

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 2021
PAGES FOR FILING WITH REGISTRAR

MARTHA TRUST HEREFORD LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

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

MARTHA TRUST HEREFORD LIMITED

CONTENTS

	Page
Trustees' report	1 - 6
Statement of trustees' responsibilities	7
Independent auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 26

MARTHA TRUST HEREFORD LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their annual report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 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 beds for fourteen lifelong residents. 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 beds for fourteen lifelong residents. 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 care which is funded by the fees paid by the County Council or Clinical Commissioning Groups.

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 and a decision was made to not renew the lease and to permanently close the shop.

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 2021

Achievements and performance

The financial year ending 31 March 2021 proved to be a very busy time for the Charity. By the end of March 2021, the lifelong residents' occupancy for both homes totalled 26 individuals this included two new admissions with two further admissions due within the 21/22 financial year. Due to the onset of coronavirus the decision was made to cease all respite care with immediate effect and admit lifelong individuals as detailed above. The provision of day care would be considered at a later date when the ongoing coronavirus situation was more settled.

Recruitment for nursing and care staff continues to be difficult due to the nationwide shortage. Coronavirus during 2020/21 resulted in the suspension of the movement of staff between care homes and the furlough scheme also reduced the opportunity to recruit to vacant posts. The use of agency staff was restricted due to the ruling concerning movement of staff so the current agency cohort who had been working in either home remained as part of the staffing and some switched to permanent employment with the Charity. 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 has been underway for two years and the first Nurse Associates will be fully trained by February 2022 this 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 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 which could lead to the recruitment of qualified Nurse Associates in the future. The success of the charity in achieving its goals is largely measured and monitored against the many and varied requirements set out by the Care Quality Commission. The Trustees seek to ensure the charity provides high quality care within the learning disability care and services sector with the continual aim of achieving an 'outstanding' award for the work undertaken. 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 outgoing resources of £198,781 (2020: net incoming resources of £171,468). Net assets amounted to £8,508,770 (2020: £8,707,551).

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 (2020: £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 2021 the level of this reserve was £3,468,837 (2020: £3,505,369) (the book value of fixed assets that are not funded from restricted funds). At 31 March 2021 the restricted funds amounted to £1,355,301 (2020: £1,389,173).

As at 31 March 2021 undesignated free reserves amounted to £3,464,632 (2020: £3,593,009) 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 2021

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 Directors 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 Directors 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.

On 8th March 2020 coronavirus resulted in both homes closing to all visitors including respite and day care which would have a detrimental effect on the finances of the Charity. The decision was made by the Trustees and Directors to cease all respite care and admit lifelong people to the vacant beds.

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 Audit Officer.

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

- £68,000 for computer system
- £25,000 for purchase of wheelchair accessible swings, one per site
- Upgrade all bathrooms at Sophie House - awaiting quotations
- £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. This may be delayed until 22/23.
- £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 and care staff. Martha Trust will continue to advertise all vacant posts as required however this is a nationwide concern with the population living longer and care homes being financially pressured by the lack of funding within the adult social care environment.

The Charity will continue with its involvement in the Nurse Associate Training Programme.

Quality

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

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.

MARTHA TRUST HEREFORD LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2021

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

R E L Smith Esq

Miss S F Smith

Mrs S J Sharp-Smith

A C Stewart Esq

S W Somers Esq

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.

MARTHA TRUST HEREFORD LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2021

Management and staffing

The Charity is managed by the Trust Director, Mrs S McBride, supported by a Deputy Trust Director, Dr Lisa Purslow appointed in March 2019, a Director of Care, Registered Managers and Deputies in each of the homes. The Quality Audit Assistant works 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.

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 mental 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 Priday Ltd be reappointed as auditor of the company will be put at a General Meeting.

MARTHA TRUST HEREFORD LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2021

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

17 December 2021

MARTHA TRUST HEREFORD LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

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 TRUSTEES OF MARTHA TRUST HEREFORD LIMITED

Opinion

We have audited the financial statements of Martha Trust Hereford Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2021 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 the provisions available for small entities, in the circumstances set out in note 25 to the financial statements, 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 charity'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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MARTHA TRUST HEREFORD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MARTHA TRUST HEREFORD LIMITED

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.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MARTHA TRUST HEREFORD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MARTHA TRUST HEREFORD LIMITED

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.

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

23 December 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 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations, legacies and grants	3	233,376	-	233,376	16,455	-	16,455
Charitable activities	4	3,982,148	-	3,982,148	4,051,003	-	4,051,003
Other trading activities	5	102	-	102	39,166	-	39,166
Investments	6	6,597	-	6,597	22,494	-	22,494
Total income		4,222,223	-	4,222,223	4,129,118	-	4,129,118
Expenditure on:							
Raising funds	7	1,691	-	1,691	12,282	-	12,282
Charitable activities	8	4,385,441	33,872	4,419,313	3,908,164	37,204	3,945,368
Total resources expended		4,387,132	33,872	4,421,004	3,920,446	37,204	3,957,650
Net (expenditure)/income for the year/							
Net movement in funds		(164,909)	(33,872)	(198,781)	208,672	(37,204)	171,468
Fund balances at 1 April 2020		7,318,378	1,389,173	8,707,551	7,109,706	1,426,377	8,536,083
Fund balances at 31 March 2021		7,153,469	1,355,301	8,508,770	7,318,378	1,389,173	8,707,551

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 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12	4,823,497		4,893,820	
Investments	13		1		1
			<hr/>		<hr/>
		4,823,498		4,893,821	
Current assets					
Debtors	14	367,440		160,057	
Cash at bank and in hand		3,550,986		3,842,866	
		<hr/>		<hr/>	
		3,918,426		4,002,923	
Creditors: amounts falling due within one year	16	(233,154)		(189,193)	
		<hr/>		<hr/>	
Net current assets		3,685,272		3,813,730	
		<hr/>		<hr/>	
Total assets less current liabilities		8,508,770		8,707,551	
		<hr/> <hr/>		<hr/> <hr/>	
Income funds					
Restricted funds	18	1,355,301		1,389,173	
<u>Unrestricted funds - general</u>					
Designated funds	19	3,688,837		3,725,369	
General unrestricted funds		3,464,632		3,593,009	
		<hr/>		<hr/>	
		7,153,469		7,318,378	
		<hr/>		<hr/>	
		8,508,770		8,707,551	
		<hr/> <hr/>		<hr/> <hr/>	

The financial statements were approved by the Trustees on 17 December 2021

R E L Smith Esq
Trustee

Company Registration No. 03164820

MARTHA TRUST HEREFORD LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(221,098)		420,895
Investing activities					
Purchase of tangible fixed assets		(109,410)		(179,970)	
Proceeds on disposal of tangible fixed assets		3,652		-	
Investment income received		6,597		22,494	
Net cash used in investing activities			(99,161)		(157,476)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(320,259)		263,419
Cash and cash equivalents at beginning of year			3,842,866		3,579,447
Cash and cash equivalents at end of year			<u>3,522,607</u>		<u>3,842,866</u>
Relating to:					
Cash at bank and in hand			3,550,986		3,842,866
Bank overdrafts included in creditors payable within one year			(28,379)		-

MARTHA TRUST HEREFORD LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 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.

2 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.

2.1 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.

2.2 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.

2.3 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.

2.4 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.

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Accounting policies

(Continued)

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.

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.

2.5 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.

2.6 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 the statement of financial activities.

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Accounting policies

(Continued)

2.7 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.

2.8 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).

2.9 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.

2.10 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.

2.11 Taxation

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

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Accounting policies

(Continued)

2.12 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.

2.13 Retirement benefits

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

3 Donations, legacies and grants

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Donations and gifts	21,727	16,455
Grants including Covid 19 grants	211,649	-
	<u>233,376</u>	<u>16,455</u>
Grants receivable for core activities		
Nurse training grant	27,650	-
Coronavirus Job Retention scheme & SSP grants	114,745	-
Other Coronavirus grants	69,254	-
	<u>211,649</u>	<u>-</u>

Grants

Grants includes a total of £183,999 from government grants in respect of the Coronavirus Job Retention Scheme and local government grants due to Coronavirus.

4 Charitable activities

	2021 £	2020 £
Invoiced patient care	<u>3,982,148</u>	<u>4,051,003</u>

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Other trading activities

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Therapy Centre fees	-	1,460
Charity shop income	102	37,706
	<hr/>	<hr/>
Other trading activities	102	39,166
	<hr/> <hr/>	<hr/> <hr/>

6 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	6,597	22,494
	<hr/> <hr/>	<hr/> <hr/>

7 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
<u>Trading costs</u>		
Operating charity shops	1,691	12,282
	<hr/>	<hr/>
	1,691	12,282
	<hr/> <hr/>	<hr/> <hr/>

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

	2021	2020
	£	£
Staff costs	3,729,550	3,191,940
Rates, water and waste disposal	38,522	40,841
Insurance	26,167	20,433
Light and heat	80,651	70,212
	<u>3,874,890</u>	<u>3,323,426</u>
Share of support costs (see note 9)	523,158	596,651
Share of governance costs (see note 9)	21,265	25,291
	<u>4,419,313</u>	<u>3,945,368</u>
Analysis by fund		
Unrestricted funds - general	4,385,441	3,908,164
Restricted funds	33,872	37,204
	<u>4,419,313</u>	<u>3,945,368</u>
For the year ended 31 March 2020		
Unrestricted funds - general	3,908,164	
Restricted funds	37,204	
	<u>3,945,368</u>	

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Staff costs	-	4,776	4,776	4,776
Depreciation	176,082	-	176,082	190,877
Telephone and IT costs	14,797	-	14,797	14,860
Postage and stationery	8,018	-	8,018	10,424
Medical and hygiene	156,372	-	156,372	71,686
Cleaning and laundry	8,669	-	8,669	12,266
Catering	34,646	-	34,646	38,936
Protective clothing	2,846	-	2,846	7,110
Holidays and activities	2,238	-	2,238	8,792
Recruitment costs	19,135	-	19,135	4,907
CQC & CRB	3,308	-	3,308	3,318
Travelling and subsistence	167	-	167	843
Motor expenses	14,741	-	14,741	28,260
Property repairs	16,194	-	16,194	112,655
Equipment repairs and small tools	56,039	-	56,039	67,515
Licences and subscriptions	1,600	-	1,600	1,788
Staff training	4,163	-	4,163	7,475
Sundry expenses	3,394	-	3,394	4,195
Bank charges	749	-	749	744
Donations	-	-	-	10,000
Audit fees	-	4,176	4,176	4,140
Accountancy	-	2,694	2,694	2,610
Legal and professional	-	8,259	8,259	12,531
Office costs	-	1,360	1,360	1,234
	<u>523,158</u>	<u>21,265</u>	<u>544,423</u>	<u>621,942</u>
Analysed between				
Charitable activities	<u>523,158</u>	<u>21,265</u>	<u>544,423</u>	<u>621,942</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 2021

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Full time (more than 30 hours per week)	68	64
Part time (30 hours or less per week)	74	79
Total	<u>142</u>	<u>143</u>

Employment costs

	2021 £	2020 £
Wages and salaries	3,462,808	2,983,061
Social security costs	220,780	171,569
Other pension costs	50,738	42,086
	<u>3,734,326</u>	<u>3,196,716</u>

During the year the charity paid remuneration to key management personnel totalling £257,192 (2020: £197,401).

All pension costs are from wholly unrestricted funds.

Full time equivalent employees - analysed by function

Patient Care	103
Management & Admin	<u>13</u>
Total	116

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£60,000 to £70,000	<u>1</u>	<u>-</u>

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Freehold land and buildings £	Property improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 April 2020	5,602,278	418,165	83,523	587,847	257,192	6,949,005
Additions	-	66,477	-	42,933	-	109,410
Disposals	-	-	(1,750)	(14,659)	(67,259)	(83,668)
At 31 March 2021	5,602,278	484,642	81,773	616,121	189,933	6,974,747
Depreciation and impairment						
At 1 April 2020	1,220,419	101,486	67,201	409,654	256,424	2,055,184
Depreciation charged in the year	116,111	12,110	5,066	45,171	149	178,607
Eliminated in respect of disposals	-	-	(1,750)	(13,807)	(66,984)	(82,541)
At 31 March 2021	1,336,530	113,596	70,517	441,018	189,589	2,151,250
Carrying amount						
At 31 March 2021	4,265,748	371,046	11,256	175,103	344	4,823,497
At 31 March 2020	4,381,860	316,678	16,322	178,192	768	4,893,820

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2020 & 31 March 2021	1
	<u> </u>
Carrying amount	
At 31 March 2021	1
	<u> </u>
At 31 March 2020	1
	<u> </u>

	Notes	2021 £	2020 £
Other investments comprise:			
Investments in subsidiaries	22	1	1
		<u> </u>	<u> </u>

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	320,061	109,696
Amounts owed by subsidiary undertakings	11,382	11,382
Prepayments and accrued income	35,997	38,979
	<u> </u>	<u> </u>
	367,440	160,057
	<u> </u>	<u> </u>

15 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	28,379	-
	<u> </u>	<u> </u>
Payable within one year	28,379	-
	<u> </u>	<u> </u>

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank overdrafts	15	28,379	-
Other taxation and social security		64,447	41,610
Deferred income	17	2,277	2,430
Trade creditors		98,721	111,502
Other creditors		11,539	8,661
Accruals		27,791	24,990
		<u>233,154</u>	<u>189,193</u>

17 Deferred income

	2021 £	2020 £
Arising from Patient care invoices raised in advance	<u>2,277</u>	<u>2,430</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 2019 £	Revaluations, gains and losses £	Balance at 1 April 2020 £	Revaluations, gains and losses £	Balance at 31 March 2021 £
Property and landscaping	139,970	(3,341)	136,629	(3,341)	133,288
Motor vehicles	29	(7)	22	(6)	16
New home building	1,272,214	(29,305)	1,242,909	(29,305)	1,213,604
Camcorder	79	-	79	(79)	-
Bathroom	7,675	(191)	7,484	(191)	7,293
Therapy music equipment	24	(24)	-	-	-
Keyboard and piano	52	(52)	-	-	-
Sophie House equipment	3,334	(3,334)	-	-	-
EyeGaze system	614	(196)	418	(196)	222
Sensory equipment	2,134	(676)	1,458	(676)	782
Beamz - Sophie House	252	(78)	174	(78)	96
	<u>1,426,377</u>	<u>(37,204)</u>	<u>1,389,173</u>	<u>(33,872)</u>	<u>1,355,301</u>

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 2019	Transfers	Revaluations, gains and losses	Balance at 1 April 2020	Transfers	Revaluations, gains and losses	Balance at 31 March 2021
	£	£	£	£	£	£	£
Operational fund	220,000	-	-	220,000	-	-	220,000
Fixed asset reserve	3,479,072	179,970	(153,673)	3,505,369	109,410	(145,942)	3,468,837
	<u>3,699,072</u>	<u>179,970</u>	<u>(153,673)</u>	<u>3,725,369</u>	<u>109,410</u>	<u>(145,942)</u>	<u>3,688,837</u>

20 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	3,465,657	1,357,840	4,823,497	3,502,187	1,391,633	4,893,820
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	3,687,811	(2,539)	3,685,272	3,816,190	(2,460)	3,813,730
	<u>7,153,469</u>	<u>1,355,301</u>	<u>8,508,770</u>	<u>7,318,378</u>	<u>1,389,173</u>	<u>8,707,551</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

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 2021 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	

MARTHA TRUST HEREFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

23 Cash generated from operations	2021	2020
	£	£
(Deficit)/surplus for the year	(198,781)	171,468
Adjustments for:		
Investment income recognised in statement of financial activities	(6,597)	(22,494)
(Gain)/loss on disposal of tangible fixed assets	(2,525)	2,493
Depreciation and impairment of tangible fixed assets	178,607	188,384
Movements in working capital:		
(Increase)/decrease in debtors	(207,383)	14,576
Increase in creditors	15,734	67,799
(Decrease) in deferred income	(153)	(1,331)
Cash (absorbed by)/generated from operations	<u>(221,098)</u>	<u>420,895</u>

24 Analysis of changes in net funds

The charity had no debt during the year.

25 Non-audit services provided by auditor

In common with many other businesses of our size and nature, we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.