of the charitable company, the equity being limited by guarantee and therefore having no share capital. As at 30 April 2022, Martin House has 13 Trustees.

The Trustees retiring by rotation at the next annual Trustees' meeting are Barry Wright (resigned 21 July 2022), Patricia McKinney, Tim Halstead and Rifhat Malik. Patricia McKinney, Tim Halstead and Rifhat Malik are eligible for re-election. The power of appointment rests with the members of the Board.

All the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements. The Trustees who served during 2021/22 are:

Dr Anne-Marie Childs	Member of the Clinical Effectiveness Committee
Zoe Donaldson	
Timothy J Halstead LLB	Chair of the Board of Trustees Member of the Finance and Resources Committee
Rifhat Malik MBE	Member of the Clinical Effectiveness Committee
Professor Patricia McKinney	Member of the Clinical Effectiveness Committee
Michael Millington BSc Hons MBA	Member of the Finance and Resources Committee
Stephen A Plews	Member of the Finance and Resources Committee
Sue Rumbold	Vice Chair of the Board of Trustees Member of the Clinical Effectiveness Committee
Gordon Singer	Member of the Finance and Resources Committee
Jenny Slee (Cromack) LLB	Member of the Clinical Effectiveness Committee
Tim Straughan	Chair of the Finance and Resources Committee
Jennifer Wilkinson	Member of the Clinical Effectiveness Committee
Professor John Barry Wright	Chair of the Clinical Effectiveness Committee (resigned 21 July 2022)

Non-Trustees serving on Board Committees during 2021/22 were:

Nick Lane Fox	Member of the Finance and Resources Committee

Our People

Martin House employs, 198 staff (161 FTE). The Chief Executive, who is appointed by and accountable to the Board, is responsible for the operation of Martin House and leads a Strategic Leadership Team. In 2021/22 this comprised:

Clair Holdsworth	Company Secretary and Chief Executive
Rebecca Wynne	Director of Income Generation
Victoria Greensmith	Director of Clinical Services
Antoinette Stewart	Director of People and Resources
Lindsey Fellowes-Freeman	Director of Finance and Corporate Governance

The Strategic Leadership Team lead the following directorates:

(a) the clinical services directorate. This consists of:
- the care team, which delivers the care and support to children, young people and their families
- the medical team, which provides consultant and doctor led medical care to children, young people and their families

(b) the corporate services directorate. This consists of:
- the facilities team, who maintain and develop the buildings, grounds and equipment
- the IT team, who maintain and develop the IT hardware and software
- the people and development team, who lead on HR policy and advice, learning and development and volunteer development
- the finance and administration team, who ensure the efficient and smooth running of the organisation

(c) the income generation directorate. This consists of:
- the fundraising team, who raise the voluntary income required to deliver our services
- the retail team, who manage and develop our 12 shops and other retail operations
- the marketing and communications team, who promote our services and ensure good communications with all stakeholders

Volunteers

Martin House is supported by over 300 volunteers in a range of roles that enhance our work across the organisation.

This includes our stalwart teams of retail volunteers who (numbering over 200 people), other volunteering roles we offer also provide administrative and maintenance support at the hospice, and community-focused representation such as Friends' groups and ambassadors. Our Trustees are also all volunteers.

Our Volunteer Forum are a 20 strong group who feed directly into volunteering policy and procedures. In 2022 we will have completed our journey to achieve the Investing in Volunteers Award, which will give us a Nationally recognised status of an organisation whose commitment to volunteering is a core focus.

Remuneration Policy

Remuneration of the CEO and members of the Strategic Leadership Team (SLT) is determined by the Board of Trustees, which delegates responsibility for recommending SLT salaries to the Finance and Resources Committee (FRC). The FRC is also responsible for determining and recommending to the Board the policy for remuneration and reward of employees at Martin House, the pay structure for all employees and the level of any annual cost of living increase, taking into account appropriate benchmarks (including NHS rates for clinical staff and the Croner/Hospice UK annual hospice rewards survey) and prevailing inflation rates. In addition, the FRC is responsible for monitoring the effectiveness of all remuneration, terms and conditions and policies and keeping them under appropriate review.

Ambassadors

Ambassadors do not have any formal role in the governance of the charity but assist by extending our reach and raising our profile:

Gareth Southgate OBE: England National Football Team Manager and ex-professional footballer

Christine Talbot: TV presenter and broadcaster

Duncan Wood: TV presenter and broadcaster

We are thankful for their continued and generous support of Martin House.

Legal and Administrative Information

Charity name:	Martin House
Charity registration number:	517919
Company registration number:	02016332
Registered office and operational address:	Grove Road, Boston Spa, Wetherby, LS23 6TX

Subsidiary Undertaking

Company name:	Martin House (Shops) Ltd
Company registration number:	02166209

The principal activities of the trading subsidiary are the sale of bought goods and goods sold as agent. The subsidiary has performed satisfactorily during the year, and all profits generated are donated to Martin House.

Advisors

Auditor:
Azets Audit Services Limited, Chartered Accountants,
Triune Court, Monks Cross Drive, York YO32 9GZ

Investment Managers:
Brewin Dolphin,
10 Wellington Place, Leeds LS1 4AN

Principal Bankers:
Barclays Bank Plc
25 James Street, Harrogate HG1 1QX

Auditor:
Azets Audit Services Limited were appointed auditor to the charitable company following their acquisition of the trade of Garbutt & Elliott Audit Limited on 1 December 2021. In accordance with s487(2) of the Companies Act 2006 they are deemed reappointed annually.

The Trustees, in their capacity as Directors, hereby approve the Trustees' Annual Report and the incorporated Strategic Report.

T Halstead

Timothy J Halstead
Chair

Date: 13th October 2022

Statement of Trustees' Responsibilities in Respect of the Trustees' Report and the Financial Statements

The Trustees (who are also directors of Martin House for the purposes of company law) are responsible for preparing the Trustees' Annual 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, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

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

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 Auditor's Report to the Members of Martin House

Opinion

We have audited the financial statements of Martin House (the "parent charity") and its subsidiary (the "group") for the year ended 30 April 2022 which comprise the consolidated statement of financial activities, the company and consolidated balance sheets, the consolidated cash flow statement and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 30 April 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 both the group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

Independent Auditor's Report to the Members of Martin House *(continued)*

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of the Trustees
As explained more fully in the Trustees' responsibilities statement, the Trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Martin House *(continued)*

Our responsibilities for the audit of the financial statements

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

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.

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

Extent to which the audit was considered capable of identifying irregularities, including fraud

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Trustees and other management, and from inspection of the charity's regulatory and legal correspondence. We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The group and parent charitable company are subject to laws and regulations that directly affect the financial statements including company law, charity law, financial reporting legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, particularly safeguarding, medicines, environmental, health and safety and employment legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the group and the parent charitable company to commit fraud. Our risk assessment procedures included: enquiry of Trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

Independent Auditor's Report to the Members of Martin House *(continued)*

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular completeness, the risk that income is recognised in the wrong reporting period, or that restricted income is incorrectly recognised within unrestricted income; and
- subjective accounting estimates.

Both fraud risks arise due to a potential desire to present the results in a differing light to suit management objectives. As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias;
- testing the recognition of income and in particular that it was recognised in the correct period and any restrictions recognised; and
- testing the control environment around cash takings, including segregation of duties and cash reconciliations.

Owing to 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 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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



27/10/2022

Alan Sidebottom (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

Date: .....

Chartered Accountants
Statutory Auditor

Triune Court
Monks Cross Drive
York
YO32 9GZ

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2022

	Note	2022 Unrestricted Funds – General £	2022 Unrestricted Funds – Designated £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Income from:						
Donations		1,998,578	-	94,311	2,092,889	1,816,615
Legacies		1,240,716	-	-	1,240,716	1,786,971
Income from charitable activities:						
Funding from Clinical Commissioning Groups		-	-	870,301	870,301	743,883
NHS England grants		-	-	828,549	828,549	521,097
Covid 19 grants		-	20,305	136,740	157,045	1,274,258
Other income		59,846	-	17,024	76,870	68,707
Other trading activities:						
Income from retail operations		1,672,940	-	-	1,672,940	815,993
Fundraising events and lottery		812,793	-	-	812,793	453,342
Other activities for generating funds		29,705	-	-	29,705	35,934
Income from investments	3	372,342	-	-	372,342	408,308
Total income		6,186,920	20,305	1,946,925	8,154,150	7,925,108
Expenditure on:						
Expenditure on raising funds:						
Cost of generating voluntary income	5	1,425,856	-	-	1,425,856	801,830
Cost of retail operations	5	1,214,442	18,262	-	1,232,704	1,054,910
Cost of fundraising events, lottery and other activities	5	583,213	-	-	583,213	354,830
Investment managers cost	5	70,474	-	-	70,474	61,539
Expenditure on charitable activities	6	3,848,293	2,043	1,926,920	5,777,256	5,587,920
Total expenditure	7	7,142,278	20,305	1,926,920	9,089,503	7,861,029
Net (expenditure)/income before net (losses)/gains on investments	2	(955,358)	-	20,005	(935,353)	64,079
Net (losses)/gains on investments		-	(661,498)	-	(661,498)	3,400,628
Net income/(expenditure) before transfers		(955,358)	(661,498)	20,005	(1,596,851)	3,464,707
Transfers between funds	17	110,950	129	(111,079)	-	-
Net movement in funds for the year		(844,408)	(661,369)	(91,074)	(1,596,851)	3,464,707
Funds brought forward at beginning of year		5,665,680	19,173,102	170,528	25,009,310	21,544,603
Funds carried forward at end of year	18	4,821,272	18,511,733	79,454	23,412,459	25,009,310

The results for the year all relate to continuing operations.

A detailed statement of financial activities for the comparative year is shown in note 21 to the financial statements.

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

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

Balance Sheet
as at 30 April 2022

		Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets					
Tangible assets	*9*	**4,176,808**	3,871,876	**4,176,808**	3,871,876
Investments	*10*	**18,510,385**	19,173,102	**18,510,387**	19,173,104
		22,687,193	23,044,978	**22,687,195**	23,044,980
Current assets					
Stock	*11*	**28,194**	4,601	**24,066**	-
Debtors	*12*	**1,183,721**	1,638,559	**1,194,659**	1,638,559
Cash on deposit, at bank and in hand	*13*	**907,297**	1,898,416	**896,123**	1,886,161
		2,119,212	3,541,576	**2,114,848**	3,524,720
Creditors: amounts falling due within one year	*14*	**(1,393,946)**	(1,577,244)	**(1,391,546)**	(1,755,459)
Net current assets		**725,266**	1,964,332	**723,302**	1,769,258
Net assets		**23,412,459**	25,009,310	**23,410,497**	24,814,241
Funds of the charity:					
Restricted funds	*17*	**79,454**	170,528	**79,454**	170,528
Unrestricted funds are represented by:					
Covid-19 Fund	*17*	**-**	-	**-**	-
Deficit budget fund	*17*	**4,300,000**	4,346,846	**4,300,000**	4,346,846
Refurbishment fund	*17*	**10,500,000**	10,451,806	**10,500,000**	10,451,806
Other investment funds	*17*	**3,711,733**	4,374,450	**3,711,735**	4,374,452
Total unrestricted designated funds		**18,511,733**	19,173,102	**18,511,735**	19,173,104
Unrestricted tangible fixed assets	*18*	**4,176,808**	3,871,876	**4,176,808**	3,871,876
Undesignated general funds	*18*	**644,464**	1,793,804	**642,500**	1,598,733
Total unrestricted funds		**23,333,005**	24,838,782	**23,331,043**	24,643,713
		23,412,459	25,009,310	**23,410,497**	24,814,241

The notes on pages 28 to 43 form part of these financial statements.

These financial statements were approved by the board of Trustees on 13th October 2022 and were authorised for issue and signed on its behalf by:

T J Halstead
Trustee

T Straughan
Trustee

Consolidated Cash Flow Statement
for the year ended 30 April 2022

	2022		2021	
	£	£	£	£
Cash flows from operating activities:				
Net cash (used in) operating activities		**(719,290)**		(311,901)
Cash flows from investing activities:				
Dividends, interest and rents from investments	**336,063**		369,607	
Purchase of tangible fixed assets	**(641,885)**		(268,433)	
Proceeds from the sale of tangible fixed assets	**32,774**		5,705	
Payments to acquire investments	**(2,823,233)**		(4,394,424)	
Proceeds from the sale of investments	**3,134,813**		3,825,324	
Net cash provided by/(used in) investing activities		**38,532**		(462,221)
Change in cash and cash equivalents in the year		**(680,758)**		(774,122)
Cash and cash equivalents at the beginning of the year		**1,965,890**		2,740,012
Cash and cash equivalents at the end of the year		**1,285,132**		1,965,890

Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£	£
Net (expenditure)/income for the year	**(1,596,851)**	3,464,707
Depreciation charge	**329,522**	328,605
Losses/(gains) on investments	**661,498**	(3,400,628)
Dividends, interest and rents from investments	**(372,342)**	(408,308)
(Profit) on sale of fixed assets	**(25,343)**	(4,340)
(Increase) in stock	**(23,593)**	(79)
Decrease/(increase) in debtors	**491,117**	(238,473)
(Decrease) in creditors	**(183,298)**	(53,385)
Net cash (outflow) from operating activities	**(719,290)**	(311,901)

Analysis of changes in net funds

	At 30 April 2021	Cash flow	At 30 April 2022
	£	£	£
Cash at bank and in hand	1,898,416	(991,119)	907,297
Cash equivalents	67,474	310,361	377,835
	1,965,890	(680,758)	1,285,132

Notes to the Financial Statements for the Year Ended 30 April 2022

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity Information

Martin House is a company limited by guarantee, the liability of the members is limited to one pound, and a charity registered in England and Wales. The registered office is Martin House, Grove Road, Boston Spa, Wetherby, LS23 6TX.

Accounting Convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

Going Concern

The charitable company meets its daily working capital requirements through its bank account which had funds of £900k at 30 April 2022. The charity relies heavily upon funding from voluntary donations, legacies and grants, which all contain elements of uncertainty. Given the charitable company's favourable fundraising record and the level of free reserves available at the year end, the Trustees consider that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Martin House (Shops) Limited on a line-by-line basis. The summarised profit and loss account for the subsidiary is shown in note 4. A separate Statement of Financial Activities, including the income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006. The gross income of the charity was £8,078,988 *(2021: £7,997,167)* and the net expenditure was £898,315 *(2021: net income* £34,167*)* (before gains/losses on investments in each year).

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant. The purpose and use of the restricted funds is set out in note 17.

Designated funds are unrestricted funds designated by the Trustees for a particular purpose.

Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Income
Income is recognised in the year in which entitlement arises, receipt is probable and the amount can be reliably measured. Income is deferred:

- where the charitable company has to fulfil conditions before becoming entitled to it,
- where the income is received specifically for expenditure in a future accounting period, or
- where donations, sponsorship and entry fees are received in anticipation of an event to be held in a future accounting period.

Legacies
Pecuniary and residuary legacies are recognised when received or before receipt if there is sufficient evidence of entitlement to the legacy, receipt is probable and can be measured with sufficient reliability.

Gifts in kind and volunteers' contributions
Martin House benefits greatly from a variety of gifts in kind and voluntary contributions. Gifts donated for resale are included as income when they are sold. Fixed assets donated to the charity are included as donation income at market value at the time of receipt. Consumables and small items donated for fundraising activities are not recognised in the financial statements. No amounts are included in the financial statements for services donated by volunteers.

Expenditure and irrecoverable VAT
Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT that cannot be recovered. Expenditure is allocated directly to a particular activity where costs relate directly to that activity.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fundraising costs
These include the salaries, direct expenditure and overhead costs of the fundraising team as well as lottery and event costs, investment management costs and the cost of our retail operations.

Charitable activity costs
These include the salaries, direct expenditure and overhead costs of the care and support team.

Operating leases
Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Pensions
Employees who have previously worked for the NHS are entitled to continue to contribute to the NHS Pension Scheme subject to certain conditions. The NHS Scheme is an unfunded final salary scheme operated by the National Health Service. The contributions are calculated so as to spread the cost of pensions over employees' working lives, whilst they remain in qualifying employment, in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of periodic valuations, and any deficit is underwritten by the Treasury.

The scheme is not designed to be run in a way that would enable employers of eligible employees to identify their share of the underlying scheme assets and liabilities, and the scheme is unfunded. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the amount charged against profits represents the contributions payable to the scheme.

Staff not entitled to join the NHS Scheme are automatically enrolled into a defined contribution scheme, in accordance with current pension legislation. In addition, the defined contribution scheme is offered on the same terms to staff not meeting the criteria for automatic enrolment. The amount charged against profits for the scheme represents the contributions payable to the scheme in respect of the accounting period.

Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Staff costs
The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

Investments
Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio, see note 10, is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the statement of financial activity.

For the purposes of the cash flow statement, the short-term cash deposits held for reinvestment within the long term investment fund have been treated as cash.

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided on investment properties.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

Fixed assets and depreciation
Fixed assets are stated at cost. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2-4% straight line
Furniture and fittings	-	25% straight line
Office furniture and equipment	-	20% to 33% straight line
Vehicles	-	25% reducing balance

All capital expenditure over £250 is capitalised as an asset.

Stocks
Purchased goods for resale are valued at the lower of cost and net realisable value.

Donated items of stock for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to assess the amount of donated stock held as there is no system in place to record these items or value them until they are sold. The value of these goods to the charity is instead recognised when they are sold in the shops.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

Notes to the Financial Statements *(continued)*

1 Accounting Policies *(Continued)*

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Depreciation of tangible assets
Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

Legacies
Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

Tax
Martin House is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

Notes to the Financial Statements *(continued)*

1 Accounting Polices *(Continued)*

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary were gift aided to the parent charitable company in both the current and prior financial year, no corporation tax has arisen.

2 Net expenditure

	2022	2021
	£	£
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	**329,522**	328,605
Loss/(profit) on disposal of fixed assets	**(25,343)**	(4,340)
Auditor's remuneration – audit of charity and subsidiary company accounts	**12,900**	11,900
Operating lease rentals – land and buildings	**202,695**	172,166
Operating lease rentals – equipment	**25,379**	20,153

3 Income from investments

	2022	2021
	£	£
Gross dividends and interest receivable from listed investments	**363,181**	395,937
Interest from building society and banks	**186**	3,071
Property rent	**8,975**	9,300
	372,342	408,308

4 Subsidiary company

The charity has a wholly owned subsidiary, Martin House (Shops) Limited which is incorporated in the UK and registered in England (company number 2166209). The company undertakes various trading activities including the sale of bought goods, the sale of goods as agent, and other trading activities on behalf of the charity. Non-primary purpose trading of the group such as bought good sales in the hospice shops are transacted through the trading subsidiary, Martin House (Shops) in order to adhere with HMRC regulations on non-primary purpose trading within charities. A summary of its trading results for the period is shown below. The company donates all taxable profits to Martin House under Gift Aid.

	2022	2021
	£	£
Profit and loss account		
Turnover	**75,971**	93,097
Cost of sales	**(30,486)**	(34,783)
Gross profit	**45,485**	58,314
Grant Income	**-**	190,783
Rent and rates	**(6,149)**	(7,172)
Staff costs	**(25,607)**	(30,600)
Other expenses	**(10,958)**	(15,825)
Interest payable to parent company	**(809)**	(430)
Profit for the year	**1,962**	195,070

Balance Sheet	£	£
Share capital	**2**	2
Profit and loss account	**1,962**	195,070
Total shareholders' funds	**1,964**	195,072

Investment in the wholly owned subsidiary is carried at cost of £2 *(2021: £2)* in the balance sheet of the charity.

The profit for the year is to be gifted to the charitable parent company, however as no deed of covenant exists the distribution has not been recognised in these financial statements.

Notes to the Financial Statements *(continued)*

5 Expenditure on raising funds

For the year ended 30 April 2022	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Costs of generating donations & legacies			
Staff costs (Note 8)	924,986	-	924,986
Publicity and newsletters	286,330	-	286,330
Professional fees	17,869	-	17,869
Other	196,671	-	196,671
	1,425,856	-	1,425,856
Cost of retail operations			
Staff costs (Note 8)	610,337	-	610,337
Other	622,367	-	622,367
	1,232,704	-	1,232,704
Lottery and event costs			
Staff costs (Note 8)	132,393	-	132,393
Other	450,820	-	450,820
	583,213		583,213
Investment management costs	70,474	-	70,474

For the year ended 30 April 2021	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Costs of generating donations & legacies			
Staff costs (Note 8)	550,768	-	550,768
Publicity and newsletters	80,564	-	80,564
Professional fees	14,275	-	14,275
Other	156,223	-	156,223
	801,830	-	801,830
Cost of retail operations			
Staff costs (Note 8)	528,104	-	528,104
Other	526,806	-	526,806
	1,054,910	-	1,054,910
Lottery and event costs			
Staff costs (Note 8)	135,682	-	135,682
Other	219,148	-	219,148
	354,830	-	354,830
Investment management costs	61,539	-	61,539

Notes to the Financial Statements *(continued)*

6 Expenditure on charitable activities

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Provision of care:						
Staff costs (Note 8)	1,821,632	1,885,392	3,707,024	1,613,555	2,023,852	3,637,407
Consumables	186,772	-	186,772	105,649	-	105,649
Other	416,788	18,541	435,329	379,200	5,251	384,451
Research	111,836	-	111,836	159,816	-	159,816
Support costs:						
Staff costs (Note 8)	767,238	22,426	789,664	777,801	38,636	816,437
Establishment	546,070	561	546,631	482,902	1,258	484,160
	3,850,336	1,926,920	5,777,256	3,518,923	2,068,997	5,587,920

7 Total expenditure

Year ended 30 April 2022	Staff costs £	Depreciation £	Other costs £	Total £
Charitable activities	4,496,688	245,435	1,035,133	5,777,256
Costs of generating funds	1,667,716	84,087	1,560,444	3,312,247
Total expenditure	6,164,404	329,522	2,595,577	9,089,503

Year ended 30 April 2021	Staff costs £	Depreciation £	Other costs £	Total £
Charitable activities	4,453,844	159,488	892,314	5,505,646
Costs of generating funds	1,214,554	82,274	1,058,555	2,355,383
Total expenditure	5,668,398	241,762	1,950,869	7,861,029

8 Staff numbers and costs

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

	Average headcount 2022 No.	2021 No.	Average FTE 2022 No.	2021 No.
Charitable activities – care team and support	129	130	108	107
Fundraising and shops	62	56	54	49
	191	186	162	156

The aggregate payroll costs of these persons were as follows:

	2022 £	2021 £
Wages and salaries	5,327,572	4,899,108
Social security costs	461,438	410,105
Other pension costs (Note 15)	375,394	359,185
	6,164,404	5,668,398

Included in the above costs is £199,119 *(2021:* £192,606*)* in respect of members of the medical team contracted to the charity by a local NHS trust.

Notes to the Financial Statements *(continued)*

8. Staff numbers and costs (continued)

The Trustees do not receive any remuneration. During the year no expenses were paid to Trustees *(2021: £nil)*. Trustees are not included in the average number of employees. In accordance with the Memorandum of Association the charity purchased charity Trustee indemnity insurance. The cost of this insurance included in the Statement of Financial Activities was £920 *(2021: £920)*.

The number of higher paid employees is disclosed below.

	2022	2021
	No.	No.
£60,000 to £70,000	1	1
£70,001 to £80,000	1	1
£80,001 to £90,000	1	-
£90,001 to £100,000	-	-

Pension contributions totalling £21,114 *(2021: £6,385)* were made for the three (2021: two) higher paid employees.

The key management personnel of the charity (and group) comprise the Trustees and the senior management team. The total employee benefits of the 5 *(2021: 5)* key management personnel employed by the charity (and group) were £328,408 *(2021: £249,921)*.

9. Tangible fixed assets

CHARITY AND GROUP	Freehold land and buildings	Assets under construction	Furniture and fittings	Office furniture and equipment	Vehicles	Total
	£	£	£	£	£	£
Cost						
At beginning of year	4,805,271	427,200	1,584,605	1,017,324	241,707	8,076,107
Additions	-	393,514	85,422	128,454	34,495	641,885
Disposals	-	-	-	(315)	(80,940)	(81,255)
At end of year	4,805,271	820,714	1,670,027	1,145,463	195,262	8,636,737
Depreciation						
At beginning of year	1,920,046	-	1,367,304	767,587	149,294	4,204,231
Charge for year	94,771	-	116,170	95,450	23,131	329,522
On disposals	-	-	-	(221)	(73,603)	(73,824)
At end of year	2,014,817	-	1,483,474	862,816	98,822	4,459,929
Net book value						
At 30 April 2022	**2,790,454**	**820,714**	**186,553**	**282,647**	**96,440**	**4,176,808**
At 30 April 2021	2,885,225	427,200	217,301	249,737	92,413	3,871,876

The cost of freehold land and buildings includes £75,000 *(2021: £75,000)* of land which is not depreciated.

10. Fixed asset Investments

CHARITY	2022	2021
	£	£
Listed investments (Note 10(a))	**17,982,540**	18,955,618
Cash held as part of investment portfolio	**377,835**	67,474
Investment in Martin House (Shops) Limited (Note 4)	**2**	2
Unlisted investment	**10**	10
Investment property (Note 10(b))	**150,000**	150,000
	18,510,387	19,173,104

Notes to the Financial Statements *(continued)*

10. Fixed asset Investments (continued)

GROUP	2022	2021
	£	£
Listed investments (Note 10(a))	**17,982,540**	18,955,618
Cash held as part of investment portfolio	**377,835**	67,474
Unlisted investment	**10**	10
Investment property (Note 10(b))	**150,000**	150,000
	18,510,385	19,173,102

These investments both in income and long-term growth support the work of the hospice.

10(a) Listed investments

	2022	2021
	£	£
Market value at beginning of year	**18,955,618**	14,985,891
Additions	**2,823,233**	4,394,424
Disposal proceeds	**(3,134,813)**	(3,825,324)
Realised and unrealised investment gains	**(661,498)**	3,400,626
Market value at end of year	**17,982,540**	18,955,618
Historical cost at end of year	**14,033,725**	13,228,271

10(b) Investment property

	2022	2021
	£	£
Market value at beginning and end of year	**150,000**	150,000

The historical cost of the investment property was deemed to be £133,000.

The Trustees have estimated the fair value of the investment property, with reference to other similar property transactions in the vicinity. A professional valuation has not been obtained as the Trustees do not consider it necessary due to the non-specialist nature of the investment property. The Trustees conclude that there has been no material change in the fair value during the year.

The carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £18,132,540 (2021: £19,105,618).

11. Stock

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Goods for resale	**5,948**	4,601	**1,820**	-
T-shirt stock fundraising (not for resale)	**22,246**	-	**22,246**	-
	28,194	4,601	**24,066**	-

Notes to the Financial Statements *(continued)*

12 Debtors

	Group		Charity	
	Due within one year 2022	Due within one year 2021	**Due within one year 2022**	Due within one year 2021
	£	£	**£**	£
Amounts due from Martin House (Shops) Limited	**-**	-	**10,938**	-
Accrued income and prepayments	**1,104,717**	1,638,559	**1,104,717**	1,638,559
VAT recoverable	**79,004**	-	**79,004**	-
	1,183,721	1,638,559	**1,194,659**	1,638,559

13 Cash at bank, in hand and on deposit

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Bank and building society deposits	**905,155**	1,896,776	**895,154**	1,885,634
Cash in hand	**2,142**	1,640	**969**	527
	907,297	1,898,416	**896,123**	1,886,161

14 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade creditors	**264,887**	239,399	**264,887**	239,399
Other taxes and social security costs	**127,491**	133,019	**127,491**	133,019
Other creditors	**156,255**	68,323	**156,255**	67,091
Accruals and deferred income	**845,313**	1,136,503	**842,913**	1,134,103
Amounts due to Martin House (Shops) Limited	**-**	-	**-**	181,847
	1,393,946	1,577,244	**1,391,546**	1,755,459

The amounts due to Martin House (Shops) Limited include a loan of £nil (2021:£5,000) due from Martin House (Shops) Limited covered by a debenture dated 30 April 1992 which provides for interest to be paid at 3% over Barclays Bank Plc base rate. The debenture is secured by a floating charge over all the assets of the company and there is no fixed date of repayment.

Notes to the Financial Statements *(continued)*

15 Pension costs

The hospice operates two pension schemes: the NHS Scheme and a defined contribution scheme, both of which are treated as defined contribution schemes as disclosed in Note 1.

	2022	2021
	£	£
NHS Pension Scheme	**234,743**	232,976
Defined contribution scheme	**140,651**	126,209
	375,394	359,185

NHS Scheme

Eligible employees are able to remain in the NHS Pension Scheme. The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and employees of other approved organisations. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of the benefits payable, and the basis for the valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

16 Commitments

Total commitments for future minimum lease payments under non-cancellable operating leases as follows:

CHARITY AND GROUP

	Land and buildings 2022	**Equipment 2022**	Land and buildings 2021	Equipment 2021
	£	**£**	£	£
Within one year	**162,815**	**9,443**	191,302	14,927
More than one year and less than 5 years	**317,963**	**3,959**	397,168	13,402
More than 5 years	**88,063**	**-**	129,411	-
	568,841	**13,402**	717,881	28,329

Notes to the Financial Statements *(continued)*

17 Statement of funds

For the year ended 30 April 2022	As At 1 May 2021	Income	Expenditure	Investment (losses)	Transfers	As at 30 April 2022
GROUP	£	£	£	£	£	£
Unrestricted funds						
General funds	5,665,680	6,186,920	(7,142,278)	-	110,950	**4,821,272**
Designated funds						
Covid-19 fund	-	20,305	(20,305)	-	-	-
Deficit budget fund	4,346,846	-	-	-	(46,846)	**4,300,000**
Refurbishment fund	10,451,806	-	-	-	48,194	**10,500,000**
Other investment funds	4,374,450	-	-	(661,498)	(1,219)	**3,711,733**
Total designated funds	19,173,102	20,305	(20,305)	(661,498)	129	**18,511,733**
Total unrestricted funds	24,838,782	6,208,225	(7,163,583)	(661,498)	111,079	**23,333,005**
CHARITY						
Unrestricted funds						
General funds	5,470,609	6,307,828	(7,070,079)	-	110,950	**4,819,308**
Designated funds						
Covid-19 fund	-	20,305	(20,305)	-	-	-
Deficit budget fund	4,346,846	-	-	-	(46,846)	**4,300,000**
Refurbishment fund	10,451,806	-	-	-	48,194	**10,500,000**
Other investment funds	4,374,452	-	-	(661,498)	(1,219)	**3,711,735**
Total designated funds	19,173,104	20,305	(20,305)	(661,498)	129	**18,511,735**
Total unrestricted funds	24,643,713	6,328,133	(7,090,384)	(661,498)	111,079	**23,331,043**
GROUP AND CHARITY						
Restricted Funds						
NHS England grant	-	763,549	(763,549)	-	-	-
Pension indexation funding	-	65,000	(65,000)	-	-	-
Clinical Commissioning Groups' grants	-	870,301	(870,301)	-	-	-
Hospice UK	-	136,740	(136,740)	-	-	-
Garden Fund (was Whitby Lodge Courtyard project)	16,500	-	(4,500)	-	(656)	**11,344**
Rebuild (was Whitby Lodge Courtyard project)	28,975	-	-	-	-	**28,975**
Wet wheels trips/ Art Fund	12,200	-	(12,200)	-	-	-
Music and animation suite	25	-	(25)	-	-	-
Other capital funds	12,853	-	(3,604)	-	(9,249)	-
Care equipment (regional team for care)	4,989	-	-	-	-	**4,989**
Other restricted donations	1,142	1,000	(2,142)	-	-	-
Trust donations for project/designated spend	2,404	-	(2,404)	-	-	-
Network co-ordinator	32,268	17,024	(17,024)	-	(32,268)	-
Children's Palliative Care Network	12,608	-	(5,965)	-	(6,643)	-
Primary care for young people	11,400	-	(5,800)	-	(5,600)	-
Donations care equipment	6,112	4,906	(1,000)	-	(9,406)	**612**
Donations capital (baths, decoration, chair, training)	29,052	88,405	(36,666)	-	(47,257)	**33,534**
	170,528	1,946,925	(1,926,920)	-	(111,079)	**79,454**

Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

For the year ended 30 April 2021	As At 1 May 2020	Income	Expenditure	Investment gains	Transfers	As at 30 April 2021
GROUP	£	£	£	£	£	£
Unrestricted funds						
General funds	5,148,103	5,458,653	(4,931,008)	-	(10,068)	**5,665,680**
Designated funds						
Covid-19 fund	505,475	355,549	(861,024)	-	-	-
Deficit budget fund	5,000,000	-	-	-	(653,154)	**4,346,846**
Refurbishment fund	4,000,000	-	-	-	6,451,806	**10,451,806**
Other investment funds	6,739,622	-	-	3,400,628	(5,765,800)	**4,374,450**
Total designated funds	16,245,097	355,549	(861,024)	3,400,628	32,852	**19,173,102**
Total unrestricted funds	21,393,200	5,814,202	(5,792,032)	3,400,628	22,784	**24,838,782**
CHARITY						
Unrestricted funds						
General funds	4,982,945	5,339,930	(4,842,198)	-	(10,068)	**5,470,609**
Designated funds						
Covid-19 fund	505,475	355,549	(861,024)	-	-	-
Deficit budget fund	5,000,000	-	-	-	(653,154)	**4,346,846**
Refurbishment fund	4,000,000	-	-	-	6,451,806	**10,451,806**
Other investment funds	6,739,624	-	-	3,400,628	(5,765,800)	**4,374,452**
Total designated funds	16,245,099	355,549	(861,024)	3,400,628	32,852	**19,173,104**
Total unrestricted funds	21,228,044	5,695,479	(5,703,222)	3,400,628	22,784	**24,643,713**
GROUP AND CHARITY						
Restricted Funds						
NHS England grant	-	454,269	(454,269)	-	-	-
Pension indexation funding	-	66,828	(66,828)	-	-	-
Clinical Commissioning Groups' grants	-	743,883	(743,883)	-	-	-
Hospice UK	-	727,927	(727,927)	-	-	-
Whitby Lodge Courtyard project	45,475	-	-	-	-	**45,475**
Wet wheels trips/ Art Fund	12,200	-	-	-	-	**12,200**
Music and animation suite	25	-	-	-	-	**25**
Other capital funds	14,149	-	(1,296)	-	-	**12,853**
Care equipment (regional team for care)	11,038	-	(6,049)	-	-	**4,989**
Other restricted donations	1,481	-	(339)	-	-	**1,142**
Trust donations for project/designated spend	22,158	-	-	-	(19,754)	**2,404**
Network co-ordinator	32,214	39,893	(39,839)	-	-	**32,268**
Children's Palliative Care Network	12,663	-	(55)	-	-	**12,608**
CNS & bereavement funding	-	20,000	(20,000)	-	-	-
Primary care for young people	-	15,000	(3,600)	-	-	**11,400**
Donations care equipment	-	6,612	-	-	(500)	**6,112**
Donations capital (baths, decoration, chair, training)	-	36,494	(4,912)	-	(2,530)	**29,052**
	151,403	2,110,906	(2,068,997)	-	(22,784)	**170,528**

Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

Unrestricted funds
General funds – these represent the free reserves and fixed assets of the charity that are not designated or restricted for particular purposes.

The Trustees have designated elements of the investment fund for specific purposes, as follows:

Deficit budget fund – funds of £4.3m have been designated to cover the deficits anticipated in the next 3-5 years.

Refurbishment fund – funds of £10.5m have been designated to contribute towards the cost of our extensive refurbishment plans.

The remainder of our designated funds held in investments are held to comply with our policy of holding one year's running costs in reserves.

Restricted funds – represent monies received for specific purposes as follows:

NHS England Grant – this is a grant received to support us in our aim to continue the provision of the high level of specialist care for the children and families in Yorkshire.

Pension indexation funding – is a contribution from NHS England towards the cost of our employer's NHS pension contributions.

Clinical Commissioning Groups' (CCGs) grants – are grants received from CCGs covering East, North and West Yorkshire and the Humber. Each contributes towards the cost of care provided by Martin House to children and young people and their families in the respective geographical areas served by each CCG.

Hospice UK - The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support between 2020 and 2022 for the same purpose.

Whitby Lodge Courtyard Project – consists of charitable donations to fund the redevelopment of the Lodge Courtyard area for the enjoyment of our teenagers and young adults.

Wet Wheels Trip 2020/Art Fund – Funding for boat trip experience provided by Ilkley Round Table and art fund– grant from The D'Oyly Carte Trust for the art therapy programme 2020/21.

Music and animation suite – funding from individuals and the Ed de Nunzio Charitable Trust to create a music and animation suite in the hospice.

Other capital funds – consist of contributions from Trusts and other sources for specific items of equipment.

Care equipment – funding for care equipment from individuals and Trusts.

Other restricted donations – donations for small equipment, bereavement library and Christmas party.

Trust donations for project/designated spend – funding for vehicles, beds and garden grant from Trusts.

Network co-ordinator – this was a project to support the co-ordination of the Yorkshire and Humber Children and Young People's Palliative Care Network (YHCYPPCN) and was transferred to Leeds Teaching Hospitals Trust in the year.

Children's Palliative Care Network – this is funding received to meet the cost of network meetings and conferences of the YHCYPPCN.

CNS & bereavement funding & primary care for young people – 'Global Make Some Noise' and The Ed de Nunzio Charitable Trust to provide specialist nursing care.

Notes to the Financial Statements *(continued)*

Donations care equipment – funding from individuals and clubs for specialist chairs, baths, Oxford Text Book and a small restricted pot of funds not yet specified.

Donations capital (baths, decoration, chair, training) – capital funding from Trusts for the specialist bath appeal. Palliative care training for doctors.

Transfers
Transfers totalling £111,079 have been made from restricted to general funds where capital expenditure has been incurred from restricted funds, and the assets purchased are held for a general purpose within the charity with no ongoing restrictions in use.

18 Analysis of net assets between funds

As at 30 April 2022		Tangible fixed assets	Investments	Net current assets	Total
GROUP		£	£	£	£
Restricted funds		-	-	79,454	**79,454**
Unrestricted funds	- Designated	-	18,511,733	-	**18,511,733**
	- Other	4,176,808	(1,348)	645,812	**4,821,272**
		4,176,808	18,510,385	725,266	**23,412,459**
CHARITY					
Restricted funds		-	-	79,454	**79,454**
Unrestricted funds	- Designated	-	18,511,735	-	**18,511,735**
	- Other	4,176,808	(1,348)	643,848	**4,819,308**
		4,176,808	18,510,387	723,302	**23,410,497**

As at 30 April 2021		Tangible fixed assets	Investments	Net current assets	Total
GROUP		£	£	£	£
Restricted funds		-	-	170,528	**170,528**
Unrestricted funds	- Designated		19,173,102	-	**19,173,102**
	- Other	3,871,876	-	1,793,804	**5,665,680**
		3,871,876	19,173,102	1,964,332	**25,009,310**
CHARITY					
Restricted funds		-	-	170,528	**170,528**
Unrestricted funds	- Designated	-	19,173,104	-	**19,173,104**
	- Other	3,871,876	-	1,598,733	**5,470,609**
		3,871,876	19,173,104	1,769,261	**24,814,241**

The unrestricted designated investment fund includes unrealised gains on investments of £3,947,177 (2021: £5,727,347).

19 Contingent Liabilities

The charity is party to a cross guarantee in respect of a group VAT registration. At 30 April 2022 the total group VAT balance was a debtor of £79,004 *(2021:* creditor of £21,799*)*.

Notes to the Financial Statements *(continued)*

20 Related Party Transactions

During the year, Martin House conducted the following transactions with its subsidiary, Martin House (Shops) Limited:

Martin House levied rent on Martin House (Shops) Limited amounting to £5,921 (2021: £nil), and interest amounting to £809 (2021: £430).

At 30 April 2022, Martin House had a debtor balance of £10,938 owed by Martin House (Shops) Limited (2021: £181,847 creditor balance).

During the year the charity paid £17,758 (2021: £16,996) to the spouse of one of its Trustees, Tim Straughan, who is employed by the charity in a part-time role.

21 Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2021

	2021 Unrestricted Funds – General £	2021 Unrestricted Funds – Designated £	2021 Restricted Funds £	2021 Total Funds £
Income from:				
Donations	1,738,509	-	78,106	1,816,615
Legacies	1,786,971	-	-	1,786,971
Income from charitable activities:				
	-	-	743,883	743,883
NHS England grants	-	-	521,097	521,097
Covid 19 grants	190,782	355,549	727,927	1,274,258
Other income	28,814	-	39,893	68,707
Other trading activities:				
Income from retail operations	815,993	-	-	815,993
Fundraising events and lottery	453,342	-	-	453,342
Other activities for generating funds	35,934	-	-	35,934
Income from investments	408,308	-	-	408,308
Total income	5,458,653	355,549	2,110,906	7,925,108
Expenditure on:				
Expenditure on raising funds:				
Cost of generating voluntary income	801,830	-	-	801,830
Cost of retail operations	1,054,910	-	-	1,054,910
Cost of fundraising events, lottery and other activities	354,830	-	-	354,830
Investment managers cost	61,539	-	-	61,539
Expenditure on charitable activities	2,657,899	861,024	2,068,997	5,587,920
Total expenditure	4,931,008	861,024	2,068,997	7,861,029
Net income/(expenditure) before net (losses)/gains on investments	527,645	(505,475)	41,909	64,079
Net gains/(losses) on investments	-	3,400,628	-	3,400,628
	527,645	2,895,153	41,909	3,464,707
Transfers between funds	(10,068)	32,852	(22,784)	-
Net movement in funds for the year	517,577	2,928,005	19,125	3,464,707
Funds brought forward at beginning of year	5,148,103	16,245,097	151,403	21,544,603
Funds carried forward at end of year	5,665,680	19,173,102	170,528	25,009,310

MARTIN HOUSE

England & Wales - Charity number 517919

Accounts

Martin House (Limited by Guarantee)
Trustees' report and financial statements
Company registered number 02016332
Charity registration number 517919
For the year ended 30 April 2021

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Trustees' Report

The Trustees, who also act as Directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 30 April 2021.

OBJECTIVES AND ACTIVITIES

The ***mission*** of Martin House is to help children and young people with a life-limiting condition, along with their families, to live well and fully, offering the best possible end of life care and support to the family in bereavement.

Our ***vision*** is that every child and young person has access to palliative care when and where they need it.

Our core ***values,*** which guide all we do, are:

- being child and family focused
- listening to and valuing each other
- delivering high standards in everything we do
- being flexible, responsive, open and honest
- working holistically and in collaboration with others
- being dedicated, compassionate and caring

All our services are free of charge to the families we care for. The Charity Commission's general guidance on public benefit is taken into consideration in all our reviews and plans.

Strategic Aims

Our key strategic aims are to:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters.

Our current strategic objectives are set out in our Strategic Plan 2019-24, which is available on our website at www.martinhouse.org.uk.

Our achievements and performance against our 2020/21 objectives are set out in the Strategic Report, below.

Activities

To achieve our objectives, we deliver high-quality, holistic and specialist palliative care services for children and young people with life-limiting conditions, and their families, from diagnosis to death and beyond. These include:

- planned care/short breaks
- symptom management
- emergency care
- end of life care
- community care (in the home and other community settings)
- bereavement care
- psychological care and emotional support
- spiritual and pastoral care
- a programme of clinical research and education

Most of these services are delivered from a purpose-built hospice set in six acres of beautiful grounds in Boston Spa, near Wetherby in West Yorkshire. The hospice, the second children's hospice in the UK at the time, was opened in 1987. Since then, it has developed continuously in order to meet the changing needs and expectations of the children, young people and their families who use our services.

The hospice has 9 beds in the House, which cares for the younger children, and 6 beds in Whitby Lodge, which cares for teenagers (from age 13) and young adults up to age 25 (and occasionally beyond). This was the first purpose-built teenage and young adult unit in the UK (possibly the world) when it was built in 2002. In addition, there are 9 family bedrooms where parents and siblings can stay and 3 'little rooms' (cooled bedrooms) where children and young people can stay after death until their funeral. Other facilities include a chapel, sensory room, playroom, teenage and young adult recreation area (the Den), recording studio, art room, music room, education/seminar room and outdoor play areas.

Children and young people can be referred, or self-refer, to Martin House at any point from diagnosis, between the ages of 0-19, if they have a life-limiting condition and live in East, North or West Yorkshire. Children's palliative care encompasses the whole family and continues throughout the life of the child or young person, and beyond for their family.

STRATEGIC REPORT
Achievements and Performance

Palliative Care

As at 31 March 2021, we were actively caring for 425 children and young people and their families. In addition, we provided bereavement support to 180 families.

During the year to 31 March 2021, we:

- received 86 new referrals, of which 70 were accepted;
- accepted 23 new referrals for our community bereavement service;
- delivered 849 nights' care for life-limited children and young people in the hospice (565 in Martin House and 284 in Whitby Lodge);
- provided 341 overnight stays for parents, 91 overnight stays for siblings and 48 overnight stays for others of life-limited children and young people;
- provided 74 overnight stays in the little rooms;
- delivered 1,311 hours of care at home and in the community;
- delivered 1,116 hours of bereavement support; and
- provided 96 hours of day care.

Sadly, 89 of the children and young people we were caring for died during 2020/2021. Of these, 12 died at Martin House, 19 died at home, 56 died in hospital and 2 died elsewhere.

Our care team

Our care team consists of specialist and experienced staff who can look after the children and young people staying at the hospice and in the community. It includes doctors, nurses (including children's and learning disability nurses), physiotherapists, occupational therapists, social workers, clinical psychologist, music therapists, artists in residence, a chaplain, bereavement counsellors and general care support staff.

There are always children's nurses on shift, alongside other team members with a range of skills and expertise, who can ensure that all the needs of the children can be met. The team are able to care for children with a wide range of needs, including those with complex care needs.

The role of the Medical Team at Martin House

Specialist cover in paediatric palliative medicine for the catchment area of Martin House is provided from and based at Martin House. Doctors see children and their families in the hospice, in their homes, and also in hospital. They provide specialist palliative care involving symptom control, end of life care and advanced care planning. They are able to assist in breaking bad news, difficult decision making and other ethical discussions. Our doctors are available for queries/consultation/referrals twenty-four hours a day, seven days a week by telephoning Martin House.

The team consists of two part-time Consultants in Paediatric Palliative Medicine (one of whom acts as our Chief Medical Officer) and two full-time equivalent speciality doctors, who, between them, deliver the 24/7 on-call rota. Martin House and Leeds Teaching Hospitals Trust also support a specialist trainee in Paediatric Palliative Medicine, as well as other trainees, during their rotations.

The doctors often assist and support children and young people and their families in gaining access to other services and also liaise with other members of the multi-disciplinary team. They are often asked by children and young people to advocate on their behalf, and our team is linked with the Yorkshire and Humber Children's Palliative Care Network (YHCPCN), as well as a number of local, national and international groups.

The medical team look after children and their families from as early as the antenatal period and continue to look after young people with life-limiting conditions, particularly providing valuable medical continuity during the transition period where care is transferred from paediatricians to adult consultants.

Community support

Martin House offers community care to support families within their own home or hospitals. The community team consists of experienced registered staff, including 4 clinical nurse specialists.

The team provides cover seven days a week. Hours worked are flexible according to a family's needs. Night care is offered in an emergency for end of life care or, on occasion, where crisis respite is needed. Our community service is provided in partnership, and aims to complement other appropriate services, including children's community nursing teams, health visiting services and social services.

Hospice at Home

The Hospice at Home service is a specialist palliative care service, delivered in the community by doctors, nurses and clinical nurse specialists. This means that children can receive specialist palliative care in a place of their choosing. Symptom control, end of life care, advance care planning and time critical memory making can be delivered in the home environment, should that be the preferred place of care for the family. End of life and urgent care can be provided within the family home in conjunction with local care providers.

Crisis Outreach

Our community and in-house nurses are able to respond to requests for support in the home setting. This is often in response to social or carer need, as opposed to the clinical need provided for in the Hospice at Home service.

Hospital In-reach

Members of our team are able to in-reach into hospitals within the region, to support hospital teams in their delivery of palliative care. This includes:

- Doctors and CNS- Advance care planning; symptom control advice; preferred place of death support; End of Life care support; support with difficult conversations; MDT meetings; signposting and staff support/supervision; support with care after death
- Music therapists deliver sessions in hospitals to improve family experience and act as a resource for other healthcare staff

Clinical Psychology

Martin House has a Clinical Psychologist who provides specialist knowledge and skills, ensuring optimal psychological and emotional care for the children and for their families. The psychological input is tailored to each individual's and family's needs and is flexible; sometimes taking the form of a one-off consultation, other times working over a longer period with the child and/or their families. This can provide opportunities to explore anxieties and dilemmas and consider alternative ways of dealing with them. The children and their families may be seen at Martin House or in their homes or in hospital, whichever is best for them.

Chaplain

This role serves to promote holistic pastoral and spiritual care within Martin House. These aspects of our care include occasions of remembrance, such as our annual day of remembrance, and reflective practice, such as small supervision groups. It also aims to help the hospice respond sensitively to the needs of families from a wide variety of cultures and faiths. Our chaplain also provides pre-bereavement family support.

Bereavement team

The bereavement team offers support to families who have used Martin House; to families whose child had a life-limiting condition but who did not use the hospice and also to families who have lost a child suddenly. This is a resource that families can make use of in a wide variety of ways, which range from individual or family meetings to less frequent, remote contact by telephone or text. Support is family-centred and tailored to individual need. We offer this service for up to two years. In addition to individual sessions there are groups for bereaved parents, grandparents and siblings, which meet as part of an annual programme.

Our cooled bedrooms for care after death

There are two additional bedrooms within Martin House, and one within Whitby Lodge, which we call our 'Little Rooms'. These rooms can be cooled, and we also have blankets and mattresses which cool the body enabling a baby, child or young adult to remain at the hospice after they have died. Parents and siblings can stay at the hospice as well, and it gives them the opportunity to navigate the process of saying goodbye to their child or young person in their own time and in their own way. Families have often said how precious it was to be able to spend this kind of time with their child, when they are also confronted with the demands of making funeral arrangements and resuming some of the activities of daily life.

Collaboration and Networking

Martin House is very committed to working collaboratively and in partnership with others to support the needs of children, young people and their families and the development of children's palliative care and we do that in a range of ways.

Martin House is integral to the Yorkshire and Humber Children's Palliative Care Network (YHCPCN) along with the three other children's hospices in the region and the two children's hospitals. We have representation on the Executive Committee and both sub-groups: clinical and education.

Martin House works in collaboration with other adult and children's hospice providers across Yorkshire and at a regional and national level. Included within this is an active role within the West Yorkshire and Harrogate Hospice Providers Collaborative and similarly with the Yorkshire wide and Humber Coast and Vale networks on a clinical and strategic level.

Martin House is an active member of national networks including Together for Short Lives and Hospice UK.

Martin House has established a children's palliative care research centre (The Martin House Research Centre) in collaboration with the University of York - see below.

Clinical Education

Martin House is committed to promoting a culture of learning and development. We are working to promote externally validated competence across all areas of care, ensuring we meet the complex needs of the children and young people we support.

As part of YHCPCN, our practice educators establish links with other hospices to implement innovative strategies for collaborative working across the Yorkshire region. All within the team are committed to developing our contribution to palliative care education outside of Martin House, building relationships with stakeholders including neighbouring hospices, community teams, other NHS provider organisations, and universities throughout the region.

We promote Martin House as a learning environment for professional student placements. As part of our commitment to developing the specialty of paediatric palliative medicine, we have continued to support a trainee paediatrician based at Martin House and a specialist trainee in Paediatric Palliative Medicine. We accommodate medical, nursing and allied health student placements.

Organisational Development

Martin House invested in our People this year, introducing a Head of People & Development and HR administrator to support our HR Manager. HR have been at the centre of the Charity's rapid and proactive response to the pandemic and have played a central role in keeping the workforce informed, productive and resilient. The introduction of a new People Scorecard and Dashboard has meant that we are able to monitor, forecast, analyse and make evidence based decisions about our workforce and demographic. Using this data will support us in the future to formulate a long term, post COVID, People Strategy and workforce plan which aligns to our strategic objectives.

Research

Martin House is a leading research active organisation in the field of palliative care for children and young people. Specifically, this entails:

- contributing to the national and international research base on palliative care
- developing and maintaining strong collaborative links with the wider academic and palliative care communities
- identifying and supporting appropriate areas of research, developing research awareness and capability within staff
- informing, where appropriate, the strategic development of Martin House

The Martin House Research Centre was launched in partnership with the University of York in January 2017 with funding from both the hospice and the university. Establishment and support of the Martin House Research Centre demonstrates our commitment to research and advancement in the field of children's palliative care. This is one of only two research establishments in children's palliative care in the UK - the other being at Great Ormond Street Hospital.

The Martin House Research Centre provides a multi-disciplinary hub for research in the holistic care and support of children and young people with palliative care needs, their families and professionals working in palliative care. The Centre's outputs help to ensure that all children and families receive equitable, high quality care. There are three PhD students attached to the Centre and a regular research forum for all staff at Martin House. The Research Centre has enjoyed fantastic progress with several successful bids for external funding for specific research projects.

As well as the research that takes place within the Martin House Research Centre, we also conduct research within Martin House.

Information and Communication Technology (ICT)

During the year we have continued to improve our ICT infrastructure and systems, including:

- Completion and submission of the NHS Data Security and Protection Toolkit, demonstrating our compliance with the stringent data handling requirements of the NHS
- Completion of a detailed root and branch review of the ICT service across the organisation. We now have a short-term Service Improvement Plan and a longer term strategy that will take 3 years to fully implement
- Continued updating of our infrastructure and cyber security systems
- Continued work on installing a new clinical management system including configuration of additional equipment
- Achieved Cyber Essentials certificate of assurance
- Introduction of secure equipment disposal and removal of old IT equipment in line with ICO and GDPR regulations
- Introduction of two independent circuits to provide High Availability Internet connectivity

- Introduction of virtual private network connectivity to provide secure home based working connectivity

Facilities
The Facilities Team have worked closely with all teams across the organisation, in particular the Clinical and Retail teams to implement COVID secure measures required to continue operating. During the year we have continued with our ongoing programme of maintenance and redecoration at the hospice and gardens to ensure our accommodation for children and families is safe, comfortable and appealing until our refurbishment and new-build project is underway.

Health & Safety
Martin House is committed to report, monitor and review Health and Safety information to aid continual improvement. Significant focus has been placed on the development and implementation of COVID secure risk assessments, safe systems and guidelines to help manage through the pandemic.

We have continued to improve our Health & Safety practice during the year, completing actions on our plan in preparation for ISO:45001 accreditation. The Health, Safety, Wellbeing and Environmental (HSWE) Group has continued to play an important part in developing the Health & Safety agenda and embedding good practice across Martin House.

Fundraising
Fundraising has had a challenging year due to the pandemic. Events were cancelled and all face to face fundraising had to stop, including our Lottery canvassing. Fortunately, we were able to revise our budget at the end of March 2020 and as a result have delivered the income we set out. However, this was £2.3m less than the original budget. Whilst trying to navigate our way through the pandemic, adjust to working from home and run all of our fundraising through social media and Zoom, we have still been able to deliver our long term strategy. We have had to be flexible in our approach and try new things. It's thanks to our loyal supporters that we can continue to deliver our vital services even after such a global crisis.

Following a really successful year with Events in 2019-2020, unfortunately due to the pandemic we have not been able to deliver face to face events this year. This has had a huge knock on our income and has meant that we have had to try things differently. We launched an online Events programme, and whilst not as successful as our 'usual' Events we did have a great response.

The Corporate Partnerships team have also had a challenging year due to the Pandemic. We were selected as the Yorkshire beneficiary for Global's Make Some Noise's Emergency Appeal, benefiting not only from donations totalling £50,000 but also national and local coverage across their radio stations, including Heart, Capital, Classic FM and LBC who together reach an audience of over 25 million listeners every week. We continue striving to form mutually beneficial partnerships with a variety of corporate supporters from commercial opportunities to employee fundraising.

Despite the pandemic, our Regional Fundraising team have been extremely active in increasing our profile across the communities that we serve. We have had to think differently and our supporters have adapted to this well. The team continue to provide fantastic support to a wide variety of audiences, including supporting all of our wonderful Friends Groups, Individuals, Schools and Universities and Faith groups who amaze us every day with their enthusiasm and passion for our work. We have had huge support from so many people out in the towns and villages across our area and we are looking forward to meeting these supporters in person again soon.

We have received a number of generous legacies this year which have significantly contributed to our overall income. We have also seen a significant return on our change of GDPR status options, which has been led by the Individual Giving team.

Unfortunately, due to Covid we were not able to carry out face to face canvassing for our Lottery for much of the year. Engage & Connect, our Lottery Canvassing agent, only started working with us at the start of the pandemic but have already shown great success in the few months that canvassing has been allowed.

There is no question that it has been a very tough year for fundraising at Martin House. But we have worked flexibly, been innovative with our ideas and saved costs wherever possible. Our wonderful supporters and fantastic volunteers have continued to support us and are vital to the work we do. We simply couldn't do it without them so a big thank you must go out to them. Their continuous hard work and support enables us to be able to deliver our vital service.

Fundraising standards and compliance

Martin House is a well-respected regional charity that is very much part of the communities we serve, aiming to deliver high standards in everything we do - be this in the care we provide or in our fundraising activities.

We strive to achieve the highest fundraising standards and we value our wonderful supporters. We expect our fundraising team to act honestly and with integrity at all times and to ensure we remain compliant with all the laws and guidelines that govern us.

We want to inspire trust in our supporters and ensure that all supporters have an excellent experience when donating to Martin House.

We stay up to date with developments in charity regulation, data protection and the Fundraising Preference Service (FPS) to make sure we are legally compliant and adhering to all guidelines. Our fundraisers also follow the Institute of Fundraising's Code of Practice and we are registered with the Fundraising Regulator.

We take our supporters' data very seriously at Martin House and we collect and process data in accordance with the Data Protection Act 2018 and the General Data Protection Regulation.

We do not pass our supporters' details to any other charity or organisation for their marketing purposes. We do however need to share limited information about our supporters in order to send them our newsletter which is done by an external mailing house, and in all such cases we have our supporters' explicit permission to do so. Any external groups acting on our behalf have to sign an agreement confirming that they will process all our data properly and maintain confidentiality.

We take appropriate physical, electronic and managerial measures to ensure we keep supporters' information secure, accurate and up to date and we only keep it as long as is reasonable and necessary.

Income Generation Complaints

We work hard to ensure that we deliver a high quality service to our supporters but we may not always get it right. If this happens, we would like to hear about it as soon as possible so we can resolve the problem. If, after this, a supporter feels as though the issue has not been resolved then they may make a complaint. Details of how to complain are listed on our website.

Retail

Our shops, like all of the Retail sector have had a challenging year. We were closed for over half the year due to Covid and have had to implement a large number of Covid secure measures. Our supporters have remained loyal and we have received high quality stock and have had successful openings when we have been able to re-open. Covid has significantly impacted our shops and we lost around 50% of our income during the year.

Communications

Our external marketing, and how we communicate to our audiences, plays a vital role in the delivery of our strategy, and we have to ensure that our brand can act as a solid foundation on which to build compelling communications that raise awareness, reach more people, and build strong brand advocacy. We have evolved our brand and in March 2021 launched a new look to our logo, strapline and materials. We are really pleased with this piece of work and find our materials are more impactful, fit for purpose and user-friendly.

Financial review

Principal sources of income

Our principal sources of income are statutory funding, investment income, and, by far the largest source, fundraising from the public.

We are reliant upon fundraising from the public to fund the large majority of our annual running costs. This funding comes to Martin House as donations, legacies, and profits made in our shops. We continue to be overwhelmed by the generosity of the public in supporting us in our charitable objectives.

Grant funding (excluding Covid-19 grant support) from the NHS Clinical Commissioning Groups and NHS England towards the cost of our service provision covered around 22% of our expenditure on charitable activities, and represents 16% of our total income.

Result for the year

The Trustees had anticipated incurring a significant deficit this year, resulting in large from the anticipated impact on fundraising of the Covid 19 pandemic. The result for the year is however a surplus of £64,079. That surplus follows significant efforts by the income generation team to adapt our ways of fundraising in the face of very challenging circumstances. A particular note must be made for the exceptional legacy income in the year for which we are extremely grateful. The government support in response to Covid 19 was also crucial to our operation and included the national hospice wide grants, the furlough scheme and the retail grant scheme. In the year, Covid 19 funding amounted to £1,274,258. This has been treated as restricted income and was fully spent in the period.

Our financial position has been managed carefully for over 30 years, allowing us to build reserves. We are fortunate that these reserves are currently providing us with some security and stability, whilst facing a number of significant challenges.

To support our planned investment, the Trustees have agreed a medium term financial plan that will see significant annual deficits incurred for the next few years, to be funded from our reserves, before returning to break-even. The trustees have designated reserves of £4.3m to cover the anticipated deficits. The Trustees believe that this strategy is a good and appropriate use of our reserves and are confident that we will remain financially sustainable and able to support our children and families in the longer term. These deficits are necessary to ensure that we continue to invest in and improve our services to children and young people.

Our hospice building is now over 30 years old and we are planning an extensive refurbishment of the premises (with some new building) over the next few years, having received planning permission in late 2020. This will require significant investment and, although we plan to raise funds through a capital appeal, we also intend to fund this project in part from our reserves. The trustees have designated reserves of £10.5m to contribute to the cost of the project.

Financial position

The Balance Sheet shows total funds at 30 April 2021 of £25,009,310. Unrestricted funds (which includes both designated and general funds) are represented by tangible fixed assets of £3,871,876, investments of £19,173,102 and net current assets of £1,964,332.

Reserves policy

As noted above, we anticipate a significant reduction in the level of our free reserves in the short-term, enabling us to make the necessary improvements to ensure the long-term viability of Martin House for the children and families who need our services, now and in the future. With this in mind, the Trustees have approved a revised reserves policy, as follows:

(a) The Trustees feel that it is prudent to target a minimum level of free unrestricted reserves sufficient to cover the full operating costs of the hospice (care, fundraising, administration and governance) for at least six months, enabling the charity to tolerate short-term variations in its income streams, and meet the development needs set out in the strategic plan.

(b) The Trustees also consider that a minimum of three months' operating costs (which form part of the above-mentioned six months of operating costs) should be held in free reserves, in cash and short-term investment assets capable of conversion into cash within 14 days, to enable steady cash flow management.

Martin House makes a long-term commitment to those families that depend on its services and needs to provide a reliable and consistent service beyond the immediate future. The Trustees recognise that unrestricted reserves are necessary to secure future services, meet unexpected expenses, absorb setbacks and take advantage of change and opportunities for development when they arise. The Trustees also recognise that much of the organisation's income is uncertain and susceptible to fluctuations beyond its control. Having assessed these risks, the Trustees' aim is to build and maintain a financial cushion against the uncertainties that affect our operating environment whilst also generating income to help meet current operating costs.

The Trustees consider that one year's running costs, anticipated to be approximately £10,500,000 by 2024, would provide appropriate security against such uncertainties.

In anticipation of some significant deficits, alongside an extensive refurbishment and new-build programme, the Trustees recognise that during the period of the strategic plan it may not be the case that at all times we will hold one year's running costs in reserve, but this is the target minimum level that we would plan to return to within the five year period of the strategic plan.

At 30 April 2021, our free reserves, including investment funds not designated for a particular purpose, were £6,063,130 (after deducting a projected figure of £4.3m committed to the deficit budget and £10.5m committed to the rebuild project). While this represents less than a year's running costs, this level of reserves amounts to 8 months of costs and is therefore above our required minimum of 6 months running costs at all times.

Over the years, the Trustees have been able to invest surplus free reserves in an Investment Fund, to provide long-term commitment and support to the families dependent on Martin House. The annual income generated by the Investment Fund makes a valuable contribution to our annual running costs. The majority of our free reserves are currently invested in this fund, and it is the intention of the Trustees that the Investment Fund will be reduced during the next 5 years, as required, to help to fund both the deficits arising and our hospice refurbishment and new-build project.

Investment Policy

The Trustees' investment policy is to produce the best financial return within an acceptable level of risk, having invested in accordance with our investment policy. The investment objective is to generate a total return in excess of inflation over the long term whilst generating an income to support on-going activities.

The Trustees recognise that they have a duty to consider the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments. At present, no investment restrictions are placed on the investment managers, Brewin Dolphin, who manage the portfolio on a discretionary basis. The Trustees will review their position at each annual review of the investment policy. The Trustees reviewed the investment policy in 2021 and agreed not to make any changes.

In order to meet the medium-term cashflow requirements of the strategic plan, Martin House currently has two investment portfolios. The 'long term' portfolio is invested to mitigate the risk of inflation over the long term (10 years or more), with a moderate investment risk. The 'medium-term' portfolio (3-5 years) adopts a lower risk profile and has a bias to income rather than capital growth.

For the year ended 30 April 2021, the long term portfolio gave a total return of +26.15% compared to the MSCI WMA Balanced Index total return of +19.00%. The medium-term portfolio gave a total return of +14.58% compared to the MSCI WMA Conservative Index total return of +11.43%.

Plans for future periods

2019-24 Strategic Plan

Following the end of our previous Strategic Plan for 2015-18, the team at Martin House created a new and ambitious 2019-24 Strategic Plan. This plan was adopted and approved by the Board of Trustees in January 2019.

The key strategic aims of the new strategy are:

- Ensure services are of the highest quality, safety and effectiveness
- Have the right resources to deliver care
- Raise awareness and reach more people
- Meet the diverse needs of children, young people, their families and supporters

The Strategic Plan is supported by three Directorate Plans:

- Care Directorate Plan
- Income Generation Directorate Plan
- Corporate Services Directorate Plan

These Directorate Plans set out the objectives that will ensure that our key strategic aims are achieved. Each year during the 2019-24 strategic plan period, an annual Operational Plan is being produced that ensures that we work towards achieving our overall strategic objectives.

2020/21 Operational Plan

In April 2020, the Board of Trustees adopted the 2020/21 Operational Plan. The Plan set out the activities we would complete during 2020/21 on our way to achieving our strategic objectives as set out in the 2019-24 Strategic Plan.

Key achievements during the year have been that we:

- Continued our preparation for future CQC inspection
- Adapted Clinical Service delivery to continue to provide care and support during the national pandemic
- Increased capacity and capability of our clinical team to facilitate Advance Care Plans for those on our caseload
- Continued to work towards ISO45001 to achieve the highest standards of health and safety compliance
- Performed a root and branch review of IT and approved an IT strategy
- Gained planning permission from Leeds City Council for our Hospice refurbishment and rebuild.
- Opened 1 new shop successfully in Ripon
- Delivered 2 highly successful Direct Mails
- Delivered successful virtual Events
- Carried out a brand refresh and evolved our logo
- Carried on generating income through the COVID pandemic
- Developed a staff well-being strategy
- Recruited into key roles within the Leadership Team
- Delivered a surplus budget despite the pandemic

Principal risks and uncertainties

Our approach to risk management was reviewed and updated following the adoption of the new 2019-24 Strategic Plan. Our new Risk Management Policy and Framework was approved by the Board of Trustees in April 2019. It is reviewed annually by the Board of Trustees to ensure it remains fit for purpose.

The major risks to which Martin House is exposed and the systems in place to mitigate those risks are set out in the strategic risk register. This is reviewed monthly by the Strategic Leadership Team and quarterly by the Finance and Resources Committee. The Clinical Effectiveness Committee reviews a more detailed operational risk register at each meeting to review clinical risks. The strategic risk register is included in the Board papers for every meeting of the Board of Trustees.

The Trustees believe there is an effective system of risk management in place and that all major risks are being mitigated satisfactorily.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure and Governing Documents

Martin House is a registered charity and a company limited by guarantee. The company was incorporated on 1 May 1986 and registered as a charity on 28 April 1987. It is governed by a Memorandum and Articles of Association, which were amended at an EGM on 21 July 2016, following a comprehensive review by the Trustees. The charity has a wholly-owned subsidiary, Martin House (Shops) Limited, which is incorporated in the UK and registered in England (company number 2166209).

The Board of Trustees acts collectively and is responsible for the overall philosophy and strategic direction of Martin House and ensuring that the charity is solvent, well-run, acts within its governing document and other relevant legislation. The Board meets at least quarterly and delegates the general management and operational activities of the hospice to the Strategic Leadership Team, via the Chief Executive.

The Board has a Scheme of Delegation, which sets out which of its powers may be delegated and to whom. This is reviewed regularly and revised as appropriate.

The Board is supported by a number of committees and working groups, each of which has clear terms of reference:

- The Finance and Resources Committee exercises oversight of Martin House's finances, including its systems of financial control and risk management, budgets and accounts, capital expenditure and the management of its investments and cash resources. The Committee also reviews the results of the annual statutory audit and oversees the conduct and appointment of our auditors. The Committee is also responsible for employee remuneration, terms and conditions and policies and practices.

- The Clinical Effectiveness Committee provides assurance to the Board that Martin House has a robust framework for the management of clinical systems and processes and that clinical care is patient/service user-centred, safe, of high quality, evidence based, appropriate and provides good outcomes.
- The Martin House Research Centre Partnership Committee is a joint committee with The University of York, established in January 2017 to oversee the effective operation of the Martin House Research Centre.
- The Rebuild Project Board - established in 2020 to oversee the rebuild/refurbishment project and advise the Board of Trustees in relation to the project.

Charity Governance Code

The Charity Governance Code for Larger Charities was published by the Charity Commission in July 2017. This Code is designed as a tool to support continuous improvement. Compliance is not mandatory - trustees are encouraged to meet the principles and outcomes of the Code by either applying the recommended practice or explaining what they have done instead or why they have not applied it. Charity boards that are using this Code effectively will regularly revisit and reflect on the Code's principles.

Martin House is committed to complying with best practice in relation to governance. Trustees have performed a full self-assessment of compliance against the seven principles included within the Code.

Trustees concluded that the hospice is compliant with the vast majority of the Code. The following areas were identified as areas of non-compliance with the Code:

- The Board of Trustees at Martin House currently consists of 13 Trustees, which is higher than the number recommended as good practice within the Charity Code of Governance (5.6.2). The Board of Trustees have reviewed the membership of the Board and at this time consider that a Board of 13 members is required to bring the broad range of skills and experience required to meet the current strategic objectives.

- Two Trustees, Jenny Wilkinson and Stephen Plews, have served on the Board of Martin House for more than nine years. Their reappointment has been subject to rigorous review in accordance with the Charity Code of Governance (5.7.4). The Board considers that they bring unique and invaluable experience of Martin House gained over many years and that the need for need for progressive refreshing of the board is suitably met elsewhere.

The charity considers that it is compliant with the Code in all other aspects.

In accordance with the requirements of the Code of Governance, the hospice maintains a register of Trustee and senior staff interests. The following interests have been declared by Trustees and senior staff:

Trustees

Name	Declaration(s)
Anne-Marie Childs	Employed as a full time NHS Consultant at LTHT with an Honorary Senior Lecturer Contract at the University of Leeds. Trustee of SMA UK. The Principal Investigator in several Commercial Research Studies exploring novel therapies in Duchenne Muscular Dystrophy and Spinal Muscular Atrophy have contributed to advisory boards for Sarepta, Biogen, Roche, Novartis, Santhera and PTC Therapeutics.
Zoe Donaldson	Husband is a GP in the locality
Tim Halstead	Chief Operating Officer, Switalskis Solicitors Limited Director of Martin House (Shops) Ltd
Rifhat Malik MBE	Nil
Patricia McKinney	Nil
Mike Millington	Global Business Director of Croda International plc
Stephen Plews	Director of Plews Business Consultancy
Sue Rumbold	Director of Children and Families programme West Yorkshire and Harrogate Integrated Care System. Working across the ICS to develop best practice and integrated care for all children no matter where they were born or brought up Link into the Yorkshire and Humber Palliative Care network
Gordon Singer	Partner at PricewaterhouseCoopers LLP
Jenny Slee	Nil
Tim Straughan	Employee of NHS England Non-Executive Director of Spectrum CIC Director of Citizone Ltd Husband of Alison Straughan, an employee of Martin House Director of Martin House (Shops) Ltd
Jenny Wilkinson	Director of Martin House (Shops) Ltd
Barry Wright	Work as an Honorary consultant child psychiatrist with Leeds and York Partnership NHS Foundation Trust. Work for the Hull, York Medical School and the University of York carrying out research to improve the lives of children and young people.

Senior Staff

Name	Declaration(s)
Clair Holdsworth	Nil
Rebecca Wynne	Nil
Victoria Greensmith	Nil

Our Trustees

The Trustees, who are also Directors, are the members of the charitable company, the equity being limited by guarantee and therefore having no share capital. As at 30 April 2021, Martin House has 13 Trustees.

The Trustees retiring by rotation at the next annual Trustees' meeting are Mike Millington, Sue Rumbold, Jenny Wilkinson and Anne-Marie Childs and all are eligible for re-election. The power of appointment rests with the members of the Board.

All the Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements. The Trustees who served during 2020/21 are:

Dr Anne-Marie Childs	Member of the Clinical Effectiveness Committee
Zoe Donaldson	
Timothy J Halstead LLB	Chair of the Board of Trustees Member of the Finance and Resources Committee
Rifhat Malik MBE	Member of the Clinical Effectiveness Committee
Professor Patricia McKinney	Member of the Clinical Effectiveness Committee
Michael Millington BSc Hons MBA	Member of the Finance and Resources Committee
Stephen A Plews	Member of the Finance and Resources Committee
Sue Rumbold	Vice Chair Member of the Clinical Effectiveness Committee
Gordon Singer	Member of the Finance and Resources Committee
Jenny Slee (Cromack) LLB	Member of the Clinical Effectiveness Committee
Tim Straughan	Chair of the Finance and Resources Committee
Jennifer Wilkinson	Member of the Clinical Effectiveness Committee
Professor John Barry Wright	Member of the Clinical Effectiveness Committee

Non-Trustees serving on Board Committees during 2020/21 were:

Nick Lane Fox	Member of the Finance and Resources Committee

Our People

Martin House employs, 194 staff (162 FTE). The Chief Executive, who is appointed by and accountable to the Board, is responsible for the operation of Martin House and leads a Strategic Leadership Team. In 2020/21 this comprised:

Trustees' Report (continued)

Martin Warhurst	Chief Executive and Company Secretary (resigned 3 July 2020)
Clair Holdsworth	Company Secretary and Interim Chief Executive from 3 July 2020. Appointed substantively 29 March 2021.
Rebecca Wynne	Director of Income Generation
Alison Craggs	Director of Corporate Services (resigned 23 October 2020)
Victoria Greensmith	Interim Director of Clinical Services (appointed 3 July 2020). Appointed substantively April 2021

The Strategic Leadership Team lead the following directorates:

(a) the clinical services directorate. This consists of:
- the care team, which delivers the care and support to children, young people and their families
- the medical team, which provides consultant and doctor led medical care to children, young people and their families

(b) the corporate services directorate. This consists of:
- the facilities team, who maintain and develop the buildings, grounds and equipment
- the IT team, who maintain and develop the IT hardware and software
- the people and development team, who lead on HR policy and advice, learning and development and volunteer development
- the finance and administration team, who ensure the efficient and smooth running of the organisation

(c) the income generation directorate. This consists of:
- the fundraising team, who raise the voluntary income required to deliver our services
- the retail team, who manage and develop our 12 shops and other retail operations
- the marketing and communications team, who promote our services and ensure good communications with all stakeholders

Volunteers

Our employees are supported by over 400 fantastic and committed volunteers, in over 17 different roles, without whom we simply could not operate and we are immensely grateful for the enormous, valued contribution they make to Martin House. Their contribution across the entire charity is immeasurable.

We will continue to grow our volunteer social media following and invest in increasing our Volunteer forum members.

Due to the pandemic, the key areas of volunteer support over the pandemic have been in retail and fundraising; from selling donations in our retail shops, on eBay and online, to helping distribute donations to our shops, sorting stock and serving customers in our busy shops, our volunteers have continued pull out all the stops to help us raise much-needed funds.

Despite not being able to utilise our volunteers to usual capacity within the pandemic we have not seen an anticipated decline in those continuing to carry on supporting us. Expressions of interest have grown significantly compared to the same period in 2019/20.

Remuneration Policy

Remuneration of the CEO and members of the Strategic Leadership Team (SLT) is determined by the Board of Trustees, which delegates responsibility for recommending SLT salaries to the Finance and Resources Committee (FRC). The FRC is also responsible for determining and recommending to the Board the policy for remuneration and reward of employees at Martin House, the pay structure for all employees and the level of any annual cost of living increase, taking into account appropriate benchmarks (including NHS rates for clinical staff and the Croner/Hospice UK annual hospice rewards survey) and prevailing inflation rates. In addition, the FRC is responsible for monitoring the effectiveness of all remuneration, terms and conditions and policies and keeping them under appropriate review.

Ambassadors

Ambassadors do not have any formal role in the governance of the charity but assist by gaining publicity and raising our profile:

Ryan Sidebottom – former Yorkshire Cricketer
Christine Talbot - ITV News Presenter
Mike Heaton - Musician
Jeff Hordley - Actor
Zoe Henry - Actor

We are thankful for their continued and generous support of Martin House.

Legal and Administrative Information

Charity name:	Martin House
Charity registration number:	517919
Company registration number:	02016332
Registered office and operational address:	Grove Road, Boston Spa, Wetherby, LS23 6TX

Subsidiary Undertaking

Company name:	Martin House (Shops) Ltd
Company registration number:	02166209

The principal activities of the trading subsidiary are the sale of bought goods and goods sold as agent. The subsidiary has performed satisfactorily during the year, and all profits generated are donated to Martin House.

Advisors

Auditor:
Garbutt & Elliott Audit Limited, Chartered Accountants,
Triune Court, Monks Cross Drive, York YO32 9GZ

Investment Managers:
Brewin Dolphin,
10 Wellington Place, Leeds LSl 4AN

Principal Bankers:
Barclays Bank Plc
25 James Street, Harrogate HGl lQX

Auditor:
Garbutt & Elliott Audit Limited is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Trustees, in their capacity as Directors, hereby approve the Trustees' Annual Report and the incorporated Strategic Report.



Timothy J Halstead
Chairman

Date: 20/10/2021

Statement of Trustees' Responsibilities in Respect of the Trustees' Report and the Financial Statements

The Trustees (who are also directors of Martin House for the purposes of company law) are responsible for preparing the Trustees' Annual 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, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

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

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 Auditor's Report to the Members of Martin House

Opinion

We have audited the financial statements of Martin House (the "parent charity") and its subsidiary (the "group") for the year ended 30 April 2021 which comprise the consolidated statement of financial activities, the company and consolidated balance sheets, the consolidated cash flow statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 April 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 both the group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

Independent Auditor's Report to the Members of Martin House *(continued)*

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of the Trustees
As explained more fully in the Trustees' responsibilities statement, the Trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

Independent Auditor's Report to the Members of Martin House *(continued)*

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

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.

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

Extent to which the audit was considered capable of identifying irregularities, including fraud

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Trustees and other management, and from inspection of the charity's regulatory and legal correspondence. We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The group and parent charitable company are subject to laws and regulations that directly affect the financial statements including company law, charity law, financial reporting legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising safeguarding, medicines regulation, environmental, health and safety and employment legislation, and, in the current economic climate, Covid regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the group and the parent charitable company to commit fraud. Our risk assessment procedures included: enquiry of Trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

Independent Auditor's Report to the Members of Martin House *(continued)*

As a result of these procedures we identified the greatest potential for fraud in the following areas:
- income recognition and in particular completeness, the risk that income is recognised in the wrong reporting period, or that restricted income is incorrectly recognised within unrestricted income; and
- subjective accounting estimates.

Both fraud risks arise due to a potential desire to present the results in a differing light to suit management objectives. As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:
- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias;
- testing the recognition of income and in particular that it was recognised in the correct period and any restrictions recognised; and
- testing the control environment around cash takings, including segregation of duties and cash reconciliations.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Garbutt & Elliott Audit Ltd.

Alan Sidebottom (Senior Statutory Auditor)
For and on behalf of Garbutt & Elliott Audit Limited
Chartered Accountants
Statutory Auditor

20/10/2021

Triune Court
Monks Cross Drive
York
YO32 9GZ

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2021

	Note	2021 Unrestricted Funds – General £	2021 Unrestricted Funds – Designated £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income from:						
Donations		**1,738,509**	**-**	**78,106**	**1,816,615**	**1,946,407**
Legacies		**1,786,971**	**-**	**-**	**1,786,971**	**2,382,251**
Income from charitable activities:						
Funding from Clinical Commissioning Groups		**-**	**-**	**743,883**	**743,883**	**797,187**
NHS England grants		**-**	**-**	**521,097**	**521,097**	**367,019**
Covid 19 grants		**190,782**	**355,549**	**727,927**	**1,274,258**	**505,475**
Other income		**28,814**	**-**	**39,893**	**68,707**	**179,615**
Other trading activities:						
Income from retail operations		**815,993**	**-**	**-**	**815,993**	**1,232,760**
Fundraising events and lottery		**453,342**	**-**	**-**	**453,342**	**917,948**
Other activities for generating funds		**35,934**	**-**	**-**	**35,934**	**5,949**
Income from investments	***3***	**408,308**	**-**	**-**	**408,308**	**498,560**
Total income		**5,458,653**	**355,549**	**2,110,906**	**7,925,108**	**8,833,171**
Expenditure on:						
Expenditure on raising funds:						
Cost of generating voluntary income	***5***	**801,830**	**-**	**-**	**801,830**	**704,527**
Cost of retail operations	***5***	**1,054,910**	**-**	**-**	**1,054,910**	**1,079,585**
Cost of fundraising events, lottery and other activities	***5***	**354,830**	**-**	**-**	**354,830**	**434,499**
Investment managers cost	***5***	**61,539**	**-**	**-**	**61,539**	**59,473**
Expenditure on charitable activities	***6***	**2,657,899**	**861,024**	**2,068,997**	**5,587,920**	**5,896,131**
Total expenditure	***7***	**4,931,008**	**861,024**	**2,068,997**	**7,861,029**	**8,174,215**
Net income/(expenditure) before net (losses)/gains on investments	***2***	**527,645**	**(505,475)**	**41,909**	**64,079**	**658,956**
Net gains/(losses) on investments		**-**	**3,400,628**	**-**	**3,400,628**	**(1,291,836)**
Net income/(expenditure) before transfers		**527,645**	**2,895,153**	**41,909**	**3,464,707**	**(632,880)**
Transfers between funds	***17***	**(10,068)**	**32,852**	**(22,784)**	-	**-**
Net movement in funds for the year		**517,577**	**2,928,005**	**19,125**	**3,464,707**	**(632,880)**
Funds brought forward at beginning of year		**5,148,103**	**16,245,097**	**151,403**	**21,544,603**	**22,177,483**
Funds carried forward at end of year	***18***	**5,665,680**	**19,173,102**	**170,528**	**25,009,310**	**21,544,603**

The results for the year all relate to continuing operations.

A detailed statement of financial activities for the comparative year is shown in note 21 to the financial statements.

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

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

Balance Sheets
as at 30 April 2021

		Group		Charity	
		2021	2020	**2021**	2020
		£	£	**£**	£
Fixed assets					
Tangible assets	***9***	**3,871,876**	3,933,413	**3,871,876**	3,933,413
Investments	***10***	**19,173,102**	15,739,622	**19,173,104**	15,739,624
		23,044,978	19,673,035	**23,044,980**	19,673,037
Current assets					
Stock	***11***	**4,601**	4,522	**-**	-
Debtors	***12***	**1,638,559**	1,361,385	**1,638,559**	1,361,385
Cash on deposit, at bank and in hand	***13***	**1,898,416**	2,136,291	**1,886,161**	2,125,027
		3,541,576	3,502,198	**3,524,720**	3,486,412
Creditors: amounts falling due within one year	***14***	**(1,577,244)**	(1,630,630)	**(1,755,459)**	(1,780,002)
Net current assets		**1,964,332**	1,871,568	**1,769,258**	1,706,410
Net assets		**25,009,310**	21,544,603	**24,814,241**	21,379,447
Funds of the charity:					
Restricted funds	***17***	**170,528**	151,403	**170,528**	151,403
Unrestricted funds are represented by:					
Covid-19 Fund	***17***	**-**	505,475	**-**	505,475
Deficit budget fund	***17***	**4,346,846**	5,000,000	**4,346,846**	5,000,000
Refurbishment fund	***17***	**10,451,806**	4,000,000	**10,451,806**	4,000,000
Other investment funds	***17***	**4,374,450**	6,739,622	**4,374,452**	6,739,624
Total unrestricted designated funds		**19,173,102**	16,245,097	**19,173,104**	16,245,099
Unrestricted tangible fixed assets	***18***	**3,871,876**	3,933,413	**3,871,876**	3,933,413
Undesignated general funds	***18***	**1,793,804**	1,214,690	**1,598,733**	1,049,532
Total unrestricted funds		**24,838,782**	21,393,200	**24,643,713**	21,228,044
		25,009,310	21,544,603	**24,814,241**	21,379,447

The notes on pages 30 to 45 form part of these financial statements.

These financial statements were approved by the board of Trustees on 20/10/2021 and were authorised for issue and signed on its behalf by:





T J Halstead
Trustee

T Straughan
Trustee

Consolidated Cash Flow Statement
for the year ended 30 April 2021

	2021		2020	
	£	**£**	£	£
Cash flows from operating activities:				
Net cash (used in)/provided by operating activities		**(311,901)**		369,034
Cash flows from investing activities:				
Dividends, interest and rents from investments	**369,607**		447,605	
Purchase of tangible fixed assets	**(268,433)**		(518,938)	
Proceeds from the sale of tangible fixed assets	**5,705**		1,300	
Payments to acquire investments	**(4,394,424)**		(2,409,563)	
Proceeds from the sale of investments	**3,825,324**		3,458,379	
Net cash provided by/(used in) investing activities		**(462,221)**		978,783
Change in cash and cash equivalents in the year		**(774,122)**		1,347,817
Cash and cash equivalents at the beginning of the year		**2,740,012**		1,392,195
Cash and cash equivalents at the end of the year		**1,965,890**		2,740,012

Reconciliation of net income to net cash flow from operating activities

	2021	2020
	£	£
Net income for the year	**3,464,707**	(632,880)
Depreciation charge	**328,605**	322,922
Losses/(gains) on investments	**(3,400,628)**	1,291,836
Dividends, interest and rents from investments	**(408,308)**	(498,560)
Loss/(profit) on sale of fixed assets	**(4,340)**	300
Decrease/(increase) in stock	**(79)**	5,012
Decrease/(increase) in debtors	**(238,473)**	(283,801)
Increase/(decrease) in creditors	**(53,385)**	164,205
Net cash inflow/(outflow) from operating activities	**(311,901)**	369,034

Analysis of changes in net funds

	At 30 April 2020	**Cash flow**	**At 30 April 2021**
	£	**£**	**£**
Cash at bank and in hand	2,136,291	(237,875)	1,898,416
Cash equivalents	603,721	(536,247)	67,474
	2,740,012	(774,122)	1,965,890

Notes to the Financial Statements for the Year Ended 30 April 2021

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Charity Information

Martin House is a company limited by guarantee, the liability of the members is limited to one pound, and a charity registered in England and Wales. The registered office is Martin House, Grove Road, Boston Spa, Wetherby, LS23 6TX.

Accounting Convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

Going Concern

The charitable company meets its daily working capital requirements through its bank account which has funds of over £1,800,000 at 30 April 2021. The charity relies heavily upon funding from voluntary donations, legacies and grants, which all contain elements of uncertainty. Given the charitable company's favourable fundraising record and the level of free reserves available at the year end, the Trustees consider that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Martin House (Shops) Limited on a line-by-line basis. The summarised profit and loss account for the subsidiary is shown in note 4. A separate Statement of Financial Activities, including the income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006. The gross income of the charity was £7,997,167 *(2020: £*8,591,512*)* and the net income was £34,167 (*2020: net income £*493,800*)* (before gains/losses on investments in each year).

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant. The purpose and use of the restricted funds is set out in note 17.

Designated funds are unrestricted funds designated by the Trustees for a particular purpose.

Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Income
Income is recognised in the year in which entitlement arises, receipt is probable and the amount can be reliably measured. Income is deferred:

- where the charitable company has to fulfil conditions before becoming entitled to it,
- where the income is received specifically for expenditure in a future accounting period, or
- where donations, sponsorship and entry fees are received in anticipation of an event to be held in a future accounting period.

Legacies
Pecuniary and residuary legacies are recognised when received or before receipt if there is sufficient evidence of entitlement to the legacy, receipt is probable and can be measured with sufficient reliability.

Gifts in kind and volunteers' contributions
Martin House benefits greatly from a variety of gifts in kind and voluntary contributions. Gifts donated for resale are included as income when they are sold. Fixed assets donated to the charity are included as donation income at market value at the time of receipt. Consumables and small items donated for fundraising activities are not recognised in the financial statements. No amounts are included in the financial statements for services donated by volunteers.

Expenditure and irrecoverable VAT
Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of any VAT that cannot be recovered. Expenditure is allocated directly to a particular activity where costs relate directly to that activity.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fundraising costs
These include the salaries, direct expenditure and overhead costs of the fundraising team as well as lottery and event costs, investment management costs and the cost of our retail operations.

Charitable activity costs
These include the salaries, direct expenditure and overhead costs of the care and support team.

Operating leases
Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Pensions
Employees who have previously worked for the NHS are entitled to continue to contribute to the NHS Pension Scheme subject to certain conditions. The NHS Scheme is an unfunded final salary scheme operated by the National Health Service. The contributions are calculated so as to spread the cost of pensions over employees' working lives, whilst they remain in qualifying employment, in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of periodic valuations, and any deficit is underwritten by the Treasury.

The scheme is not designed to be run in a way that would enable employers of eligible employees to identify their share of the underlying scheme assets and liabilities, and the scheme is unfunded. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the amount charged against profits represents the contributions payable to the scheme.

Staff not entitled to join the NHS Scheme are automatically enrolled into a defined contribution scheme, in accordance with current pension legislation. In addition, the defined contribution scheme is offered on the same terms to staff not meeting the criteria for automatic enrolment. The amount charged against profits for the scheme represents the contributions payable to the scheme in respect of the accounting period.

Notes to the Financial Statements *(continued)*

1. Accounting Policies *(continued)*

Staff costs
The costs of short-term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

Investments
Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio, see note 10, is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is revalued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the statement of financial activity.

For the purposes of the cash flow statement, the short-term cash deposits held for reinvestment within the long term investment fund have been treated as cash.

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided on investment properties.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

Fixed assets and depreciation
Fixed assets are stated at cost. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2-4% straight line
Furniture and fittings	-	25% straight line
Office furniture and equipment	-	20% to 33% straight line
Vehicles	-	25% reducing balance

All capital expenditure over £250 is capitalised as an asset.

Stocks
Purchased goods for resale are valued at the lower of cost and net realisable value.

Donated items of stock for resale are not included in the financial statements until they are sold because the Trustees consider it impractical to assess the amount of donated stock held as there is no system in place to record these items or value them until they are sold. The value of these goods to the charity is instead recognised when they are sold in the shops.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

Notes to the Financial Statements *(continued)*

1 Accounting Policies *(Continued)*

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Financial liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Depreciation of tangible assets
Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

Legacies
Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

Tax
Martin House is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

Notes to the Financial Statements *(continued)*

1 Accounting Polices *(Continued)*

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary were gift aided to the parent charitable company in both the current and prior financial year, no corporation tax has arisen.

2 Net expenditure

	2021	2020
	£	£
Net expenditure is stated after charging/(crediting):		
Depreciation of tangible fixed assets	**328,605**	322,922
Loss/(profit) on disposal of fixed assets	**(4,340)**	300
Auditor's remuneration – audit of charity and subsidiary company accounts	**11,900**	10,750
Operating lease rentals – land and buildings	**172,166**	172,166
Operating lease rentals – equipment	**20,153**	20,153

3 Income from investments

	2021	2020
	£	£
Gross dividends and interest receivable from listed investments	**395,937**	488,274
Interest from building society and banks	**3,071**	3,012
Property rent	**9,300**	7,274
	408,308	498,560

4 Subsidiary company

The charity has a wholly owned subsidiary, Martin House (Shops) Limited which is incorporated in the UK and registered in England (company number 2166209). The company undertakes various trading activities including the sale of bought goods, the sale of goods as agent, and other trading activities on behalf of the charity. A summary of its trading results for the period is shown below. The company donates all taxable profits to Martin House under Gift Aid.

	2021	2020
	£	£
Profit and loss account		
Turnover	**93,097**	82,089
Cost of sales	**(34,783)**	(32,661)
Gross profit	**58,314**	49,428
Grant Income	**190,783**	160,000
Rent and rates	**(7,172)**	(4,345)
Staff costs	**(30,600)**	(28,119)
Other expenses	**(15,825)**	(11,378)
Interest payable to parent company	**(430)**	(430)
Profit for the year	**195,070**	165,156

Balance Sheet	**£**	£
Share capital	**2**	2
Profit and loss account	**195,070**	165,156
Total shareholders' funds	**195,072**	165,158

Investment in the wholly owned subsidiary is carried at cost of £2 (*2020: £2*) in the balance sheet of the charity.

The profit for the year is to be gifted to the charitable parent company, however as no deed of covenant exists the distribution has not been recognised in these financial statements.

Notes to the Financial Statements *(continued)*

5 Expenditure on raising funds

For the year ended 30 April 2021	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Costs of generating donations & legacies			
Staff costs **(Note 8)**	**550,768**	**-**	**550,768**
Publicity and newsletters	**80,564**	**-**	**80,564**
Professional fees	**14,275**	**-**	**14,275**
Other	**156,223**	**-**	**156,223**
	801,830	**-**	**801,830**
Cost of retail operations			
Staff costs **(Note 8)**	**528,104**	**-**	**528,104**
Other	**526,806**	**-**	**526,806**
	1,054,910	**-**	**1,054,910**
Lottery and event costs			
Staff costs **(Note 8)**	**135,682**	**-**	**135,682**
Other	**219,148**	**-**	**219,148**
	354,830	**-**	**354,830**
Investment management cost	**61,539**	**-**	**61,539**

For the year ended 30 April 2020	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Costs of generating donations & legacies			
Staff costs **(Note 8)**	**494,623**	**8,560**	**503,183**
Publicity and newsletters	**51,090**	**-**	**51,090**
Professional fees	**14,122**	**-**	**14,122**
Other	**136,132**	**-**	**136,132**
	695,967	**8,560**	**704,527**
Cost of retail operations			
Staff costs **(Note 8)**	**489,705**	**26,626**	**516,331**
Other	**550,049**	**13,205**	**563,254**
	1,039,754	**39,831**	**1,079,585**
Lottery and event costs			
Staff costs **(Note 8)**	**148,274**	**-**	**148,274**
Other	**286,225**	**-**	**286,225**
	434,499	**-**	**434,499**
Investment management cost	**59,473**	**-**	**59,473**

Notes to the Financial Statements *(continued)*

6 Expenditure on charitable activities

	Unrestricted 2021	**Restricted 2021**	**Total 2021**	Unrestricted 2020	Restricted 2020	Total 2020
	£	**£**	**£**	£	£	£
Provision of care:						
Staff costs **(Note 8)**	**1,613,555**	**2,023,852**	**3,637,407**	2,701,250	1,130,236	3,831,486
Consumables	**105,649**	**-**	**105,649**	234,641	-	234,641
Other	**379,200**	**5,251**	**384,451**	350,521	23,467	373,988
Research	**159,816**	**-**	**159,816**	158,132	-	158,132
Support costs:						
Staff costs **(Note 8)**	**777,801**	**38,636**	**816,437**	777,860	72,595	850,455
Establishment	**482,902**	**1,258**	**484,160**	400,941	46,488	447,429
	3,518,923	**2,068,997**	**5,587,920**	4,623,345	1,272,786	5,896,131

7 Total expenditure

Year ended 30 April 2021	**Staff costs**	**Depreciation**	**Other costs**	**Total**
	£	**£**	**£**	**£**
Charitable activities	**4,453,844**	**241,762**	**892,314**	**5,587,920**
Costs of generating funds	**1,214,554**	**-**	**1,058,555**	**2,273,109**
Total expenditure	**5,668,398**	**241,762**	**1,950,869**	**7,861,029**

Year ended 30 April 2020	**Staff costs**	**Depreciation**	**Other costs**	**Total**
	£	**£**	**£**	**£**
Charitable activities	**4,681,941**	**232,207**	**981,983**	**5,896,131**
Costs of generating funds	**1,167,788**	**-**	**1,110,296**	**2,278,084**
Total expenditure	**5,849,729**	**232,207**	**2,092,279**	**8,174,215**

8 Staff numbers and costs

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

	Average headcount		**Average FTE**	
	2021	2020	**2021**	2020
	No.	No.	**No.**	No.
Charitable activities – care team and support	**130**	141	**107**	118
Fundraising and shops	**56**	54	**49**	45
	186	195	**156**	163

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£	£
Wages and salaries	**4,899,108**	5,055,702
Social security costs	**410,105**	418,998
Other pension costs **(Note 15)**	**359,185**	375,029
	5,668,398	5,849,729

Included in the above costs is £192,606 *(2020: £1*87,457*)* in respect of members of the medical team contracted to the charity by a local NHS trust.

Notes to the Financial Statements *(continued)*

8. Staff numbers and costs (continued)

The Trustees do not receive any remuneration. During the year no expenses were paid to Trustees *(2020: £nil).* Trustees are not included in the average number of employees. In accordance with the Memorandum of Association the charity purchased charity Trustee indemnity insurance. The cost of this insurance included in the Statement of Financial Activities was £920 *(2020: £920)*.

The number of higher paid employees is disclosed below.

	2021	2020
	No.	No.
£60,000 to £70,000	1	2
£70,001 to £80,000	1	1
£90,001 to £100,000	-	-

Pension contributions totalling £6,385 *(2020: £*9,628*)* were made for the two (2020: three) higher paid employees.

The key management personnel of the charity (and group) comprise the Trustees and the senior management team. The total employee benefits of the 5 *(2020: 8)* key management personnel employed by the charity (and group) were £289,371 *(2020: £*495,888*)*.

9. Tangible fixed assets

CHARITY AND GROUP	**Freehold land and buildings**	**Assets under construction**	**Furniture and fittings**	**Office furniture and equipment**	**Vehicles**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Cost						
At beginning of year	4,805,271	370,317	1,485,081	925,502	227,503	7,813,674
Additions	-	56,883	99,524	91,822	20,204	268,433
Disposals	-	-	-	-	(6,000)	(6,000)
At end of year	4,805,271	427,200	1,584,605	1,017,324	241,707	8,076,107
Depreciation						
At beginning of year	1,820,448	-	1,247,053	678,515	134,245	3,880,261
Charge for year	99,598	-	120,251	89,072	19,684	328,605
On disposals	-	-	-	-	(4,635)	(4,635)
At end of year	1,920,046	-	1,367,304	767,587	149,294	4,204,231
Net book value						
At 30 April 2021	**2,885,225**	**427,200**	**217,301**	**249,737**	**92,413**	**3,871,876**
At 30 April 2020	2,984,823	370,317	238,028	246,987	93,258	3,933,413

The cost of freehold land and buildings includes £75,000 *(2020: £75,000)* of land which is not depreciated.

10. Fixed asset Investments

CHARITY	2021	2020
	£	£
Listed investments (Note 10(a))	**18,955,618**	14,985,891
Cash held as part of investment portfolio	**67,474**	603,721
Investment in Martin House (Shops) Limited (Note 4)	**2**	2
Unlisted investment	**10**	10
Investment property (Note 10(b))	**150,000**	150,000
	19,173,104	15,739,624

GROUP	2021	2020
	£	£
Listed investments (Note 10(a))	**18,955,618**	14,985,891
Cash held as part of investment portfolio	**67,474**	603,721
Unlisted investment	**10**	10
Investment property (Note 10(b))	**150,000**	150,000
	19,173,102	15,739,622

These investments both in income and long-term growth support the work of the hospice.

10(a) Listed investments

	2021	2020
	£	£
Market value at beginning of year	**14,985,891**	17,326,543
Additions	**4,394,424**	2,409,563
Disposal proceeds	**(3,825,324)**	(3,458,379)
Realised and unrealised investment gains	**3,400,626**	(1,291,836)
Market value at end of year	**18,955,618**	14,985,891
Historical cost at end of year	**13,228,271**	12,573,503

10(b) Investment property

	2021	2020
	£	£
Market value at beginning and end of year	**150,000**	150,000

The historical cost of the investment property was deemed to be £133,000.

The Trustees have estimated the fair value of the investment property, with reference to other similar property transactions in the vicinity. A professional valuation has not been obtained as the Trustees do not consider it necessary due to the non-specialist nature of the investment property. The Trustees conclude that there has been no material change in the fair value during the year.

The carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £19,105,618 (2020: £15,135,891).

Notes to the Financial Statements *(continued)*

11. Stock

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Goods for resale	**4,601**	4,522	**-**	-

12 Debtors

	Group		Charity	
	Due within one year	Due within one year	**Due within one year**	Due within one year
	2021	2020	**2021**	2020
	£	£	**£**	£
Amounts due from Martin House (Shops) Limited	-	-	**-**	-
Accrued income and prepayments	**1,638,559**	1,293,292	**1,638,559**	1,293,292
VAT recoverable	**-**	68,093	**-**	68,093
	1,638,559	1,361,385	**1,638,559**	1,361,385

13 Cash at bank, in hand and on deposit

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Bank and building society deposits	**1,896,776**	2,134,193	**1,885,634**	2,124,043
Cash in hand	**1,640**	2,098	**527**	984
	1,898,416	2,136,291	**1,886,161**	2,125,027

14 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade creditors	**239,399**	115,336	**239,399**	115,336
Other taxes and social security costs	**133,019**	107,370	**133,019**	107,370
Other creditors	**68,323**	41,717	**67,091**	41,657
Accruals and deferred income	**1,136,503**	1,366,207	**1,134,103**	1,363,807
Amounts due to Martin House (Shops) Limited	**-**	-	**181,847**	151,832
	1,577,244	1,630,630	**1,755,459**	1,780,002

The amounts due to Martin House (Shops) Limited include a loan of £5,000 due from Martin House (Shops) Limited covered by a debenture dated 30 April 1992 which provides for interest to be paid at 3% over Barclays Bank Plc base rate. The debenture is secured by a floating charge over all the assets of the company and there is no fixed date of repayment.

Notes to the Financial Statements *(continued)*

15 Pension costs

The hospice operates two pension schemes: the NHS Scheme and a defined contribution scheme, both of which are treated as defined contribution schemes as disclosed in Note 1.

	2021	2020
	£	£
NHS Pension Scheme	**233,081**	246,219
Defined contribution scheme	**126,209**	128,810
	359,290	375,029

NHS Scheme

Eligible employees are able to remain in the NHS Pension Scheme. The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and employees of other approved organisations. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of the benefits payable, and the basis for the valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

16 Commitments

Total commitments for future minimum lease payments under non-cancellable operating leases as follows:

CHARITY AND GROUP

	Land and buildings 2021	**Equipment 2021**	Land and buildings 2020	Equipment 2020
	£	**£**	£	£
Within one year	**191,302**	**14,927**	169,990	20,153
More than one year and less than 5 years	**397,168**	**13,402**	377,695	28,329
More than 5 years	**129,411**	**-**	157,000	-
	717,881	**28,329**	704,685	48,482

Notes to the Financial Statements *(continued)*

17 Statement of funds

For the year ended 30 April 2021	As At 1 May 2020	Income	Expenditure	Investment gains	Transfers	As at 30 April 2021
GROUP	**£**	**£**	**£**	**£**	**£**	**£**
Unrestricted funds						
General funds	5,148,103	5,458,653	(4,931,008)	-	(10,068)	**5,665,680**
Designated funds						
Covid-19 fund	505,475	355,549	(861,024)	-	-	**-**
Deficit budget fund	5,000,000	-	-	-	(653,154)	**4,346,846**
Refurbishment fund	4,000,000	-	-	-	6,451,806	**10,451,806**
Other investment funds	6,739,622	-	-	3,400,628	(5,765,800)	**4,374,450**
Total designated funds	16,245,097	355,549	(861,024)	3,400,628	32,852	**19,173,102**
Total unrestricted funds	21,393,200	5,814,202	(5,792,032)	3,400,628	22,784	**24,838,782**
CHARITY						
Unrestricted funds						
General funds	4,982,945	5,339,930	(4,842,198)	-	(10,068)	**5,470,609**
Designated funds						
Covid-19 fund	505,475	355,549	(861,024)	-	-	**-**
Deficit budget fund	5,000,000	-	-	-	(653,154)	**4,346,846**
Refurbishment fund	4,000,000	-	-	-	6,451,806	**10,451,806**
Other investment funds	6,739,624	-	-	3,400,628	(5,765,800)	**4,374,452**
Total designated funds	16,245,099	355,549	(861,024)	3,400,628	32,852	**19,173,104**
Total unrestricted funds	21,228,044	5,695,479	(5,703,222)	3,400,628	22,784	**24,643,713**
GROUP AND CHARITY						
Restricted Funds						
NHS England grant	-	454,269	(454,269)	-	-	**-**
Pension indexation funding	-	66,828	(66,828)	-	-	**-**
Clinical Commissioning Groups' grants	-	743,883	(743,883)	-	-	**-**
Hospice UK	-	727,927	(727,927)	-	-	**-**
Whitby Lodge Courtyard project	45,475	-	-	-	-	**45,475**
Wet wheels trips/ Art Fund	12,200	-	-	-	-	**12,200**
Music and animation suite	25	-	-	-	-	**25**
Other capital funds	14,149	-	(1,296)	-	-	**12,853**
Care equipment (regional team for care)	11,038	-	(6,049)	-	-	**4,989**
Other restricted donations	1,481	-	(339)	-	-	**1,142**
Trust donations for project/designated spend	22,158	-	-	-	(19,754)	**2,404**
Network co-ordinator	32,214	39,893	(39,839)	-	-	**32,268**
Children's Palliative Care Network	12,663	-	(55)	-	-	**12,608**
CNS & bereavement funding	-	20,000	(20,000)	-	-	**-**
Primary care for young people	-	15,000	(3,600)	-	-	**11,400**
Donations care equipment	-	6,612	-	-	(500)	**6,112**
Donations capital (baths, decoration, chair, training)	-	36,494	(4,912)	-	(2,530)	**34,111**
	151,403	2,110,906	(2,068,997)	-	(22,784)	**29,051**

Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

For the year ended 30 April 2020	As At 1 May 2019	Income	Expenditure	Investment gains	Transfers	As at 30 April 2020
GROUP	**£**	**£**	**£**	**£**	**£**	**£**
Unrestricted funds						
General funds	4,049,366	6,885,543	(6,853,038)	-	1,066,232	**4,148,103**
Designated funds						
Covid-19 fund	-	505,475	-	-	-	**505,475**
Deficit budget fund	5,000,000	-	-	-	-	**5,000,000**
Refurbishment fund	4,000,000	-	-	-	-	**4,000,000**
Other investment funds	9,028,990	-	-	(1,291,836)	(997,532)	**6,739,622**
Total designated funds	18,028,990	-	-	(1,291,836)	(997,532)	**16,245,097**
Total unrestricted funds	22,078,356	7,391,018	(6,853,038)	(1,291,836)	68,700	**21,393,200**
CHARITY						
Unrestricted funds						
General funds	4,038,224	6,655,024	(6,776,535)	-	1,066,232	**4,982,945**
Designated funds						
Covid-19 fund	-	505,475	-	-	-	**505,475**
Deficit budget fund	5,000,000	-	-	-	-	**5,000,000**
Refurbishment fund	4,000,000	-	-	-	-	**4,000,000**
Other investment funds	9,028,992	-	-	(1,291,836)	(997,532)	**6,739,624**
Total designated funds	18,028,992	-	-	(1,291,836)	(997,532)	**16,245,099**
	22,067,216	7,160,499	(6,776,535)	(1,291,836)	68,700	**21,228,044**
GROUP AND CHARITY						
Restricted Funds						
NHS England grant	-	302,846	(302,846)	-	-	**-**
Pension indexation funding	-	64,173	(64,173)	-	-	**-**
Clinical Commissioning Groups' grants	-	797,187	(797,187)	-	-	**-**
TfSL Transition Award	32,300	3,727	(36,027)	-	-	**-**
Whitby Lodge Courtyard project	45,475	-	-	-	-	**45,475**
Wet wheels trips/Art Fund	-	12,350	(150)	-	-	**12,200**
Music and animation suite	149	-	-	-	(124)	**25**
Other capital funds	2,604	18,025	-	-	(6,480)	**14,149**
Care equipment	-	11,038	-	-	-	**11,038**
Other restricted donations	356	3,265	(796)	-	(1,344)	**1,481**
Trust donations for project/designated spend	-	84,640	(1,730)	-	(60,752)	**22,158**
Network co-ordinator	6,311	141,020	(115,117)	-	-	**32,214**
Children's Palliative Care Network	11,932	3,882	(3,151)	-	-	**12,663**
	99,127	1,442,153	(1,321,177)	-	(68,700)	**151,403**

Unrestricted funds
General funds – these represent the free reserves and fixed assets of the charity that are not designated or restricted for particular purposes.

The Trustees have designated elements of the investment fund for specific purposes, as follows:

Deficit budget fund – funds of £5m have been designated to cover the deficits anticipated in the next 3-5 years.

Notes to the Financial Statements *(continued)*

17 Statement of funds *(Continued)*

Refurbishment fund – funds of £4m have been designated to contribute towards the cost of our extensive refurbishment plans.

The remainder of our designated funds held in investments are held to comply with our policy of holding one year's running costs in reserves.
Restricted funds – represent monies received for specific purposes as follows:

NHS England Grant – this is a grant received to support us in our aim to continue the provision of the high level of specialist care for the children and families in Yorkshire.

Pension indexation funding – is a contribution from NHS England towards the cost of our employer's NHS pension contributions.

Clinical Commissioning Groups' (CCGs) grants – are grants received from CCGs covering East, North and West Yorkshire and the Humber. Each contributes towards the cost of care provided by Martin House to children and young people and their families in the respective geographical areas served by each CCG.

Hospice UK - The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

Whitby Lodge Courtyard Project – consists of charitable donations to fund the redevelopment of the Lodge Courtyard area for the enjoyment of our teenagers and young adults.

Wet Wheels Trip 2020/Art Fund – Funding for boat trip experience provided by Ilkley Round Table and art fund– grant from The D'Oyly Carte Trust for the art therapy programme 2020/21.

Music and animation suite – funding from individuals and the Ed de Nunzio Charitable Trust to create a music and animation suite in the hospice.

Other capital funds – consist of contributions from Trusts and other sources for specific items of equipment.

Care equipment – funding for care equipment from individuals and Trusts.

Other restricted donations – donations for small equipment, bereavement library and Christmas party.

Trust donations for project/designated spend – funding for vehicles, beds and garden grant from Trusts.

Network co-ordinator – a project to support the co-ordination of the Yorkshire and Humber Children and Young People's Palliative Care Network (YHCYPPCN).

Children's Palliative Care Network – this is funding received to meet the cost of network meetings and conferences of the YHCYPPCN.

CNS & bereavement funding & primary care for young people – 'Global Make Some Noise' and The Ed de Nunzio Charitable Trust to provide specialist nursing care.

Donations care equipment – funding from individuals and clubs for specialist chairs, baths, Oxford Text Book and a small restricted pot of funds not yet specified.

Donations capital (baths, decoration, chair, training) – capital funding from Trusts for the specialist bath appeal. Palliative care training for doctors.

Notes to the Financial Statements *(continued)*

Transfers
Transfers totalling £22,784 have been made from restricted to general funds where capital expenditure has been incurred from restricted funds, and the assets purchased are held for a general purpose within the charity with no ongoing restrictions in use. These include £19,754 for a minibus, £500 for turning sheets and £2,530 for an adapted toilet chair.

18 Analysis of net assets between funds

As at 30 April 2021		Tangible fixed assets	Investments	Net current assets	Total
GROUP		**£**	**£**	**£**	**£**
Restricted funds		-	-	170,528	**170,528**
Unrestricted funds	- Designated		19,173,102	-	**19,173,102**
	- Other	3,871,876	-	1,793,804	**5,665,680**
		3,871,876	19,173,102	1,964,332	**25,009,310**
CHARITY					
Restricted funds		-	-	170,528	**170,528**
Unrestricted funds	- Designated	-	19,173,104	-	**19,173,104**
	- Other	3,871,876	-	1,598,733	**5,470,609**
		3,871,876	19,173,104	1,769,261	**24,814,241**

As at 30 April 2020		Tangible fixed assets	Investments	Net current assets	Total
GROUP		**£**	**£**	**£**	**£**
Restricted funds		-	-	151,403	**151,403**
Unrestricted funds	- Designated	-	15,739,622	505,475	**16,245,097**
	- Other	3,933,413	-	1,214,690	**5,148,103**
		3,933,413	15,739,622	1,871,568	**21,544,603**
CHARITY					
Restricted funds		-	-	151,403	**151,403**
Unrestricted funds	- Designated	-	15,739,624	505,475	**16,245,099**
	- Other	3,933,413	-	1,049,532	**4,982,945**
		3,933,413	15,739,624	1,706,410	**21,379,447**

The unrestricted designated investment fund includes unrealised gains on investments of £5,727,347 (2020: £2,412,388).

19 Contingent Liabilities

The charity is party to a cross guarantee in respect of a group VAT registration. At 30 April 2021 the total group VAT balance was a creditor of £21,799 *(2020: debtor of £68,093).*

20 Related Party Transactions

During the year, Martin House conducted the following transactions with its subsidiary, Martin House (Shops) Limited:

Martin House levied rent on Martin House (Shops) Limited amounting to £nil (2020: £1,222), and interest amounting to £430 (2020: £430).

At 30 April 2021, Martin House had a creditor balance of £181,847 owed to Martin House (Shops) Limited (2020: £162,912 creditor balance).

During the year the charity paid £16,996 *(2020: £16,946)* to the spouse of one of its Trustees, Tim Straughan, who is employed by the charity in a part-time role.

Notes to the Financial Statements *(continued)*

21 Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 April 2020

	2020 Unrestricted Funds – General £	2020 Unrestricted Funds – Designated £	2020 Restricted Funds £	2020 Total Funds £
Income from:				
Donations	**1,822,083**	**-**	**124,324**	**1,946,407**
Legacies	**2,382,251**	**-**	**-**	**2,382,251**
Income from charitable activities :				
Funding from Clinical Commissioning Groups	**-**	**-**	**797,187**	**797,187**
NHS England grants	**-**	**-**	**367,019**	**367,019**
Covid 19 grants	**-**	**505,475**	**-**	**505,475**
Other income	**25,992**	**-**	**153,623**	**179,615**
Other trading activities:				
Income from retail operations	**1,232,760**	**-**	**-**	**1,232,760**
Fundraising events and lottery	**917,948**	**-**	**-**	**917,948**
Other activities for generating funds	**5,949**	**-**	**-**	**5,949**
Income from investments	**498,560**	**-**	**-**	**498,560**
Total income	**6,885,543**	**505,475**	**1,442,153**	**8,833,171**
Expenditure on:				
Expenditure on raising funds:				
Donations and legacies	**695,967**	**-**	**8,560**	**704,527**
Cost of retail operations	**1,039,754**	**-**	**39,831**	**1,079,585**
Cost of fundraising events, lottery and other activities	**434,499**	**-**	**-**	**434,499**
Investment managers cost	**59,473**	**-**	**-**	**59,473**
Expenditure on charitable activities	**4,623,345**	**-**	**1,272,786**	**5,896,131**
Total expenditure	**6,853,038**	**-**	**1,321,177**	**8,174,215**
Net income/(expenditure) before net (losses)/gains on investments	**32,505**	**505,,475**	**120,976**	**658,956**
Net (losses)/gains on investments	**-**	**(1,291,836)**	**-**	**(1,291,836)**
Net income/(expenditure) before transfers	**32,505**	**(786,361)**	**120,976**	**(632,880)**
Transfers between funds	**1,066,232**	**(997,532)**	**(68,700)**	**-**
Net movement in funds for the year	**1,098,737**	**(1,783,893)**	**52,276**	**(632,880)**
Funds brought forward at beginning of year	**4,049,366**	**18,028,990**	**99,127**	**22,177,483**
Funds carried forward at end of year	**5,148,103**	**16,245,097**	**151,403**	**21,544,603**