

Charity Registration No. 1053448

Company Registration No. 03164820 (England and Wales)

**MARTHA TRUST HEREFORD LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**  
**PAGES FOR FILING WITH REGISTRAR**

# MARTHA TRUST HEREFORD LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	R E L Smith Esq Miss S F Smith Mrs S J Sharp-Smith A C Stewart Esq S W Somers Esq Miss L M Sharp-Smith
<b>Secretary</b>	Miss S F Smith
<b>Charity number</b>	1053448
<b>Company number</b>	03164820
<b>Registered office</b>	Hampton Green Old Eign Hill Hereford Herefordshire HR1 1UB
<b>Auditor</b>	Hawkins Priday Ltd 5 Bridge Street Hereford HR4 9DF
<b>Bankers</b>	Lloyds TSB Bank Plc 38 Blue Boar Row Salisbury Wiltshire SP1 1DB
<b>Solicitors</b>	Willans LLP 28 Imperial Square Cheltenham Gloucestershire GL50 1RH  Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham Gloucestershire GL20 1TD
<b>Trust Director</b>	Mrs Sue McBride

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# MARTHA TRUST HEREFORD LIMITED

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# MARTHA TRUST HEREFORD LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

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The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016).

### **Objectives and activities**

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

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

### **Significant Activities**

#### **Martha House**

Following a CQC inspection in June 2018 Martha House was judged to be compliant. The home has thirteen lifelong residents, four people receiving day care and five families benefitting from respite care. The staff ensure that the residents have a busy but enjoyable time. This is overseen by the therapy staff who devise an activity programme to benefit the needs of individuals.

#### **Sophie House**

The home has thirteen residents at present and offers respite care to eleven families. The activities available are similar to those provided at Martha House and the home also has a therapy team to oversee the activity programmes for each resident.

### **Public benefit**

Martha Trust Hereford Limited offers lifelong, respite and day care which is funded by the fees paid by the County Council or Clinical Commissioning Groups. The use of the hydrotherapy pool at Martha House by community groups within Herefordshire and surrounding counties has been suspended this year whilst refurbishment work is undertaken.

### **The shop**

The charity shop which opened in Hereford in December 1997 is managed by one of the Trustees and staffed entirely by volunteers selling only donated goods. The profits from the shop are used to pay for specialised equipment or special events for the residents. The funds are not required for the day to day operation of the charity. No income or cost is recognised in the accounts for the time given by the volunteers in staffing the shop for which the trustees continue to be extremely grateful. Due to the Coronavirus lockdown the shop closed on 13 March 2020.

### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

# MARTHA TRUST HEREFORD LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **Achievements and performance**

The financial year ending 31 March 2020 proved to be a very busy time for the Charity. By the end of March 2020 the lifelong residents' occupancy for both homes remained at the maximum with 16 families benefitting from respite care and a further 4 individuals receiving day care.

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

The introduction of the Nursing Associate Training Programme will provide the homes with additional nursing staff. Any member of the care team can apply to undertake the training, which is currently operating in conjunction with the Open University, however they will need to satisfy the relevant entry requirements. The Charity will offer trainee nurse associates from other localities the opportunity to undertake their learning disability placements in one of our homes.

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

### **Financial review**

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

### **Reserves**

The results for the year show net incoming resources of £171,468 (2019: £335,245). Net assets amounted to £8,707,551 (2019: £8,536,083).

Unrestricted funds are generated where there is no stipulation from the donor as to how the income may be spent. The Trustees have identified the need to maintain some reserves for set purposes and have designated reserves as follows:

The Trustees have set aside an operational reserve totalling £220,000 (2019: £220,000). This is to cover any unplanned structural repairs or replacement of equipment (£70,000) or to cover any temporary loss of income (£150,000).

A Fixed Asset reserve comprises of the funds invested in fixed assets to allow the Charity to carry out its work. At 31 March 2020 the level of this reserve was £3,505,369 (2019: £3,479,072) (the book value of fixed assets that are not funded from restricted funds). At 31 March 2020 the restricted funds amounted to £1,389,173 (2019: £1,426,377).

As at 31 March 2020 undesignated free reserves amounted to £3,593,009 (2019: £3,410,634) after transfers to designated reserves had been made in the year.

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

# MARTHA TRUST HEREFORD LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **Principal Risks and Uncertainties**

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

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

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

The coronavirus resulted in the need to close the homes on 8th March 2020 to all visitors including respite and day care which will have a detrimental effect on the finances of the Charity. At this time it is difficult to predict the length of time the homes will need to stay closed however based on the evidence from other countries this could be several months.

### **Plans For Future Periods**

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

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

The policies and procedures will be reviewed as required;

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

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

- £48,420	to refurbish the wheelchair store creating a meeting room and music therapy room and to make changes to the visitors entrance, and dining areas at Martha House
- £21,084	to erect a canopy in the garden at the rear of Sophie House to provide shade
- £15,000	alterations to the gardens at Martha House - ongoing

### **Staffing**

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

The Charity will continue with its involvement in the Nurse Associate Training Programme. This provides an opportunity for existing staff to progress in their career and as a benefit for potential employees joining Martha Trust. Trainees from other localities will be offered the chance to undertake their placements at one of our homes which could result in them deciding to apply to work for Martha Trust. Once qualified they will be able to offer support to the nurses on shift.

### **Quality**

The Quality Manager continues to review all the policies and procedures required by the homes. A timetable is produced detailing all the regular audit reports, which are undertaken both internally and also by external agencies. Purchasing authorities complete contract monitoring visits annually. A questionnaire will be issued to the parents, staff and purchasing authorities as a quality monitoring tool.

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

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

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

R E L Smith Esq

# MARTHA TRUST HEREFORD LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2020*

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Miss S F Smith  
Mrs S J Sharp-Smith  
A C Stewart Esq  
S W Somers Esq  
Miss L M Sharp-Smith

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

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

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

### **Organisational structure**

Following the opening of our second home, Sophie House, in October 2012, a new Trustee was appointed in January 2013 making a total of six. The Trustees consider this to be appropriate, in number, skill mix and in their contribution to the running of the Charity and the homes. There are no plans to appoint further Trustees at present. As it becomes necessary, the Trustees will determine potential candidates who, if willing to stand, will be considered by interview with the full Board. All Trustees submit DBS (Disclosure and Barring Service) disclosure applications.

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

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

### **Management and staffing**

The Charity is managed by the Trust Director, Mrs S McBride, supported by a part time Deputy Trust Director, appointed in March 2019, a Director of Care and Registered Managers and Deputies in each of the homes. The Quality Assurance Manager and the Quality Audit Assistant work across both sites.

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

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

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

### **Key management remuneration**

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

# MARTHA TRUST HEREFORD LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2020*

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### **Related parties**

The Charity works closely with the Care Quality Commission (CQC), County Councils, Clinical Commissioning Groups (CCG's) and all local and national agencies involved in caring for people with intellectual and physical disabilities.

Martha Trust has an extremely high profile in the UK care sector and remains one of very few providers of this level of care, particularly in relation to its ability to encompass children with adults in such a homely setting. Unlike most homes, the Trust has no age limit or geographical boundary and can therefore accept referrals from across the United Kingdom.

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

### **Auditor**

In accordance with the company's articles, a resolution proposing that Hawkins Friday Ltd be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

  
.....  
R E L Smith Esq

Trustee

Dated: 16/12/2020



# MARTHA TRUST HEREFORD LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

***FOR THE YEAR ENDED 31 MARCH 2020***

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The trustees, who are also the directors of Martha Trust Hereford Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

# MARTHA TRUST HEREFORD LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MARTHA TRUST HEREFORD LIMITED

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#### Opinion

We have audited the financial statements of Martha Trust Hereford Limited (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# MARTHA TRUST HEREFORD LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MARTHA TRUST HEREFORD 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 our audit:

- the information given in the trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**MARTHA TRUST HEREFORD LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF MARTHA TRUST HEREFORD LIMITED**

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Mr Kelvin Paul Alexander FCCA (Senior Statutory Auditor)  
for and on behalf of Hawkins Priday Ltd

*29 January 2021*

Chartered Certified Accountants  
Statutory Auditor

5 Bridge Street  
Hereford  
HR4 9DF

# MARTHA TRUST HEREFORD LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>							
Donations and legacies	3	16,455	-	16,455	19,535	-	19,535
Charitable activities	4	4,051,003	-	4,051,003	3,845,802	-	3,845,802
Other trading activities	5	39,166	-	39,166	43,100	-	43,100
Investments	6	22,494	-	22,494	17,594	-	17,594
<b>Total income</b>		<b>4,129,118</b>	<b>-</b>	<b>4,129,118</b>	<b>3,926,031</b>	<b>-</b>	<b>3,926,031</b>
<b>Expenditure on:</b>							
Raising funds	7	12,282	-	12,282	12,753	-	12,753
Charitable activities	8	3,908,164	37,204	3,945,368	3,539,038	38,995	3,578,033
<b>Total resources expended</b>		<b>3,920,446</b>	<b>37,204</b>	<b>3,957,650</b>	<b>3,551,791</b>	<b>38,995</b>	<b>3,590,786</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>							
		208,672	(37,204)	171,468	374,240	(38,995)	335,245
Fund balances at 1 April 2019		7,109,706	1,426,377	8,536,083	6,735,466	1,465,372	8,200,838
<b>Fund balances at 31 March 2020</b>		<b>7,318,378</b>	<b>1,389,173</b>	<b>8,707,551</b>	<b>7,109,706</b>	<b>1,426,377</b>	<b>8,536,083</b>

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

All income and expenditure derive from continuing activities.

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

# MARTHA TRUST HEREFORD LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12	4,893,820		4,904,729	
Investments	13		1		1
		<u>4,893,821</u>		<u>4,904,730</u>	
<b>Current assets</b>					
Debtors	14	160,057		174,633	
Cash at bank and in hand		3,842,866		3,597,692	
		<u>4,002,923</u>		<u>3,772,325</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(189,193)</u>		<u>(140,972)</u>	
Net current assets			3,813,730		3,631,353
<b>Total assets less current liabilities</b>			<u>8,707,551</u>		<u>8,536,083</u>
<b>Income funds</b>					
Restricted funds	18		1,389,173		1,426,377
<u>Unrestricted funds - general</u>					
Designated funds	19	3,725,369		3,699,072	
General unrestricted funds		3,593,009		3,410,634	
			<u>7,318,378</u>		<u>7,109,706</u>
			<u>8,707,551</u>		<u>8,536,083</u>

The financial statements were approved by the Trustees on 16/12/2020

  
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R. E. L. Smith Esq  
Trustee

Company Registration No. 03164820

# MARTHA TRUST HEREFORD LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

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	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23		420,895		494,801
<b>Investing activities</b>					
Purchase of tangible fixed assets		(179,970)		(98,862)	
Interest received		22,494		17,594	
<b>Net cash used in investing activities</b>			(157,476)		(81,268)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			263,419		413,533
Cash and cash equivalents at beginning of year			3,579,447		3,165,914
<b>Cash and cash equivalents at end of year</b>			<u>3,842,866</u>		<u>3,579,447</u>
<b>Relating to:</b>					
Cash at bank and in hand			3,842,866		3,597,692
Bank overdrafts included in creditors payable within one year			-		(18,245)

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# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

#### Charity Information

Martha Trust Hereford Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Hampton Green, Old Eign Hill, Hereford, Herefordshire, HR1 1UB.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

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

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

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



# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

(Continued)

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

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

No income or cost is recognised for the general volunteer time given for the running of the charity shop and refer to the Trustees Annual Report for more information about their contribution. No value is attributed to goods donated for the purposes of re-sale in the charity shop.

Interest is included when received by the charity.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of the charity's activities, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

#### 1.6 Tangible fixed assets

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

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

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

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

# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price after allowing for any trade discounts due.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Taxation

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

#### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies (Continued)

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and Judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised 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.

### 3 Donations and legacies

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general 2019 £</b>
Donations and gifts	16,455	19,535

### 4 Charitable activities

	<b>2020 £</b>	<b>2019 £</b>
Invoiced patient care	4,051,003	3,845,802

### 5 Other trading activities

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general 2019 £</b>
Therapy Centre fees	1,460	2,785
Charity shop income	37,706	40,315
Other trading activities	39,166	43,100

# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 6 Investments

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general 2019 £</b>
Interest receivable	22,494	17,594

### 7 Raising funds

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general 2019 £</b>
<u>Trading costs</u>		
Operating charity shops	12,282	12,753
	<u>12,282</u>	<u>12,753</u>

# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 8 Charitable activities

	2020	2019
	£	£
Staff costs	3,191,940	2,874,684
Rates, water and waste disposal	40,841	38,673
Insurance	20,433	19,362
Light and heat	70,212	62,253
	<u>3,323,426</u>	<u>2,994,972</u>
Share of support costs (see note 9)	596,651	559,196
Share of governance costs (see note 9)	25,291	23,865
	<u>3,945,368</u>	<u>3,578,033</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	3,908,164	3,539,038
Restricted funds	37,204	38,995
	<u>3,945,368</u>	<u>3,578,033</u>
<b>For the year ended 31 March 2019</b>		
Unrestricted funds - general	3,539,038	
Restricted funds	38,995	
	<u>3,578,033</u>	

# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 9 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Staff costs	-	4,776	4,776	4,776
Depreciation	190,877	-	190,877	192,850
Telephone and IT costs	14,860	-	14,860	12,516
Postage and stationery	10,424	-	10,424	8,362
Medical and hygiene	71,686	-	71,686	66,811
Cleaning and laundry	12,266	-	12,266	13,083
Catering	38,936	-	38,936	40,902
Protective clothing	7,110	-	7,110	3,468
Holidays and activities	8,792	-	8,792	14,590
Recruitment costs	4,907	-	4,907	531
CQC & CRB	3,318	-	3,318	3,568
Travelling and subsistence	843	-	843	1,343
Motor expenses	28,260	-	28,260	25,940
Property repairs	112,655	-	112,655	106,845
Equipment repairs and small tools	67,515	-	67,515	51,991
Licences and subscriptions	1,788	-	1,788	2,019
Staff training	7,475	-	7,475	9,139
Sundry expenses	4,195	-	4,195	4,497
Bank charges	744	-	744	741
Donations	10,000	-	10,000	-
Audit fees	-	4,140	4,140	4,020
Accountancy	-	2,610	2,610	2,520
Legal and professional	-	12,531	12,531	11,401
Office costs	-	1,234	1,234	1,148
	<u>596,651</u>	<u>25,291</u>	<u>621,942</u>	<u>583,061</u>
Analysed between				
Charitable activities	<u>596,651</u>	<u>25,291</u>	<u>621,942</u>	<u>583,061</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Full time (more than 30 hours per week)	64	78
Part time (30 hours or less per week)	79	76
	<u>143</u>	<u>154</u>

#### Employment costs

	2020 £	2019 £
Wages and salaries	2,983,061	2,688,810
Social security costs	171,569	163,781
Other pension costs	42,086	26,869
	<u>3,196,716</u>	<u>2,879,460</u>

During the year the charity paid remuneration to key management personnel totalling £197,401 (2019: £179,417).

All pension costs are from wholly unrestricted funds.

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

Patient Care	99
Management & Admin	<u>14</u>
Total	113

There were no employees whose annual remuneration was £60,000 or more.

**MARTHA TRUST HEREFORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

12 Tangible fixed assets	Freehold land and buildings	Property improvements	Plant and equipment	Fixtures and Motor vehicles fittings	Total
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2019	5,602,278	302,788	83,523	552,296	6,798,077
Additions	-	115,377	-	64,593	179,970
Disposals	-	-	-	(29,042)	(29,042)
At 31 March 2020	5,602,278	418,165	83,523	587,847	6,949,005
<b>Depreciation and impairment</b>					
At 1 April 2019	1,104,307	94,046	61,139	389,856	1,893,349
Depreciation charged in the year	116,111	7,441	6,062	46,348	188,385
Eliminated in respect of disposals	-	-	-	(26,549)	(26,549)
At 31 March 2020	1,220,418	101,487	67,201	409,655	2,055,185
<b>Carrying amount</b>					
At 31 March 2020	4,381,860	316,678	16,322	178,192	4,893,820
At 31 March 2019	4,497,971	208,742	22,385	162,440	4,904,729



# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 13 Fixed asset Investments

	Other investments
<b>Cost or valuation</b>	
At 1 April 2019 & 31 March 2020	1
<b>Carrying amount</b>	
At 31 March 2020	1
At 31 March 2019	1

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	22	1	1

### 14 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	109,696	116,288
Amounts owed by subsidiary undertakings	11,382	11,382
Prepayments and accrued income	38,979	46,963
	<u>160,057</u>	<u>174,633</u>

### 15 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	-	18,245
	<u>-</u>	<u>18,245</u>
Payable within one year	-	18,245
	<u>-</u>	<u>18,245</u>

# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank overdrafts	15	-	18,245
Other taxation and social security		41,610	38,890
Deferred income	17	2,430	3,761
Trade creditors		111,502	47,675
Other creditors		8,661	4,955
Accruals		24,990	27,446
		<u>189,193</u>	<u>140,972</u>

### 17 Deferred income

	2020 £	2019 £
Arising from Patient care invoices raised in advance	<u>2,430</u>	<u>3,761</u>

All deferred income is released in the next year.

### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2018 £	Revaluations, gains and losses £	Balance at 1 April 2019 £	Revaluations, gains and losses £	Balance at 31 March 2020 £
Property and landscaping	143,311	(3,341)	139,970	(3,341)	136,629
Motor vehicles	39	(10)	29	(7)	22
New home building	1,301,519	(29,305)	1,272,214	(29,305)	1,242,909
Camcorder	79	-	79	-	79
Bathroom	7,866	(191)	7,675	(191)	7,484
Therapy music equipment	58	(34)	24	(24)	-
Keyboard and piano	212	(160)	52	(52)	-
Sophie House equipment	8,338	(5,004)	3,334	(3,334)	-
EyeGaze system	810	(196)	614	(196)	418
Sensory equipment	2,810	(676)	2,134	(676)	1,458
Beamz - Sophie House	330	(78)	252	(78)	174
	<u>1,465,372</u>	<u>(38,995)</u>	<u>1,426,377</u>	<u>(37,204)</u>	<u>1,389,173</u>

# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018	Transfers	Revaluations, gains and losses	Balance at 1 April 2019	Transfers	Revaluations, gains and losses	Balance at 31 March 2020
	£	£	£	£	£	£	£
Operational fund	220,000	-	-	220,000	-	-	220,000
Fixed asset reserve	3,530,885	98,862	(150,675)	3,479,072	179,970	(153,673)	3,505,369
Martha House hoist replacement	2,000	(2,000)	-	-	-	-	-
	<u>3,752,885</u>	<u>96,862</u>	<u>(150,675)</u>	<u>3,699,072</u>	<u>179,970</u>	<u>(153,673)</u>	<u>3,725,369</u>

### 20 Analysis of net assets between funds

	Unrestricted funds 2020	Restricted funds 2020	Total 2020	Unrestricted funds 2019	Restricted funds 2019	Total 2019
	£	£	£	£	£	£
Fund balances at 31 March 2020 are represented by:						
Tangible assets	3,502,187	1,391,633	4,893,820	3,475,873	1,428,856	4,904,729
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	3,816,190	(2,460)	3,813,730	3,633,813	(2,460)	3,631,353
	<u>7,318,378</u>	<u>1,389,173</u>	<u>8,707,551</u>	<u>7,109,687</u>	<u>1,426,396</u>	<u>8,536,083</u>

### 21 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

# MARTHA TRUST HEREFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 22 Subsidiaries

These financial statements are separate charity financial statements for Martha Hereford (Developments) Ltd, Hampton Green, Old Eign Hill, Hereford, HR1 1UB.

Details of the charity's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Martha Hereford (Developments) Limited	UK	Project management services	Ordinary	100.00	

### 23 Cash generated from operations

	2020 £	2019 £
Surplus for the year	171,468	335,245
Adjustments for:		
Investment income recognised in statement of financial activities	(22,494)	(17,594)
Loss on disposal of tangible fixed assets	2,493	900
Depreciation and impairment of tangible fixed assets	188,384	191,950
Movements in working capital:		
Decrease/(increase) in debtors	14,576	(15,150)
Increase in creditors	67,799	8,365
(Decrease) in deferred income	(1,331)	(8,915)
<b>Cash generated from operations</b>	<b>420,895</b>	<b>494,801</b>

### 24 Analysis of changes in net funds

The charity had no debt during the year.