

# THE MARTLETS HOSPICE LIMITED

England & Wales · Charity number 802145

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [02326410](#)

**Registered** 1989-11-07

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** The Martlets Hospice  
Wayfield Avenue  
Hove  
BN3 7LW

**Phone** 01273273400

**Email** [enquiries@martlets.org.uk](mailto:enquiries@martlets.org.uk)

**Website** [www.themartlets.org.uk](http://www.themartlets.org.uk)

## Activities

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**Objects:** TO PROMOTE THE RELIEF OF SICKNESS BY ESTABLISHING MAINTAINING AND CONDUCTING A DAY CENTRE OR RESIDENTIAL HOME FOR THE RECEPTION AND CARE OF PERSONS OR EITHER SEX WHO ARE SUFFERING FROM ANY CHRONIC OR TERMINAL ILLNESS.

**Activities:** Martlets provides the very best care and support to terminally ill people in Brighton and Hove, and surrounding areas. Most people receive expert care from us in their own homes. Outpatients visit our hospice for pain relief and practical advice, and we also have an 18-bed inpatient unit.

## Classification

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- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

## Geography

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- Brighton And Hove

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-03-31		-	-	-
2024-03-31	£14,116,883	£13,548,564	£12,219,733	254
2023-03-31	£8,855,297	£11,593,192	£11,666,415	279
2022-03-31	£10,268,716	£10,418,788	£14,652,004	287
2021-03-31	£11,554,353	£10,423,380	£14,329,301	271
2020-03-31	£11,166,050	£11,225,096	£12,299,269	304

## Trustees

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Name	Role	Appointed
Karen Elizabeth Blatchford		2018-07-25

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**THE MARTLETS HOSPICE LIMITED**

England & Wales - Charity number 802145

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# Accounts

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# The Martlets Hospice Limited



## Financial Statements

For the year ended 31 March 2024

**Company Number: 02326410 (England & Wales)**  
**Charity Number: 802145**

# THE MARTLETS HOSPICE LIMITED

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# THE MARTLETS HOSPICE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Directors and Trustees

Karen Blatchford  
Ros Britton  
Rebecca Crook  
Bec Davison  
Barry Egan  
Posy Greany  
Brian Quinton  
Michael Rymer (Chair)  
Ruth Taylor  
Christopher Thomas

### Chief Executive

Amanda Fadero

**Charity Number** 802145

**Company Number** 02326410

### Principal Address and Registered Office

The Martlets Hospice Limited  
Wayfield Avenue  
Hove  
East Sussex  
BN3 7LW

### Auditors

Moore Kingston Smith LLP  
Betchworth House  
57-65 Station Road  
Redhill, Surrey  
RH1 1DL

### Bankers

Barclays Bank PLC  
139/142 North Street  
Brighton  
East Sussex  
BN1 1RU

# **THE MARTLETS HOSPICE LIMITED**

## **TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024**

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### **Introduction**

The Trustees and Directors of The Martlets Hospice Limited present their Annual Report, including the Directors' Report and Strategic Report, for the year ended 31 March 2024 together with the Consolidated Accounts for the Charity and its subsidiaries.

The accounts comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2015).

### **The Martlets Hospice Limited**

The Martlets Hospice Limited (Martlets, the Hospice, the Charity, the Company) is constituted as a company limited by guarantee and governed by its Memorandum and Articles of Association. Since 30 January 2024 Martlets has been a subsidiary charity of St Barnabas Hospices (Sussex) Ltd (St Barnabas, the Parent Group), which is the Charity's sole member. This report covers the period April 2023 to March 2024.

### **Objectives of the Charity and Principal Activities and Organisation of our Work**

As a Charity, we provide people affected by terminal illness in Brighton and Hove and neighbouring areas with the very best care and support. We help people do the things they love with the time they have. Our life-changing hospice care gives people living with terminal illness hope, purpose, and possibility. We continue to extend our reach to help as many people in our community as possible, ensuring that patients, family, and friends have access to our services. Our work is made possible only by the generosity of our supporters. The Charity achieves these objectives by:

- a) providing care which is free at the point of delivery to adults with serious and life-threatening illness;
- b) operating a service at one's home that takes specialist palliative care professionals, including medical consultants, clinical nurse specialists and hands-on care professionals, into the homes of patients;
- c) operating a service at one's home that takes skilled, hands-on hospice care into the homes of patients;
- d) operating a respite service that supports the carers of patients;
- e) providing a bereavement service for relatives and carers;
- f) providing a range of day services for patients and carers to support their health and well-being; and
- g) working in partnership with the NHS, charities, and organisations to extend and maximise reach and impact.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in the planning of future activities.

### **Merger with St Barnabas Hospices**

St Barnabas and Martlets agreed to merge from 30 January 2024.

The rationale for the merger was to protect and develop local hospice services at a time when hospice finances are under pressure, securing back-office efficiency savings to help the combined organization secure financial viability. At the same time, as a larger organization we are better placed to innovate, fundraise, advocate for and attract talent to our charity.

On merger the trustees of Martlets stood down as members and St Barnabas became the sole member of the Company. A number of Martlets trustees resigned at this point and three St Barnabas trustees were appointed to represent the Parent Group on the Martlets board. Meanwhile three Martlets trustees joined the St Barnabas board, to ensure an alignment of the two charities.

During 2024 Martlets will transfer assets and activities to St Barnabas, so the whole organisation is structured as a single company and charity. A new name for our merged charity will be announced shortly.

# **THE MARTLETS HOSPICE LIMITED**

## **TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024**

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### **Completion of the Hospice Rebuild project**

The Income Generation department delivered a two-year Capital Appeal programme of activities delivering a total of £2.7m philanthropic income to support the redevelopment of the hospice site. This included incredibly generous donations from local Trusts and Foundations, plus 448 gifts from individuals and businesses – showing the depth of support for Martlets in our community.

The new building was completed in October 2023 and has enabled us to reach and better support local people experiencing the impact of terminal diagnosis. From our patient rooms to our café, Sanctuary, gym and garden, every area was designed to help people live as well as they can through dying, death, and bereavement. Following a successful period of preparing our building after the contractors handed it over to us, such as, putting up signs, moving in furniture and slowly welcoming our staff back to the site, we were able to officially open our doors to patients 14th November 2023.

The new building fulfils the vision of a spacious welcoming and life affirming hospice. It includes 14 fully equipped ensuite rooms, enhanced family and visitor areas where patients can spend time with those they love in a comfortable spacious setting. It includes a new and improved outpatient facility as well as a rehabilitation gym, counselling, and consulting rooms. There is a beautiful Sanctuary space to help both patients and visitors find peace and solace. Landscaped sensory and memory gardens enable patients and families to enjoy a restful and uplifting environment.

The new building also means that for the first time in Martlets history we have all our hospice teams together, under one roof, other than our retail colleagues. We have an entirely redesigned building created with care and built using the most advanced and sustainable materials, to ensure that Martlets can continue to serve our community over the next 25 years and beyond.

### **Service Delivery**

In the year 2023-2024 Martlets Hospice services supported and cared for 1,716 for patients and provided services directly to 502 carers. Many more carers were supported informally. Performance in each of the clinical services is further described below.

#### **Inpatient Unit**

In 2023-24 our specialist multi-disciplinary inpatient unit went through a period of change, operating from 8 beds due to the requirement to be located off site during the building project. The Inpatient Unit cared for a total of 144 patients who had 153 admissions. The average occupancy of the Inpatient Unit was 76% which is an increase of 6% on previous year.

93% of the patients cared for on the Inpatient Unit had a diagnosis of cancer, a higher percentage to the previous year. 74% of patients were cared for at end of life and died in the hospice, 5% fewer than last year. A contributory factor for this lower percentage was the move back to the new building and the need to have a phased approach in increasing patient numbers. 26% were discharged home or to a Care Home compared to 18% last year.

#### **Community Team**

The Community Team consists of clinical nurse specialists (CNS), registered nurses and health care assistants in the Hospice at Home team and community doctors. Other health and social care professionals including social workers, occupational therapists, physiotherapists, chaplaincy, and bereavement counsellors, as well as a range of volunteers also provide services to patients and their families in the community as part of the wider Community Service.

A total of 1,321 patients and 368 carers were cared for during the year. 5,155 face-to-face visits were made to 898 individual patients. This number includes 375 visits and night sits from the community respite element of our service.

#### **Outpatient Services**

Outpatient clinics for Complementary Therapies and Counselling and Bereavement services have continued during 2023-2024, initially at Carden Avenue in Brighton (when services were off site during the building project), and since November 2023, at Wayfield Avenue in our newly refurbished hospice.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

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### **Patient and Family Support Services**

Patient and Family Support Services have continued during 2023 – 2024, initially via our temporary location at Carden Avenue in Brighton, but from November 2023 onwards back at our refurbished site at Wayfield Avenue. Social work, spiritual care, carer assessment, complementary therapy is part of the offer.

This last year, Patient and Family Support Services completed a total of 1,111 appointments with patients and carers 610 (55%) of these were patients and 501 (45%) were carers, a similar proportion to the previous year.

### **Counselling and Bereavement Service**

In this period some face-to-face counselling appointments continued, initially at Carden Avenue in Brighton, and from November 2023 at our new refurbished site at Wayfield Avenue. The number of clients accessing counselling sessions was 485, a substantial increase from 2022-23. Bereavement counselling sessions provided were 1,305, also an increase.

### **Rehabilitation**

The rehabilitation team, which consists of Physiotherapy and Occupational Therapy, saw 550 individual patients. These were seen in the community, in the Rehab gym, in the Rehab Assessment Clinic and on the Inpatient Unit.

### **Financial Summary**

Martlets is reporting a consolidated surplus of £0.5m which compares with a deficit of £3.0m in the prior year.

#### ***Income***

Donations and legacies increased from £2.1m to £7.1m, including the impacts of the successful capital appeal. Total income grew from £8.9m to £14.1m.

#### ***Expenditure***

Expenditure rose from £11.6m to £13.5m, including a £1.0m one-off impairment charge to fixed assets, in relation to the elements of the old building which were demolished and replaced as part of the new build. The costs of relocating hospice activities to rented premises also increased costs in the year.

#### ***Reserves Policy***

As the Martlets is supported by the parent charity, it no longer has its own reserves policy, being ultimately supported by St Barnabas. The consolidated reserves of the Parent can be seen in the annual report and accounts of St Barnabas Hospices (Sussex) Ltd, along with an explanation of the Parent's Reserves Policy.

#### ***Designated Reserves***

Following the merger, and aligning to the Parent's Reserves Policy, the Trustees have adopted the approach of designating a reserve to cover the net book value of fixed assets.

### **Governance**

#### **The Structure of the Hospice**

The Board of Trustees is responsible for the overall governance of Martlets, which includes overseeing strategy, performance, and compliance with all legislation.

Following the merger on 30 January, the committee structure has been rationalized within the context of the Parent Group. This is a transitional arrangement in advance of the full merger which is anticipated to complete in early 2025.

Martlets' board committees have been absorbed into the respective St Barnabas board committees, with these committees now exercising their remit across the Parent Group – including Martlets - and reporting to both boards. In every case the outgoing chair of the Martlets committee prepared a comprehensive handover report for the chair of the St Barnabas committee as it took over responsibility, setting out the former Martlets committee's main work areas, key risks and sources of assurance.

The transfer of committee responsibilities has been as follows:

- Finance and ICT committee activities have transferred to St Barnabas Finance Committee.
- Clinical Governance Committee activities have transferred to St Barnabas Quality and Performance Committee.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

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- Income Generation Committee activities have transferred to St Barnabas Income Generation Committee.
- People Services and Remuneration Committee activities transferred to St Barnabas People Committee.
- Safety, Health and Facilities Committee activities transferred to St Barnabas Estates and Facilities Committee

Meanwhile the Building Enhancement Committee was stood down following the successful completion of the hospice build project, as described above.

### **Directors and Trustees**

All Trustees are Directors of The Martlets Hospice Limited, with a maximum of 15 permitted under the Articles.

### **Risk Assessment and Management**

Martlets operates an active Risk Register segmented into categories. These documents are periodically reviewed to assess existing risk and document new subjects as they come up. Mitigating actions are offered and tracked to alleviate identified risks where appropriate.

These risks feed into a Corporate Risk Register which is maintained at the level of the Parent Group.

Business Continuity Plans are also maintained, complemented by scenario planning simulations with team managers to practice events and leverage learnings from such simulations.

### **Executive Team Remuneration**

Remuneration of the Executive Team is governed by the Remuneration Committee of the Parent Group.

### **Recruitment Policy**

Martlets makes reasonable adjustments in the recruitment process to ensure that no applicant is disadvantaged because of their protected characteristic. Guidance available sets out how we aim to eliminate bias from our recruitment process as this is the best way to reflect diversity, be fair to all applicants and encourage under-represented groups to apply for work or volunteering opportunities with us. We wish to reflect the diversity of the local community as far as possible as we believe it can enrich our services and enhance our social and cultural life.

### **Equality, Diversity, Inclusion and Belonging Policy**

Martlets ascertains sensitively whether staff members require reasonable adjustments and therefore plans accordingly to meet any continuing healthcare needs or management of long-term conditions. Martlets will make reasonable adjustments to selection procedures for training or the training arrangements themselves. This could involve changing the way we conduct training, changes to the premises that we use or providing extra aids, services, or equipment to remove barriers for disabled staff.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

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### Trustee Declaration

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's Auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The Trustees' Report incorporating the Strategic Report was approved by the Board of Trustees on 26/9/2024 2024 and signed on its behalf by:

Signed by:  
  
B007357FE3A94EA...

Michael Rymer  
Chairperson

DocuSigned by:  
  
6B60A64E39EC45A...

Christopher Thomas  
Trustee

# THE MARTLETS HOSPICE LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED

### 31 MARCH 2024

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The Trustees, who are also the Directors of The Martlets Hospice Limited for company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company and the Group for that year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the accounts 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 and to provide reasonable assurance that:

- the Charity is operating effectively and efficiently;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and that financial information used within the Charity or for external publication is reliable;
- the Charity complies with relevant laws and regulations; and
- a system of effective clinical governance is in place.

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the Board;
- regular forecasts to predict the likely outcome for the financial year;
- regular monitoring of actual performance against budgets and forecasts;
- delegation of authority to managers for expenditure within budget limits;
- segregation of duties; and
- identification and management of risk.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

We have audited the financial statements of The Martlets Hospice Limited ('the charitable company') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

## **Emphasis of matter - Financial statements prepared on a basis other than Going Concern**

We draw attention to Note 1.3 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.3. Our opinion is not modified in respect of this matter.

## **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have 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 the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the annual trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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


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

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## 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 any party other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinion we have formed.

DocuSigned by:  
  
FE06C486F34044F...

## **James Saunders (Senior Statutory Auditor)**

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Betchworth House  
57-65 Station Road  
Redhill  
Surrey  
RH1 1DL

Date 4/10/2024

**THE MARTLETS HOSPICE LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024			2023			Total Funds £	
		Unrestricted Funds General £	Designated £	Restricted Funds £	Unrestricted Funds General £	Designated £	Restricted Funds £		
<b>INCOME AND ENDOWMENTS:</b>									
Donations and legacies	2	5,141,136	-	2,001,206	7,142,342	2,004,595	-	77,631	2,082,226
Charitable activities	3	2,705,470	-	-	2,705,470	2,692,917	-	-	2,692,917
Other trading activities	4	4,228,653	-	5,354	4,234,007	3,223,273	-	676,163	3,899,436
Income from investments	5	35,064	-	-	35,064	180,718	-	-	180,718
<b>Total Income and Endowments</b>		<b>12,110,323</b>	<b>-</b>	<b>2,006,560</b>	<b>14,116,883</b>	<b>8,101,503</b>	<b>-</b>	<b>753,794</b>	<b>8,855,297</b>
<b>EXPENDITURE:</b>									
Raising funds	6	2,525,808	-	-	2,525,808	2,268,287	-	-	2,268,287
Charitable activities	7	9,848,947	-	1,173,809	11,022,756	9,225,459	-	99,446	9,324,905
<b>Total Expenditure</b>		<b>12,374,755</b>	<b>-</b>	<b>1,173,809</b>	<b>13,548,564</b>	<b>11,493,746</b>	<b>-</b>	<b>99,446</b>	<b>11,593,192</b>
<b>Net Surplus/ (Deficit) before other recognised gains and losses</b>		<b>(264,432)</b>	<b>-</b>	<b>832,751</b>	<b>568,319</b>	<b>(3,392,243)</b>	<b>-</b>	<b>654,348</b>	<b>(2,737,895)</b>
Net gains/ (losses) on investments		(15,000)	-	-	(15,000)	(247,694)	-	-	(247,694)
Taxation		-	-	-	-	-	-	-	-
<b>Net Surplus/ (Deficit)</b>		<b>(279,432)</b>	<b>-</b>	<b>832,751</b>	<b>553,319</b>	<b>(3,639,937)</b>	<b>-</b>	<b>654,348</b>	<b>(2,985,589)</b>
Transfers between funds		(718,674)	3,914,329	(3,195,655)	-	-	-	-	-
<b>Net movement in funds</b>		<b>(998,106)</b>	<b>3,914,329</b>	<b>(2,362,904)</b>	<b>553,319</b>	<b>(3,639,937)</b>	<b>-</b>	<b>654,348</b>	<b>(2,985,589)</b>
<b>Reconciliation of Funds</b>									
Balance brought forward		2,296,558	7,000,000	2,369,857	11,666,415	5,936,495	7,000,000	1,715,509	14,652,004
<b>Balance carried forward</b>	21	<b>1,298,452</b>	<b>10,914,329</b>	<b>6,953</b>	<b>12,219,734</b>	<b>2,296,558</b>	<b>7,000,000</b>	<b>2,369,857</b>	<b>11,666,415</b>

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities. The Hospice has a surplus for the year of £642,674 (2023: £2,870,383).

The notes on pages 21 to 37 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

## CONSOLIDATED BALANCE SHEET

### FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		10,914,329		7,147,117
Intangible assets	13		-		-
Investment property	11		-		1,500,000
Investments	14		-		-
<b>Total fixed assets</b>			10,914,329		8,647,117
<b>Current assets:</b>					
Stock	16	24,815		30,977	
Debtors	17	2,666,578		2,588,029	
Cash at bank and in hand		755,919		2,190,038	
<b>Total current assets</b>		3,447,312		4,809,044	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	(2,073,055)		(1,746,739)	
<b>Net current assets</b>			1,374,257		3,062,305
<b>Total assets less current liabilities</b>			12,288,586		11,709,422
Creditors: Amounts falling due in greater than one year	19		(68,853)		(43,008)
<b>Net assets</b>			12,219,734		11,666,415
<b>The funds of the charity:</b>					
Restricted funds	21		6,953		2,369,857
Unrestricted funds	21		1,298,452		2,296,558
Designated funds	21		10,914,329		7,000,000
<b>Total funds</b>			12,219,734		11,666,415

26/9/2024

These financial statements were approved by the members of the Board of Trustees on .....  
and signed on their behalf by:

Signed by:  
  
B007357FE3A94EA...  
**Michael Rymer**  
 Trustee

DocuSigned by:  
  
6B60A64E39EC45A...  
**Christopher Thomas**  
 Secretary

Charity number: 802145  
 Company number: 02326410 (England and Wales)

The notes on pages 21 to 37 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

## CHARITY BALANCE SHEET

### FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024	2023
		£	£
<b>Fixed assets:</b>			
Tangible assets	12	10,914,329	7,125,678
Intangible assets	13	-	-
Investment property	11	-	1,500,000
Investments	14	2	2
Total fixed assets		<u>10,914,331</u>	<u>8,625,680</u>
<b>Current assets:</b>			
Debtors	17	2,737,724	2,658,456
Cash at bank and in hand		608,932	2,075,421
Total current assets		<u>3,346,656</u>	<u>4,733,877</u>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	18	<u>(1,869,838)</u>	<u>(1,611,150)</u>
<b>Net current assets</b>		<u>1,476,818</u>	<u>3,122,727</u>
<b>Total assets less current liabilities</b>		<u>12,391,149</u>	<u>11,748,407</u>
Creditors: Amounts falling due in greater than one year	19	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u><u>12,391,149</u></u>	<u><u>11,748,407</u></u>
<b>The funds of the charity:</b>			
Restricted funds	21	6,953	2,369,857
Unrestricted funds		12,384,196	2,378,550
Designated funds		-	7,000,000
<b>Total funds</b>		<u><u>12,391,149</u></u>	<u><u>11,748,407</u></u>

26/9/2024

These financial statements were approved by the members of the Board of Trustees on ..... and signed on their behalf by:

Signed by:



BQ07357FE3A94EA...

**Michael Rymer**  
Trustee

DocuSigned by:



6B60A64E39EC45A...

**Christopher Thomas**  
Secretary

Charity number: 802145

Company number: 02326410 (England and Wales)

The notes on pages 21 to 37 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

## CONSOLIDATED STATEMENT OF CASHFLOWS

### FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	24	2,441,026	(1,557,950)
<b>Cash flows from investing activities:</b>			
Dividends and interest receivable		35,064	180,718
Purchase of tangible fixed assets		(5,410,209)	(4,133,409)
Proceeds from sale of investments and fixed assets		-	2,244,511
Proceeds from sale of investment properties		1,500,000	540,000
Proceeds from maturity of investment portfolio		-	1,277,470
Net cash provided by investing activities		<u>(3,875,145)</u>	<u>109,290</u>
Change in cash and cash equivalents in the reporting period		(1,434,119)	(1,448,660)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		2,190,038	3,638,698
<b>Cash and cash equivalents at the end of the reporting period</b>	25	<u><u>755,919</u></u>	<u><u>2,190,038</u></u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 ACCOUNTING POLICIES

##### Company Information

The Martlets Hospice Limited is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found in the Legal and Administrative information section of the accounts.

The Group consists of Martlets Hospice Limited and its two subsidiaries, The Martlets Trading Co Limited and Martlets Care Limited.

##### 1.1 Basis of Preparation

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Companies Act 2006, The Charities Act 2011 and follows the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('the SORP'). The financial statements have been prepared on the historical basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

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 pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Basis of consolidation

The results of The Martlets Trading Co Limited and Martlets Care Limited have been consolidated on a line by line basis. The results for the subsidiaries are disclosed in note 15. As permitted by s408 Companies Act 2006, the Hospice has not presented its own Statement of Financial Activities and related notes.

##### 1.3 Going concern

At the Balance Sheet date the group had net assets of £12,219,734 including cash balances of £2,666,578. On the 1st February 2024 an agreement was reached to make the group part of St Barnabas Hospice meaning the company is expected to be liquidated in due course. Due to this the trustees have made the assessment that the financial statements are prepared on a basis other than going concern.

##### 1.4 Incoming resources

Grants are recognised as income over the period to which they relate. Any grant funding received in advance is recognised as deferred income on the balance sheet.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

All other incoming resources are recognised when the charity is entitled to the income, there is certainty of receipt and the monetary value can be measured with reasonable accuracy.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.5 Government grant receivable

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

##### 1.6 Donated goods

Donated goods and services have not been recognised in these financial statements as it is not practicable to do so as the cost outweighs the benefit.

##### 1.7 Resources expended and the basis of allocation of costs

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular projects are apportioned to the relevant funds on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff, time or space occupied, as appropriate.

Costs relating to a particular activity are allocated directly and others are apportioned on an appropriate staff basis. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designated to reflect the use of the resources.

##### 1.8 Fixed assets

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less estimated residual value, over the expected useful life on the following basis:

Leasehold buildings	-	straight line over 30 years
Furniture & equipment	-	straight line over 4 years
Motor vehicles	-	straight line over 4 years
Computer equipment	-	straight line over 4 years

At the end of each accounting period the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

Assets under construction are not depreciated until the asset is brought into use.

Assets are written off to the Statement of Financial Activities once their net book value becomes less than £5,000.

##### 1.9 Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Website	-	25% straight line
---------	---	-------------------

Assets are written off to the Statement of Financial Activities once their net book value becomes less than £5,000.

##### 1.10 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stock held for distribution at no or nominal consideration is measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.11 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.12 Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at the effective rate of interest.

##### 1.13 Financial liabilities

Basic financial liabilities are initially measured at transaction price.

##### 1.14 Leases

Rent payable under operating leases is accounted for in the Statement of Financial Activities in equal amounts over the period of the lease.

##### 1.15 Taxation

The Martlets Hospice Limited is registered as a charity and all its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010. Any tax charged incurred by the Group is based on taxable profit for the year and included as a liability at the balance sheet date where necessary.

##### 1.16 Deferred taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Financial Activities, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.17 Pension costs and other post-retirement benefits

The Martlets Hospice Limited operates a defined benefit pension scheme and a defined contribution pension scheme for its staff. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Martlets Hospice Limited is one of many employers in the NHS Pension Scheme. It is, therefore, not possible to allocate any actuarial surplus or deficit and, consequently, contributions to the NHS Pension Scheme are charged to the Statement of Financial Activities in the year in which they fall due for payment. The scheme has both defined benefits and contributions, any shortfall in the national fund being met by the Exchequer.

##### 1.18 Fund accounting

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

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

Designated funds are funds set aside by Trustees to be used for a specific purpose.

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

##### 1.19 Critical accounting judgements and key sources of estimation uncertainty

In the application of the 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### 2 DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Patient related donations	203,040	-	203,040	271,269
Legacies receivable	1,337,040	-	1,337,040	620,657
General donations from individuals	591,404	102,557	693,961	306,981
Corporate donations	89,040	120	89,160	112,647
Donated goods Gift Aid scheme	94,351	-	94,351	66,981
Charitable Trust donations	2,826,261	1,898,529	4,724,790	703,691
	<u>5,141,136</u>	<u>2,001,206</u>	<u>7,142,342</u>	<u>2,082,226</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
CCG grants	2,648,502	-	2,648,502	2,621,045
COVID-19 grants	2,047	-	2,047	29,338
Other services	54,922	-	54,922	42,534
	<u>2,705,470</u>	<u>-</u>	<u>2,705,470</u>	<u>2,692,917</u>

#### 4 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Shop sales	1,642,756	-	1,642,756	1,474,196
Online sales	102,682	-	102,682	103,466
Recycled sales	44,544	-	44,544	44,121
New Goods sales	120,721	-	120,721	71,313
Care packages	696,246	-	696,246	713,681
Respite packages	95,262	-	95,262	123,368
Functions and events income	863,361	5,354	868,715	690,991
Collection boxes	9,184	-	9,184	10,912
Lottery income	653,896	-	653,896	667,388
	<u>4,228,653</u>	<u>5,354</u>	<u>4,234,007</u>	<u>3,899,436</u>

#### 5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Dividend income	8,648	-	8,648	79,645
Interest income	18,989	-	18,989	30,281
Rental income	7,427	-	7,427	70,792
	<u>35,064</u>	<u>-</u>	<u>35,064</u>	<u>180,718</u>

#### 6 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
<b>Activities undertaken directly</b>				
Staff costs	1,357,217	-	1,357,217	1,272,120
Other costs	490,537	-	490,537	403,806
	<u>1,847,754</u>	<u>-</u>	<u>1,847,754</u>	<u>1,675,926</u>
<b>Support costs</b>				
Staff costs	114,590	-	114,590	135,058
Other costs	563,464	-	563,464	457,304
	<u>678,054</u>	<u>-</u>	<u>678,054</u>	<u>592,362</u>
	<u>2,525,808</u>	<u>-</u>	<u>2,525,808</u>	<u>2,268,288</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
<b>Activities undertaken directly</b>				
Staff costs	5,000,039	69,692	5,069,731	4,279,297
Other costs	476,297	65,237	541,534	481,024
	<u>5,476,336</u>	<u>134,929</u>	<u>5,611,265</u>	<u>4,760,321</u>
<b>Support</b>				
Staff costs	1,919,483	-	1,919,483	2,399,594
Other costs	2,453,128	1,038,880	3,492,008	2,164,989
	<u>4,372,611</u>	<u>1,038,880</u>	<u>5,411,491</u>	<u>4,564,583</u>
	<u>9,848,947</u>	<u>1,173,809</u>	<u>11,022,756</u>	<u>9,324,905</u>

#### 8 ANALYSIS OF SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Staff costs	2,034,073	-	2,034,073	2,534,652
Printing and stationery	46,588	-	46,588	51,375
Advertising	34,044	-	34,044	50,020
Legal and professional fees	206,067	-	206,067	122,337
Auditor's remuneration	20,614	-	20,614	21,524
Conference and training	33,782	-	33,782	68,827
Computer running costs	488,321	-	488,321	408,787
Service contracts	21,056	-	21,056	20,528
Repairs and renewals	99,110	-	99,110	22,518
Security	494	-	494	2,551
Travel and motor costs	59,773	-	59,773	52,259
Rent and rates	948,236	-	948,236	1,245,853
Heat and light	135,895	-	135,895	184,852
Telephone costs	38,030	-	38,030	34,473
Insurance	67,613	-	67,613	61,879
Subscription costs	15,661	-	15,661	15,331
Investment management	-	-	-	16,426
Bank charges	39,782	-	39,782	31,707
Other costs	157,410	-	157,410	84,786
Depreciation costs	629,963	-	629,963	126,260
Impairment costs	1,013,035	-	1,013,035	-
	<u>6,089,547</u>	<u>-</u>	<u>6,089,547</u>	<u>5,156,945</u>

Included within Support Costs above are Governance Costs. These costs include auditor's remuneration of £20,614 (2023: £21,524).

#### 9 STAFF COSTS

	2024 £	2023 £
Wages and salaries	7,245,951	6,895,637
Social security costs	656,979	653,262
Pension costs	534,541	513,539
	<u>8,437,471</u>	<u>8,062,438</u>

The average monthly number of employees (full time equivalent) during the year was as follows:

	2024 Number	2023 Number
Direct charitable activities	128	124
Administration	39	58
Fundraising	11	14
Martlets Care Limited	42	49
The Martlets Trading Co Limited	34	34
	<u>254</u>	<u>279</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 9 STAFF COSTS (continued)

The number of employees whose emoluments, excluding pension contributions, were over £60,000 during the year were:

	2024 £	2023 £
£60,000 - £70,000	3	3
£70,000 - £80,000	2	3
£80,000 - £90,000	2	1
£90,000 - £100,000	-	1
£100,000 - £110,000	-	1
£120,000 - £130,000	1	-
£140,000 - £150,000	1	-
£160,000 - £170,000	1	1
£180,000 - £190,000	-	1
	10	11
	10	11

Of the employees whose emoluments exceed £60,000, 6 (2023: 6) have retirement benefits accruing under defined benefit pension schemes. Pension contributions for higher paid employees in the year amounted to £76,184 (2023: £92,812).

The key management personnel of the parent charitable company comprise the Chief Executive, Director of Income Generation, Director of Finance and Support Services, Director of Clinical Services and the Director of People Services.

During the year key management personnel received total remuneration of £511,996 (2023: £713,845).

#### 10 TRUSTEE REMUNERATION

The trustees did not receive any remuneration during the year (2023 - £nil). Trustees received reimbursement of expenses in the year of £nil (2023 - £422).

#### 11 INVESTMENT PROPERTY

<u>CHARITY AND GROUP</u>	£
<b>Fair Value</b>	
At 1 April 2023	1,500,000
Disposed	(1,500,000)
Revaluation	-
<b>At 31 March 2024</b>	-

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 12 TANGIBLE FIXED ASSETS

<b>GROUP</b>	<b>Asset Under Construction £</b>	<b>Leasehold buildings £</b>	<b>Furniture &amp; equipment £</b>	<b>Computer equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost:</b>						
At 1 April 2023	4,641,173	3,837,547	372,788	405,274	61,428	9,318,210
Additions	5,331,357	-	-	78,852	-	5,410,209
Impairment	-	(1,851,714)	(344,784)	(220,399)	(61,428)	(2,478,325)
Transfer of assets brought to use	(9,972,530)	9,712,585	259,945	-	-	-
<b>At 31 March 2024</b>	<b>-</b>	<b>11,698,418</b>	<b>287,949</b>	<b>263,727</b>	<b>-</b>	<b>12,250,094</b>
<b>Depreciation:</b>						
At 1 April 2023	-	1,450,453	333,692	340,220	46,727	2,171,092
Adjustment in relation to prior year	-	274,319	36,772	(2,518)	6,877	315,450
Charge for the year	-	239,120	23,914	45,667	5,812	314,513
Impairment losses	-	(847,309)	(344,492)	(214,073)	(59,416)	(1,465,290)
<b>At 31 March 2024</b>	<b>-</b>	<b>1,116,583</b>	<b>49,886</b>	<b>169,296</b>	<b>-</b>	<b>1,335,765</b>
<b>Net Book Value:</b>						
<b>At 31 March 2024</b>	<b>-</b>	<b>10,581,835</b>	<b>238,063</b>	<b>94,431</b>	<b>-</b>	<b>10,914,329</b>
At 31 March 2023	4,641,173	2,387,094	39,096	65,054	14,701	7,147,118
<b>CHARITY</b>						
<b>Cost:</b>						
At 1 April 2023	4,641,173	3,837,547	319,623	405,274	40,593	9,244,210
Additions	5,331,357	-	-	78,852	-	5,410,209
Disposals	-	-	-	-	-	-
Impairment	-	(1,851,714)	(291,622)	(220,399)	(40,593)	(2,404,328)
Transfer of assets brought to use	(9,972,530)	9,712,585	259,945	-	-	-
<b>At 31 March 2024</b>	<b>-</b>	<b>11,698,418</b>	<b>287,946</b>	<b>263,727</b>	<b>-</b>	<b>12,250,091</b>
At 1 April 2023	-	1,450,453	293,177	340,220	34,682	2,118,532
Adjustment in relation to prior year	-	274,319	24,120	(2,518)	4,038	299,959
Charge for the year	-	239,120	23,914	45,667	1,873	310,574
Impairment losses	-	(847,309)	(291,328)	(214,073)	(40,593)	(1,393,303)
<b>At 31 March 2024</b>	<b>-</b>	<b>1,116,583</b>	<b>49,883</b>	<b>169,296</b>	<b>-</b>	<b>1,335,762</b>
<b>Net Book Value:</b>						
<b>At 31 March 2024</b>	<b>-</b>	<b>10,581,835</b>	<b>238,063</b>	<b>94,431</b>	<b>-</b>	<b>10,914,329</b>
At 31 March 2023	4,641,173	2,387,094	26,446	65,054	5,911	7,125,678

Impairment has been recognised this year due to the old hospice building being written off now the construction work on the new building has been completed and some smaller items where the net book value had dropped below £5,000. There has also been a change in the depreciation policy during the year to align the policy with St Barnabas Hospice's policy.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 13 INTANGIBLE FIXED ASSETS

	GROUP £	CHARITY £
<b><u>Website costs</u></b>		
<b>Cost:</b>		
At 1 April 2023	38,900	20,000
Additions	-	-
<b>At 31 March 2024</b>	<b>38,900</b>	<b>20,000</b>
<b>Depreciation:</b>		
At 1 April 2023	38,900	20,000
Charge for the year	-	-
<b>At 31 March 2024</b>	<b>38,900</b>	<b>20,000</b>
<b>Net Book Value:</b>		
<b>At 31 March 2024</b>	<b>-</b>	<b>-</b>
At 31 March 2023	-	-

#### 14 FIXED ASSET INVESTMENTS

	Subsidiary Investments £	CHARITY Total
<b>Cost:</b>		
At 1 April 2023	2	2
Additions	-	-
Disposals	-	-
Revaluations	-	-
Transfers	-	-
<b>At 31 March 2024</b>	<b>2</b>	<b>2</b>

The subsidiary undertakings included as investment at the balance sheet date are:

Name of Company	Class of Shares	Holdings	Nature of Business
Martlets Care Limited	Ordinary	100%	Provides welfare services and care
The Martlets Trading Co Limited	Ordinary	100%	Retail sale of goods

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 15 SUBSIDIARY COMPANIES

##### 15a Martlets Care Limited

The Hospice owns a subsidiary, Martlets Care Limited (company number 06250709).

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Income statement</b>		
Turnover	791,508	837,049
Cost of sales	(566,870)	(563,943)
<b>Gross profit</b>	<b>224,638</b>	<b>273,106</b>
Operating expenses	(215,718)	(220,503)
Other operating income	2,131	8,907
<b>Net profit</b>	<b>11,051</b>	<b>61,510</b>
Gift aid donated to hospice	(11,051)	(61,510)
<b>Profit for the financial year being the retained profit</b>	<b>-</b>	<b>-</b>
<b>Balance sheet</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Assets	390,104	445,032
Liabilities	(381,934)	(386,403)
<b>Net assets</b>	<b>8,170</b>	<b>58,629</b>
<b>Represented by:</b>		
Capital	1	1
Reserves	8,169	58,628
	<b>8,170</b>	<b>58,629</b>

##### 15b The Martlets Trading Co Limited

The Hospice owns a subsidiary, The Martlets Trading Co Limited (company number 04557282).

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Income statement</b>		
Turnover	1,852,625	1,660,179
Cost of sales	(83,273)	(36,568)
<b>Gross profit</b>	<b>1,769,352</b>	<b>1,623,611</b>
Operating expenses	(1,616,669)	(1,457,286)
Other operating income	10,774	30,103
Interest receivable	-	-
<b>Profit / (Loss) before tax</b>	<b>163,457</b>	<b>196,428</b>
Taxation	-	-
<b>Net profit</b>	<b>163,457</b>	<b>196,428</b>
Gift aid donated to hospice	(163,457)	(196,428)
<b>Profit for the financial year</b>	<b>-</b>	<b>-</b>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 15b Martlets Tading Co Limited (continued)

##### Balance sheet

	2024	2023
	£	£
Assets	478,979	394,710
Liabilities	(511,942)	(394,709)
<b>Net assets</b>	<u>(32,963)</u>	<u>1</u>
<b>Represented by:</b>		
Capital	1	1
Reserves	(32,964)	-
	<u>(32,963)</u>	<u>1</u>

#### 16. STOCK

	GROUP		CHARITY	
	2024	2023	2024	2023
	£	£	£	£
Shop stock	<u>24,815</u>	<u>30,977</u>	<u>-</u>	<u>-</u>

#### 17 DEBTORS

	GROUP		CHARITY	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	667,941	670,879	406,588	443,338
Amounts due from group companies	-	-	620,974	582,433
Prepayments and accrued income	1,839,691	1,414,430	1,651,606	1,168,952
Social security and other taxes	80,510	467,941	58,031	447,033
Other debtors	78,436	34,780	525	16,700
	<u>2,666,578</u>	<u>2,588,030</u>	<u>2,737,724</u>	<u>2,658,456</u>

Included within prepayments and accrued income is legacy income receivable of £1,495,285 (2023: £1,175,426) due to the Charity.

#### 18 CREDITORS: Amounts falling due within one year

	GROUP		CHARITY	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	96,574	811,194	51,561	798,040
Amounts due to St Barnabas Hospice	1,005,322	-	1,005,322	-
Accruals and deferred income	621,817	579,431	559,938	546,677
Social security and other taxes	156,598	159,371	133,905	141,822
Other creditors	192,744	196,742	119,112	124,611
	<u>2,073,055</u>	<u>1,746,738</u>	<u>1,869,838</u>	<u>1,611,150</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 18 CREDITORS: Amounts falling due within one year (continued)

Deferred income	GROUP £	CHARITY £
Balance as at 1 April 2023	417,512	394,849
Movement in the year	4,060	6,107
Balance as at 31 March 2024	<u>421,572</u>	<u>400,956</u>

#### 19 CREDITORS: Amounts falling due after 1 year.

	GROUP		CHARITY	
	2024 £	2023 £	2024 £	2023 £
Other creditors	68,853	43,008	-	-
	<u>68,853</u>	<u>43,008</u>	<u>-</u>	<u>-</u>

#### 20 PENSION COMMITMENTS

The Charity operated three pension schemes during the year on behalf of its employees.

- NHS Superannuation Scheme
- Royal London

Contributions to each scheme are charged to the Statement of Financial Activities as they arise.

Royal London: This is a defined contribution scheme. The assets of the scheme are held separately from Group in a fund independently administered by Royal London and the assets and liabilities of the scheme are therefore represented in the Group accounts.

NHS Superannuation Scheme: The Group makes contributions to the scheme for nursing and medical staff. The scheme is an approved multi-employer scheme and, as such, the Group is not able to identify its share of the assets or of the potential liability it may have to the scheme at the balance sheet date.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 20 PENSION COMMITMENTS (continued)

The total contributions made by the Group were as follows:

	GROUP		CHARITY	
	2024	2023	2024	2023
	£	£	£	£
Martlets Group Personal Pension Plans	286,255	278,774	230,833	228,025
NHS Defined Benefit Scheme	248,286	234,765	248,286	234,765
	<u>534,541</u>	<u>513,539</u>	<u>479,119</u>	<u>462,790</u>

Total contributions outstanding at the year-end amounted to £78,308 (2023: £79,653) for the Group and Charity.

#### 21 RESERVES

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
<b>Unrestricted funds</b>					
General funds	2,296,558	12,110,323	(12,389,755)	(718,674)	1,298,452
<b>Restricted funds</b>					
<u>Capital Funds</u>					
Hospice Development	1,286,032	-	(735,969)	- 550,063	-
Renaissance Project	253,006	-	(240,793)	- 12,213	-
Renovations Fund	22,598	-	(7,638)	- 14,960	-
Gateways to Care Project	46,621	-	(46,621)	-	-
IPU Equipment	11,469	-	(11,469)	-	-
MBE Project	711,163	1,907,256	-	- 2,618,419	-
	<u>2,330,889</u>	<u>1,907,256</u>	<u>(1,042,490)</u>	<u>- 3,195,655</u>	<u>-</u>
<u>Revenue Funds</u>					
Carers Project	6,500	37,850	(44,128)	-	222
Hospice at Home	6,000	37,324	(43,324)	-	-
Heads On Charity/ NHS Charities Together	7,200	-	(7,200)	-	-
Other	19,268	24,130	(36,667)	-	6,731
	<u>38,968</u>	<u>99,304</u>	<u>(131,319)</u>	<u>-</u>	<u>6,953</u>
<b>Total restricted funds</b>	2,369,857	2,006,560	(1,173,809)	- 3,195,655	6,953
<b>Designated funds</b>					
Hospice Development	7,000,000	-	-	(7,000,000)	-
Tangible fixed assets	-	-	-	10,914,329	10,914,329
	<u>7,000,000</u>	<u>-</u>	<u>-</u>	<u>3,914,329</u>	<u>10,914,329</u>
<b>Total funds</b>	<u>11,666,415</u>	<u>14,116,883</u>	<u>(13,563,564)</u>	<u>-</u>	<u>12,219,734</u>

#### Restricted funds

Transfers to and from capital restricted funds relate to a correction made to align net book values of assets funded with restricted fund balances shown.

#### Hospice Development

This asset fund represents the Hospice building. It appears as a restricted fund because the original capital appeal to build the Hospice was conducted by MacMillan Cancer Support. On completion the asset was then given to the Charity with the restriction that it was to be used only as a Hospice. The expenditure shown during the year represents depreciation and rent paid to the NHS who owns the land. The Hospice building is also represented in our fixed asset schedule.

#### Renaissance Project

A capital grant was provided by NHS England in 2013 to create new day service facilities including a café and three multi-functional rooms. Improvements were also made to our main entrance and drugs room. Additional sums were raised from charitable trusts. The expenditure in the year represents depreciation on capital assets forming part of the appeal.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 21 RESERVES (continued)

##### **Restricted funds (continued)**

###### Renovation Fund

The Martlets Hospice has embarked on building works to reconfigure the rear entrance to the building to enhance the passage and experience for patients entering the inpatient unit.

###### Gateway to Care Project

A capital grant was provided by the Department of Health in 2008 to refurbish our Reception and Day Hospice facilities. The expenditure represents depreciation on capital assets forming part of the appeal.

###### IPU Equipment

IPU equipment was purchased from a restricted donation in 2019.

###### MBE Project

Funds have been received which are restricted to the Martlets Building Enhancement Project. This project is now complete.

###### Carers Project

The Ernest Kleinwort Charitable Trust has awarded a grant to Martlets to deliver a project that aims to provide better support for Carers.

###### Hospice at Home

This cash fund represents our Hospice at Home service and shows the income and expenditure of restricted grants and donations in the year.

###### Heads on Charity/ NHS Charities Together

A £100,000 grant was awarded to Sussex hospices from Heads On Charity/NHS Charities Together to support clinical nurse specialists caring for people at end of life in their own homes. Martlets Hospice is the lead charity responsible for delivering the project and distributing the grant amongst the 7 Sussex Hospices. The project term is 1 year from 1 November 2021 to 31 October 2022 but the grant is payable over a longer 3 financial year term - 2021 to 2024.

###### Others

These cash funds represent the income and expenditure of restricted donations made during the year for various purposes.

##### **Designated funds**

###### Hospice Development

This fund represents funds set aside by Trustees to be used to partially fund the Martlets Building Enhancement project which is now complete.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 22 ANALYSIS OF NET ASSETS

##### As at 31 March 2024

	<b>GROUP</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	-	-	1,298,452	1,298,452
Restricted Funds	-	-	6,953	6,953
Designated Funds	10,914,329	-	-	10,914,329
	<u>10,914,329</u>	<u>-</u>	<u>1,305,405</u>	<u>12,219,734</u>

	<b>CHARITY</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	-	-	1,469,865	1,469,865
Restricted Funds	-	-	6,953	6,953
Designated Funds	10,914,329	2	-	10,914,331
	<u>10,914,329</u>	<u>2</u>	<u>1,476,818</u>	<u>12,391,149</u>

##### As at 31 March 2023

	<b>GROUP</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	5,459,133	-	(3,162,575)	2,296,558
Restricted Funds	1,687,984	-	681,873	2,369,857
Designated Funds	-	1,500,000	5,500,000	7,000,000
	<u>7,147,117</u>	<u>1,500,000</u>	<u>3,019,298</u>	<u>11,666,415</u>

	<b>CHARITY</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	5,441,210	-	(3,062,660)	2,378,550
Restricted Funds	1,684,468	-	685,389	2,369,857
Designated Funds	-	1,500,002	5,499,998	7,000,000
	<u>7,125,678</u>	<u>1,500,002</u>	<u>3,122,727</u>	<u>11,748,407</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 23 SHARE CAPITAL

The company has no share capital and is limited by guarantee.

#### 24 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
<b>Net income/(expenditure) for the reporting period</b>	553,319	(2,985,588)
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	629,963	126,260
Losses/(Gains) on investments	-	162,486
Impairment of fixed assets	1,013,035	-
Revaluation of investment properties	-	85,208
Investment income	(35,064)	(180,718)
(Increase)/ decrease in stocks	6,162	(15,365)
(Increase)/decrease in debtors	(78,548)	748,842
Increase/(decrease) in creditors	352,161	500,925
<b>Net cash provided by/(used in) operating activities</b>	<u>2,441,026</u>	<u>(1,557,950)</u>

#### 25 ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash in hand	755,919	2,190,038
<b>Total cash and cash equivalents</b>	<u>755,919</u>	<u>2,190,038</u>

#### 26 OPERATING LEASES

At 31st March the Group had annual commitments under operating leases as set out below:

	2024 £	2023 £
Within 1 year	270,385	739,948
Between 2 and 5 years	318,256	335,092
After five years	1,695,847	1,701,800
	<u>2,284,488</u>	<u>2,776,840</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 27 RELATED PARTY TRANSACTIONS

##### GROUP

There were no related party transactions in the year.

##### CHARITY

During the year Martlets Care Limited declared a gift aid payment of £61,510 (2023: £158,663) to The Martlets Hospice Limited, its parent company. During the year, rent payments totalling £3,600 (2023: £nil) were made to The Martlets Hospice Limited, its parent company. At the year end £307,842 (2023: £298,269) was outstanding from the company. This balance includes a loan of £188,000 due to The Martlets Hospice Limited. Interest of 0.75% per annum above LIBOR is payable on the loan balance.

During the year The Martlets Trading Co Limited declared a gift aid payment of £196,421 (2023: £nil) to The Martlets Hospice Limited, its parent company. During the year, rent payments totalling £12,000 (2023: £nil) were made to The Martlets Hospice Limited, its parent company. At the year end £313,132 (2023: £284,164) was outstanding from the company. This balance includes a loan of £125,000 due to The Martlets Hospice Limited. Interest of 0.75% per annum above LIBOR is payable on the loan balance.

During the year Martlets Hospice Limited received a loan from St Barnabas Hospice, its parent company, of £1,000,000.

Interest at the Bank of England base rate is due on the loan balance, at 5.25% at year end. The total balance outstanding to the parent company at year end was £1,005,322 (2023: £nil)

#### 28 CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements:

	2024 £	2023 £
Acquisition of assets under construction	-	4,868,913
	<u>-</u>	<u>4,868,913</u>

#### 29 PARENT COMPANY

The ultimate parent company of The Martlets Hospice Limited is the St Barnabas Hospices (Sussex) Ltd, a charitable company incorporated in England and Wales.



Martlets  
Wayfield Avenue,  
Hove  
BN3 7LW

[martlets.org.uk](http://martlets.org.uk)  
01273 273400  
[communications@martlets.org.uk](mailto:communications@martlets.org.uk)

Company Registration No.02326410 (England and Wales)

Registered Charity Number 802145

**THE MARTLETS HOSPICE LIMITED**

England & Wales - Charity number 802145

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# Accounts

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# Trustees' Report

including Strategic Report  
and Consolidated Accounts

Year ended 31 March 2023



# The Martlets Hospice Limited



Financial Statements

For the year ended 31 March 2023

**Company Number: 02326410 (England & Wales)**  
**Charity Number: 802145**

# THE MARTLETS HOSPICE LIMITED

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# THE MARTLETS HOSPICE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors and Trustees</b>	<b>Committee</b>
Mark Bayliss	1,2
Michael Bedingfield	4
Karen Blatchford	4
Rebecca Crook	1,2,3
Bec Davison	5
Barry Egan, <i>Vice Chair</i>	5
Helen Greany	1
Giles Ings	1,6
David Quinton	4,6
Juliet Smith, <i>Chair</i>	
Jake Standing, <i>Treasurer</i>	3
Duncan Stewart	2
Christopher Thomas, <i>Secretary</i>	1,3

### Committees

Martlets Building Enhancement Project	1
Clinical Governance	2
Finance and ICT (Information, Communication and Technology)	3
Income Generation, Trading and Martlets Care	4
People Services and Remuneration	5
Safety, Health, Fire and Facilities Governance	6

### Leadership Team

Claire Irving, Chief Executive Officer		All
Simone Ali, Medical Director		2
Bobby Dhol, Director of Finance and Support Services	<i>Resigned June 2022</i>	1,3,4,6
Michael Barford, Director of Finance and ICT	<i>Appointed June 2022</i>	1,3,4,6
Fiona Mulliner, Director of Income Generation	<i>Resigned November 2022</i>	1,3,4,6
Tanya Hunt, Director of Income Generation	<i>Appointed June 2023</i>	1,3,4,6
Sharon Howes, Director of People Services	<i>Resigned August 2022</i>	5
Mandy Piper-Killick, Director of People Services	<i>Appointed April 2023</i>	5
Karen Taylor, Director of Clinical Services	<i>Resigned June 2023</i>	2
Gill Brooks, Director of Quality and Improvement	<i>Appointed March 2023</i>	2

<b>Charity Number</b>	802145	<b>Company Number</b>	02326410
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### Principal Address and Registered Office

The Martlets Hospice Limited  
Wayfield Avenue  
Hove  
East Sussex  
BN3 7LW

### Auditors

Moore Kingston Smith LLP  
Betchworth House  
57-65 Station Road  
Redhill, Surrey  
RH1 1DL

### Lead Banking Partner

Barclays Bank PLC  
139/142 North Street  
Brighton  
East Sussex  
BN1 1RU

### Discretionary Fund Manager

Rathbone Brothers PLC  
1 Curzon Street  
London  
W1J 5FB

# **THE MARTLETS HOSPICE LIMITED**

## **TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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### **Introduction**

The Trustees and Directors of The Martlets Hospice Limited present their Annual Report, including the Directors' Report and Strategic Report, for the year ended 31 March 2023 together with the Consolidated Accounts for the Charity and its subsidiaries.

The accounts comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **The Martlets Hospice Limited**

The Martlets Hospice Limited (Martlets, the Hospice, the Charity, the Company) is constituted as a company limited by guarantee and governed by its Memorandum and Articles of Association. In April 1997, a purpose-built, 18-bed Hospice opened, ready to care for people in and around the Brighton and Hove community. It brought together three charities: Coppercliff Hospice, the Turner Home and the Macmillan Day Services. This report covers the period April 2022 to March 2023.

### **Objectives of the Charity and Principal Activities and Organisation of our Work**

As a Charity, we provide people affected by terminal illness in Brighton and Hove and neighbouring areas with the very best care and support. We help people do the things they love with the time they have. Our life-changing hospice care gives people living with terminal illness hope, purpose, and possibility. We continue to extend our reach to help as many people in our community as possible, ensuring that patients, family, and friends have access to our services. Our work is made possible only by the generosity of our supporters. The Charity achieves these objectives by:

- a) providing care which is free at the point of delivery to adults with serious and life-threatening illness;
- b) operating a service at one's home that takes specialist palliative care professionals, including medical consultants, clinical nurse specialists and hands-on care professionals, into the homes of patients;
- c) operating a service at one's home that takes skilled, hands-on hospice care into the homes of patients;
- d) operating a respite service that supports the carers of patients;
- e) providing a bereavement service for relatives and carers;
- f) providing a range of day services for patients and carers to support their health and well-being; and
- g) working in partnership with the NHS, charities, and organisations to extend and maximise reach and impact.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in the planning of future activities.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### COVID-19

The impact of COVID-19 on Martlets' operational and financial performance during 2022-23 was much less significant than in prior periods. Most measures implemented to provide safety and stability in operations and service provision remained in place until June 2022. Protocols to deal with infection risk and outbreak were maintained and updated to protect the health and wellbeing of patients, staff, volunteers and the wider community. While all our services returned to more normal operations, albeit with different aspects to delivery after the impact of the pandemic and during our hospice rebuild, they were affected by increased sickness absence as a result of covid and its effect on clinical operations.

#### Financial Assistance

Martlets benefited from a small residual amount of COVID-19 grant funding during 2022-23, amounting to around £30k for the year.

### Service Delivery

#### Inpatient Services

During 2022-23, the inpatient unit cared for a total of 147 patients, some of whom had multiple admissions. This was a reduction of 23% on the prior year and was a consequence of a temporarily reduced number of beds (an unfortunate but necessary consequence of our rebuild work) and the impact of covid on operational staffing levels. The average occupancy of the inpatient unit was 70%, which is 22% higher than last year and not far off the long-term average of 74%. Of the patients cared for on the inpatient unit, non-cancer diagnosis remained at 25%, consistent with last three years.

#### Community Services

The Community Team consists of a multi-disciplinary team of Clinical Nurse Specialists, Hospice at Home team, doctors and other health and social care professionals including social workers, occupational therapists, a chaplain, and counsellors, as well as a range of volunteers providing services to patients and their families in the community as part of the wider Community Service. A total of 1,914 patients and carers were supported and cared for by Community Services in the year 2022-23. This has been a drop of 1% on the prior year. Aside from the pandemic year however, this value is consistent with previous periods.

A total of 6,436 face-to-face visits were made to 896 individual patients, a decrease over last year. This follows the change in contact preference for patients since the pandemic who are instead supported by remote consultations and a significant increase in telephone support. Telephone services continue to offer advice and support to patients, carers and health and social care professionals 24 hours a day, seven days a week.

#### Outpatient Services

Within the year, 881 individuals accessed these services, an increase of 47%, facilitated by continued use of tools to provide services remotely. This is also marked by a reduction in the number of Wellbeing telephone calls, made to support people at home, that rose significantly during and following 2020-2021.

#### Counselling and Bereavement Services

The bereavement service offers one-to-one counselling with qualified counsellors and one-to-one support from trained bereavement volunteers. Counselling sessions are offered on all days except Sundays and the service is available in the evenings as well as during the daytime. The number of bereavement counselling sessions was reduced in the 2022-2023 period. Whilst we off-sited to allow redevelopment of the hospice, we were not able to make use of our brilliant bereavement volunteers due to lack of private space and this is reflected in the reduced number of sessions held.

#### Building a new Inpatient Unit

The board approved final plans for the hospice rebuild and modernisation project in March 2022 and in June 2022 the site closed, and construction work began. Leases on three new sites to provide temporary inpatient, clinical and support staff accommodation were completed at the time. The project completed in September 2023 according to plan and the transition from temporary sites back to the hospice is ongoing during October and November 2023.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Support Services

#### People Services

We supported the recruitment of two executive leadership positions and two key senior managers, including the Director of People Services and the Director of Income Generation, who both joined the organisation during the first quarter of 2023 and two Clinical Service Managers covering Community Services and Patient and Family Support.

Much work was carried out across the Hospice Collaborative group to source a new Learning Management System to operate across the Sussex Hospices. iLearn was identified as the system of choice and was implemented at the beginning of April 2023. The new system enables effective benchmarking against the other Sussex hospices and provides a consistent approach to staff development and mandatory training.

Three heads of department participated in the popular 'Thrive Leadership and Management Programme', which is based on the Hospice UK programme. The programme was another excellent example of effective partnership working across the Sussex Hospices.

The Staff Survey carried out in July 2022 highlighted a number of positive responses and a few areas for improvement. To support recruitment and retention, we faced an overwhelming need to review and improve our pay and pay progression arrangements, so that we could continue to remain competitive in a very tight market.

Following this feedback, we prioritised bringing salaries more in line with local market rates. This included an uplift for our Housekeeping staff, which also ensured our commitment to pay the Living Wage as a minimum salary, and improving the pay of our Healthcare Assistants, our Senior Staff Nurses and Senior Sisters, to align them more closely with our NHS partners. We also applied an average cost of living award of around 3% which was much higher than in previous years and we improved sickness absence entitlement, to reflect local market forces.

#### Information, Communications and Technology

The theme of the past year has been the planning and implementation for the shifting of teams and operations offsite during the building enhancement project. This has involved providing network connectivity to three new sites alongside the migration from a proprietary NHS link to a standardised HSCN connection (Health and Social Care Network), providing a more resilient and supported link to the NHS. We have also implemented a mobile device management platform to give a more secure and controlled way to deploy and manage mobile devices.

During the year we started a programme of phishing simulations to test and educate staff and volunteers on the dangers of phishing scams to better protect the organisation.

#### Data Protection and Governance

By including our information governance and data protection course as part of the mandatory on-boarding training, we have been able to maintain a 98% compliance rate for most of the past year. We have also supplemented this training with a series of hospice-wide communications on topics such as the dangers of leaving screens unlocked in public areas, or clicking on links in suspicious emails. Our partners Trident have also run phishing scenarios to test our staff response to receiving these types of emails.

We are again pleased to report that we had no data breaches in the period. We continue to see an increase in questions to the Information Governance team that act to pre-empt any potential risk to data. The next few months will see training on the use of our IG incident reporting tool added to 1<sup>st</sup> day on-boarding tasks and further resources and communications created to support the wider organisation with identifying data protection issues.

# **THE MARTLETS HOSPICE LIMITED**

## **TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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### **Income Generation**

Our trading operation achieved 14% growth in turnover compared with 2021-22. We expanded our portfolio of outlets with the opening of our ninth charity shop In Saltdean. Our profit contribution dipped year on year to £196k (from £220k) due to rising cost pressures in staffing and utilities.

Fundraising performance this year presented a mixture of results, with clear indications that economic uncertainty and cost of living inflation is impacting charitable giving.

Our community and events programme of fundraising saw some encouraging activity, with Martlets challenges ending the year 21% over target showing an appetite for the public to take part. The Halloween Ball produced its highest ever income at £120k as did our Christmas campaign which resulted in £89k, a 32% increase year on year.

We reviewed our lottery activities and, at the end of the financial year, outsourced our lottery activity to Local Hospice Lotteries to benefit from greater canvassing economies of scale and capacity. We anticipate this will result in an extra £2m contributed to Martlets over the next 5 years.

We launched our Capital Appeal in June 2022 with an initial cross-period target of £2m and ended the year with £666k secured, mainly from charitable trusts. A further £1.5m pledged from a new trust expected has been received in early 2023/24. We anticipate a further £100k being secured from our public phase of the campaign during 2023/24.

In September 2022 we launched our third Wild in Art trail, Shaun by the Sea, with an aim to generate £200k profit across all fundraising activities. The launch received plaudits from across the corporate sector and engagement across the community has been increasing throughout the planning period. The activity will take place through September to November 2023, when we expect to see most of the income realised at the end of trail auction.

Legacy income was targeted to reach £3m and ended the year significantly short at £620k. Legacy income is extremely volatile and can be expected to fluctuate on an annual basis, therefore it is helpful to look at legacy income as a 5-year rolling average. Martlets legacy income 5-year rolling average has remained consistently above £2.8m since 2018. We expect a recovery in future years in line with our rolling average and external forecasting which shows sustained growth over the next 5 years.

Donors to Martlets can be assured that we comply with the regulatory standards for fundraising, as set out in the Charities Act 2016. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We encourage the fundraising service providers we engage with to be signed up to the Code to protect our supporters and the reputation of our Charity.

The Martlets website outlines our complaints policy for the public and clearly explains how an individual can complain. No complaints were received in the financial year. Our policy requires that a response to a complaint is made within ten days, and that serious complaints are escalated to our Leadership Team and Trustees.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Marketing and Communications

The team has worked hard to support connection between all of the various Martlets' sites, our patients and our community during this year away from our Hospice building. This includes intranet site developments, new signage at sites and monthly all staff building enhancement updates. Creation of a patient film 'Marc's story,' created for our Halloween Ball, not only supported the event to its best-ever return, but saw Martlets win Gold at the national Smiley Charity Film Awards, with the judges praising the film for being an *'emotive, real story that's relatable and highlights the services of the charity brilliantly.'* The team also developed all content and assets for the Christmas fundraising campaign, which was the most successful Christmas appeal to date. TV and national media coverage was gained at the launch of the Shaun by the Sea art trail and the team has expanded its pool of professional volunteers over the year, to enhance cost-effective service delivery.

### Financial Summary

Martlets is reporting a consolidated deficit of £2,986k, which compares with a surplus of £323k in the prior year.

#### Income

Total income for the Group amounted to £8,855k, a 14% decrease over the prior financial year. Charitable activity income has shown a 13% decrease against last year amounting to £2,693k, mainly explained by the significantly lower amount of COVID-19 grants received during the period. Donations and Legacies have shown a 42% decrease on the prior year concluding at £2,082k. This difference is mainly due to a large shortfall against predicted legacy income of around £1.7m, along with lower levels of general donation income that were mitigated by higher charitable trust donations (relating to the build project). Trading activities reported £3,899k income for the year compared with £3,453k last year, an increase of 13%. Key improvements were made in shop sales and income generating events.

#### Expenditure

Total expenditure in the financial year amounted to £11,593k, an increase of £1,174k. Savings over budget of around £240k were made, due to strict cost management, but they were offset by the costs of increased activity in raising funds and returning to normal after the covid period. In addition, pressure on staff costs created by structural developments and pay reviews added to expenditure versus the previous year.

#### Investment Performance

During the early months of the year, significant divestment of the Martlets investment portfolio was made. This was to mitigate ongoing risk to the diversified portfolio and to convert to cash required for the major construction project. The year ended with no investment assets to report, and the remaining cash has been spent on the project. One investment property was sold in the year and those remaining have been disposed of in the ensuing months. Once again, proceeds have been used to fund the building project. One impact of our process of asset disposal has been a reported £248k realised loss for 2022/23.

#### Reserves Policy

The Board of Trustees adopted a reserves policy carefully designed following the guidance from Charity Commission guidance, "Charity reserves, building resilience" (CC19). The policy seeks to set a reserve requirement using three core components. First, an amount should be held that is equivalent to the redundancy costs of all staff within the organisation if these are required. Second, the value of 50% of most long-term leases and contracts should be retained. These funds would cover such leases in the event of a shutdown, with a belief that the remaining 50% could be mitigated. Finally, with legacies forming such a significant proportion of voluntary income, a percentage of annual budgeted legacy should be added to the reserve. At the end of March 2023, the three elements amounted to a reserve requirement of £3.1m. The free reserves as at the same date amounted to £4.5m, £1.4m above the target level.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Designated Reserves

Martlets had retained £7m in designated reserves to assist in the funding of the building project at the point of commencement in June 2022, alongside the delivery of a Capital Appeal. Necessary revisions to the specification and scope of the build and refurbishments, general cost pressures and fundraising challenges meant that reserves levels beyond March 2023 could drop below the policy target. This required solutions to a very challenged cashflow plan and close financial management over the following year.

### Future Challenges and Changes

The combination of revision to the scope of the construction project (valued around £1m in terms of extra spending), the impact of economic turmoil and 2022/23 fundraising income shortfalls resulting in a very significant deficit (versus a breakeven budget), produced considerable pressure during 2023. The most immediate task was to secure our care services and find solutions to severe cashflow issues, which involved extended negotiations with potential lenders, exploring possibilities for partnership working with neighbouring hospices and new approaches in fundraising and appeals to major donors. All the investment properties were sold, with the last completing in late 2023, and support was given from the NHS in terms of payment advances and valuable advice.

Having faced unwelcome levels of risk across the middle of the year, a corner was turned thanks to enormous generosity from some remarkable donors. By October 2023, Martlets was performing ahead of budget in terms of income and expenditure and the immediate cashflow needs were all addressed. Completion of the construction project was achieved at the end of September 2023, with full occupation by early December. Continuing pressures will mean that spending and cash management will remain the top priority operationally for some time.

The experiences of 2023 highlighted the fundamental risks to Martlets' financial sustainability that followed the commitment of reserves to the project, very poor legacy income during 2022/23 and the resulting difficulty in maintaining reserves levels according to policy. The generosity mentioned created an opportunity to work on organisational design and operational structures but also led to a proposal from the board of St Barnabas Hospices, based in Worthing, to explore the potential for merging our charity with theirs. With shared goals to protect and improve patient care across our sites and the need to secure financial sustainability, the two boards began discussions during later 2023 and eventually signed heads of terms to commit to the merger plan just before Christmas. In January 2024 the merger deed was completed. This meant that Martlets became a subsidiary charity of the St Barnabas group charity, with a view towards a complete merging of all assets, liabilities, and operations by the end of 2024.

Facilitated by new board membership arrangements and what will be an extended period of transition management, integration, and organisational review, the new group will combine the strengths and expertise of St Barnabas House, Chestnut Tree House children's hospice and Martlets. This will mean we can increase our impact, improve access to quality care, secure financial sustainability, and ultimately achieve greater benefits for our patients, families, employees and wider communities.

Both Martlets and St Barnabas Hospices bring challenged financial situations into the merger, but structural savings and synergies will help bring the new group to surplus within three years. The strong reserves position that St Barnabas provides underpins the new plan and gives the financial security and time to be able to implement it.

Martlets and St Barnabas remain part of the Sussex Hospices Collaborative, which pools resources and expertise. Our focus on data insight, NHS engagement and workforce development will continue. Alongside this important work, which is expected to result in real opportunities for service development and financial security, the new group will actively seek further partnerships to increase the benefits of our care and secure financial sustainability for years to come.

# THE MARTLETS HOSPICE LIMITED

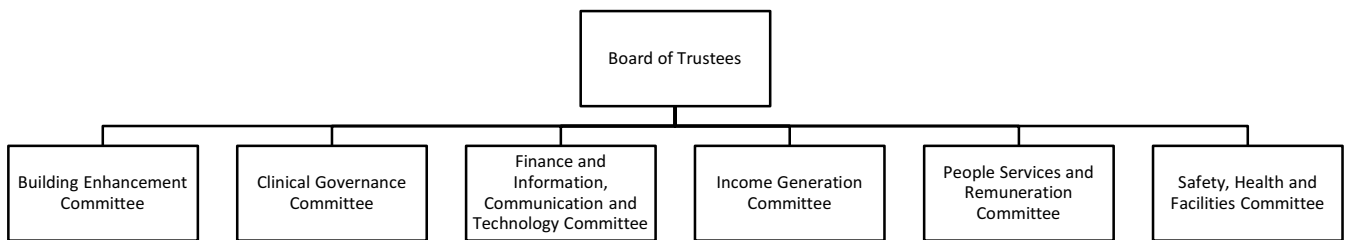
## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Governance

#### The Structure of the Hospice

The Board of Trustees is responsible for the overall governance of Martlets, which includes overseeing strategy, performance, and compliance with all legislation. Martlets has two subsidiaries and collectively the legal entities are referred to in the Financial Statements as “the Group”. Governance is an umbrella term for the systems, processes, and types of behaviour that enable Trustees to hold the organisation in trust, steer its work and optimise the benefit to current and future beneficiaries. Sub-committees ensure the appropriate oversight of strategic and operational areas. All committees offer advice direct to the Board of Directors and are listed below.



#### Directors and Trustees

All Trustees are Directors of The Martlets Hospice Limited, maintained at 13 members, and collectively have the power to appoint additional Trustees as they consider appropriate. Trustees serve up to a maximum of three terms of three years each, meeting as the Board every three months with additional extraordinary meetings as required. Additional Board days support strategic planning. All Trustees and Directors undergo an induction to educate on the policies and procedures for Martlets, training for specific topics as well as general information on how the organisation operates.

#### Risk Assessment and Management

Martlets operates an active Risk Register segmented into categories and reviewed at each appropriate sub-committee. These documents are periodically reviewed to assess existing risk and document new subjects as they come up. Mitigating actions are offered and tracked to alleviate identified risks where appropriate. Business Continuity Plans are also maintained, complemented by scenario planning simulations with team managers to practice events and leverage learnings from such simulations.

#### Executive Team Remuneration

Remuneration of the Martlets Executive Team is governed by the People Services and Remuneration Committee. Benchmarking continues to enable pay recommendations to be made, and to retain talent and reward for excellence.

#### Recruitment Policy

Martlets makes reasonable adjustments in the recruitment process to ensure that no applicant is disadvantaged because of their protected characteristic. Our technical solutions enable anonymised shortlisting as personal and diversity information is held back. Guidance available sets out how we aim to eliminate bias from our recruitment process as this is the best way to reflect diversity, be fair to all applicants and encourage under-represented groups to apply for work or volunteering opportunities with us. We wish to reflect the diversity of the local community as far as possible as we believe it can enrich our services and enhance our social and cultural life.

#### Equality, Diversity, Inclusion and Belonging Policy

Martlets ascertains sensitively whether staff members require reasonable adjustments and therefore plans accordingly to meet any continuing healthcare needs or management of long-term conditions. Martlets will make reasonable adjustments to selection procedures for training or the training arrangements themselves. This could involve changing the way we conduct training, changes to the premises that we use or providing extra aids, services, or equipment to remove barriers for disabled staff.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Trustee Declaration

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's Auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The Trustees' Report incorporating the Strategic Report was approved by the Board of Trustees on 28/3/2024 and signed on its behalf by:

DocuSigned by:  
  
60A16E677F4E41F...

Juliet Smith  
Trustee

DocuSigned by:  
  
6B60A64E39EC45A...

Christopher Thomas  
Secretary

# THE MARTLETS HOSPICE LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED

### 31 MARCH 2023

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The Trustees, who are also the Directors of The Martlets Hospice Limited for company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company and the Group for that year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the accounts 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 and to provide reasonable assurance that:

- the Charity is operating effectively and efficiently;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and that financial information used within the Charity or for external publication is reliable;
- the Charity complies with relevant laws and regulations; and
- a system of effective clinical governance is in place.

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the Board;
- regular forecasts to predict the likely outcome for the financial year;
- regular monitoring of actual performance against budgets and forecasts;
- delegation of authority to managers for expenditure within budget limits;
- segregation of duties; and
- identification and management of risk.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

We have audited the financial statements of The Martlets Hospice Limited ('the company') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

## **Emphasis of matter - Financial statements prepared on a basis other than Going Concern**

We draw attention to Note 1.3 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.3. Our opinion is not modified in respect of this matter.

## **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have 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 the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the annual trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

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

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## 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 any party other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP.*

## **James Saunders (Senior Statutory Auditor)**

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Betchworth House  
57-65 Station Road  
Redhill  
Surrey  
RH1 1DL

Date 27 March 2024

**THE MARTLETS HOSPICE LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023			2022			Total Funds £
		Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	Unrestricted Funds General £	Unrestricted Funds Designated £	Restricted Funds £	
<b>INCOME AND ENDOWMENTS:</b>								
Donations and legacies	2	2,004,595	-	77,631	3,477,543	-	106,004	3,583,547
Charitable activities	3	2,692,917	-	-	3,078,527	-	-	3,078,527
Other trading activities	4	3,223,273	-	676,163	3,452,933	-	-	3,452,933
Income from investments	5	180,718	-	-	153,709	-	-	153,709
<b>Total Income and Endowments</b>		<b>8,101,503</b>	<b>-</b>	<b>753,794</b>	<b>10,162,712</b>	<b>-</b>	<b>106,004</b>	<b>10,268,716</b>
<b>EXPENDITURE:</b>								
Raising funds	6	2,268,287	-	-	2,185,658	-	-	2,185,658
Charitable activities	7	9,225,459	-	99,446	8,022,797	-	210,333	8,233,130
<b>Total Expenditure</b>		<b>11,493,746</b>	<b>-</b>	<b>99,446</b>	<b>10,208,455</b>	<b>-</b>	<b>210,333</b>	<b>10,418,788</b>
<b>Net Surplus/ (Deficit) before other recognised gains and losses</b>		<b>(3,392,243)</b>	<b>-</b>	<b>654,348</b>	<b>(45,743)</b>	<b>-</b>	<b>(104,329)</b>	<b>(150,072)</b>
Net gains/ (losses) on investments		(247,694)	-	-	472,775	-	-	472,775
Taxation		-	-	-	-	-	-	-
<b>Net Surplus/ (Deficit)</b>		<b>(3,639,937)</b>	<b>-</b>	<b>654,348</b>	<b>427,032</b>	<b>-</b>	<b>(104,329)</b>	<b>322,703</b>
Transfers between funds		-	-	-	(2,000,000)	2,000,000	-	-
<b>Net movement in funds</b>		<b>(3,639,937)</b>	<b>-</b>	<b>654,348</b>	<b>(1,572,968)</b>	<b>2,000,000</b>	<b>(104,329)</b>	<b>322,703</b>
<b>Reconciliation of Funds</b>								
Balance brought forward		5,936,495	7,000,000	1,715,509	7,509,463	5,000,000	1,819,838	14,329,301
<b>Balance carried forward</b>	21	<b>2,296,558</b>	<b>7,000,000</b>	<b>2,369,857</b>	<b>5,936,495</b>	<b>7,000,000</b>	<b>1,715,509</b>	<b>14,652,004</b>

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities. The Hospice has a deficit for the year of £2,870,383 (2022: £7,819).

The notes on pages 21 to 37 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

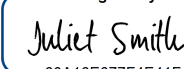
## CONSOLIDATED BALANCE SHEET

### FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		7,147,117		3,139,969
Intangible assets	13		-		-
Investment property	11		1,500,000		2,125,208
Investments	14		-		3,684,467
Total fixed assets			<u>8,647,117</u>		<u>8,949,644</u>
<b>Current assets:</b>					
Stock	16	30,977		15,612	
Debtors	17	2,588,029		3,336,871	
Cash at bank and in hand		2,190,038		3,638,698	
Total current assets		<u>4,809,044</u>		<u>6,991,181</u>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	<u>(1,746,739)</u>		<u>(1,231,704)</u>	
<b>Net current assets</b>			<u>3,062,305</u>		<u>5,759,477</u>
<b>Total assets less current liabilities</b>			<u>11,709,422</u>		<u>14,709,121</u>
Creditors: Amounts falling due in greater than one year	19		(43,008)		(50,577)
Provisions for liabilities			-		(6,540)
<b>Net assets</b>			<u><u>11,666,415</u></u>		<u><u>14,652,004</u></u>
<b>The funds of the charity:</b>					
Restricted funds	21		2,369,857		1,715,509
Unrestricted funds	21		2,296,558		5,936,495
Designated funds	21		7,000,000		7,000,000
<b>Total funds</b>			<u><u>11,666,415</u></u>		<u><u>14,652,004</u></u>

28/3/2024

These financial statements were approved by the members of the Board of Trustees on .....  
and signed on their behalf by:

DocuSigned by:  
  
 60A16E677F4E41F...  
**Juliet Smith**  
 Trustee

DocuSigned by:  
  
 6B60A64E39EC45A...  
**Christopher Thomas**  
 Secretary

Charity number: 802145  
 Company number: 02326410 (England and Wales)

The notes on pages 21 to 37 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

## CHARITY BALANCE SHEET

### FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		7,125,678		3,108,295
Intangible assets	13		-		-
Investment property	11		1,500,000		2,125,208
Investments	14		2		3,684,469
Total fixed assets			<u>8,625,680</u>		<u>8,377,972</u>
<b>Current assets:</b>					
Debtors	17	2,658,456		3,254,850	
Cash at bank and in hand		<u>2,075,421</u>		<u>3,543,711</u>	
Total current assets			<u>4,733,877</u>		<u>6,798,561</u>
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	<u>(1,611,150)</u>		<u>(1,087,009)</u>	
<b>Net current assets</b>			<u>3,122,727</u>		<u>5,711,552</u>
<b>Total assets less current liabilities</b>			<u>11,748,407</u>		<u>14,629,524</u>
Creditors: Amounts falling due in greater than one year	19		<u>-</u>		<u>(10,734)</u>
<b>Net assets</b>			<u><u>11,748,407</u></u>		<u><u>14,618,790</u></u>
<b>The funds of the charity:</b>					
Restricted funds	21		2,369,857		1,715,509
Unrestricted funds			2,378,550		5,903,281
Designated funds			<u>7,000,000</u>		<u>7,000,000</u>
<b>Total funds</b>			<u><u>11,748,407</u></u>		<u><u>14,618,790</u></u>

28/3/2024

These financial statements were approved by the members of the Board of Trustees on ..... and signed on their behalf by:

DocuSigned by:  
  
 60A16E677F4E41F...  
**Juliet Smith**  
 Trustee

DocuSigned by:  
  
 6B60A64E39EC45A...  
**Christopher Thomas**  
 Secretary

Charity number: 802145  
 Company number: 02326410 (England and Wales)

The notes on pages 21 to 37 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

## CONSOLIDATED STATEMENT OF CASHFLOWS

### FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	24	(1,557,950)	458,653
<b>Cash flows from investing activities:</b>			
Dividends and interest receivable		180,718	153,709
Purchase of tangible fixed assets		(4,133,409)	(242,576)
Purchase of investments		-	(1,905,592)
Proceeds from sale of investments and fixed assets		2,244,511	1,900,462
Proceeds from sale of investment properties		540,000	-
Proceeds from maturity of investment portfolio		1,277,470	-
Net cash provided by investing activities		<u>109,290</u>	<u>(93,997)</u>
Change in cash and cash equivalents in the reporting period		(1,448,660)	364,656
<b>Cash and cash equivalents at the beginning of the reporting period</b>		3,638,698	3,274,042
<b>Cash and cash equivalents at the end of the reporting period</b>	25	<u><u>2,190,038</u></u>	<u><u>3,638,698</u></u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 ACCOUNTING POLICIES

##### Company Information

The Martlets Hospice Limited is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found in the Legal and Administrative information section of the accounts.

The Group consists of Martlets Hospice Limited and its two subsidiaries, The Martlets Trading Co Limited and Martlets Care Limited.

##### 1.1 Basis of Preparation

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Companies Act 2006, The Charities Act 2011 and follows the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('the SORP'). The financial statements have been prepared on the historical basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

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 pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Basis of consolidation

The results of The Martlets Trading Co Limited and Martlets Care Limited have been consolidated on a line by line basis. The results for the subsidiaries are disclosed in note 15. As permitted by s408 Companies Act 2006, the Hospice has not presented its own statement of financial activities and related

##### 1.3 Going concern

At the Balance Sheet date the group had net assets of £11,666,415 including cash balances of £2,190,038. Post year end on 1st February 2024 an agreement was reached to make the group part of St Barnabas Hospice meaning the company is expected to be liquidated in due course. Due to this the trustees have made the assessment that the financial statements are prepared on a basis other than going concern.

##### 1.4 Incoming resources

Grants are recognised as income over the period to which they relate. Any grant funding received in advance is recognised as deferred income on the balance sheet.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

All other incoming resources are recognised when the charity is entitled to the income, there is certainty of receipt and the monetary value can be measured with reasonable accuracy.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.5 Government grant receivable

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

##### 1.6 Donated goods

Donated goods and services have not been recognised in these financial statements as it is not practicable to do so as the cost outweighs the benefit.

##### 1.7 Resources expended and the basis of allocation of costs

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular projects are apportioned to the relevant funds on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff, time or space occupied, as appropriate.

Costs relating to a particular activity are allocated directly and others are apportioned on an appropriate staff basis. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designated to reflect the use of the resources.

##### 1.8 Fixed assets

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less estimated residual value, over the expected useful life on the following basis:

Leasehold buildings	-	2% reducing balance
Furniture & equipment	-	15-20% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	25-30% straight line

At the end of each accounting period the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

Assets costing less than £5,000 are written off to the Statement of Financial Activities. Assets under construction are not depreciated until the asset is brought into use.

Assets are written off to the Statement of Financial Activities once their net book value becomes less than £5,000.

##### 1.9 Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Website	-	25% straight line
---------	---	-------------------

Assets are written off to the Statement of Financial Activities once their net book value becomes less than £5,000.

##### 1.10 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stock held for distribution at no or nominal consideration is measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.11 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

##### 1.12 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

##### 1.13 Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### 1.14 Financial liabilities

Basic financial liabilities are initially measured at transaction price.

##### 1.15 Leases

Rent payable under operating leases is accounted for in the Statement of Financial Activities in equal amounts over the period of the lease.

##### 1.16 Taxation

The Martlets Hospice Limited is registered as a charity and all its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010. Any tax charged incurred by the Group is based on taxable profit for the year and included as a liability at the balance sheet date where necessary.

##### 1.17 Deferred taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Financial Activities, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.18 Pension costs and other post-retirement benefits

The Martlets Hospice Limited operates a defined benefit pension scheme and a defined contribution pension scheme for its staff. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Martlets Hospice Limited is one of many employers in the NHS Pension Scheme. It is, therefore, not possible to allocate any actuarial surplus or deficit and, consequently, contributions to the NHS Pension Scheme are charged to the Statement of Financial Activities in the year in which they fall due for payment. The scheme has both defined benefits and contributions, any shortfall in the national fund being met by the Exchequer.

##### 1.19 Fund accounting

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

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

Designated funds are funds set aside by Trustees to be used for a specific purpose.

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

##### 1.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### Valuation of investment properties

The fair value of the investment properties has been arrived at on the basis of sale of all properties post year end. The investment properties have been revalued downwards to reflect the change in post year end market value.

#### 2 DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Patient related donations	271,269	-	271,269	365,561
Legacies receivable	620,657	-	620,657	2,343,451
General donations from individuals	306,981	-	306,981	364,996
Corporate donations	112,647	-	112,647	211,852
Donated goods Gift Aid scheme	66,981	-	66,981	51,923
Charitable Trust donations	626,060	77,631	703,691	245,764
	<u>2,004,595</u>	<u>77,631</u>	<u>2,082,226</u>	<u>3,583,547</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
CCG grants	2,621,045	-	2,621,045	2,579,216
COVID-19 grants	29,338	-	29,338	420,447
Other services	42,534	-	42,534	78,864
	<u>2,692,917</u>	<u>-</u>	<u>2,692,917</u>	<u>3,078,527</u>

#### 4 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Shop sales	1,474,196	-	1,474,196	1,278,720
Online sales	103,466	-	103,466	102,443
Recycled sales	44,121	-	44,121	42,297
New Goods sales	71,313	-	71,313	59,249
Care packages	713,681	-	713,681	776,054
Respite packages	123,368	-	123,368	178,021
Functions and events income	14,828	676,163	690,991	338,309
Collection boxes	10,912	-	10,912	9,712
Lottery income	667,388	-	667,388	668,128
	<u>3,223,273</u>	<u>676,163</u>	<u>3,899,436</u>	<u>3,452,933</u>

#### 5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Dividend income	79,645	-	79,645	62,778
Interest income	30,281	-	30,281	3,191
Rental income	70,792	-	70,792	87,740
	<u>180,718</u>	<u>-</u>	<u>180,718</u>	<u>153,709</u>

#### 6 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>Activities undertaken directly</b>				
Staff costs	1,272,120	-	1,272,120	1,256,829
Other costs	403,806	-	403,806	302,655
	<u>1,675,926</u>	<u>-</u>	<u>1,675,926</u>	<u>1,559,484</u>
<b>Support costs</b>				
Staff costs	135,058	-	135,058	119,714
Other costs	457,304	-	457,304	506,460
	<u>592,362</u>	<u>-</u>	<u>592,362</u>	<u>626,174</u>
	<u>2,268,287</u>	<u>-</u>	<u>2,268,287</u>	<u>2,185,658</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>Activities undertaken directly</b>				
Staff costs	4,245,402	33,895	4,279,297	4,476,593
Other costs	450,552	30,472	481,024	595,261
	<u>4,695,955</u>	<u>64,367</u>	<u>4,760,321</u>	<u>5,071,854</u>
<b>Support</b>				
Staff costs	2,399,594	-	2,399,594	1,876,364
Other costs	2,129,910	35,079	2,164,989	1,284,912
	<u>4,529,504</u>	<u>35,079</u>	<u>4,564,583</u>	<u>3,161,276</u>
	<u>9,225,459</u>	<u>99,446</u>	<u>9,324,905</u>	<u>8,233,130</u>

#### 8 ANALYSIS OF SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Staff costs	2,534,652	-	2,534,652	1,996,078
Printing and stationery	51,375	-	51,375	26,053
Advertising	50,019	-	50,019	37,277
Legal and professional fees	122,337	-	122,337	142,854
Auditor's remuneration	21,524	-	21,524	21,672
Conference and training	68,827	-	68,827	68,047
Computer running costs	408,787	-	408,787	406,592
Service contracts	20,528	-	20,528	18,961
Repairs and renewals	22,518	-	22,518	87,479
Security	2,551	-	2,551	-
Travel and motor costs	52,259	-	52,259	36,178
Rent and rates	1,245,853	-	1,245,853	442,163
Heat and light	184,852	-	184,852	176,866
Telephone costs	34,473	-	34,473	42,050
Insurance	61,879	-	61,879	15,910
Subscription costs	15,331	-	15,331	15,744
Investment management	16,426	-	16,426	19,227
Bank charges	31,707	-	31,707	34,378
Other costs	84,786	-	84,786	64,774
Depreciation costs	126,260	-	126,260	135,096
	<u>5,156,945</u>	<u>-</u>	<u>5,156,945</u>	<u>3,787,399</u>

Included within Support Costs above are Governance Costs. These costs include auditor's remuneration of £21,524 (2022: £21,672).

#### 9 STAFF COSTS

	2023 £	2022 £
Wages and salaries	6,895,637	6,492,608
Social security costs	653,262	574,803
Pension costs	513,539	461,146
	<u>8,062,438</u>	<u>7,528,557</u>

The average monthly number of employees (full time equivalent) during the year was as follows:

	2023 Number	2022 Number
Direct charitable activities	124	139
Administration	58	48
Fundraising	14	13
Martlets Care Limited	49	55
The Martlets Trading Co Limited	34	32
	<u>279</u>	<u>287</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 9 STAFF COSTS (continued)

The number of employees whose emoluments, excluding pension contributions, were over £60,000 during the year were:

	2023 £	2022 £
£60,000 - £70,000	3	1
£70,000 - £80,000	3	1
£80,000 - £90,000	1	2
£90,000 - £100,000	1	1
£100,000 - £110,000	1	-
£120,000 - £130,000	-	1
£150,000 - £160,000	-	1
£160,000 - £170,000	1	-
£170,000 - £180,000	-	1
£180,000 - £190,000	1	-
	<u>11</u>	<u>8</u>

Of the employees whose emoluments exceed £60,000, 6 (2022: 2) have retirement benefits accruing under defined benefit pension schemes. Pension contributions for higher paid employees in the year amounted to £92,812 (2022: £47,728).

The key management personnel of the parent charitable company comprise the Chief Executive, Director of Income Generation, Director of Finance and Support Services, Director of Clinical Services and the Director of People Services.

During the year key management personnel received total remuneration of £713,845 (2022: £691,249).

#### 10 TRUSTEE REMUNERATION

The trustees did not receive any remuneration during the year (2022 - £nil). Trustees received reimbursement of expenses in the year of £422 (2022 - £1,001).

#### 11 INVESTMENT PROPERTY

<u>CHARITY AND GROUP</u>	£
<b>Fair Value</b>	
At 1 April 2022	2,125,208
Disposed	(540,000)
Revaluation	(85,208)
<b>At 31 March 2023</b>	<u><b>1,500,000</b></u>

The Charity acquired the investment properties from legacy bequests received between 2017 and 2020. The fair value of the investment properties has been arrived at on the basis of sale of all properties post year end. The investment properties have been revalued downwards to reflect the change in post year end market value.

Historical cost of the investment properties is £1,732,329 (2022: £1,732,329).

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 12 TANGIBLE FIXED ASSETS

<b>GROUP</b>	<b>Asset Under Construction</b>	<b>Leasehold buildings</b>	<b>Furniture &amp; equipment</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>						
At 1 April 2022	530,919	3,837,547	372,788	382,119	61,428	5,184,801
Additions	4,110,254	-	-	23,155	-	4,133,409
<b>At 31 March 2023</b>	<b>4,641,173</b>	<b>3,837,547</b>	<b>372,788</b>	<b>405,274</b>	<b>61,428</b>	<b>9,318,210</b>
<b>Depreciation:</b>						
At 1 April 2022	-	1,400,766	319,777	282,463	41,826	2,044,832
Charge for the year	-	49,687	13,915	57,757	4,901	126,260
<b>At 31 March 2023</b>	<b>-</b>	<b>1,450,453</b>	<b>333,692</b>	<b>340,220</b>	<b>46,727</b>	<b>2,171,092</b>
<b>Net Book Value:</b>						
<b>At 31 March 2023</b>	<b>4,641,173</b>	<b>2,387,094</b>	<b>39,096</b>	<b>65,054</b>	<b>14,701</b>	<b>7,147,117</b>
At 31 March 2022	530,919	2,436,781	53,011	99,656	19,602	3,139,968
	<b>Asset Under Construction</b>	<b>Leasehold buildings</b>	<b>Furniture &amp; equipment</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>CHARITY</b>						
<b>Cost:</b>						
At 1 April 2022	530,919	3,837,547	319,623	382,119	40,593	5,110,801
Additions	4,110,254	-	-	23,155	-	4,133,409
Disposals	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>4,641,173</b>	<b>3,837,547</b>	<b>319,623</b>	<b>405,274</b>	<b>40,593</b>	<b>9,244,210</b>
At 1 April 2022	-	1,400,766	286,565	282,463	32,712	2,002,506
Charge for the year	-	49,687	6,612	57,757	1,970	116,026
<b>At 31 March 2023</b>	<b>-</b>	<b>1,450,453</b>	<b>293,177</b>	<b>340,220</b>	<b>34,682</b>	<b>2,118,532</b>
<b>Net Book Value:</b>						
<b>At 31 March 2023</b>	<b>4,641,173</b>	<b>2,387,094</b>	<b>26,446</b>	<b>65,054</b>	<b>5,911</b>	<b>7,125,678</b>
At 31 March 2022	530,919	2,436,781	33,058	99,656	7,881	3,108,295

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 13 INTANGIBLE FIXED ASSETS

	GROUP £	CHARITY £
<b><u>Website costs</u></b>		
<b>Cost:</b>		
At 1 April 2022	38,900	20,000
Additions	-	-
<b>At 31 March 2023</b>	<b>38,900</b>	<b>20,000</b>
<b>Depreciation:</b>		
At 1 April 2022	38,900	20,000
Charge for the year	-	-
<b>At 31 March 2023</b>	<b>38,900</b>	<b>20,000</b>
<b>Net Book Value:</b>		
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>
At 31 March 2022	-	-

#### 14 FIXED ASSET INVESTMENTS

	GROUP Listed Investments £	Subsidiary Investments £	CHARITY Listed Investments £	Total
<b>Cost:</b>				
At 1 April 2022	3,684,467	2	3,684,467	3,684,469
Additions	-	-	-	-
Disposals	(2,244,511)	-	(2,244,511)	(2,244,511)
Revaluations	(162,486)	-	(162,486)	(162,486)
Transfers	(1,277,470)	-	(1,277,470)	(1,277,470)
<b>At 31 March 2023</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>

At 31 March 2023, the historical cost of the listed investments was £Nil (2022: £3,206,090).

The subsidiary undertakings included as investment at the balance sheet date are:

Name of Company	Class of Shares	Holdings	Nature of Business
Martlets Care Limited	Ordinary	100%	Provides welfare services and care
The Martlets Trading Co Limited	Ordinary	100%	Retail sale of goods

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 15 SUBSIDIARY COMPANIES

##### 15a Martlets Care Limited

The Hospice owns a subsidiary, Martlets Care Limited (company number 06250709).

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Income statement</b>		
Turnover	837,049	954,075
Cost of sales	(563,943)	(642,554)
<b>Gross profit</b>	<b>273,106</b>	<b>311,521</b>
Operating expenses	(220,503)	(206,561)
Other operating income	8,907	53,703
<b>Net profit</b>	<b>61,510</b>	<b>158,663</b>
Gift aid donated to hospice	-	(64,257)
<b>Profit for the financial year being the retained profit</b>	<b>61,510</b>	<b>94,406</b>
<b>Balance sheet</b>		
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Assets	445,032	313,311
Liabilities	(386,403)	(157,529)
<b>Net assets</b>	<b>58,629</b>	<b>155,782</b>
<b>Represented by:</b>		
Capital	1	1
Reserves	58,628	155,781
	<b>58,629</b>	<b>155,782</b>

##### 15b The Martlets Trading Co Limited

The Hospice owns a subsidiary, The Martlets Trading Co Limited (company number 04557282).

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Income statement</b>		
Turnover	1,660,179	1,460,579
Cost of sales	(36,568)	(31,567)
<b>Gross profit</b>	<b>1,623,611</b>	<b>1,429,012</b>
Operating expenses	(1,457,286)	(1,291,178)
Other operating income	30,103	82,347
Interest receivable		294
<b>(Loss)/ Profit before tax</b>	<b>196,428</b>	<b>220,475</b>
Taxation	-	-
<b>Net loss</b>	<b>196,428</b>	<b>220,475</b>
Gift aid donated to hospice	-	-
<b>Loss for the financial year</b>	<b>196,428</b>	<b>220,475</b>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 15b Martlets Tading Co Limited (continued)

<b>Balance sheet</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Assets	394,710	229,688
Liabilities	(394,709)	(352,259)
<b>Net assets</b>	<u>1</u>	<u>(122,571)</u>
<b>Represented by:</b>		
Capital	1	1
Reserves	-	(122,572)
	<u>1</u>	<u>(122,571)</u>

16. STOCK	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shop stock	<u>30,977</u>	<u>15,162</u>	<u>-</u>	<u>-</u>

17 DEBTORS	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	670,879	533,502	443,338	353,031
Amounts due from group companies	-	-	582,433	318,431
Prepayments and accrued income	1,414,430	2,721,404	1,168,952	2,535,328
Social security and other taxes	467,941	66,420	447,033	47,633
Corporation Tax Recoverable	-	-	-	-
Other debtors	34,780	15,545	16,700	427
	<u>2,588,029</u>	<u>3,336,871</u>	<u>2,658,456</u>	<u>3,254,850</u>

Included within prepayments and accrued income is legacy income receivable of £1,175,426 (2022: £2,632,900) due to the Charity.

Included in the Charity total above is £nil (2022: £nil) of debtors due after 1 year.

#### 18 CREDITORS: Amounts falling due within one year

	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	811,194	128,643	798,040	121,044
Accruals and deferred income	579,431	766,817	546,677	704,960
Social security and other taxes	159,371	181,902	141,822	155,162
Other creditors	196,742	154,342	124,611	105,843
	<u>1,746,739</u>	<u>1,231,704</u>	<u>1,611,150</u>	<u>1,087,009</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 18 CREDITORS: Amounts falling due within one year (continued)

Deferred income	GROUP £	CHARITY £
Balance as at 1 April 2022	431,129	411,760
Movement in the year	(13,617)	(16,911)
Balance as at 31 March 2023	<u>417,512</u>	<u>394,849</u>

A fixed charge is registered at Companies House in favour of Barclays Bank Plc in respect of an overdraft held by the Charity.

#### 19 CREDITORS: Amounts falling due after 1 year.

	GROUP		CHARITY	
	2023 £	2022 £	2023 £	2022 £
Other creditors	43,008	50,577	-	10,734
	<u>43,008</u>	<u>50,577</u>	<u>-</u>	<u>10,734</u>

#### 20 PENSION COMMITMENTS

The Charity operated three pension schemes during the year on behalf of its employees.

- NHS Superannuation Scheme
- Federated Flexiplan
- Royal London

Contributions to each scheme are charged to the Statement of Financial Activities as they arise.

Royal London: This is a defined contribution scheme. The assets of the scheme are held separately from Group in a fund independently administered by Royal London and the assets and liabilities of the scheme are therefore represented in the Group accounts.

NHS Superannuation Scheme: The Group makes contributions to the scheme for nursing and medical staff. The scheme is an approved multi-employer scheme and, as such, the Group is not able to identify its share of the assets or of the potential liability it may have to the scheme at the balance sheet date.

Federated Flexiplan: The Group also historically operated a Federated Flexiplan Scheme. The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. It is a "last person standing scheme" which means that all participating employers are joint and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Company does not have sufficient information available, in particular to identify its share of the underlying assets and liabilities of the Plan, to use defined benefit accounting. As such as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. There were no contributions into the scheme during the accounting period.

Members of the Plan are entitled to benefit on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan and their Pensionable Salary at date of leaving. The Plan is closed to new members and to future accrual of benefits.

The Scheme Trustee entered a buy-in covering the full scheme liabilities with an insurer in February 2017 and confirms that the transition to achieve full buy-out has been finalised during the financial year 2019-20. There are no further legal or financial obligations to the Scheme.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 20 PENSION COMMITMENTS (continued)

The total contributions made by the Group were as follows:

	GROUP		CHARITY	
	2023 £	2022 £	2023 £	2022 £
Martlets Group Personal Pension Plans	278,774	232,248	228,025	194,879
NHS Defined Benefit Scheme	234,765	228,898	234,765	228,898
	<u>513,539</u>	<u>461,146</u>	<u>462,790</u>	<u>423,777</u>

Total contributions outstanding at the year-end amounted to £79,653 (2022: £77,476) for the Group and Charity.

#### 21 RESERVES

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
<b>Unrestricted funds</b>					
General funds	5,936,495	8,101,503	(11,741,440)	-	2,296,558
<b>Restricted funds</b>					
<u>Capital Funds</u>					
Hospice Development	1,312,278	-	(26,246)	-	1,286,032
Renaissance Project	258,169	-	(5,163)	-	253,006
Renovations Fund	23,059	-	(461)	-	22,598
Gateways to Care Project	47,572	-	(951)	-	46,621
IPU Equipment	14,336	-	(2,867)	-	11,469
MBE Project	35,000	676,163	-	-	711,163
	<u>1,690,414</u>	<u>676,163</u>	<u>(35,688)</u>	<u>-</u>	<u>2,330,889</u>
<u>Revenue Funds</u>					
Carers Project	-	31,895	(25,395)	-	6,500
Hospice at Home	3,000	20,000	(17,000)	-	6,000
IPU	635	-	(635)	-	-
Valerie Emily Munday Day Centre Trust	8,310	-	(8,310)	-	-
Heads On Charity/ NHS Charities Together	8,000	7,200	(8,000)	-	7,200
Other	5,150	18,536	(4,418)	-	19,268
	<u>25,095</u>	<u>77,631</u>	<u>(63,758)</u>	<u>-</u>	<u>38,968</u>
<b>Total restricted funds</b>	1,715,509	753,794	(99,446)	-	2,369,857
<b>Designated funds</b>					
Hospice Development	7,000,000	-	-	-	7,000,000
<b>Total funds</b>	<u>14,652,004</u>	<u>8,855,297</u>	<u>(11,840,886)</u>	<u>-</u>	<u>11,666,415</u>

#### Restricted funds

Transfers to and from capital restricted funds relate to a correction made to align net book values of assets funded with restricted fund balances shown.

#### Hospice Development

This asset fund represents the Hospice building. It appears as a restricted fund because the original capital appeal to build the Hospice was conducted by MacMillan Cancer Support. On completion the asset was then given to the Charity with the restriction that it was to be used only as a Hospice. The expenditure shown during the year represents depreciation and rent paid to the NHS who owns the land. The Hospice building is also represented in our fixed asset schedule.

#### Renaissance Project

A capital grant was provided by NHS England in 2013 to create new day service facilities including a café and three multi-functional rooms. Improvements were also made to our main entrance and drugs room. Additional sums were raised from charitable trusts. The expenditure in the year represents depreciation on capital assets forming part of the appeal.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 21 RESERVES (continued)

##### **Restricted funds (continued)**

###### Renovation Fund

The Martlets Hospice has embarked on building works to reconfigure the rear entrance to the building to enhance the passage and experience for patients entering the inpatient unit.

###### Gateway to Care Project

A capital grant was provided by the Department of Health in 2008 to refurbish our Reception and Day Hospice facilities. The expenditure represents depreciation on capital assets forming part of the appeal.

###### IPU Equipment

IPU equipment was purchased from a restricted donation in 2019.

###### MBE Project

Funds have been received which are restricted to the Martlets Building Enhancement Project. This project will, in its first phase, result in the build of a new Inpatient Unit.

###### Carers Project

The Ernest Kleinwort Charitable Trust has awarded a grant to Martlets to deliver a project that aims to provide better support for Carers.

###### Hospice at Home

This cash fund represents our Hospice at Home service and shows the income and expenditure of restricted grants and donations in the year.

###### IPU

This fund represents income and expenditure of restricted grants towards our in-patient unit.

###### Heads on Charity/ NHS Charities Together

A £100,000 grant was awarded to Sussex hospices from Heads On Charity/NHS Charities Together to support clinical nurse specialists caring for people at end of life in their own homes. Martlets Hospice is the lead charity responsible for delivering the project and distributing the grant amongst the 7 Sussex Hospices. The project term is 1 year from 1 November 2021 to 31 October 2022 but the grant is payable over a longer 3 financial year term - 2021 to 2024.

###### Others

These cash funds represent the income and expenditure of restricted donations made during the year for various purposes.

##### **Designated funds**

###### Hospice Development

This fund represents funds set aside by Trustees to be used to partially fund the planned Martlets Building Enhancement project.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 22 ANALYSIS OF NET ASSETS

##### As at 31 March 2023

	<b>GROUP</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	5,459,133	-	(3,162,575)	2,296,558
Restricted Funds	1,687,984	-	681,873	2,369,857
Designated Funds	-	1,500,000	5,500,000	7,000,000
	<u>7,147,117</u>	<u>1,500,000</u>	<u>3,019,298</u>	<u>11,666,415</u>

	<b>CHARITY</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	5,441,210	-	(3,062,660)	2,378,550
Restricted Funds	1,684,468	-	685,389	2,369,857
Designated Funds	-	1,500,002	5,499,998	7,000,000
	<u>7,125,678</u>	<u>1,500,002</u>	<u>3,122,727</u>	<u>11,748,407</u>

##### As at 31 March 2022

	<b>GROUP</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	1,415,244	-	4,521,251	5,936,495
Restricted Funds	1,724,725	-	(9,216)	1,715,509
Designated Funds	-	5,809,675	1,190,325	7,000,000
	<u>3,139,969</u>	<u>5,809,675</u>	<u>5,702,360</u>	<u>14,652,004</u>

	<b>CHARITY</b>			
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	1,388,258	-	4,515,023	5,903,281
Restricted Funds	1,720,037	-	(4,528)	1,715,509
Designated Funds	-	5,269,677	1,730,323	7,000,000
	<u>3,108,295</u>	<u>5,269,677</u>	<u>6,240,818</u>	<u>14,618,790</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 23 SHARE CAPITAL

The company has no share capital and is limited by guarantee.

#### 24 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
<b>Net income/(expenditure) for the reporting period</b>	(2,985,588)	322,703
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	126,260	127,095
Amortisation of intangible fixed assets	-	8,000
Losses/(Gains) on investments	162,486	(214,367)
Revaluation of investment properties	85,208	(275,208)
Investment income	(180,718)	(153,709)
(Increase)/ decrease in stocks	(15,365)	(450)
(Increase)/decrease in debtors	748,842	846,051
Increase/(decrease) in creditors	500,925	(201,462)
<b>Net cash provided by/(used in) operating activities</b>	<u>(1,557,950)</u>	<u>458,653</u>

#### 25 ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash in hand	2,190,038	3,638,698
<b>Total cash and cash equivalents</b>	<u>2,190,038</u>	<u>3,638,698</u>

#### 26 OPERATING LEASES

At 31st March the Group had annual commitments under operating leases as set out below:

	2023 £	2022 £
Within 1 year	739,948	195,832
Between 2 and 5 years	335,092	458,102
After five years	1,701,800	1,730,200
	<u>2,776,840</u>	<u>2,384,134</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 27 RELATED PARTY TRANSACTIONS

##### GROUP

There were no related party transactions in the year.

##### CHARITY

During the year Martlets Care Limited declared a gift aid payment of £158,663 (2022: £64,257) to The Martlets Hospice Limited, its parent company. At the year end £298,269 (2022: £70,494) was outstanding from the company. This balance includes a loan of £258,000 due to The Martlets Hospice Limited, payable by 31 March 2024. Interest of 0.75% per annum above LIBOR is payable on the loan balance.

During the year The Martlets Trading Co Limited declared a gift aid payment of £Nil (2022: £22,130) to The Martlets Hospice Limited, its parent company. During the year, rent payments totalling £12,000 were made to The Martlets Hospice Limited, its parent company. At the year end £284,164 (2022: £247,937) was outstanding from the company. This balance includes a loan of £235,000 due to The Martlets Hospice Limited, payable after 31 March 2024. Interest of 0.75% per annum above LIBOR is payable on the loan balance.

#### 28 CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements:

	2023 £	2022 £
Acquisition of assets under construction	4,868,913	-
	<u>4,868,913</u>	<u>-</u>

#### 29 POST BALANCE SHEET EVENTS

Following the balance sheet date, all four of the remaining investment properties were sold. The investment properties have been revalued downwards to reflect the change in post year end market value.



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Company Registration No.02326410 (England and Wales)

Registered Charity Number 802145

**THE MARTLETS HOSPICE LIMITED**

England & Wales - Charity number 802145

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# Accounts

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# Trustees' Report

including Strategic Report  
and Consolidated Accounts

Year ended 31 March 2022



# THE MARTLETS HOSPICE LIMITED

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# THE MARTLETS HOSPICE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors and Trustees</b>	<b>Committee</b>
Mark Bayliss	1,2
Michael Bedingfield	4
Karen Blatchford	4
Rebecca Crook	1,2,3
Bec Davison	5
Barry Egan, <i>Vice Chair</i>	5
Helen Greany	1
Giles Ings	1,6
David Quinton	4,6
Juliet Smith, <i>Chair</i>	
Jake Standing, <i>Treasurer</i>	3
Duncan Stewart	2
Christopher Thomas, <i>Secretary</i>	1,3

### **Committees**

Martlets Building Enhancement Project	1
Clinical Governance	2
Finance and ICT (Information, Communication and Technology)	3
Income Generation, Trading and Martlets Care	4
People Services and Remuneration	5
Safety, Health, Fire and Facilities Governance	6

### **Leadership Team**

Imelda Glackin, Chief Executive Officer	<i>Resigned March 2022</i>	All
Claire Irving, Chief Executive Officer	<i>Appointed March 2022</i>	All
Simone Ali, Medical Director		2
Bobby Dhol, Director of Finance and Support Services	<i>Resigned June 2022</i>	1,3,4,6 1,3,4,6
Michael Barford, Director of Finance and ICT	<i>Appointed June 2022</i>	
Fiona Mulliner, Director of Income Generation		1,3,4,6
Sharon Howes, Director of People Services		5
Karen Taylor, Director of Clinical Services		2

<b>Charity Number</b>	802145	<b>Company Number</b>	02326410
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### **Principal Address and Registered Office**

The Martlets Hospice Limited  
Wayfield Avenue  
Hove  
East Sussex  
BN3 7LW

### **Auditors**

Moore Kingston Smith LLP  
Betchworth House  
57-65 Station Road  
Redhill, Surrey  
RH1 1DL

### **Lead Banking Partner**

Barclays Bank PLC  
139/142 North Street  
Brighton  
East Sussex  
BN1 1RU

### **Discretionary Fund Manager**

Rathbone Brothers PLC  
1 Curzon Street  
London  
W1J 5FB

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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### Introduction

The Trustees and Directors of The Martlets Hospice Limited present their Annual Report, including the Directors' Report and Strategic Report, for the year ended 31 March 2022 together with the Consolidated Accounts for the Charity and its subsidiaries.

The accounts comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### The Martlets Hospice Limited

The Martlets Hospice Limited (Martlets, the Hospice, the Charity, the Company) is constituted as a company limited by guarantee and governed by its Memorandum and Articles of Association. In April 1997, a purpose-built, 18-bed Hospice opened, ready to care for people in and around the Brighton and Hove community. It brought together three charities: Coppercliff Hospice, the Turner Home and the Macmillan Day Services. This report covers the period April 2021 to March 2022.

### Objectives of the Charity and Principal Activities and Organisation of our Work

As a Charity, we provide people affected by terminal illness in Brighton and Hove and neighbouring areas with the very best care and support. We help people do the things they love with the time they have. Our life-changing hospice care gives people living with terminal illness hope, purpose, and possibility. We continue to extend our reach to help as many people in our community as possible, ensuring that patients, family, and friends have access to our services. Our work is made possible only by the generosity of our supporters. The Charity achieves these objectives by:

- a) providing care which is free at the point of delivery to adults with serious and life-threatening illness;
- b) operating a service at one's home that takes specialist palliative care professionals, including medical consultants, clinical nurse specialists and hands-on care professionals, into the homes of patients;
- c) operating a service at one's home that takes skilled, hands-on hospice care into the homes of patients;
- d) operating a respite service that supports the carers of patients;
- e) providing a bereavement service for relatives and carers;
- f) providing a range of day services for patients and carers to support their health and well-being; and
- g) working in partnership with the NHS, charities, and organisations to extend and maximise reach and impact.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in the planning of future activities.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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### **COVID-19**

The impact of COVID-19 on Martlets' operational and financial performance during 2020-21 was very significant and this was described in our previous annual report. The extended period of lockdown restrictions that began in early 2021 was not lifted until the middle of the year. Martlets continued to deal with operational disruption and the impact on staff, volunteers, and those we care for. Most measures implemented to provide safety and stability in operations and service provision remained in place until June 2022. In the latter part of the reporting year these aspects of working life overlapped with the preparation for temporary off-site relocation that occurred in advance of site work commencing on our building project.

### Services

Our clinical services had to introduce different ways of delivering care during the pandemic and quickly established remote video consultations as an alternative to face-to-face appointments. Counselling for patients and bereaved relatives was also delivered online. With the need to socially distance, our IPU was unable to fully use communal rooms and only single rooms or family rooms were utilised. Our ability to allow visitors to see their loved ones was challenged throughout the period. Broader adoption of lateral flow device testing was key to allowing visiting to increase safely. Patients were prioritised for admission as before, however there was an overall reduction in admissions, as many people wanted to be cared for at home. The increase in the need to be cared for outside of the hospice environment was fully supported by the community teams. Some of the support in the community was shifted to remote ways of working and the number of telephone consultations rose significantly. Many patients needed to shield, so to continue providing emotional support virtually, we implemented remote sessions including yoga, relaxation, physiotherapy sessions. Our coffee morning and choir reformed remotely enabling group and social activities and providing essential peer support.

Despite facing the biggest challenge in healthcare for a century, fundraising events being cancelled and shops being closed, Martlets continued to care for people in our community. We have been hugely supported by our local community which provided PPE, financial support and even gifts and words of praise for our staff.

As 2022 progresses, with continuing risks and impacts from COVID-19, we remain alert to the risks of infection and new outbreaks and prioritise the wellbeing of staff, volunteers and those that we care for.

### Financial Assistance

Martlets continued to benefit from COVID-19 grant funding during 2021-22 and its value to the organisation, staff and services provided has been extremely high. £420,447 was received in the year.

### **Service Delivery**

#### Inpatient Services

During 2021-22, the inpatient unit cared for a total of 181 patients some of whom had multiple admissions. This was a reduction of 16% on the prior year. The average occupancy of the inpatient unit was 54%, which is slightly higher than last year although still well below the long term average of 74%. During the pandemic, many patients and their families wanted to remain at home. Of the patients cared for on the inpatient unit, 25% had a non-cancer diagnosis, consistent with last year.

#### Community Services

The Community Team consists of a multi-disciplinary team of Clinical Nurse Specialists, Hospice at Home team, doctors and other health and social care professionals including social workers, occupational therapists, a chaplain, and counsellors, as well as a range of volunteers providing services to patients and their families in the community as part of the wider Community Service. A total of 1,929 patients and carers were supported and cared for by the Community Services in the year 2021-22. This has been a 1% increase on the prior year.

A total of 7,887 face-to-face visits was made to 916 individual patients, a significant increase over last year. To ensure patient safety, the number of face-to-face visits was much reduced during the pandemic and this was balanced by remote consultations and a significant increase in telephone support. Telephone services continue to offer advice and support to patients, carers and health and social care professionals 24 hours a day, seven days a week.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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### Outpatient Services

Outpatient services continued to be affected by the pandemic. Services to enable them to be delivered remotely, including yoga, relaxation, rehabilitation and choir, continued. Within the year 469 individuals accessed these services and for some this was easier than trying to attend outpatient appointments. Wellbeing calls meant that 3,449 telephone calls were made to support people at home.

### Bereavement Services

The bereavement service offers one-to-one counselling with qualified counsellors and one-to-one support from trained bereavement volunteers. Counselling sessions are offered on all days except Sundays and the service is available in the evenings as well as during the daytime. The number of bereavement counselling sessions increased by 14% this year to 1,341.

### Building a new Inpatient Unit

Martlets continued to make significant progress during the year on developing plans to build a new inpatient unit after concluding that the existing facility was not fit for the future. The new inpatient unit will contain individual en suite rooms for all patients, rather than the shared accommodation for eight of the current beds and shared bathing facilities for all. In addition to this, most spaces and facilities at the main Martlets site will be modernised and improved to the benefit of patients, families and staff. The board approved final plans for the project in March and in June the site closed and construction work began. Leases on three new sites to provide temporary inpatient, clinical and support staff accommodation were completed by this time. The project is scheduled to complete in August 2023.

## **Support Services**

### People Services

We supported the recruitment of leadership positions and key managers, including the CEO, Director of Finance and ICT, Deputy Director of Strategy, Innovation and Community and Martlets Care registered manager.

Alongside this the focus of the last year has been supporting the wellbeing of staff as COVID-19 continued to provide challenges in many of our environments. Bubbles continued with integration not possible, due to our hospice design and small space. We had a high take up of the vaccination over the year. Staff and Volunteer forums continued remotely. E-learning and some face to face training was reinstated for small groups. Our training compliance improved as training time was enabled. We work collaboratively with other hospices to deliver training and share expertise and resources.

A pay review in December 2021 supported a significant pay uplift from 1 April 2022, supporting the lowest paid and a second more significant move towards the NHS agenda for change pay structure, and out-of-hours enhancements for Inpatient staff. We introduced recruitment and retention premia to respond to the challenging job market as well as rises in wages.

The focus of our work supported the preparation of our off siting from Wayfield Avenue. We experienced challenges recruiting to some key positions and worked hard to assist staff to maintain their work/life balance and get sufficient rest from annual leave.

### Health and Safety

Continuing work on Standard Operating Procedures (SOP) was maintained to deal with changing requirements and to minimise risk and outbreaks as COVID levels fluctuated. We maintained high standards of infection control, while introducing teams to each other from January 2022.

Increased support was accessed via our counselling and occupational health services was utilised, as some staff felt the effects of longer term exposure to personal and professional stress. There was a year on year increase in use.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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We held a wellbeing day for our clinical teams in spring 2022, after training many more managers and team leads in mental health. Our Schwartz rounds have been well attended and staff stories helped many to appreciate the range of impacts felt, as a result of changing ways of working, impact on our community and our preparations to move.

### Information, Communications and Technology

The theme of the past year has been the planning and implementation for the shifting of teams and operations offsite during the building enhancement project. This has involved providing network connectivity to three new sites alongside the migration from a proprietary NHS link to a standardised HSCN connection (Health and Social Care Network), providing a more resilient and supported link to the NHS. We have also implemented a mobile device management platform to give a more secure and controlled way to deploy and manage mobile devices.

During the year we started a programme of phishing simulations to test and educate staff and volunteers on the dangers of phishing scams in order to better protect the organisation.

### Data Protection and Governance

Work progressed through the year to move data files from physical servers to cloud based storage. This not only increases our data security but also allows for greater collaboration on projects and documentation and functionality for stronger restriction to data access and enhanced audit capability. We have also strengthened our on-boarding processes to ensure that all new starters complete information governance training on their first day. We are pleased to report that we had no data breaches in the period. We saw an increase in questions to the Information Governance team that acted to pre-empt any potential risk to data for a number of projects, which confirms that data protection is taken very seriously at Martlets.

### **Income Generation**

The 2021-22 year was another challenging one for income generation as we came out of a third lockdown and started the work to rebuild our retail operations and fundraising efforts, even as COVID-19 continued to cause disruption to fundraising activities, relationships with donors, and staffing and volunteer levels.

Our Trading subsidiary showed the most marked turnaround from a significant loss in 2020-21 to a profit contribution of £220k. This was achieved by a sustained effort on the part of the retail, online and distribution centre teams to control costs, improve donation processes and maximise the performance of our seven shops. In the third quarter we opened a temporary 'pop up' shop in the Kempton area of Brighton, to test the audience and potential for expanding our portfolio into this community. The trial was a success and we have now opened a permanent shop in the same premises, taking our retail portfolio to eight shops. We will continue to exploit suitable opportunities to expand our portfolio into underserved communities as these arise.

Our Fundraising performance in the year was buoyed by the reintroduction of in-person events, alongside digital fundraising efforts which we introduced during lockdown in 2020-21. We ended the year with a strong profit contribution of £1.38m, £346k over target. Among our in-person initiatives in this uncertain year was a much-welcomed Light up a Life service relocated in the carpark of the Fundraising office when the hospice gardens were shut due to COVID-19, a sellout Halloween Ball which delivered our highest ever profit, and the resumption of highly popular community challenge events.

In the third quarter we launched our ambitious £2m capital appeal to help fund our hospice rebuild, which is taking place between June 2022 and September 2023. This initial 'private phase' of the appeal focuses on trust and foundation funding, as well as major donor and corporate partner contributions. Our campaign, 'Be a part of our moving story', and clear narrative for the need for a new hospice to better serve our communities in the future, has created a compelling case for support. At the end of this year, we had already secured pledges of £388k, with £1m in open trust applications.

Legacy income was anticipated to reach £2.95m but ended the year below forecast at £2.3m. Legacy income can

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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be expected to fluctuate on an annual basis but we expect a recovery in future years in line with the Legacy Foresight report which shows sustained growth in legacy income over the next five years.

Donors to Martlets can be assured that we comply with the regulatory standards for fundraising, as set out in the Charities Act 2016. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We encourage the fundraising service providers we engage with to be signed up to the Code to protect our supporters and the reputation of our Charity.

The Martlets website outlines our complaints policy for the public and clearly explains how an individual can complain. No complaints were received in the financial year. Our policy requires that a response to a complaint is made within ten days, and that serious complaints are escalated to our Leadership Team and Trustees to consider lessons learned.

Martlets is signed up to the Fundraising Preference Service to enable individuals to opt out of receiving fundraising communications from us. We had no notifications from this service last year. In addition to our policy, we have an agreed operating procedure to protect vulnerable people. Our fundraisers are familiarised with the code of conduct to ensure that it is applied properly.

### **Marketing and Communications**

With the ongoing impact of COVID-19 on working patterns, digital communications have continued to be an essential means of communicating with staff and volunteers throughout the year. A number of regular email newsletters were delivered this year for clinical and non-clinical teams, with the aim of keeping colleagues informed about COVID-19 infections and supporting the safety and wellbeing of all staff across the organisation. Volunteer engagement was achieved through regular virtual forums, hosted by members of the Leadership Team. A number of digital communications and campaigns were also delivered for the Fundraising team, as well as branding and creative assets to support our shops reopening after lockdown. The team worked closely with an external agency to develop and deliver our Capital Appeal campaign, 'Be a part of our moving story', and continued to produce high-quality patient stories and videos to be shared on our website and social media platforms to continue to raise awareness of Martlets' services and encourage donations and supporter engagement.

### **Financial Summary**

Martlets has generated a consolidated surplus of £322,703, which compares with a surplus of £2,030,032 in the prior year.

#### **Income**

Total income for the Group amounted to £10,268,716, an 11% decrease over the prior financial year. Charitable activity income has shown a 38% decrease against last year amounting to £3,078,527, explained by the significantly lower amount of COVID-19 grants received during the period. Donations and Legacies have shown an 18% decrease on the prior year concluding at £3,583,547. This difference is due to the shortfall against predicted legacy income of around £0.7m mentioned above. Trading activities reported £3,452,933 income for the year compared with £2,122,715 last year, an increase of 63%. Retail performance exceeded budget as activity bounced back and expansion progressed. Our domiciliary care agency exceeded last year's income achieved and was boosted by some continuing COVID-19 funding.

#### **Expenditure**

Total expenditure in the financial year amounted to £10,418,788, which was very consistent with 2020-21.

#### **Investment Performance**

The Board of Trustees seeks to optimise the reserves of the organisation while balancing the risk to gain such returns, and so operates a diversified portfolio of assets. The asset portfolio is diversified in cash, residential property and an investment portfolio managed by a discretionary fund manager. After gains reported last year as equity markets recovered from initial reactions to the pandemic, the portfolio value increased again in 2021-22 by £219,497 to £3,684,467. This volatility continues into 2021-22 with war in Ukraine and huge disruption to global markets and

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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individual economies. The housing market has maintained an upward trend in values, which has benefited our portfolio in partial compensation.

### Reserves Policy

The Board of Trustees adopted a reserves policy carefully designed following the guidance from Charity Commission guidance, "Charity reserves, building resilience" (CC19). The policy seeks to set a reserve requirement using three core components. First, an amount is held equivalent to the redundancy costs of all staff within the organisation if these are required. Second, the value of 50% of most long-term leases and contracts are retained. These funds would cover such leases in the event of a shutdown, with a belief that the remaining 50% could be mitigated. Finally, with legacies forming such a significant proportion of voluntary income, a percentage of annual budgeted legacy is added to the reserve. At the end of March 2022, the three elements amounted to a reserve requirement of £3.1m. The free reserves as at the same date amounted to £5.7m, £2.6m above the target level.

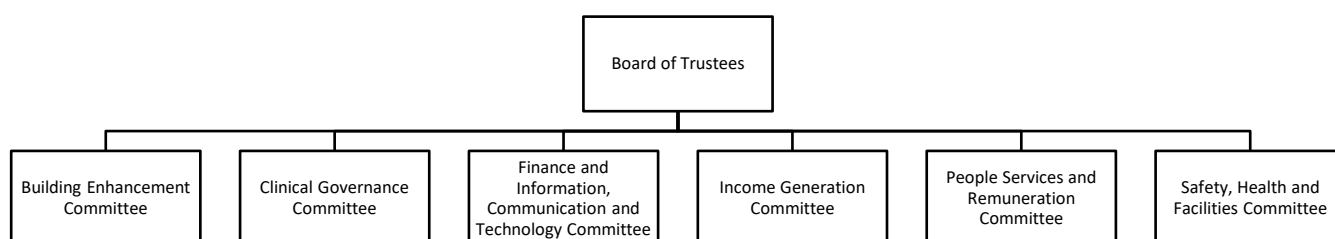
### Designated Reserves

Martlets has retained £7m in designated reserves to assist in the funding of the building of the new inpatient unit, £2m higher than reported at the end of 2020-21.

## Governance

### The Structure of the Hospice

The Board of Trustees is responsible for the overall governance of Martlets, which includes overseeing strategy, performance, and compliance with all legislation. Martlets has two subsidiaries and collectively the legal entities are referred to in the Financial Statements as "the Group". Governance is an umbrella term for the systems, processes, and types of behaviour that enables Trustees to hold the organisation in trust, steer its work and optimise the benefit to current and future beneficiaries. Sub-committees ensure the appropriate oversight of strategic and operational areas. All committees offer advice direct to the Board of Directors and are listed below.



### Directors and Trustees

All Trustees are Directors of The Martlets Hospice Limited, maintained at 13 members, and collectively have the power to appoint additional Trustees as it considers appropriate. Trustees serve up to a maximum of three terms of three years each, meeting as the Board every three months with additional extraordinary meetings as required. Additional Board days support strategic planning. All Trustees and Directors undergo an induction to educate on the policies and procedures for Martlets, training for specific topics as well as general information on how the organisation operates.

### Risk Assessment and Management

Martlets operates an active Risk Register segmented into categories and reviewed at each appropriate sub-committee. These documents are periodically reviewed to assess existing risk and document new subjects as they come up. Mitigating actions are offered and tracked to alleviate identified risks where appropriate. Business Continuity Plans are also maintained, complemented by scenario planning simulations with team managers to practice events and leverage learnings from such simulations.

### Leadership Team Remuneration

Remuneration of the Martlets Leadership Team is governed by the People Services and Remuneration Committee. Benchmarking continues to enable pay recommendations to be made, and to retain talent and reward for excellence.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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### Recruitment Policy

Martlets makes reasonable adjustments in the recruitment process to ensure that no applicant is disadvantaged because of their protected characteristic. Our technical solutions enable anonymised shortlisting as personal and diversity information is held back. Guidance available sets out how we aim to eliminate bias from our recruitment process as this is the best way to reflect diversity, be fair to all applicants and encourage under-represented groups to apply for work or volunteering opportunities with us. We wish to reflect the diversity of the local community as far as possible as we believe it can enrich our services and enhance our social and cultural life.

### Equality, Diversity, and Inclusion Policy

Martlets ascertains sensitively whether staff members require reasonable adjustments and therefore plans accordingly to meet any continuing healthcare needs or management of long-term conditions. Martlets will make reasonable adjustments to selection procedures for training or the training arrangements themselves. This could involve changing the way we conduct training, changes to the premises that we use or providing extra aids, services, or equipment to remove barriers for disabled staff.

### **Future Focus**

Martlets Hospice is the organisation it is because of the amazing support of people in Brighton and Hove and the Havens and the dedication and tenacity of the people who work and volunteer for us. It is a privilege to support and direct the future of Martlets and the trustees offer deep gratitude and thanks to each person who has been and is involved in this wonderful organisation. The world in which we live in now needs hospices more than ever. We are proud to lead a hospice which is rising to meet that challenge.

### **A Hospice for the future**

We are now all living with Covid. As Martlets looks to the future, we do so in a world experiencing change at a rapid rate. In this context, we want people in our communities of Brighton and Hove and the Havens to be assured that as they face death, dying and bereavement, they do so knowing that we will walk at their side, in the way that is right for them. Our new hospice home is being built and as we do this, we continue to deliver our palliative and end-of-life care in our community and in our beds. But we are not standing still; as we build we are also focusing on the following key development areas to increase our impact:

### **Developing our model of care**

We must continue to be relevant to the people we serve. In the face of the continuing pandemic, we will launch our evolved model of care, based on a needs assessment of our community and the challenges they face seeking support when they or someone they care for has a terminal illness. We will be focusing on developing our outpatient model as well as our model of admissions to our wards, working in partnership with care providers around us. We will test these models of care over the course of the year so that as we move into our new home in Autumn 2023, we do so hitting the ground running.

### **Martlets People**

Hospice care is uniquely special because of the support of our volunteers. Like many in the charity sector, volunteering has been impacted by Covid yet remains a deeply important part of our culture and our care. We will be reviewing our volunteer model over the year to support our clinical work, helping us deliver the very best experiences to those we care for and create fantastic opportunities for our community. We will also develop a workforce strategy for the future as we seek to grow Martlets' appeal as an employer of choice and deepen our focus on developing palliative and end of life expertise for the future.

### **Working in Partnership**

Working together to extend the benefits and reach of palliative and end of life care through education and influencing government funding levels for hospices, our collaboration with our sister hospices in Sussex will continue this year. Alongside this, we will be finding our place within the new NHS commissioning structures which affect Brighton and Hove and the Havens specifically and seeking to work with other community health and social care partners to

# THE MARTLETS HOSPICE LIMITED TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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increase the benefits of our support, care and expertise for local people.

## Trustee Declaration

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's Auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The Trustees' Report incorporating the Strategic Report was approved by the Board of Trustees on 21 July 2022 and signed on its behalf by:



Juliet Smith  
Chairperson



Christopher Thomas  
Secretary

# **THE MARTLETS HOSPICE LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED**

### **31 MARCH 2022**

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The Trustees, who are also the Directors of The Martlets Hospice Limited for company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company and the Group for that year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the accounts 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 and to provide reasonable assurance that:

- the Charity is operating effectively and efficiently;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and that financial information used within the Charity or for external publication is reliable;
- the Charity complies with relevant laws and regulations; and
- a system of effective clinical governance is in place.

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the Board;
- regular forecasts to predict the likely outcome for the financial year;
- regular monitoring of actual performance against budgets and forecasts;
- delegation of authority to managers for expenditure within budget limits;
- segregation of duties; and
- identification and management of risk.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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We have audited the financial statements of The Martlets Hospice Limited ('the company') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

## **Conclusions relating to going concern**

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

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

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

## **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have 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 the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the annual trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

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

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## 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 any party other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP.*

**James Saunders (Senior Statutory Auditor)**

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Betchworth House  
57-65 Station Road  
Redhill  
Surrey  
RH1 1DL

Date 1 August 2022

**THE MARTLETS HOSPICE LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022				2021			
		Unrestricted Funds		Restricted Funds	Total Funds	Unrestricted Funds		Restricted Funds	Total Funds
		General £	Designated £	£	£	General £	Designated £	£	£
<b>INCOME AND ENDOWMENTS:</b>									
Donations and legacies	2	3,477,543	-	106,004	3,583,547	4,207,468	-	154,050	4,361,518
Charitable activities	3	3,078,527	-	-	3,078,527	3,173,677	-	1,761,467	4,935,144
Other trading activities	4	3,452,933	-	-	3,452,933	2,122,715	-	-	2,122,715
Income from investments	5	153,709	-	-	153,709	134,976	-	-	134,976
<b>Total Income and Endowments</b>		<u>10,162,712</u>	<u>-</u>	<u>106,004</u>	<u>10,268,716</u>	<u>9,638,836</u>	<u>-</u>	<u>1,915,517</u>	<u>11,554,353</u>
<b>EXPENDITURE:</b>									
Raising funds	6	2,185,658	-	-	2,185,658	2,296,338	-	-	2,296,338
Charitable activities	7	8,022,797	-	210,333	8,233,130	6,183,662	-	1,943,380	8,127,042
<b>Total Expenditure</b>		<u>10,208,455</u>	<u>-</u>	<u>210,333</u>	<u>10,418,788</u>	<u>8,480,000</u>	<u>-</u>	<u>1,943,380</u>	<u>10,423,380</u>
<b>Net Surplus/ (Deficit) before other recognised gains and losses</b>		(45,743)	-	(104,329)	(150,072)	1,158,836	-	(27,863)	1,130,973
Net gains/ (losses) on investments		472,775	-	-	472,775	861,059	-	-	861,059
Taxation		-	-	-	-	38,000	-	-	38,000
<b>Net Surplus/ (Deficit)</b>		<u>427,032</u>	<u>-</u>	<u>(104,329)</u>	<u>322,703</u>	<u>2,057,895</u>	<u>-</u>	<u>(27,863)</u>	<u>2,030,032</u>
Transfers between funds		(2,000,000)	2,000,000	-	-	266,569	-	(266,569)	-
<b>Net movement in funds</b>		<u>(1,572,968)</u>	<u>2,000,000</u>	<u>(104,329)</u>	<u>322,703</u>	<u>2,324,464</u>	<u>-</u>	<u>(294,432)</u>	<u>2,030,032</u>
<b>Reconciliation of Funds</b>									
Balance brought forward		7,509,463	5,000,000	1,819,838	14,329,301	5,184,999	5,000,000	2,114,270	12,299,269
<b>Balance carried forward</b>	21	<u>5,936,495</u>	<u>7,000,000</u>	<u>1,715,509</u>	<u>14,652,004</u>	<u>7,509,463</u>	<u>5,000,000</u>	<u>1,819,838</u>	<u>14,329,301</u>

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities.

The notes on pages 21 to 37 form part of these financial statements.

**THE MARTLETS HOSPICE LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		3,139,969		3,024,488
Intangible assets	13		-		8,000
Investment property	11		2,125,208		1,850,000
Investments	14		3,684,467		3,464,970
Total fixed assets			<u>8,949,644</u>		<u>8,347,458</u>
<b>Current assets:</b>					
Stock	16	15,612		15,162	
Debtors	17	3,336,871		4,182,922	
Cash at bank and in hand		3,638,698		3,274,042	
Total current assets		<u>6,991,181</u>		<u>7,472,126</u>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	<u>(1,231,704)</u>		<u>(1,407,997)</u>	
<b>Net current assets</b>			<u>5,759,477</u>		<u>6,064,129</u>
<b>Total assets less current liabilities</b>			14,709,121		14,411,587
Creditors: Amounts falling due in greater than one year	19		(50,577)		(75,746)
Provisions for liabilities			<u>(6,540)</u>		<u>(6,540)</u>
<b>Net assets</b>			<u>14,652,004</u>		<u>14,329,301</u>
<b>The funds of the charity:</b>					
Restricted funds	21		1,715,509		1,819,838
Unrestricted funds	21		5,936,495		7,509,463
Designated funds	21		7,000,000		5,000,000
<b>Total funds</b>			<u>14,652,004</u>		<u>14,329,301</u>

These financial statements were approved by the members of the Board of Trustees on 21 July 2022 and signed on their behalf by:



**Juliet Smith**  
Chairperson



**Christopher Thomas**  
Secretary


Charity number: 802145  
Company number: 02326410 (England and Wales)

The notes on pages 21 to 37 form part of these financial statements.

**THE MARTLETS HOSPICE LIMITED**  
**CHARITY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		3,108,295		2,983,921
Intangible assets	13		-		8,000
Investment property	11		2,125,208		1,850,000
Investments	14		3,684,469		3,464,972
Total fixed assets			<u>8,917,972</u>		<u>8,306,893</u>
<b>Current assets:</b>					
Debtors	17	3,254,850		4,336,153	
Cash at bank and in hand		<u>3,543,711</u>		<u>3,157,830</u>	
Total current assets		6,798,561		7,493,983	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	<u>(1,087,009)</u>		<u>(1,176,376)</u>	
<b>Net current assets</b>			<u>5,711,552</u>		<u>6,317,607</u>
<b>Total assets less current liabilities</b>			14,629,524		14,624,500
Creditors: Amounts falling due in greater than one year	19		<u>(10,734)</u>		<u>(13,528)</u>
<b>Net assets</b>			<u>14,618,790</u>		<u>14,610,972</u>
<b>The funds of the charity:</b>					
Restricted funds	21		1,715,509		1,819,838
Unrestricted funds			5,903,281		7,791,134
Designated funds			<u>7,000,000</u>		<u>5,000,000</u>
<b>Total funds</b>			<u>14,618,790</u>		<u>14,610,972</u>

These financial statements were approved by the members of the Board of Trustees on 21 July 2022 and signed on their behalf by:



**Juliet Smith**  
Chairperson



**Christopher Thomas**  
Secretary

Charity number: 802145  
 Company number: 02326410 (England and Wales)

The notes on pages 21 to 37 form part of these financial statements.

**THE MARTLETS HOSPICE LIMITED**  
**CONSOLIDATED STATEMENT OF CASHFLOW STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	23	458,653	313,407
<b>Cash flows from investing activities:</b>			
Dividends and interest receivable		153,709	134,976
Purchase of tangible fixed assets		(242,576)	(349,242)
Purchase of investments		(1,905,592)	(584,022)
Proceeds from sale of investments and fixed assets		1,900,462	552,189
Net cash provided by investing activities		<u>(93,997)</u>	<u>(246,099)</u>
Change in cash and cash equivalents in the reporting period		364,656	67,308
<b>Cash and cash equivalents at the beginning of the reporting period</b>		3,274,042	3,206,734
<b>Cash and cash equivalents at the end of the reporting period</b>	24	<u><u>3,638,698</u></u>	<u><u>3,274,042</u></u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 ACCOUNTING POLICIES

##### Company Information

The Martlets Hospice Limited is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found in the Legal and Administrative information section of the accounts.

The Group consists of Martlets Hospice Limited and its two subsidiaries, The Martlets Trading Co Limited and Martlets Care Limited.

##### 1.1 Basis of Preparation

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Companies Act 2006, The Charities Act 2011 and follows the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('the SORP'). The financial statements have been prepared on the historical basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

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 pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Basis of consolidation

The results of The Martlets Trading Co Limited and Martlets Care Limited have been consolidated on a line by line basis. The results for the subsidiaries are disclosed in note 15.

##### 1.3 Going concern

At the Balance Sheet date the group had net assets of £14,652,004 including listed investments of £3,684,467 and cash balances of £3,638,698. Subsequent to the year end and in light of the COVID-19 pandemic, the trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the group's forecasts and projections and have taken account of pressures on income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

##### 1.4 Incoming resources

Grants are recognised as income over the period to which they relate. Any grant funding received in advance is recognised as deferred income on the balance sheet.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

All other incoming resources are recognised when the charity is entitled to the income, there is certainty of receipt and the monetary value can be measured with reasonable accuracy.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.5 Government grant receivable

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

##### 1.6 Donated goods

Donated goods and services have not been recognised in these financial statements as it is not practicable to do so as the cost outweighs the benefit.

##### 1.7 Resources expended and the basis of allocation of costs

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular projects are apportioned to the relevant funds on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff, time or space occupied, as appropriate.

Costs relating to a particular activity are allocated directly and others are apportioned on an appropriate staff basis. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designated to reflect the use of the resources.

##### 1.8 Fixed assets

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less estimated residual value, over the expected useful life on the following basis:

Leasehold buildings	-	2% reducing balance
Furniture & equipment	-	15-20% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	25-30% straight line

At the end of each accounting period the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

Assets costing less than £5,000 are written off to the Statement of Financial Activities. Assets under construction are not depreciated until the asset is brought into use.

Assets are written off to the Statement of Financial Activities once their net book value becomes less than £5,000.

##### 1.9 Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Website	-	25% straight line
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Assets are written off to the Statement of Financial Activities once their net book value becomes less than £5,000.

##### 1.10 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stock held for distribution at no or nominal consideration is measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.11 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

##### 1.12 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

##### 1.13 Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### 1.14 Financial liabilities

Basic financial liabilities are initially measured at transaction price.

##### Leases

Rent payable under operating leases is accounted for in the Statement of Financial Activities in equal amounts over the period of the lease.

##### 1.16 Taxation

The Martlets Hospice Limited is registered as a charity and all its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010. Any tax charged incurred by the Group is based on taxable profit for the year and included as a liability at the balance sheet date where necessary.

##### 1.17 Deferred taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Financial Activities, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.18 Pension costs and other post-retirement benefits

The Martlets Hospice Limited operates a defined benefit pension scheme and a defined contribution pension scheme for its staff. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Martlets Hospice Limited is one of many employers in the NHS Pension Scheme. It is, therefore, not possible to allocate any actuarial surplus or deficit and, consequently, contributions to the NHS Pension Scheme are charged to the Statement of Financial Activities in the year in which they fall due for payment. The scheme has both defined benefits and contributions, any shortfall in the national fund being met by the Exchequer.

##### 1.19 Fund accounting

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

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

Designated funds are funds set aside by Trustees to be used for a specific purpose.

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

##### 1.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### Valuation of investment properties

The investment properties owned by the group have been valued by Pearson Keehan in April 2022. The trustees believe this valuation is appropriate and reflects the value of the investment properties as at 31 March 2022.

#### 2 DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Patient related donations	365,561		365,561	274,820
Legacies receivable	2,343,451	-	2,343,451	2,994,173
General donations from individuals	364,996	-	364,996	541,381
Corporate donations	211,852	-	211,852	213,818
Donated goods Gift Aid scheme	51,923	-	51,923	35,140
Charitable Trust donations	139,760	106,004	245,764	302,186
	<u>3,477,543</u>	<u>106,004</u>	<u>3,583,547</u>	<u>4,361,518</u>

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**3 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
CCG grants	2,579,216	-	2,579,216	2,573,469
COVID-19 grants	420,447	-	420,447	2,305,914
Other services	78,864	-	78,864	55,761
	<u>3,078,527</u>	<u>-</u>	<u>3,078,527</u>	<u>4,935,144</u>

**4 INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Shop sales	1,278,720	-	1,278,720	401,132
Online sales	102,443	-	102,443	-
Recycled sales	42,297	-	42,297	15,346
New Goods sales	59,249	-	59,249	34,414
Care packages	776,054	-	776,054	721,352
Respite packages	178,021	-	178,021	159,873
Functions and events income	338,309	-	338,309	89,505
Collection boxes	9,712	-	9,712	3,089
Lottery income	668,128	-	668,128	698,004
	<u>3,452,933</u>	<u>-</u>	<u>3,452,933</u>	<u>2,122,715</u>

**5 INVESTMENT INCOME**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Dividend income	62,778	-	62,778	63,078
Interest income	3,191	-	3,191	3,806
Rental income	87,740	-	87,740	68,092
	<u>153,709</u>	<u>-</u>	<u>153,709</u>	<u>134,976</u>

**6 EXPENDITURE ON RAISING FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
<b>Activities undertaken directly</b>				
Staff costs	1,256,829	-	1,256,829	1,200,379
Other costs	302,655	-	302,655	241,258
	<u>1,559,484</u>	<u>-</u>	<u>1,559,484</u>	<u>1,441,637</u>
<b>Support costs</b>				
Staff costs	119,714	-	119,714	156,966
Other costs	506,460	-	506,460	697,735
	<u>626,174</u>	<u>-</u>	<u>626,174</u>	<u>854,701</u>
	<u>2,185,658</u>	<u>-</u>	<u>2,185,658</u>	<u>2,296,338</u>

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**7 EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
<b>Activities undertaken directly</b>				
Staff costs	4,332,588	144,005	4,476,593	5,056,726
Other costs	558,186	37,075	595,261	562,389
	<u>4,890,774</u>	<u>181,080</u>	<u>5,071,854</u>	<u>5,619,115</u>
<b>Support</b>				
Staff costs	1,876,364		1,876,364	1,586,481
Other costs	1,255,659	29,253	1,284,912	921,446
	<u>3,132,023</u>	<u>29,253</u>	<u>3,161,276</u>	<u>2,507,927</u>
	<u><u>8,022,797</u></u>	<u><u>210,333</u></u>	<u><u>8,233,130</u></u>	<u><u>8,127,042</u></u>

**8 ANALYSIS OF SUPPORT COSTS**

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Staff costs	1,996,078	-	1,996,078	1,294,287
Printing and stationery	26,053	-	26,053	44,377
Advertising	37,277	-	37,277	23,016
Legal and professional fees	142,854	-	142,854	69,943
Auditor's remuneration	21,672	-	21,672	20,594
Conference and training	68,047	-	68,047	18,544
Computer running costs	406,592	-	406,592	381,362
Service contracts	18,961	-	18,961	22,906
Repairs and renewals	87,479	-	87,479	192,414
Travel and motor costs	36,178	-	36,178	45,364
Rent and rates	442,163	-	442,163	466,669
Heat and light	176,866	-	176,866	67,699
Telephone costs	42,050	-	42,050	56,981
Insurance	15,910	-	15,910	40,181
Subscription costs	15,744	-	15,744	9,567
Investment management	19,227	-	19,227	20,311
Bank charges	34,378	-	34,378	30,176
Other costs	35,521	29,253	64,774	83,244
Depreciation costs	135,096	-	135,096	190,264
Impairment of assets	-	-	-	284,729
	<u>3,758,146</u>	<u>29,253</u>	<u>3,787,399</u>	<u>3,362,628</u>

Included within Support Costs above are Governance Costs. These costs include auditor's remuneration of £21,672 (2021: £20,594).

**9 STAFF COSTS**

	2022	2021
	£	£
Wages and salaries	6,492,608	6,353,937
Social security costs	574,803	558,181
Pension costs	461,146	455,312
	<u>7,528,557</u>	<u>7,367,430</u>

Included in the above wages and salaries is £nil (2021: £30,047) of redundancy payments, due and paid in the year.

The average monthly number of employees (full time equivalent) during the year was as follows:

	2022	2021
	Number	Number
Direct charitable activities	139	141
Administration	48	38
Fundraising	13	12
Martlets Care Limited	55	50
The Martlets Trading Co Limited	32	30
	<u>287</u>	<u>271</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### 9 STAFF COSTS (continued)

The number of employees whose emoluments, excluding pension contributions, were over £60,000 during the year were:

	2022 £	2021 £
£60,000 - £70,000	1	4
£70,000 - £80,000	1	1
£80,000 - £90,000	2	-
£90,000 - £100,000	1	1
£120,000 - £130,000	1	1
£140,000 - £150,000	-	1
£150,000 - £160,000	1	-
£170,000 - £180,000	1	-
	<u>8</u>	<u>8</u>

Of the employees, whose emoluments exceed £60,000, 6 (2021: 5) have retirement benefits accruing under defined benefit pension schemes. Pension contributions for higher paid employees in the year amounted to £47,728 (2021: £88,171)

The key management personnel of the parent charitable company comprise the Chief Executive, Director of Income Generation, Director of Finance and Support Services, Director of Clinical Services and the Director of People Services.

During the year key management personnel received total remuneration of £691,249 (2021: £585,712).

#### 10 TRUSTEE REMUNERATION

The trustees did not receive any remuneration during the year (2021 - £nil). No trustees received reimbursement in the year (2021 - £nil).

#### 11 INVESTMENT PROPERTY

##### CHARITY AND GROUP

##### Fair Value

	£
At 1 April 2021	1,850,000
Revaluations	275,208
<b>At 31 March 2022</b>	<b><u>2,125,208</u></b>

The Charity acquired the investment properties from legacy bequests received between 2017 and 2020. The fair value of the investment properties have been arrived at on the basis of valuation made by Pearson Keehan in April 2022. The Trustees have considered the valuation by Pearson Keehan and believe this value is reflective of the property values as at 31 March 2022.

Historical cost of the investment properties is £1,732,329 (2021: £1,732,329).

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**12 TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Asset Under Construction</b>	<b>Leasehold buildings</b>	<b>Furniture &amp; equipment</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>						
At 1 April 2021	324,493	3,837,547	372,787	345,969	61,428	4,942,224
Additions	206,426	-	-	36,150	-	242,576
<b>At 31 March 2022</b>	<b>530,919</b>	<b>3,837,547</b>	<b>372,787</b>	<b>382,119</b>	<b>61,428</b>	<b>5,184,800</b>
<b>Depreciation:</b>						
At 1 April 2021	-	1,346,219	306,523	229,700	35,294	1,917,736
Charge for the year	-	54,547	13,250	52,763	6,535	127,095
<b>At 31 March 2022</b>	<b>-</b>	<b>1,400,766</b>	<b>319,773</b>	<b>282,463</b>	<b>41,829</b>	<b>2,044,831</b>
<b>Net Book Value:</b>						
<b>At 31 March 2022</b>	<b>530,919</b>	<b>2,436,781</b>	<b>53,014</b>	<b>99,656</b>	<b>19,599</b>	<b>3,139,969</b>
At 31 March 2021	324,493	2,491,328	66,264	116,269	26,134	3,024,488
<b>CHARITY</b>						
<b>Cost:</b>						
At 1 April 2021	324,493	3,837,547	319,623	345,969	40,593	4,868,225
Additions	206,426	-	-	36,150	-	242,576
Disposals	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>530,919</b>	<b>3,837,547</b>	<b>319,623</b>	<b>382,119</b>	<b>40,593</b>	<b>5,110,801</b>
At 1 April 2021	-	1,346,219	278,300	229,700	30,085	1,884,304
Charge for the year	-	54,547	8,265	52,763	2,627	118,202
Impairment	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>-</b>	<b>1,400,766</b>	<b>286,565</b>	<b>282,463</b>	<b>32,712</b>	<b>2,002,506</b>
<b>Net Book Value:</b>						
<b>At 31 March 2022</b>	<b>530,919</b>	<b>2,436,781</b>	<b>33,058</b>	<b>99,656</b>	<b>7,881</b>	<b>3,108,295</b>
At 31 March 2021	324,493	2,491,328	41,323	116,269	10,508	2,983,921

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### 13 INTANGIBLE FIXED ASSETS

	GROUP £	CHARITY £
<b>Website costs</b>		
<b>Cost:</b>		
At 1 April 2021	38,900	20,000
Additions	-	-
<b>At 31 March 2022</b>	<b>38,900</b>	<b>20,000</b>
<b>Depreciation:</b>		
At 1 April 2021	30,900	12,000
Charge for the year	8,000	8,000
<b>At 31 March 2022</b>	<b>38,900</b>	<b>20,000</b>
<b>Net Book Value:</b>		
<b>At 31 March 2022</b>	-	-
At 31 March 2021	8,000	8,000

#### 14 FIXED ASSET INVESTMENTS

	GROUP Listed Investments £	Subsidiary Investments £	CHARITY Listed Investments £	Total
<b>Cost:</b>				
At 1 April 2021	3,464,970	2	3,464,970	3,464,972
Additions	1,905,592	-	1,905,592	1,905,592
Disposals	(1,900,462)	-	(1,900,462)	(1,900,462)
Revaluations	214,367	-	214,367	214,367
	<b>3,684,467</b>	<b>2</b>	<b>3,684,467</b>	<b>3,684,469</b>

At 31 March 2022, the historic cost of the listed investments was £3,206,090 (2021: £2,694,769).

The subsidiary undertakings included as investment at the balance sheet date are:

Name of Company	Class of Shares	Holdings	Nature of Business
Martlets Care Limited	Ordinary	100%	Provides welfare services and care
The Martlets Trading Co Limited	Ordinary	100%	Retail sale of goods

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### 15 SUBSIDIARY COMPANIES

##### 15a Martlets Care Limited

The Hospice owns a subsidiary, Martlets Care Limited (company number 06250709).

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Income statement</b>		
Turnover	954,075	881,225
Cost of sales	(642,554)	(603,203)
<b>Gross profit</b>	<b>311,521</b>	<b>278,022</b>
Operating expenses	(206,561)	(261,931)
Other operating income	53,703	48,156
<b>Net profit</b>	<b>158,663</b>	<b>64,247</b>
Gift aid donated to hospice	(64,257)	(167,163)
<b>Profit for the financial year being the retained profit</b>	<b>94,406</b>	<b>(102,916)</b>
<b>Balance sheet</b>		
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Assets	313,311	248,308
Liabilities	(157,529)	(186,932)
<b>Net assets</b>	<b>155,782</b>	<b>61,376</b>
<b>Represented by:</b>		
Capital	1	1
Reserves	155,781	61,375
	<b>155,782</b>	<b>61,376</b>

##### 15b The Martlets Trading Co Limited

The Hospice owns a subsidiary, The Martlets Trading Co Limited (company number 04557282).

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Income statement</b>		
Turnover	1,460,579	478,994
Cost of sales	(31,567)	(28,186)
<b>Gross profit</b>	<b>1,429,012</b>	<b>450,808</b>
Operating expenses	(1,291,178)	(1,337,291)
Other operating income	82,347	327,020
Interest receivable	294	
<b>(Loss)/ Profit before tax</b>	<b>220,475</b>	<b>(559,463)</b>
Taxation	-	38,000
<b>Net profit</b>	<b>220,475</b>	<b>(521,463)</b>
Gift aid donated to hospice	-	(56,748)
<b>Profit for the financial year being the retained profit</b>	<b>220,475</b>	<b>(578,211)</b>

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**15b Martlets Tading Co Limited (continued)**

<b>Balance sheet</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Assets	229,688	251,692
Liabilities	(352,259)	(594,738)
<b>Net assets</b>	<b>(122,571)</b>	<b>(343,046)</b>
<b>Represented by:</b>		
Capital	1	1
Reserves	(122,572)	(343,047)
	<b>(122,571)</b>	<b>(343,046)</b>

<b>16. STOCK</b>	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shop stock	<u>15,612</u>	<u>15,162</u>	<u>-</u>	<u>-</u>

<b>17 DEBTORS</b>	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	533,502	255,230	353,031	158,347
Amounts due from group companies	-	-	318,431	481,290
Prepayments and accrued income	2,721,404	3,800,522	2,535,328	3,638,887
Social security and other taxes	66,420	71,872	47,633	56,425
Corporation Tax Recoverable	-	38,000	-	-
Other debtors	15,545	17,298	427	1,204
	<u>3,336,871</u>	<u>4,182,922</u>	<u>3,254,850</u>	<u>4,336,153</u>

Included within prepayments and accrued income is legacy income receivable of £2,632,900 (2021: £3,231,900) due to the Charity.

Included in the Charity total above is £nil (2021: £370,000) of debtors due after 1 year.

**18 CREDITORS: Amounts falling due within one year**

	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	128,643	255,246	121,044	165,152
Accruals and deferred income	766,817	873,875	704,960	797,420
Social security and other taxes	181,902	178,375	155,162	118,483
Other creditors	154,342	100,501	105,843	95,321
	<u>1,231,704</u>	<u>1,407,997</u>	<u>1,087,009</u>	<u>1,176,376</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### 18 CREDITORS: Amounts falling due within one year (continued)

Deferred income	GROUP £	CHARITY £
Balance as at 1 April 2021	574,547	559,025
Movement in the year	(143,418)	(147,265)
Balance as at 31 March 2022	<u>431,129</u>	<u>411,760</u>

A fixed charge is registered at Companies House in favour of Barclays Bank Plc in respect of an overdraft held by the Charity.

#### 19 CREDITORS: Amounts falling due after 1 year.

	GROUP		CHARITY	
	2022 £	2021 £	2022 £	2021 £
Other creditors	50,577	75,746	10,734	13,528
	<u>50,577</u>	<u>75,746</u>	<u>10,734</u>	<u>13,528</u>

#### 20 PENSION COMMITMENTS

The Charity operated three pension schemes during the year on behalf of its employees.

- NHS Superannuation Scheme
- Federated Flexiplan
- Royal London

Contributions to each scheme are charged to the Statement of Financial Activities as they arise.

Royal London: This is a defined contribution scheme. The assets of the scheme are held separately from Group in a fund independently administered by Royal London and the assets and liabilities of the scheme are therefore represented in the Group accounts.

NHS Superannuation Scheme: The Group makes contributions to the scheme for nursing and medical staff. The scheme is an approved multi-employer scheme and, as such, the Group is not able to identify its share of the assets or of the potential liability it may have to the scheme at the balance sheet date.

Federated Flexiplan: The Group also historically operated a Federated Flexiplan Scheme. The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. It is a "last person standing scheme" which means that all participating employers are joint and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Company does not have sufficient information available, in particular to identify its share of the underlying assets and liabilities of the Plan, to use defined benefit accounting. As such as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. There were no contributions into the scheme during the accounting period.

Members of the Plan are entitled to benefit on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan and their Pensionable Salary at date of leaving. The Plan is closed to new members and to future accrual of benefits.

The Scheme Trustee entered a buy-in covering the full scheme liabilities with an insurer in February 2017 and confirms that the transition to achieve full buy-out has been finalised during the financial year 2019-20. There are no further legal or financial obligations to the Scheme.

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**20 PENSION COMMITMENTS (continued)**

The total contributions made by the Group were as follows:

	GROUP		CHARITY	
	2022 £	2021 £	2022 £	2021 £
Martlets Group Personal Pension Plans	232,248	253,713	194,879	213,866
NHS Defined Benefit Scheme	228,898	241,447	228,898	241,447
	<u>461,146</u>	<u>495,160</u>	<u>423,777</u>	<u>455,313</u>

Total contributions outstanding at the year-end amounted to £77,476 (2021: £nil) for the Group and Charity.

**21 RESERVES**

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
<b>Unrestricted funds</b>					
General funds	7,509,463	10,635,487	(10,208,455)	(2,000,000)	5,936,495
<b>Restricted funds</b>					
<u>Capital Funds</u>					
Hospice Development	1,339,058	-	(26,780)	-	1,312,278
Renaissance Project	263,438	-	(5,269)	-	258,169
Renovations Fund	23,530	-	(471)	-	23,059
Gateways to Care Project	48,543	-	(971)	-	47,572
IPU Equipment	17,920	-	(3,584)	-	14,336
MBE Project	35,000	-	-	-	35,000
	<u>1,727,489</u>	<u>-</u>	<u>(37,075)</u>	<u>-</u>	<u>1,690,414</u>
<u>Revenue Funds</u>					
Thompson Training Fund	40,000	-	(40,000)	-	-
Carers Project	25,259	-	(25,259)	-	-
Hospice at Home	-	48,000	(45,000)	-	3,000
Supporting Families in Crisis Project	-	5,000	(5,000)	-	-
Community Services	-	10,000	(10,000)	-	-
IPU	-	8,927	(8,292)	-	635
Valerie Emily Munday Day Centre Trust	-	8,310	-	-	8,310
Heads On Charity/ NHS Charities Together	-	8,000	-	-	8,000
Other	27,090	17,767	(39,707)	-	5,150
	<u>92,349</u>	<u>106,004</u>	<u>(173,258)</u>	<u>-</u>	<u>25,095</u>
<b>Total restricted funds</b>	1,819,838	-	-	-	1,715,509
<b>Designated funds</b>					
Hospice Development	5,000,000	-	-	2,000,000	7,000,000
<b>Total funds</b>	<u>14,329,301</u>	<u>10,635,487</u>	<u>(10,208,455)</u>	<u>-</u>	<u>14,652,004</u>

**Restricted funds**

Transfers to and from capital restricted funds relate to a correction made to align net book values of assets funded with restricted fund balances shown.

Hospice Development

This asset fund represents the Hospice building. It appears as a restricted fund because the original capital appeal to build the Hospice was conducted by MacMillan Cancer Support. On completion the asset was then given to the Charity with the restriction that it was to be used only as a Hospice. The expenditure shown during the year represents depreciation and rent paid to the NHS who owns the land. The Hospice building is also represented in our fixed asset schedule.

Renaissance Project

A capital grant was provided by NHS England in 2013 to create new day service facilities including a café and three multi-functional rooms. Improvements were also made to our main entrance and drugs room. Additional sums were raised from charitable trusts. The expenditure in the year represents depreciation on capital assets forming part of the appeal.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 21 RESERVES (continued)

##### **Restricted funds (continued)**

###### Renovation Fund

During the financial year, The Martlets Hospice has embarked on building works to reconfigure the rear entrance to the building to enhance the passage and experience for patients entering the inpatient unit. Such works commenced in October 2017 and were completed in June 2018.

###### Gateway to Care Project

A capital grant was provided by the Department of Health in 2008 to refurbish our Reception and Day Hospice facilities. The expenditure represents depreciation on capital assets forming part of the appeal.

###### IPU Equipment

IPU equipment was purchased with a restricted donation in 2019.

###### MBE Project

Funds have been received which are restricted to the Martlets Building Enhancement Project. This project will, in its first phase, result in the build of a new Inpatient Unit.

###### The Thompson Training Fund

This is a cash fund built with donations from the Thompson Fund during 2006 and 2007, It is restricted to supporting training activities at the Hospice. The fund is being utilised over a 15-year period to support the training requirements of the Hospice.

###### Carers Project

The Ernest Kleinwort Charitable Trust has awarded a grant to Martlets to deliver a project that aims to provide better support for Carers.

###### Hospice at Home

This cash fund represents our Hospice at Home service and shows the income and expenditure of restricted grants and donations in the year.

###### Supporting Families in Crisis

This fund was to be expensed towards Jane Cato's Salary in the project.

###### Community Services

This fund is for the departmental cost of going out into the community to help dying people at home.

###### IPU

This fund represents income and expenditure of restricted grants towards our in-patient unit.

###### Heads on Charity/ NHS Charities Together

A £100,000 grant was awarded to Sussex hospices from Heads On Charity/NHS Charities Together to support clinical nurse specialists caring for people at end of life in their own homes. Martlets Hospice is the lead charity responsible for delivering the project and distributing the grant amongst the 7 Sussex Hospices. The project term is 1 year from 1 November 2021 to 31 October 2022 but the grant is payable over a longer 3 financial year term - 2021 to 2024.

###### Others

These cash funds represent the income and expenditure of restricted donations made during the year for various purposes.

##### **Designated funds**

###### Hospice Development

This fund represents funds set aside by Trustees to be used to partially fund the planned Martlets Building Enhancement project.

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**22 ANALYSIS OF NET ASSETS**

**As at 31 March 2022**

	<b>GROUP</b>			<b>Total</b>
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	
Unrestricted Funds	1,415,244	-	4,521,251	5,936,495
Restricted Funds	1,724,725	-	(9,216)	1,715,509
Designated Funds	-	5,809,675	1,190,325	7,000,000
	3,139,969	5,809,675	5,702,360	14,652,004

	<b>CHARITY</b>			<b>Total</b>
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	
Unrestricted Funds	1,388,258	-	4,515,023	5,903,281
Restricted Funds	1,720,037	-	(4,528)	1,715,509
Designated Funds	-	5,809,677	1,190,323	7,000,000
	3,108,295	5,809,677	5,700,818	14,618,790

**As at 31 March 2021**

	<b>GROUP</b>			<b>Total</b>
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	
Unrestricted Funds	1,065,431	-	6,444,032	7,509,463
Restricted Funds	1,959,057	-	(139,219)	1,819,838
Designated Funds	-	5,314,970	(314,970)	5,000,000
	3,024,488	5,314,970	5,989,843	14,329,301

	<b>CHARITY</b>			<b>Total</b>
	<b>Fixed assets</b>	<b>Fixed asset investments</b>	<b>Other net assets</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	
Unrestricted Funds	1,024,864	-	6,766,270	7,791,134
Restricted Funds	1,959,057	-	(139,219)	1,819,838
Designated Funds	-	5,314,970	(314,970)	5,000,000
	2,983,921	5,314,970	6,312,081	14,610,972

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### 23 SHARE CAPITAL

The company has no share capital and is limited by guarantee.

#### 24 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
<b>Net income/(expenditure) for the reporting period</b>	322,703	2,030,032
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	127,095	174,814
Amortisation of intangible fixed assets	8,000	15,450
Impairment of tangible fixed assets	-	284,729
Gains on investments	(214,367)	(776,297)
Revaluation of investment properties	(275,208)	(145,000)
Investment income	(153,709)	(134,976)
(Increase)/ decrease in stocks	(450)	11,280
(Increase)/decrease in debtors	846,051	(1,311,050)
Increase/(decrease) in creditors	(201,462)	164,425
<b>Net cash provided by/(used in) operating activities</b>	<u>458,653</u>	<u>313,407</u>

#### 25 ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash in hand	3,638,698	3,274,042
<b>Total cash and cash equivalents</b>	<u>3,638,698</u>	<u>3,274,042</u>

#### 26 OPERATING LEASES

At 31st March 2022 and 31st March 2021 the Group had annual commitments under operating leases as set out below:

	2022 £	2021 £
Within 1 year	195,832	434,847
Between 2 and 5 years	458,102	913,215
After five years	1,730,200	1,752,600
	<u>2,384,134</u>	<u>3,100,662</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 27 RELATED PARTY TRANSACTIONS

##### GROUP

There were no related party transactions in the year.

##### CHARITY

During the year Martlets Care Limited declared a gift aid payment of £64,257 (2021: £167,163) to The Martlets Hospice Limited, its parent company. At the year end £70,494 (2021: £92,349) was outstanding from the company. This balance includes a loan of £69,000 due to The Martlets Hospice Limited, payable by 31 March 2022. The loan was extended to 31 March 2024 in May 2022. Interest of 0.75% per annum above LIBOR is payable on the loan balance.

During the year The Martlets Trading Co Limited declared a gift aid payment of £22,130 (2021: £56,748) to The Martlets Hospice Limited, its parent company. During the year, rent payments totalling £12,000 were made to The Martlets Hospice Limited, its parent company. At the year end £247,937 (2021: £388,940) was outstanding from the company. This balance includes a loan of £234,000 due to The Martlets Hospice Limited, payable after 31 March 2022. The loan was extended to 31 March 2024 in May 2022. Interest of 0.75% per annum above LIBOR is payable on the loan balance.



Martlets  
Wayfield Avenue,  
Hove  
BN3 7LW

[martlets.org.uk](http://martlets.org.uk)  
01273 273400  
[communications@martlets.org.uk](mailto:communications@martlets.org.uk)

Company Registration No.02326410 (England and Wales)

Registered Charity Number 802145

**THE MARTLETS HOSPICE LIMITED**

England & Wales - Charity number 802145

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# Accounts

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# Trustees' Report

including Strategic Report  
and Consolidated Accounts

Year ended 31 March 2021



# THE MARTLETS HOSPICE LIMITED

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# THE MARTLETS HOSPICE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Directors and Trustees</b>		<b>Committee</b>
Mark Bayliss	<i>Appointed December 2020</i>	1,2
Michael Bedingfield		4
Karen Blatchford		4
Rebecca Crook		1,2,3
Bec Davison		5
Barry Egan		5
Matthew Fletcher	<i>Resigned February 2021</i>	1,2
Mansoor Foroughi	<i>Resigned February 2021</i>	2
Helen Greany		1
Giles Ings		1,6
Wayne Murray	<i>Resigned March 2021</i>	4,6
David Quinton	<i>Appointed December 2020</i>	4,6
Juliet Smith, <i>Chairperson</i>		
Jake Standing, <i>Treasurer</i>		3
Duncan Stewart		2
Christopher Thomas, <i>Secretary</i>		1,3

### **Committees**

Building Enhancement Project	1
Clinical Governance	2
Finance and ICT (Information, Communication and Technology)	3
Income Generation, Trading and Martlets Care	4
People Services and Remuneration	5
Safety, Health, Fire and Facilities Governance	6

### **Leadership Team**

Imelda Glackin, Chief Executive Officer		All
Simone Ali, Medical Director		2
Sally Brighton, Director of Income Generation	<i>Resigned August 2020</i>	1,3,4,6
Bobby Dhol, Director of Finance and Support Services		1,3,4,6
Fiona Mulliner, Director of Income Generation	<i>Appointed November 2020</i>	1,3,4,6
Sharon Howes, Director of People Services		5
Karen Taylor, Director of Clinical Services		2

<b>Charity Number</b>	802145	<b>Company Number</b>	02326410
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### **Principal Address and Registered Office**

The Martlets Hospice Limited  
Wayfield Avenue  
Hove  
East Sussex  
BN3 7LW

### **Auditors**

Moore Kingston Smith LLP  
Betchworth House  
57-65 Station Road  
Redhill, Surrey  
RH1 1DL

### **Lead Banking Partner**

Barclays Bank PLC  
139/142 North Street  
Brighton  
East Sussex  
BN1 1RU

### **Discretionary Fund Manager**

Rathbone Brothers PLC  
1 Curzon Street  
London  
W1J 5FB

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

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#### **Introduction**

The Trustees and Directors of The Martlets Hospice Limited present their Annual Report, including the Directors' Report and Strategic Report, for the year ended 31 March 2021 together with the Consolidated Accounts for the Charity and its subsidiaries.

The accounts comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **The Martlets Hospice Limited**

The Martlets Hospice Limited (Martlets, the Hospice, the Charity, the Company) is constituted as a company limited by guarantee and governed by its Memorandum and Articles of Association. In April 1997, a purpose-built, 18-bed Hospice opened, ready to care for people in and around the Brighton and Hove community. It brought together three charities: Coppercliff Hospice, the Tarner Home and the Macmillan Day Services. This report covers the period April 2020 to March 2021.

#### **Objectives of the Charity and Principal Activities and Organisation of our Work**

As a Charity, we provide people affected by terminal illness in Brighton and Hove and neighbouring areas with the very best care and support. We help people do the things they love with the time they have. Our life-changing hospice care gives people living with terminal illness hope, purpose, and possibility. We continue to extend our reach to help as many people in our community as possible, ensuring that patients, family, and friends have access to our services. Our work is made possible only by the generosity of our supporters. The Charity achieves these objectives by:

- a) providing care which is free at the point of delivery to adults with serious and life-threatening illness;
- b) operating a service at one's home that takes specialist palliative care professionals, including medical consultants, clinical nurse specialists and hands-on care professionals, into the homes of patients;
- c) operating a service at one's home that takes skilled, hands-on hospice care into the homes of patients;
- d) operating a respite service that supports the carers of patients;
- e) providing a bereavement service for relatives and carers;
- f) providing a range of day services for patients and carers to support their health and well-being; and
- g) working in partnership with the NHS, charities, and organisations to extend and maximise reach and impact.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in the planning of future activities.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### COVID-19

The impact of COVID-19 on Martlets' operational and financial performance has been significant and unprecedented. A year ago, there was no clarity about how the pandemic would develop and how, or how long, its impact would be felt, leading to uncertainty across all sectors of business and society. Like many healthcare providers, Martlets has had to adapt almost all parts of its activities to respond to the evolution of the pandemic and its ongoing impact. There are now signs that the United Kingdom is heading to a pathway out of the pandemic, using the vaccine as a core part of that strategy. We remain alert to the risk of continued operational disruption and the impact on staff, volunteers, and those we care for.

### Services

Martlets has previously operated an 18-bed inpatient unit including two four-bedded bays. With the need to socially distance, the inpatient unit was unable to fully use these four-bedded rooms during the pandemic. Only single rooms or family rooms have been used, and this has therefore reduced bed capacity from 18 to 12 beds. Patients have been prioritised for admission as before, and there has been an overall reduction in admissions also impacted by patients that wanted to be cared for at home, supported by our community teams. Like many healthcare settings, our ability to allow visitors to visit their loved ones has been challenged throughout the year. The broader adoption of lateral flow device testing has now allowed visiting to increase safely. However, it is far from ideal, causing anxiety to patients, relatives, friends and our staff.

With increased demands on our community teams, we have implemented different ways of working. Face-to-face visits have been prioritised for those in most need, supported by the greater use of remote ways of community delivery, such as video consultation and telephone support, both of which have seen a significant increase.

For all face-to-face service delivery, and associated support services roles, it has been imperative to protect these staff members by using personal protective equipment (PPE) plus a robust regime of testing and vaccinations. While PPE was highly challenging to obtain from the outset of the pandemic, we are thankful to the National Health Service (NHS) for including hospices nationally in PPE roll-out. Martlets was pleased we could offer our services and venues from which to distribute PPE to other Southeast hospices. The broader implementation of polymerase chain reaction (PCR) and lateral flow device (LFD) tests, and then the prioritisation of our teams for the vaccination, have been essential in protecting staff and delivering services, all complemented by robust communications, implementation, and reporting from our People Services Team.

### Organisational Impact

The COVID-19 pandemic has had a significant impact on our staff and volunteers throughout the pandemic. Staff adjustments have been required for isolating, caring responsibilities, symptomatic and underlying health conditions, and unfortunately, illness. Staff have experienced some levels of anxiety, which we have proactively managed through our focus on the wellbeing of our teams. We believe that this will be required for some time to come. Martlets has leveraged the furlough scheme to protect employment where we can, although there has been a need to restructure some of our teams, leading to redundancies, to protect the organisation going forwards. Martlets highly values our volunteers without whom we cannot operate in the same way. The pandemic has meant we have had to reduce volunteer activity, which in turn has increased resourcing demands on our staff. We look forward to our volunteers returning as most adults in our community become fully vaccinated.

### Financial Assistance

The financial year started with tremendous uncertainty about future financial performance, which led us to adopt an agile approach to forecasting and business planning. Martlets are thankful to Hospice UK and NHS England who partnered to deploy a grant programme for bed and community capacity for nationwide hospices. Martlets has received £1,763k from this grant, providing important funds to help protect us within the financial year, and for the economic uncertainty for the years to come.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### Education

In April 2020 rapid development of redeployment training was required to support the Inpatient, Community and Housekeeping Teams. Many of our teams helped develop the initial impacts on staffing including the clinically vulnerable, caring responsibilities of others, and suspected COVID-19 diagnosis, all of which impacted our operations. A Sussex hospice collaboration, spanning four hospices, enabled the commissioning of a new learning platform to share and develop an aligned statutory and mandatory training programme. During the first few months of the COVID-19 crisis we delivered 65 daily webinars for care homes where 21 topics were covered including basic end-of-life care, breathlessness, difficult conversations, donning and doffing, recommended summary plans for emergency care and treatment (ReSPECT), visiting in care homes, risk assessments, and the verification of expected death process. Over 300 care home staff attended. The implementation of SystemOne in February 2021, our new patient record system, required virtual training for more than 130 staff.

### Conclusions

The last year has truly been unprecedented. Everyone at Martlets is grateful to the kindness and support shown from the communities we serve which have helped us keep caring, and to our dedicated, adaptive, and highly skilled teams. We have exciting plans to improve our Hospice site to ensure that safe, dignified, and compassionate care will remain accessible for our community for many years to come.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### **Service Delivery**

#### Inpatient Services

Due to the COVID-19 pandemic, the inpatient unit has had to reduce its bed capacity of 18 beds to a revised capacity of 12 beds. During the financial year, the inpatient unit cared for a total of 216 patients some of whom had multiple admissions. This was a reduction of 21% on the prior year. The average occupancy of the inpatient unit was 49%, which is significantly less than previous years. During the pandemic, many patients and their families wanted to remain at home. Of the patients cared for on the inpatient unit, 24% had a non-cancer diagnosis, which is an increase from previous years. Of those admitted, the majority remained at the Hospice for end-of-life care.

#### Community Services

The Community Team consists of a multi-disciplinary team of Clinical Nurse Specialists, the Hospice at Home Team, doctors and other health and social care professionals including social workers, occupational therapists, a chaplain, counsellors, and a range of volunteers providing services to patients and their families in the community as part of the wider Community Service. A total of 1,905 patients and carers were supported and cared for by the Community Services in the year 2020-21. This has been a 15% reduction on the prior year.

2,783 face-to-face visits were made to 613 individual patients. To ensure patient safety, the number of face-to-face visits was much reduced during the pandemic. However, this was balanced by remote consultations and a significant increase in telephone support. The Hub telephone service offers advice and support to patients, carers and health and social care professionals 24 hours a day, seven days a week. 43,323 calls were received and made this year, close to double the number of calls last year.

#### Outpatient Services

Outpatient services were significantly affected by the pandemic, as they were unable to take place safely face-to-face due to the space needed to socially distance. Therefore, we adapted our services to enable them to be delivered remotely, including yoga, relaxation, rehabilitation and choir. Within the year 546 individuals accessed these services and for some this was easier than trying to attend outpatient appointments. Wellbeing calls meant that 4,695 telephone calls were made to support people at home.

#### Bereavement Services

The bereavement service offers one-to-one counselling with qualified counsellors and one-to-one support from trained bereavement volunteers. Counselling sessions are offered on all days except Sundays and the service is available in the evenings as well as during the daytime. Due to the pandemic many of the usual events were suspended. Face-to-face consultations were stopped, and counselling sessions were all undertaken remotely. The number of bereavement counselling sessions increased by 7% this year to 1,159.

#### Building a new Inpatient Unit

Martlets has made significant progress during the year on developing plans to build a new inpatient unit after concluding that the existing facility is not fit for the future. COVID-19 has further emphasised the need for Martlets to design an inpatient unit with individual en suite rooms for all patients, rather than the shared accommodation for eight of the current beds and shared bathing facilities for all. Martlets has worked with professional consultants and Brighton and Hove Council, resulting in planning permission being granted within the financial year for the new inpatient unit. An initial tender has been issued for the construction concluding in a shortlist of contractors who will tender for the final specification. It is anticipated that construction will commence in Spring 2022.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### **Support Services**

#### People Services

Communicating with our staff and volunteers has been essential as remote working has increased, including preparing and supporting staff through periods of furlough during successive lockdowns. Staff and Volunteer forums have moved to digital video conferencing, enabling greater access and engagement with our audiences. COVID-19 impacted the provision of services, so face-to-face training programmes were converted to online programmes. We encouraged staff to take annual leave to help them maintain resilience and prevent significant unused leave being brought forward. Recruitment recommenced to a greater level from January 2021, including apprenticeships, the Kickstarter scheme and university and college students as volunteers. A Sussex hospice collaboration project enabled the commissioning of a new learning platform for four hospices to share and develop an aligned statutory and mandatory training programme. The freedom-to-speak-up guardian proved successful in supporting staff as the scale and scope of change was challenging for a prolonged period. A pay review in February 2021 supported a range of pay uplifts from 1 April 2021, noting amendments required for the lowest paid, a move towards comparable points and bands to the NHS agenda for change pay structure, and out-of-hours enhancements for key support roles.

#### Information, Communications and Technology

Martlets has continued a theme of digital evolution. The most significant investment has been the implementation of a new patient record system, SystmOne, to replace Crosscare, which went live in February 2020. A significant benefit of this cloud-based solution is the integration with local healthcare systems to unify patient care. A cloud-based solution has also been implemented for telephony communications, allowing a more dynamic system with increased flexibility for use in any location and on smart phones. While Microsoft Teams and Zoom have been utilised within the organisation for some time, their use has been exponential and has changed the culture and acceptance of such platforms.

#### Health and Safety

Our use of Risk Assessments and Standard Operating Procedure (SOP) method statements was accelerated due to the COVID-19 pandemic. The main hospice building received the most focus due to the inpatient unit and community services. There was a need to segregate the building into “bubbles” to mitigate contamination risk from one area to another. When we were allowed to reopen our retail outlets, we had to produce and implement new risk assessments. As government and Public Health England (PHE) guidelines changed, Martlets also had to adjust accordingly to create the safest possible environment for our staff, patients, visitors, and retail customers. Support via counselling services was utilised, as were in-house mindfulness and wellness sessions, clinical supervision, and team meetings. We continued to deliver weekly communications to disseminate COVID-19 related government and organisational information to all staff. This was strengthened with a specific clinical Wayfield Weekly newsletter as changes continued for a prolonged period.

The mental health of our staff and volunteers has received a great deal of focus, including how to promote good mental health and how to help those who have developed challenges, be those COVID-19 related or not. In 2021 thus far 30 of our staff have completed a two-day mental health first aid course. We will continue to roll out this important training throughout 2021.

#### Data Protection and Governance

The increase in mobile and distance working has been reflected in a growing need to protect Martlets, its staff, and volunteers, particularly from the threat of cyber criminals targeting entities. Martlets has accelerated the implementation of multi-factor authentication (MFA) that is now fully rolled out, requiring any remote access to be authenticated by a secondary means. To complement this, training and communication has continually been offered to staff and volunteers to warn against the many attempts to compromise our data. There has been a good reporting of near misses in data events, and we are pleased to report that there were no material data breaches during the year.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### **Income Generation**

The COVID-19 pandemic had an immediate and significant impact on our income generation activities. Our retail and warehouse operations had to close and remained closed for over seven months of the year during successive lockdowns. This resulted in a steep drop in income, which was only marginally mitigated using furlough and retail grants. Although our ecommerce Team was able to continue to operate throughout, their efforts were limited by the lack of new donations and COVID-19 restrictions.

Historically, our fundraising efforts had been focused on events in and by the community. These were immediately halted when the UK went into lockdown and did not restart during the year. To mitigate the financial impact of this change, we pivoted to a digital-first approach, adopting email, web, and social media as our dominant communication channels. The Fundraising Team successfully launched Martlets' first Crisis Appeal which generated a very positive response and significant income from both individual and corporate supporters. Buoyed by this successful pilot, the team continued to develop digital campaigns and communications with the support of the Marketing and Communications Team. These included a video-first "Facing the Future" campaign, and a virtual "Light Up a Life" event which reached a far wider audience than would have been possible at a face-to-face event.

Legacy income held up strongly during the year, although delays in the probate service due to the impact of COVID-19 meant that we realised a significant number of expected legacies only at the very end of the year. Legacy income of £3,021k came very close to our budgeted expectation of £3,060k.

Donors to Martlets can be assured that we comply with the regulatory standards for fundraising, as set out in the Charities Act 2016. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice. We encourage the fundraising service providers we engage with to be signed up to the code to protect our supporters and the reputation of our Charity.

The Martlets' website outlines our complaints policy for the public and clearly explains how an individual can complain. Two complaints were received in the financial year and were resolved. Responses to all complaints were within 10 days and were dealt with in line with the complaints policy. More serious complaints are escalated to our Leadership Team and Trustees to consider lessons learnt.

Martlets are signed up to the Fundraising Preference Service to enable individuals to opt out of receiving fundraising communications from us. We had no notifications from this service last year. In addition to our policy, we have an agreed operating procedure to protect vulnerable people. Our fundraisers are familiarised with the code of conduct to ensure that it is applied properly.

### **Marketing and Communications**

Digital communications have been instrumental for Martlets, both for internal and external audiences. With increased remote working and the many changes that COVID-19 brought to everyday lives, a weekly "Martlets Update" email has become essential to ensure our teams are connected and engaged wherever they are based. A new intranet brand centre was launched to enable staff to self-serve stories, photos, letterheads, and document templates, to develop their own communications with our stakeholders. As a result of the COVID-19 pandemic our fundraising activities moved to a digital-first approach, with the in-house development of creative and content assets for our first Crisis Appeal, which ran across email and social channels to great effect. The growth of video conferencing enabled the capture of video content remotely, ensuring Martlets was able to deliver a successful neighbourhood engagement event in support of our planning application for the new inpatient build project.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### **Financial Summary**

Martlets has generated a consolidated surplus of £2,030k; this compares to a deficit of £506k in the prior year.

#### Income

Total income for the Group amounted to £11,554k, a 3% increase over the prior financial year. Charitable activity income has shown a large 85% growth amounting to £4,909k, an increase of £2,258k. The bulk of the incremental income has come from an exceptional grant issued by NHS England to hospices nationally for bed and community activity capacity. Martlets has received £1,763k for its capacity. The remainder of the increase has come from furlough claims and other COVID-19 grants and assistance. Donations and Legacies have shown a 2% increase on the prior year concluding at £4,362k. Trading activities have seen the largest deterioration in the financial year, £2,123k compared to £4,054k last year, a reduction of 48%. Of this, £1,125k has come from the loss in retail outlets when closed and a further £473k has been lost in Functions and Events Income, all of this to conform to government policy to protect the public from COVID-19. Our domiciliary care agency has also suffered from lost income amounting to £291k as delivering these important services has been significantly impacted by the pandemic.

#### Expenditure

Total expenditure in the financial year amounted to £10,423k, a reduction of £802k, 7%. Savings of £1,065k were made in relation to income-generating activities and in part mitigated the lost associated revenue with such investment. There was a growth of £263k in expenses directly attributable to charitable activities.

#### Investment Performance

The Board of Trustees seeks to optimise the reserves of the organisation while balancing the risk to gain such returns, and so operates a diversified portfolio of assets. The asset portfolio is diversified in cash, residential property and an investment portfolio managed by a discretionary fund manager. The prior year saw a significant decline of £446k in the investment portfolio to £2,657k as the global equity markets reacted to the COVID-19 pandemic. We are pleased to report that financial markets have since recovered and the Martlets' portfolio has recovered to £3,465k, contributing to a gain on investments in the year of £861k.

#### Reserves Policy

The Board of Trustees has adopted a reserves policy carefully designed following the guidance from Charity Commission guidance, "Charity reserves, building resilience" (CC19). The policy seeks to set a reserve requirement using three core components. First, an amount is held equivalent to the redundancy costs of all staff within the organisation if these are required. Second, the value of 50% of most long-term leases and contracts are retained. These funds would cover such leases in the event of a shutdown, with a belief that the remaining 50% could be mitigated. Finally, with legacies forming such a significant proportion of voluntary income, a percentage of annual budgeted legacy is added to the reserve. At the end of March 2021, the three elements amounted to a reserve requirement of £2,895k. The free reserves as at the same date amounted to £6,726k, a surplus of £3,831k.

#### Designated Reserves

Martlets has retained £5,000k in designated reserves to assist in the funding of the building of the new inpatient unit. No decrease or increase was made in designated funds within the financial year.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT

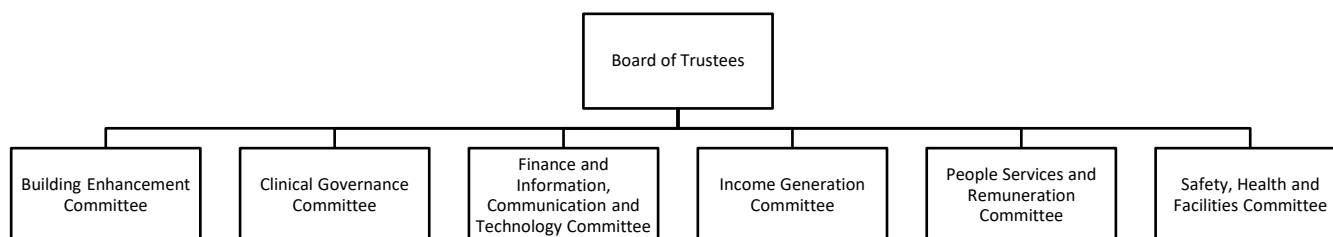
### FOR THE YEAR ENDED 31 MARCH 2021

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#### **Governance**

##### The Structure of the Hospice

The Board of Trustees is responsible for the overall governance of Martlets, which includes overseeing strategy, performance, and compliance with all legislation. Martlets has two subsidiaries and collectively the legal entities are referred to in the Financial Statements as “the Group”. Governance is an umbrella term for the systems, processes, and types of behaviour that enables Trustees to hold the organisation in trust, steer its work and optimise the benefit to current and future beneficiaries. Sub-committees ensure the appropriate oversight of strategic and operational areas. All committees offer advice direct to the Board of Directors and are listed below.



##### Directors and Trustees

All Trustees are Directors of The Martlets Hospice Limited, maintained at 13 members, and collectively have the power to appoint additional Trustees as it considers appropriate. Trustees serve up to a maximum of three terms of three years each, meeting as the Board every three months with additional extraordinary meetings as required, as they have been during the COVID-19 pandemic. Additional Board days support strategic planning. All Trustees and Directors undergo an induction to educate on the policies and procedures for Martlets, training for specific topics as well as general information on how the organisation operates.

##### Risk Assessment and Management

Martlets operates an active Risk Register segmented into categories and reviewed at each appropriate sub-committee. These documents are periodically reviewed to assess existing risk and document new subjects as they come up. Mitigating actions are offered and tracked to alleviate identified risks where appropriate. Business Continuity Plans are also maintained, complemented by scenario planning simulations with team managers to practice events and leverage learnings from such simulations.

##### Leadership Team Remuneration

Remuneration of the Martlets Leadership Team is governed by the People Services Committee. Benchmarking continued to enable pay recommendations to be made, and to retain talent and reward for excellence.

##### Recruitment Policy

Martlets makes reasonable adjustments in the recruitment process to ensure that no applicant is disadvantaged because of their protected characteristic. Our technical solutions enable anonymised shortlisting as personal and diversity information is held back. Guidance available sets out how we aim to eliminate bias from our recruitment process as this is the best way to reflect diversity, be fair to all applicants and encourage under-represented groups to apply for work or volunteering opportunities with us. We wish to reflect the diversity of the local community as far as possible as we believe it can enrich our services and enhance our social and cultural life. Gender pay reporting for 2020 is under production for submission prior to the deadline of 5 October 2021.

##### Equality, Diversity, and Inclusion Policy

Martlets ascertains sensitively whether staff members require reasonable adjustments and therefore plan accordingly to meet any continuing healthcare needs or management of long-term conditions. Martlets will make reasonable adjustments to selection procedures for training or the training arrangements themselves. This could involve changing the way we conduct training, changes to the premises that we use or providing extra aids, services, or equipment to remove barriers for disabled staff.

# THE MARTLETS HOSPICE LIMITED

## TRUSTEES' REPORT, INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### **Future Focus**

Martlets continues to support strategies that can achieve our vision, which is that people of Brighton and Hove and neighbouring areas with a terminal illness can still feel hope, purpose, and possibility. This has not changed before, during or as we contemplate departing from the COVID-19 pandemic. The following are specific areas of focus for the organisation.

#### Building Enhancement, A New Inpatient Unit

COVID-19 has increased our resolve to replace our inpatient unit with the creation of a new facility with single occupancy and en suite rooms. Having now received planning consent, the focus for the rest of the year will be to finalise our detailed design in preparation for appointing a building contractor to commence works in Spring 2022. Key to commencing building works is to secure suitable off-site temporary premises from which to run an inpatient unit during the entire period of construction, which is estimated to be 18 months.

#### Working In Partnership with Commissioners and Other Providers.

Martlets operates areas of service delivery that span two clinical commissioning groups: Brighton and Hove, and High Weald Lewes Havens. Since 2020 we will be commissioned by one Integrated Care System (ICS) which is the new NHS structure for commissioning. We have created a collaborate with our neighbouring hospices across Sussex with a vision to create greater access for all who use specialist palliative and end-of-life care. We also wish to create greater opportunities as a pan-Sussex collaborate. COVID-19 has created new ways of delivering services. We will continue to develop some of these new modes using the learning from the last 15 months to enhance and broaden our offer to more people who need hospice care services.

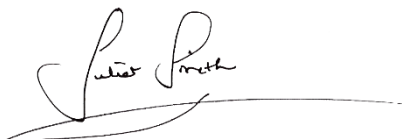
#### Evolution of COVID-19

COVID-19 has seen unprecedented change for Martlets, primarily in the delivery of services, and then across all other aspects of the organisation. While some change has been challenged there is a recognition of positive aspects that the organisation will retain for future use and development. The government have now reached their target of a removal of most COVID-19 restrictions in July 2021. Martlets remains cautious at this time, retaining some of the previous provisions to maintain safety for patients, visitors, staff, and volunteers. The intention of Martlets is to now reappraise the strategic development of the organisation and set out the next path forwards with learning from the last 15 months.

### **Trustee Declaration**

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's Auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

The Trustees' Report incorporating the Strategic Report was approved by the Board of Trustees on 22 July 2021 and signed on its behalf by:



Juliet Smith  
Chairperson



Christopher Thomas  
Secretary

# **THE MARTLETS HOSPICE LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED**

### **31 MARCH 2021**

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The Trustees, who are also the Directors of The Martlets Hospice Limited for company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company and the Group for that year.

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the accounts 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 and to provide reasonable assurance that:

- the Charity is operating effectively and efficiently;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and that financial information used within the Charity or for external publication is reliable;
- the Charity complies with relevant laws and regulations; and
- a system of effective clinical governance is in place.

The systems of internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the Board;
- regular forecasts to predict the likely outcome for the financial year;
- regular monitoring of actual performance against budgets and forecasts;
- delegation of authority to managers for expenditure within budget limits;
- segregation of duties; and
- identification and management of risk.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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We have audited the financial statements of The Martlets Hospice Limited ('the company') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

## **CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

## **OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **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 the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the strategic report and the trustees' annual report have 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 the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report and the annual trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the trustees' responsibilities statement set out on page 13, 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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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## **EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MARTLETS HOSPICE LIMITED

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

## USE OF OUR REPORT

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinion we have formed.



**James Saunders (Senior Statutory Auditor)**

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Betchworth House  
57-65 Station Road  
Redhill  
Surrey  
RH1 1DL

Date: 23 August 2021

# Martlets Care Limited

## Independent Auditor's Report (Continued)

### To the Members of Martlets Care Limited

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#### **Use of our report**

This report is made solely to the 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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

**James Saunders (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

23 August 2021

**Chartered Accountants**  
**Statutory Auditor**

Betchworth House  
57-65 Station Road  
Redhill  
Surrey  
RH1 1DL

**THE MARTLETS HOSPICE LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE**  
**ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021				2020			
		Unrestricted Funds General £	Designated Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds General £	Designated Funds £	Restricted Funds £	Total Funds £
<b>INCOME AND ENDOWMENTS:</b>									
Donations and legacies	2	4,207,468	-	154,050	4,361,518	4,075,820	-	197,336	4,273,156
Charitable activities	3	3,173,677	-	1,761,467	4,935,144	2,650,596	-	-	2,650,596
Other trading activities	4	2,122,715	-	-	2,122,715	4,054,187	-	-	4,054,187
Income from investments	5	134,976	-	-	134,976	163,675	-	-	163,675
Other income		-	-	-	-	24,436	-	-	24,436
<b>Total Income and Endowments</b>		<u>9,638,836</u>	<u>-</u>	<u>1,915,517</u>	<u>11,554,353</u>	<u>10,968,714</u>	<u>-</u>	<u>197,336</u>	<u>11,166,050</u>
Raising funds	6	2,296,338	-	-	2,296,338	3,360,868	-	-	3,360,868
Charitable activities	7	6,183,662	-	1,943,380	8,127,042	7,627,394	-	236,834	7,864,228
<b>Total Expenditure</b>		<u>8,480,000</u>	<u>-</u>	<u>1,943,380</u>	<u>10,423,380</u>	<u>10,988,262</u>	<u>-</u>	<u>236,834</u>	<u>11,225,096</u>
<b>Net Surplus/ (Deficit) before other recognised gains and losses</b>		1,158,836	-	(27,863)	1,130,973	(19,548)	-	(39,498)	(59,046)
Net gains/ (losses) on investments		861,059	-	-	861,059	(408,837)	-	-	(408,837)
Taxation		38,000	-	-	38,000	(38,000)	-	-	(38,000)
<b>Net Surplus/ (Deficit)</b>		<u>2,057,895</u>	<u>-</u>	<u>(27,863)</u>	<u>2,030,032</u>	<u>(466,385)</u>	<u>-</u>	<u>(39,498)</u>	<u>(505,883)</u>
Transfers between funds		266,569	-	(266,569)	-	(2,475,197)	2,500,000	(24,803)	-
<b>Net movement in funds</b>		<u>2,324,464</u>	<u>-</u>	<u>(294,432)</u>	<u>2,030,032</u>	<u>(2,941,582)</u>	<u>2,500,000</u>	<u>(64,301)</u>	<u>(505,883)</u>
<b>Reconciliation of Funds</b>									
Balance brought forward		5,184,999	5,000,000	2,114,270	12,299,269	8,126,581	2,500,000	2,178,571	12,805,152
<b>Balance carried forward</b>	21	<u>7,509,463</u>	<u>5,000,000</u>	<u>1,819,838</u>	<u>14,329,301</u>	<u>5,184,999</u>	<u>5,000,000</u>	<u>2,114,270</u>	<u>12,299,269</u>

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derive from continuing activities.

The notes on pages 23 to 38 form part of these financial statements.

# THE MARTLETS HOSPICE LIMITED

## CONSOLIDATED BALANCE SHEET

### FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		3,024,488		3,134,789
Intangible assets	13		8,000		23,450
Investment property	11		1,850,000		1,705,000
Investments	14		<u>3,464,970</u>		<u>2,656,840</u>
Total fixed assets			8,347,458		7,520,079
<b>Current assets:</b>					
Stock	16	15,162		26,442	
Debtors	17	4,182,922		2,871,872	
Cash at bank and in hand		<u>3,274,042</u>		<u>3,206,734</u>	
Total current assets		7,472,126		6,105,048	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	<u>(1,407,997)</u>		<u>(1,293,725)</u>	
<b>Net current assets</b>			<u>6,064,129</u>		<u>4,811,323</u>
<b>Total assets less current liabilities</b>			14,411,587		12,331,402
Creditors: Amounts falling due in greater than one year	19		(75,746)		(25,593)
Provisions for liabilities			<u>(6,540)</u>		<u>(6,540)</u>
<b>Net assets</b>			<u><u>14,329,301</u></u>		<u><u>12,299,269</u></u>
<b>The funds of the charity:</b>					
Restricted funds	21		1,819,838		2,114,270
Unrestricted funds	21		7,509,463		5,184,999
Designated funds	21		<u>5,000,000</u>		<u>5,000,000</u>
<b>Total funds</b>			<u><u>14,329,301</u></u>		<u><u>12,299,269</u></u>

These financial statements were approved by the members of the Board of Trustees on 22 July 2021 and signed on their behalf by:



**Juliet Smith**  
Chairperson



**Christopher Thomas**  
Secretary

Charity number: 802145  
Company number: 02326410 (England and Wales)

The notes on pages 22 to 38 form part of these financial statements.

**THE MARTLETS HOSPICE LIMITED**  
**CHARITY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	12		2,983,921		3,098,674
Intangible assets	13		8,000		14,000
Investment property	11		1,850,000		1,705,000
Investments	14		<u>3,464,972</u>		<u>2,656,842</u>
Total fixed assets			8,306,893		7,474,516
<b>Current assets:</b>					
Debtors	17	4,336,153		2,408,096	
Cash at bank and in hand		<u>3,157,830</u>		<u>3,140,025</u>	
		7,493,983		5,548,121	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	18	<u>(1,176,376)</u>		<u>(1,106,248)</u>	
<b>Net current assets</b>			<u>6,317,607</u>		<u>4,441,873</u>
<b>Total assets less current liabilities</b>			14,624,500		11,916,389
Creditors: Amounts falling due in greater than one year	19		<u>(13,528)</u>		<u>(16,576)</u>
<b>Net assets</b>			<u><u>14,610,972</u></u>		<u><u>11,899,813</u></u>
<b>The funds of the charity:</b>					
Restricted funds	21		1,819,838		2,114,270
Unrestricted funds			7,791,134		4,785,543
Designated funds	21		<u>5,000,000</u>		<u>5,000,000</u>
<b>Total funds</b>			<u><u>14,610,972</u></u>		<u><u>11,899,813</u></u>

These financial statements were approved by the members of the Board of Trustees on 22 July 2021 and signed on their behalf by:



**Juliet Smith**  
Chairperson



**Christopher Thomas**  
Secretary

Charity number: 802145  
Company number: 02326410 (England and Wales)

The notes on pages 22 to 38 form part of these financial statements.

**THE MARTLETS HOSPICE LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	23	313,407	(738,739)
<b>Cash flows from investing activities:</b>			
Dividends and interest receivable		134,976	163,675
Purchase of tangible fixed assets		(349,242)	(225,864)
Purchase of intangible fixed assets		-	(20,000)
Purchase of investments		(584,022)	(363,251)
Investment property capital improvements		-	(45,588)
Proceeds from sale of investments and fixed assets		552,189	473,029
Net cash provided by investing activities		<u>(246,099)</u>	<u>(17,999)</u>
Change in cash and cash equivalents in the reporting period		67,308	(756,738)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		3,206,734	3,963,472
<b>Cash and cash equivalents at the end of the reporting period</b>	24	<u><u>3,274,042</u></u>	<u><u>3,206,734</u></u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 ACCOUNTING POLICIES

##### Company Information

The Martlets Hospice Limited is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found in the Legal and Administrative information section of the accounts.

The Group consists of Martlets Hospice Limited and its two subsidiaries, The Martlets Trading Co Limited and Martlets Care Limited.

##### 1.1 Basis of Preparation

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Companies Act 2006, The Charities Act 2011 and follows the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('the SORP'). The financial statements have been prepared on the historical basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

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 pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Basis of consolidation

The results of The Martlets Trading Co Limited and Martlets Care Limited have been consolidated on a line by line basis. The results for the subsidiaries are disclosed in note 15.

##### 1.3 Going concern

At the Balance Sheet date the group had net assets of £14,329,301 including listed investments of £3,464,970 and cash balances of £3,274,042. Subsequent to the year end and in light of the COVID-19 pandemic, the trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the group's forecasts and projections and have taken account of pressures on income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

##### 1.4 Incoming resources

Grants are recognised as income over the period to which they relate. Any grant funding received in advance is recognised as deferred income on the balance sheet.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

All other incoming resources are recognised when the charity is entitled to the income, there is certainty of receipt and the monetary value can be measured with reasonable accuracy.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.5 Government grant receivable

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

##### 1.6 Donated goods

Donated goods and services have not been recognised in these financial statements as it is not practicable to do so as the cost outweighs the benefit.

##### 1.7 Resources expended and the basis of allocation of costs

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular projects are apportioned to the relevant funds on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff, time or space occupied, as appropriate.

Costs relating to a particular activity are allocated directly and others are apportioned on an appropriate staff basis. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designated to reflect the use of the resources.

##### 1.8 Fixed assets

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less estimated residual value, over the expected useful life on the following basis:

Leasehold buildings	-	2% reducing balance
Furniture & equipment	-	15-20% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	25-30% straight line

At the end of each accounting period the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

Assets costing less than £5,000 are written off to the Statement of Financial Activities. Assets under construction are not depreciated until the asset is brought into use.

Assets are written off to the Statement of Financial Activities once their net book value becomes less than £5,000.

##### 1.9 Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Website	-	25% straight line
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##### 1.10 Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stock held for distribution at no or nominal consideration is measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.11 Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

##### 1.12 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

##### 1.13 Financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### 1.14 Financial liabilities

Basic financial liabilities are initially measured at transaction price.

##### 1.15 Leases

Rent payable under operating leases is accounted for in the Statement of Financial Activities in equal amounts over the period of the lease.

##### 1.16 Taxation

The Charitable Company is registered as a charity and all its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010. Any tax charged incurred by the Group is based on taxable profit for the year and included as a liability at the balance sheet date where necessary.

##### 1.17 Deferred taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Financial Activities, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### 1.18 Pension costs and other post-retirement benefits

The Charitable Company operates a defined benefit pension scheme and a defined contribution pension scheme for its staff. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Charitable Company is one of many employers in the NHS Pension Scheme. It is, therefore, not possible to allocate any actuarial surplus or deficit and, consequently, contributions to the NHS Pension Scheme are charged to the Statement of Financial Activities in the year in which they fall due for payment. The scheme has both defined benefits and contributions, any shortfall in the national fund being met by the Exchequer.

##### 1.19 Fund accounting

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

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

Designated funds are funds set aside by Trustees to be used for a specific purpose.

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

##### 1.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### Valuation of investment properties

The investment properties owned by the group have been valued by Cubitt and West in February 2021. The trustees believe this valuation is appropriate and reflects the value of the investment properties as at 31 March 2021.

#### 2 DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Patient related donations	274,820	-	274,820	225,781
Legacies receivable	2,994,173	-	2,994,173	2,848,535
General donations from individuals	541,381	-	541,381	480,306
Corporate donations	213,818	-	213,818	118,148
Donated goods Gift Aid scheme	35,140	-	35,140	383,599
Charitable Trust donations	148,136	154,050	302,186	216,787
	<u>4,207,468</u>	<u>154,050</u>	<u>4,361,518</u>	<u>4,273,156</u>

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**3 INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	£	£	£	£
CCG grants	2,573,469	-	2,573,469	2,073,889
COVID-19 grants	544,447	1,761,467	2,305,914	-
Other grants	-	-	-	549,460
Other services	55,761	-	55,761	27,247
	<u>3,173,677</u>	<u>1,761,467</u>	<u>4,935,144</u>	<u>2,650,596</u>

**4 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	£	£	£	£
Shop sales	401,132	-	401,132	1,072,939
Recycled sales	15,346	-	15,346	403,992
New Goods sales	34,414	-	34,414	99,194
Care packages	721,352	-	721,352	953,867
Respite packages	159,873	-	159,873	218,422
Functions and events income	89,505	-	89,505	562,927
Collection boxes	3,089	-	3,089	15,180
Lottery income	698,004	-	698,004	725,666
Other income	-	-	-	2,000
	<u>2,122,715</u>	<u>-</u>	<u>2,122,715</u>	<u>4,054,187</u>

**5 INVESTMENT INCOME**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	£	£	£	£
Dividend income	63,078	-	63,078	85,882
Interest income	3,806	-	3,806	35,519
Rental income	68,092	-	68,092	42,274
	<u>134,976</u>	<u>-</u>	<u>134,976</u>	<u>163,675</u>

**6 EXPENDITURE ON RAISING FUNDS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>	<b>Total 2020</b>
	£	£	£	£
<b>Activities undertaken directly</b>				
Staff costs	1,200,379	-	1,200,379	1,819,654
Other costs	241,258	-	241,258	1,105,125
	<u>1,441,637</u>	<u>-</u>	<u>1,441,637</u>	<u>2,924,779</u>
<b>Support costs</b>				
Staff costs	156,966	-	156,966	272,400
Other costs	697,735	-	697,735	163,689
	<u>854,701</u>	<u>-</u>	<u>854,701</u>	<u>436,089</u>
	<u>2,296,338</u>	<u>-</u>	<u>2,296,338</u>	<u>3,360,868</u>

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**7 EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
<b>Activities undertaken directly</b>				
Staff costs	3,237,581	1,819,145	5,056,726	4,867,560
Other costs	438,154	124,235	562,389	962,847
	<u>3,675,735</u>	<u>1,943,380</u>	<u>5,619,115</u>	<u>5,830,407</u>
<b>Support</b>				
Staff costs	1,586,481		1,586,481	1,185,658
Other costs	921,446	-	921,446	848,163
	<u>2,507,927</u>	<u>-</u>	<u>2,507,927</u>	<u>2,033,821</u>
	<u>6,183,662</u>	<u>1,943,380</u>	<u>8,127,042</u>	<u>7,864,228</u>

**8 ANALYSIS OF SUPPORT COSTS**

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Staff costs	1,294,287	-	1,294,287	1,458,058
Printing and stationery	44,377	-	44,377	33,178
Advertising	23,016	-	23,016	65,262
Legal and professional fees	69,943	-	69,943	103,316
Auditor's remuneration	20,594	-	20,594	19,000
Conference and training	18,544	-	18,544	48,226
Computer running costs	381,362	-	381,362	331,251
Service contracts	22,906	-	22,906	12,195
Repairs and renewals	192,414	-	192,414	91,341
Travel and motor costs	45,364	-	45,364	8,350
Rent and rates	466,669	-	466,669	81,199
Heat and light	67,699	-	67,699	11,426
Telephone costs	56,981	-	56,981	47,851
Insurance	40,181	-	40,181	38,427
Subscription costs	9,567	-	9,567	-
Other fundraising	-	-	-	60,372
Recruitment	-	-	-	4,770
Investment management	20,311	-	20,311	19,319
Bank charges	30,176	-	30,176	-
Other costs	67,352	15,892	83,244	36,369
Depreciation costs	190,264	-	190,264	-
Impairment of assets	284,729	-	284,729	-
	<u>3,346,736</u>	<u>15,892</u>	<u>3,362,628</u>	<u>2,469,910</u>

Included within Support Costs above are Governance Costs. These costs include auditor's remuneration of £20,594 (2020 £19,000).

**9 STAFF COSTS**

	2021	2020
	£	£
Wages and salaries	6,353,937	7,121,689
Social security costs	558,181	575,117
Pension costs	455,312	448,466
	<u>7,367,430</u>	<u>8,145,272</u>

Included in the above wages and salaries is £30,047 (2020 - £nil) of redundancy payments, due and paid in the year.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 9 STAFF COSTS (continued)

The average monthly number of employees (full time equivalent) during the year was as follows:

	2021 Number	2020 Number
Direct charitable activities	141	151
Administration	38	39
Fundraising	12	15
Martlets Care Limited	50	63
The Martlets Trading Co Limited	30	36
	<u>271</u>	<u>304</u>

The number of employees whose emoluments paid by Martlets were over £60,000, excluding any pensions or national insurance contributions, were:

	2021 £	2020 £
£60,000 - £70,000	4	2
£70,000 - £80,000	1	2
£80,000 - £90,000	-	1
£90,000 - £100,000	1	2
£100,000 - £110,000	-	1
£120,000 - £130,000	1	-
£140,000 - £150,000	1	-
	<u>8</u>	<u>8</u>

Of the employees, whose emoluments exceed £60,000, 5 (2020: 8) have retirement benefits accruing under defined benefit pension schemes. Pension contributions for higher paid employees in the year amounted to £88,171 (2020 - £65,511).

The key management personnel of the parent charitable company comprise the Chief Executive, Director of Income Generation, Director of Finance and Support Services, Director of Clinical Services and the Director of People Services.

During the year key management personnel received total remuneration of £585,712 (2020: £422,749).

#### 10 TRUSTEE REMUNERATION

The trustees did not receive any remuneration during the year (2020 - £nil). No trustees received reimbursement in the year (2020 - £201).

#### 11 INVESTMENT PROPERTY

##### CHARITY AND GROUP

##### Fair Value

At 1 April 2020	1,705,000
Revaluations	145,000
<b>At 31 March 2021</b>	<u><b>1,850,000</b></u>

The Charity acquired the investment properties from legacy bequests received between 2017 and 2020. The fair value of the investment properties have been arrived at on the basis of valuation made by Cubitt and West in February 2021. The Trustees have considered the valuation by Cubitt and West in light of COVID-19 pandemic on the property market and believe this value is reflective of the property values as at 31 March 2021.

Historical cost of the investment properties is £1,732,329 (2020 - £1,732,329).

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**12 TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Asset Under Construction</b>	<b>Leasehold buildings</b>	<b>Furniture &amp; equipment</b>	<b>Computer equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>						
At 1 April 2020	148,767	3,837,547	372,787	193,288	40,593	4,592,982
Additions	175,726	-	-	152,681	20,835	349,242
<b>At 31 March 2021</b>	<b>324,493</b>	<b>3,837,547</b>	<b>372,787</b>	<b>345,969</b>	<b>61,428</b>	<b>4,942,224</b>
<b>Depreciation:</b>						
At 1 April 2020	-	1,004,836	270,190	162,590	20,577	1,458,193
Charge for the year	-	56,654	36,333	67,110	14,717	174,814
Impairment	-	284,729	-	-	-	284,729
<b>At 31 March 2021</b>	<b>-</b>	<b>1,346,219</b>	<b>306,523</b>	<b>229,700</b>	<b>35,294</b>	<b>1,917,736</b>
<b>Net Book Value:</b>						
<b>At 31 March 2021</b>	<b>324,493</b>	<b>2,491,328</b>	<b>66,264</b>	<b>116,269</b>	<b>26,134</b>	<b>3,024,488</b>
At 31 March 2020	148,767	2,832,711	102,597	30,698	20,016	3,134,789
<b>CHARITY</b>						
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>						
At 1 April 2020	148,767	3,837,547	319,623	193,288	40,593	4,539,818
Additions	175,726	-	-	152,681	-	328,407
<b>At 31 March 2021</b>	<b>324,493</b>	<b>3,837,547</b>	<b>319,623</b>	<b>345,969</b>	<b>40,593</b>	<b>4,868,225</b>
<b>Depreciation:</b>						
At 1 April 2020	-	1,004,836	253,141	162,590	20,577	1,441,144
Charge for the year	-	56,654	25,159	67,110	9,508	158,431
Impairment	-	284,729	-	-	-	284,729
<b>At 31 March 2021</b>	<b>-</b>	<b>1,346,219</b>	<b>278,300</b>	<b>229,700</b>	<b>30,085</b>	<b>1,884,304</b>
<b>Net Book Value:</b>						
<b>At 31 March 2021</b>	<b>324,493</b>	<b>2,491,328</b>	<b>41,323</b>	<b>116,269</b>	<b>10,508</b>	<b>2,983,921</b>
At 31 March 2020	148,767	2,832,711	66,482	30,698	20,016	3,098,674

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 13 INTANGIBLE FIXED ASSETS

	GROUP £	CHARITY £
<b>Website costs</b>		
<b>Cost:</b>		
At 1 April 2020	38,900	20,000
Additions	-	-
<b>At 31 March 2021</b>	<b>38,900</b>	<b>20,000</b>
<b>Depreciation:</b>		
At 1 April 2020	15,450	6,000
Charge for the year	15,450	6,000
<b>At 31 March 2021</b>	<b>30,900</b>	<b>12,000</b>
<b>Net Book Value:</b>		
<b>At 31 March 2021</b>	<b>8,000</b>	<b>8,000</b>
At 31 March 2020	23,450	14,000

#### 14 FIXED ASSET INVESTMENTS

	GROUP Listed Investments £	Subsidiary Investments £	CHARITY Listed Investments £	Total
<b>Cost:</b>				
At 1 April 2020	2,656,840	2	2,656,840	2,656,842
Additions	584,022	-	584,022	584,022
Disposals	(552,189)	-	(552,189)	(552,189)
Revaluations	776,297	-	776,297	776,297
<b>At 31 March 2021</b>	<b>3,464,970</b>	<b>2</b>	<b>3,464,970</b>	<b>3,464,972</b>

At 31 March 2021, the historic cost of the listed investments was £2,694,769 (2020: £2,547,371).

The subsidiary undertakings included as investment at the balance sheet date are:

Name of Company	Class of Shares	Holdings	Nature of Business
Martlets Care Limited	Ordinary	100%	Provides welfare services and care
The Martlets Trading Co Limited	Ordinary	100%	Retail sale of goods

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 15 SUBSIDIARY COMPANIES

##### 15a Martlets Care Limited

The Hospice owns a subsidiary, Martlets Care Limited (company number 06250709).

	2021	2020
	£	£
<b>Income statement</b>		
Turnover	881,225	1,174,289
Cost of sales	(603,203)	(738,040)
<b>Gross profit</b>	<b>278,022</b>	<b>436,249</b>
Operating expenses	(261,931)	(271,958)
Other operating income	48,156	-
<b>Net profit</b>	<b>64,247</b>	<b>164,291</b>
Gift aid donated to hospice	(167,163)	(101,290)
<b>Profit for the financial year being the retained profit</b>	<b>(102,916)</b>	<b>63,001</b>
<b>Balance sheet</b>		
	<b>2021</b>	<b>2020</b>
	£	£
Assets	248,308	233,204
Liabilities	(186,932)	(68,912)
<b>Net assets</b>	<b>61,376</b>	<b>164,292</b>
<b>Represented by:</b>		
Capital	1	1
Reserves	61,375	164,291
	<b>61,376</b>	<b>164,292</b>

##### 15b The Martlets Trading Co Limited

The Hospice owns a subsidiary, The Martlets Trading Co Limited (company number 04557282).

	2021	2020
	£	£
<b>Income statement</b>		
Turnover	478,994	1,365,080
Cost of sales	(28,186)	(67,130)
<b>Gross profit</b>	<b>450,808</b>	<b>1,297,950</b>
Operating expenses	(1,337,291)	(1,224,434)
Other operating income	327,020	208,501
<b>(Loss)/ Profit before tax</b>	<b>(559,463)</b>	<b>282,017</b>
Taxation	38,000	(36,205)
<b>Net profit</b>	<b>(521,463)</b>	<b>245,812</b>
Gift aid donated to hospice	(56,748)	-
<b>Profit for the financial year being the retained profit</b>	<b>(578,211)</b>	<b>245,812</b>

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**15b The Martlets Trading Co Limited (continued)**

<b>Balance sheet</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Assets	251,692	390,466
Liabilities	(594,738)	(155,301)
<b>Net assets</b>	<u>(343,046)</u>	<u>235,165</u>
<b>Represented by:</b>		
Capital	1	1
Reserves	(343,047)	235,164
	<u>(343,046)</u>	<u>235,165</u>

<b>16. STOCK</b>	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shop stock	<u>15,162</u>	<u>26,442</u>	-	-

<b>17 DEBTORS</b>	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	255,230	590,005	158,347	462,825
Amounts due from group companies	-	-	481,290	17,541
Prepayments and accrued income	3,800,522	2,187,515	3,638,887	1,853,257
Social security and other taxes	71,872	86,456	56,425	66,577
Corporation tax recoverable	38,000	-	-	-
Other debtors	17,298	7,896	1,204	7,896
	<u>4,182,922</u>	<u>2,871,872</u>	<u>4,336,153</u>	<u>2,408,096</u>

Included within prepayments and accrued income is legacy income receivable of £3,231,900 (2020 - £1,579,074) due to the Charity.

Included in the Charity total above is £370,000 (2020- £nil) of debtors due after 1 year.

**18 CREDITORS: Amounts falling due within one year**

	<b>GROUP</b>		<b>CHARITY</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	255,246	166,017	165,152	126,441
Amounts due to group companies	-	-	-	2,773
Accruals and deferred income	873,875	782,741	797,420	757,510
Social security and other taxes	178,375	185,198	118,483	127,556
Other creditors	100,501	159,769	95,321	91,968
	<u>1,407,997</u>	<u>1,293,725</u>	<u>1,176,376</u>	<u>1,106,248</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 18 CREDITORS: Amounts falling due within one year (continued)

Deferred income	GROUP £	CHARITY £
Balance as at 1 April 2020	490,645	490,645
Movement in the year	83,902	68,380
Balance as at 31 March 2021	<u>574,547</u>	<u>559,025</u>

A fixed charge is registered at Companies House in favour of Barclays Bank Plc in respect of an overdraft held by the Charity.

#### 19 CREDITORS: Amounts falling due after 1 year

	GROUP		CHARITY	
	2021 £	2020 £	2021 £	2020 £
Other creditors	75,746	25,593	13,528	16,576
	<u>75,746</u>	<u>25,593</u>	<u>13,528</u>	<u>16,576</u>

#### 20 PENSION COMMITMENTS

The Charity operated three pension schemes during the year on behalf of its employees.

- NHS Superannuation Scheme
- Federated Flexiplan
- Royal London

Contributions to each scheme are charged to the Statement of Financial Activities as they arise.

Royal London: This is a defined contribution scheme. The assets of the scheme are held separately from Group in a fund independently administered by Royal London and the assets and liabilities of the scheme are therefore represented in the Group accounts.

NHS Superannuation Scheme: The Group makes contributions to the scheme for nursing and medical staff. The scheme is an approved multi-employer scheme and, as such, the Group is not able to identify its share of the assets or of the potential liability it may have to the scheme at the balance sheet date.

Federated Flexiplan: The Group also historically operated a Federated Flexiplan Scheme. The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. It is a "last person standing scheme" which means that all participating employers are joint and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Company does not have sufficient information available, in particular to identify its share of the underlying assets and liabilities of the Plan, to use defined benefit accounting. As such as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. There were no contributions into the scheme during the accounting period.

Members of the Plan are entitled to benefit on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan and their Pensionable Salary at date of leaving. The Plan is closed to new members and to future accrual of benefits.

The Scheme Trustee entered a buy-in covering the full scheme liabilities with an insurer in February 2017 and confirms that the transition to achieve full buy-out has been finalised during the financial year 2019-20. There are no further legal or financial obligations to the Scheme.

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**20 PENSION COMMITMENTS (continued)**

The total contributions made by the Group were as follows:

	GROUP		CHARITY	
	2021 £	2020 £	2021 £	2020 £
Martlets Group Personal Pension Plans	253,713	218,299	213,866	173,879
NHS Defined Benefit Scheme	241,447	230,167	241,447	230,167
	<u>495,160</u>	<u>448,466</u>	<u>455,313</u>	<u>404,046</u>

Total contributions outstanding at the year-end amounted to £nil (2020 - £nil) for the Group and Charity.

**21 RESERVES**

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
<b>Unrestricted funds</b>					
General funds	5,184,999	10,499,895	(8,442,000)	266,569	7,509,463
<b>Restricted funds</b>					
<u>Capital Funds</u>					
Hospice Development	1,366,386	-	(27,328)	-	1,339,058
Refreshing Spaces	224,571	-	(4,491)	(220,080)	-
Renaissance Project	316,252	-	(6,325)	(46,489)	263,438
Renovations Fund	24,010	-	(480)	-	23,530
Gateways to Care Project	49,534	-	(991)	-	48,543
Car Fund	6,005	-	(6,005)	-	-
IPU Equipment	22,400	-	(4,480)	-	17,920
MBE Project	-	35,000	-	-	35,000
	<u>2,009,158</u>	<u>35,000</u>	<u>(50,100)</u>	<u>(266,569)</u>	<u>1,727,489</u>
<u>Revenue Funds</u>					
Hospice Running costs	8,524	-	(8,524)	-	-
Thompson Training Fund	60,000	-	(20,000)	-	40,000
Cooper Family Fund	29,363	-	(29,363)	-	-
Carers Project	7,225	39,092	(21,058)	-	25,259
Hospice at Home	-	29,000	(29,000)	-	-
COVID-19 Capacity Grant	-	1,761,467	(1,761,467)	-	-
Other	-	50,958	(23,868)	-	27,090
	<u>105,112</u>	<u>1,880,517</u>	<u>(1,893,280)</u>	<u>-</u>	<u>92,349</u>
<b>Total restricted funds</b>	<b>2,114,270</b>	<b>1,915,517</b>	<b>(1,943,380)</b>	<b>(266,569)</b>	<b>1,819,838</b>
<b>Designated funds</b>					
Hospice Development	5,000,000	-	-	-	5,000,000
<b>Total funds</b>	<u><b>12,299,269</b></u>	<u><b>12,415,412</b></u>	<u><b>(10,385,380)</b></u>	<u><b>-</b></u>	<u><b>14,329,301</b></u>

**Restricted funds**

Transfers to and from capital restricted funds relate to a correction made to align net book values of assets funded with restricted fund balances shown.

Hospice Development

This asset fund represents the Hospice building. It appears as a restricted fund because the original capital appeal to build the Hospice was conducted by MacMillan Cancer Support. On completion the asset was then given to the Charity with the restriction that it was to be used only as a Hospice. The expenditure shown during the year represents depreciation and rent paid to the NHS who owns the land. The Hospice building is also represented in our fixed asset schedule.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 21 RESERVES (continued)

##### **Restricted funds (continued)**

###### Refreshing Spaces

A capital grant was provided by the Department of Health in 2011 to refurbish our inpatient unit and to build a new spiritual space and patient activity room. Additional sums were raised from private individuals. The outgoing resources represents depreciation on capital assets forming part of the appeal.

###### Renaissance Project

A capital grant was provided by NHS England in 2013 to create new day service facilities including a café and three multi-functional rooms. Improvements were also made to our main entrance and drugs room. Additional sums were raised from charitable trusts. The expenditure in the year represents depreciation on capital assets

###### Renovation Fund

During the financial year, The Martlets Hospice has embarked on building works to reconfigure the rear entrance to the building to enhance the passage and experience for patients entering the inpatient unit. Such works commenced in October 2017 and were completed in June 2018.

###### Car Fund

A car was donated to Martlets by the Sussex Masonic Charities in March 2019. The car is restricted for use by our Community Nursing Team.

###### Gateway to Care Project

A capital grant was provided by the Department of Health in 2008 to refurbish our Reception and Day Hospice facilities. The expenditure represents depreciation on capital assets forming part of the appeal.

###### IPU Equipment

IPU equipment was purchased with a restricted donation in 2019.

###### MBE Project

Funds have been received which are restricted to the Martlets Building Enhancement Project. This project will, in its first phase, result in the build of a new Inpatient Unit.

###### Hospice Running costs

This cash fund represents the income and expenditure of restricted grants and donations made during the year for equipment and care costs.

###### The Thompson Training Fund

This is a cash fund built with donations from the Thompson Fund during 2006 and 2007, It is restricted to supporting training activities at the Hospice. The fund is being utilised over a 15-year period to support the training requirements of the Hospice.

###### Cooper family fund

This cash fund represents the income and expenditure of restricted donations made during the year for welfare benefit projects. The transfer out of the fund relates to the project underspend which has been transferred to unrestricted funds as agreed with the donor.

###### Carers Project

The Ernest Kleinwort Charitable Trust has awarded a grant to Martlets to deliver a project that aims to provide better support for Carers.

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 21 RESERVES (continued)

##### Hospice at Home

This cash fund represents our Hospice at Home service and shows the income and expenditure of restricted grants and donations in the year.

##### COVID-19 Capacity Grant

The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from April 2020 to March 2021 to provide support to people with complex needs in the context of the COVID-19 situation and to provide bed capacity and community support.

##### Others

These cash funds represent the income and expenditure of restricted donations made during the year for various purposes.

##### **Designated funds**

##### Hospice Development

This fund represents funds set aside by Trustees to be used to partially fund the planned Martlets Building Enhancement project.

#### 22 ANALYSIS OF NET ASSETS

##### As at 31 March 2021

	GROUP			Total
	Fixed assets	Fixed asset investments	Other net assets	
	£	£	£	
Unrestricted Funds	1,065,431	-	6,444,032	7,509,463
Restricted Funds	1,959,057	-	(139,219)	1,819,838
Designated Funds	-	5,314,970	(314,970)	5,000,000
	<u>3,024,488</u>	<u>5,314,970</u>	<u>5,989,843</u>	<u>14,329,301</u>

	CHARITY			Total
	Fixed assets	Fixed asset investments	Other net assets	
	£	£	£	
Unrestricted Funds	1,024,864	-	6,766,270	7,791,134
Restricted Funds	1,959,057	-	(139,219)	1,819,838
Designated Funds	-	5,314,970	(314,970)	5,000,000
	<u>2,983,921</u>	<u>5,314,970</u>	<u>6,312,081</u>	<u>14,610,972</u>

##### As at 31 March 2020

	GROUP			Total
	Fixed assets	Fixed asset investments	Other net assets	
	£	£	£	
Unrestricted Funds	1,149,081	-	4,035,918	5,184,999
Restricted Funds	2,009,158	-	105,112	2,114,270
Designated Funds	-	4,361,840	638,160	5,000,000
	<u>3,158,239</u>	<u>4,361,840</u>	<u>4,779,190</u>	<u>12,299,269</u>

**THE MARTLETS HOSPICE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**22 ANALYSIS OF NET ASSETS (continued)**

	Fixed assets £	CHARITY Fixed asset investments £	Other net assets £
Unrestricted Funds	1,002,021	1,834,867	5,289,693
Restricted Funds	2,056,826	-	121,745
Designated Funds	-	2,500,000	-
	<u>3,058,847</u>	<u>4,334,867</u>	<u>5,411,438</u>

**23 RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
<b>Net income/(expenditure) for the reporting period</b>	2,030,032	(505,883)
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	174,814	135,747
Amortisation of intangible fixed assets	15,450	10,725
Impairment of tangible fixed assets	284,729	-
Gains on investments	(776,297)	408,837
Revaluation of investment properties	(145,000)	-
Investment income	(134,976)	(163,675)
Investment property donation	-	(500,000)
(Increase)/ decrease in stocks	11,280	21,552
(Increase)/decrease in debtors	(1,311,050)	(539,623)
Increase/(decrease) in creditors	164,425	393,581
<b>Net cash provided by/(used in) operating activities</b>	<u>313,407</u>	<u>(738,739)</u>

**24 ANALYSIS OF CASH AND CASH EQUIVALENTS**

Cash in hand	3,274,042	3,206,734
<b>Total cash and cash equivalents</b>	<u>3,274,042</u>	<u>3,206,734</u>

**25 SHARE CAPITAL**

The company has no share capital and is limited by guarantee.

**26 OPERATING LEASES**

At 31st March 2021 and 31st March 2020 the Group had annual commitments under operating leases as set out below:

	2021 £	2020 £
Within 1 year	434,847	327,296
Between 2 and 5 years	913,215	657,279
After five years	1,752,600	1,778,000
	<u>3,100,662</u>	<u>2,762,575</u>

# THE MARTLETS HOSPICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 27 RELATED PARTY TRANSACTIONS

##### **GROUP**

There were no related party transactions in the year.

##### **CHARITY**

During the year Martlets Care Limited declared a gift aid payment of £167,163 (2020 - £101,290) to The Martlets Hospice Limited, its parent company. At the year end £92,349 (2020 - £2,773 debtor) was outstanding from the company. This balance includes a loan of £90,000 due to The Martlets Hospice Limited, payable by 31 March 2022. Interest of 0.38% per annum is payable on this loan balance.

During the year The Martlets Trading Co Limited declared a gift aid payment of £56,748 (2020 - £nil) to The Martlets Hospice Limited, its parent company. At the year end £388,940 (2020 - £17,541) was outstanding from the company. This balance includes a loan of £370,000 due to The Martlets Hospice Limited, payable after 31 March 2022. Interest of 0.38% per annum is payable on this loan balance.



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