

REGISTERED COMPANY NUMBER: 03164820 (United Kingdom)  
REGISTERED CHARITY NUMBER: 1053448

**Strategic Report, Report of the Trustees and**  
**Financial Statements for the Year Ended 31 March 2018**  
**for**  
**Martha Trust Hereford Limited**

Hawkins Priday Ltd  
Statutory Auditors  
5 Bridge Street  
Hereford  
HR4 9DF

**Martha Trust Hereford Limited**

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**for the Year Ended 31 March 2018**

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**Martha Trust Hereford Limited**  
**Strategic Report**  
**for the Year Ended 31 March 2018**

The trustees present their strategic report for the year ended 31 March 2018.

**REVIEW OF THE BUSINESS**

**BUSINESS ACHIEVEMENTS AND PERFORMANCE**

The financial year ending 31 March 2018 proved to be a very busy time for the Charity. By the end of March 2018 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. The aim of the Charity is to provide 24 hour care to all residents, there is always a nurse on shift in each home including the waking night shift. The managers and their deputies are all qualified nurses who provide support during the day and a 24 hour manager on call system is in place.

The residents enjoy the holidays that are organised by the Trust, the accommodation is carefully chosen to meet the needs of the residents including specialised beds, baths and hoists. During the year ten holidays took place which resulted in 19 residents having an annual break.

During 2018 the refurbishment of the Hydrotherapy pool at Martha House was completed. The changes to the pool included the provision of a second changing facility which means the pool area operates more efficiently. Each changing area has a ceiling mounted hoist allowing staff to safely transfer residents from the changing table into the shower and then directly into the pool. A new staff changing facility was included in the plans providing showers and changing cubicles for staff.

Recruitment for nursing and staff continues to be difficult due to the nationwide shortage of qualified nurses. 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. During 2017/18 no student nurses enrolled on the bursary scheme, however, the first person to accept the scheme qualified as a nurse and is now working at Sophie House.

The Care Quality Commission carried out an unannounced inspection at Martha House which resulted an overall rating of good.

**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, continue to be carried out to ensure that the fee levels are commensurate with the care plans.

The Charity achieved an increase in Donations of 172% and an overall increase in incoming resources of 4%.

**Reserves Policy**

The trustees agreed policy is to have sufficient reserves to reflect the potential risks arising from the public sector failing to provide increases in fees for the majority of vulnerable people living in care facilities. The Charity provides lifelong care to our residents, so the Trustee's need to ensure the Charity is financially stable to meet their future needs.

**Going Concern**

The trustees have reviewed the circumstances of Martha Trust and consider that adequate resources continue to be available to fund the activities of the Charity for the foreseeable future. There are no material uncertainties about the Charity's ability to continue as a going concern.

**Reserves**

The results for the year show net incoming resources of £345,047 (2017: £466,352). Net assets amounted to £8,200,839 (2017: £7,855,792).

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 (2017: £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 2018 the level of this reserve was £3,530,885 (2017: £3,447,965) (the book value of fixed assets that are not funded from restricted funds).

**Martha Trust Hereford Limited**  
**Strategic Report**  
**for the Year Ended 31 March 2018**

As at 31 March 2018 undesignated free reserves amounted to £2,982,582 (2017: £2,490,364) after transfers to designated reserves had been made in the year (as described in note 19).

As at 31 March 2018 restricted funds amounted to £1,465,372 (2017: 1,504,463).

**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. Prior to admission an assessment is undertaken with the individual, parents/guardians, social worker or health care manager and the home manager or their deputy. The information obtained is used to calculate the fee to be charged which is then passed to the appropriate funding panel for approval following which the placement is confirmed.

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.

**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. Feedback from surveys will be analysed which may result in the introduction of more efficient ways of working. The policies and procedures will continue to be reviewed as required. The Quality Manager will plan and undertake any audits necessary to ensure the charity complies with all statutory requirements.

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

- £6,360	to relocate and refurbish the clinic room including air conditioning
- £6,400	to relocate and refurbish disabled wc
- £4,920	to refurbish the overnight stay accommodation
- £4,560	to install light tunnels in various locations
- £14,200	to replace two adjustable height baths
- £8,280	to provide a new workshop facilities for maintenance staff
- £5,000	to replace existing wash hand basins with clinical sinks - ongoing
- £15,240	to refurbish the wheelchair store and creating a meeting room with store
- £25,000	to make changes to the visitors entrance, lounge and dining areas
- £2,000	to provide a defibrillator for each home
- £5,812	to upgrade the fire vents at Sophie House
- £3,180	to install air conditioning in the clinic room at Sophie House
- £1,542	to replace door closers at Sophie House
- £15,413	to provide shower trollies and changing tables for the hydrotherapy pool at Martha House

The future direction of the Charity is to continue with its current aims and objectives. Our main resources are the staff, each staff member is based in one of the homes and if a home is in need for additional staff we will transfer people between the sites to ensure effective use of our resources

**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 will also be 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.

**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.

**Martha Trust Hereford Limited**

**Strategic Report**  
**for the Year Ended 31 March 2018**

Approved by order of the board of trustees on .....17/12/18..... and signed on its behalf by:

.....  
R E L Smith Esq - Trustee

## **Martha Trust Hereford Limited**

### **Report of the Trustees** **for the Year Ended 31 March 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

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 long term aims of the Charity is to continue to provide excellent care to our residents, to support staff by providing the training needed to keep the residents safe and well cared for and to encourage staff to enhance their own skills and abilities.

##### **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. Activities are organised by the therapy team who devise an activity programme to benefit the needs of individuals. During the year several of the residents enjoyed holidays, the accommodation at the selected holiday venues is specifically designed to meet the needs of our residents.

###### **Sophie House**

The home has eleven residents at present and offers respite care to eleven families. The home currently has three beds used for the provision of respite care; our short term aim is to use one of these beds for a lifelong resident. We have started negotiations with local authorities but in the meantime the bed will continue to be used for the provision of respite care to families in Herefordshire and the surrounding counties. Activities are planned in the same way as Martha House with the therapy staff ensuring the activity programmes meet the needs of the individual residents. Several of the residents joined Martha House residents for their annual holidays.

The safety of the residents is vitally important due to their vulnerability. New staff are not allowed to commence work without a current DBS. Our residents have no means of verbal communication and have limited mental capacity. Decisions made by others on their behalf regarding their health or finances for example are undertaken using the Mental Capacity Act and Best Interest decision making tools.

##### **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.

In addition, several community groups within Herefordshire and surrounding counties utilise the hydrotherapy pool at Martha House. These may be individuals recovering from an accident or illness or groups of people with varying disabilities who gain benefit from using the pool.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

##### **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.

## **Martha Trust Hereford Limited**

### **Report of the Trustees** **for the Year Ended 31 March 2018**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

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.

##### **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.

##### **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.

##### **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.

##### **Management and staffing**

The Charity is managed by the Trust Director supported by a Director of Care with a Registered Manager and Deputy 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 and carer and there is an on call rota 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, domestics, 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 emotional 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.

**Martha Trust Hereford Limited**

**Report of the Trustees**  
**for the Year Ended 31 March 2018**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03164820 (United Kingdom)

**Registered Charity number**

1053448

**Registered office**

Hampton Green  
Old Eign Hill  
Hereford  
Herefordshire  
HR1 1UB

**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 M Sharp-Smith

**Company Secretary**

Miss S F Smith

**Senior Statutory Auditor**

Mr Kelvin Paul Alexander

**Auditors**

Hawkins Priday Ltd  
Statutory Auditors  
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  
GL20 1YD



**Martha Trust Hereford Limited**

**Report of the Trustees**  
**for the Year Ended 31 March 2018**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trust Director**  
Mrs S McBride

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Hawkins Priday Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on .....17/12/18..... and signed on its behalf by:

.....  
R E L Smith Esq - Trustee

**Report of the Independent Auditors to the Members of**  
**Martha Trust Hereford Limited**

**Opinion**

We have audited the financial statements of Martha Trust Hereford Limited (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charitable company'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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters where 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.

**Report of the Independent Auditors to the Members of**  
**Martha Trust Hereford Limited**

**Responsibilities of trustees**

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

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

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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  
Statutory Auditors  
5 Bridge Street  
Hereford  
HR4 9DF

Date: 21 December 2018

**Martha Trust Hereford Limited**  
**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**for the Year Ended 31 March 2018**

		Unrestricted funds	Restricted funds	31.3.18 Total funds	31.3.17 Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	55,297	-	55,297	20,340
<b>Charitable activities</b>	5				
Invoiced Patient Care		3,782,415	-	3,782,415	3,658,790
Other trading activities	3	41,848	-	41,848	47,275
Investment income	4	8,796	-	8,796	6,528
<b>Total</b>		3,888,356	-	3,888,356	3,732,933
<b>EXPENDITURE ON</b>					
Raising funds	6	12,825	-	12,825	12,861
<b>Charitable activities</b>	7				
Nursing and Home Care Services		3,045,635	-	3,045,635	2,768,536
Establishment costs		87,563	-	87,563	87,536
Management and Administration of the Home		358,195	39,091	397,286	397,648
<b>Total</b>		3,504,218	39,091	3,543,309	3,266,581
<b>NET INCOME/(EXPENDITURE)</b>		384,138	(39,091)	345,047	466,352
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		6,351,329	1,504,463	7,855,792	7,389,440
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>6,735,467</u>	<u>1,465,372</u>	<u>8,200,839</u>	<u>7,855,792</u>

The notes form part of these financial statements

**Martha Trust Hereford Limited**

**Balance Sheet**  
**At 31 March 2018**

	Notes	31.3.18 £	31.3.17 £
<b>FIXED ASSETS</b>			
Tangible assets	13	4,998,717	4,954,888
Investments	14	<u>1</u>	<u>1</u>
		4,998,718	4,954,889
<b>CURRENT ASSETS</b>			
Debtors	15	159,483	264,556
Cash at bank and in hand		<u>3,165,915</u>	<u>2,808,573</u>
		3,325,398	3,073,129
<b>CREDITORS</b>			
Amounts falling due within one year	16	<u>(123,277)</u>	<u>(172,226)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>3,202,121</u>	<u>2,900,903</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,200,839	7,855,792
<b>NET ASSETS</b>		<u>8,200,839</u>	<u>7,855,792</u>

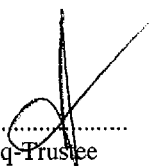
The notes form part of these financial statements

**Martha Trust Hereford Limited**

**Balance Sheet - continued**  
**At 31 March 2018**

	Notes	31.3.18 £	31.3.17 £
<b>FUNDS</b>	19		
Unrestricted funds:			
General unrestricted funds		2,982,582	2,490,364
Designated Funds - Operational Reserve		220,000	220,000
Designated Funds - Fixed Asset Reserve		3,530,885	3,447,965
Designated funds - Martha House hydrotherapy pool refurbishment		-	150,000
Designated funds - Martha House hoist replacement		2,000	5,000
Designated funds - Martha House Fire Protection		-	30,000
Designated funds - Martha House Roof Repairs		-	8,000
		<u>6,735,467</u>	<u>6,351,329</u>
Restricted funds:			
Property and Landscaping		143,311	146,652
Motor Vehicles		39	52
New Home Building		1,301,519	1,330,824
Camcorder		79	95
Bathroom		7,866	8,057
Dyson		-	21
Television		-	75
Therapy Music Equipment		58	92
Keyboard and Piano		212	353
Sophie House equipment		8,338	13,342
Sensory Equipment		2,810	3,486
EyeGaze System		810	1,006
Sophie House		<u>330</u>	<u>408</u>
		<u>1,465,372</u>	<u>1,504,463</u>
<b>TOTAL FUNDS</b>		<u><u>8,200,839</u></u>	<u><u>7,855,792</u></u>

The financial statements were approved by the Board of Trustees on .....17/12/18..... and were signed on its behalf by:

  
.....  
R E L Smith Esq-Trustee

The notes form part of these financial statements

**Martha Trust Hereford Limited**

**Cash Flow Statement**  
**for the Year Ended 31 March 2018**

	Notes	31.3.18 £	31.3.17 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>589,775</u>	<u>630,269</u>
<b>Net cash provided by (used in) operating activities</b>		<u>589,775</u>	<u>630,269</u>
 <b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(236,015)	(38,813)
Interest received		<u>8,796</u>	<u>6,528</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(227,219)</u>	<u>(32,285)</u>
 <b>Change in cash and cash equivalents in the reporting period</b>		<u>362,556</u>	<u>597,984</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>2,803,359</u>	<u>2,205,375</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>3,165,915</u>	<u>2,803,359</u>

The notes form part of these financial statements

**Martha Trust Hereford Limited**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 March 2018**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.3.18	31.3.17
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	345,047	466,352
<b>Adjustments for:</b>		
Depreciation charges	191,618	194,333
Loss on disposal of fixed assets	567	784
Interest received	(8,796)	(6,528)
Decrease/(increase) in debtors	105,074	(67,866)
(Decrease)/increase in creditors	<u>(43,735)</u>	<u>43,194</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>589,775</u></u>	<u><u>630,269</u></u>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	31.3.18	31.3.17
	£	£
Cash in hand	604	815
Notice deposits (less than 3 months)	3,165,311	2,807,758
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(5,214)</u>
<b>Total cash and cash equivalents</b>	<u><u>3,165,915</u></u>	<u><u>2,803,359</u></u>



**Martha Trust Hereford Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31 March 2018**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency of the financial statements is the Pound Sterling (£).

**Preparation of consolidated financial statements**

The financial statements contain information about Martha Trust Hereford Limited as an individual charity and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 405 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

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 cost 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.

No value is attributed to goods donated for the purposes of re-sale in the charity shop.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings - Nil to 50 years  
Plant and Machinery etc - 3 to 7 years

Only items costing over £200 are capitalised.

**Taxation**

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

**Fund accounting**

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

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

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

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**1. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Cash at bank in hand**

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

**Creditors and Provisions**

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

**Financial Instruments**

The trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measure at their settlement value.

**2. DONATIONS AND LEGACIES**

	31.3.18	31.3.17
	£	£
Grants and donations	<u>55,297</u>	<u>20,340</u>

**3. OTHER TRADING ACTIVITIES**

	31.3.18	31.3.17
	£	£
Charity shop income	39,323	45,119
Therapy Centre fees	<u>2,525</u>	<u>2,156</u>
	<u>41,848</u>	<u>47,275</u>

**4. INVESTMENT INCOME**

	31.3.18	31.3.17
	£	£
UK Deposit account interest	<u>8,796</u>	<u>6,528</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	31.3.18	31.3.17
	£	£
Invoiced patient care	<u>3,782,415</u>	<u>3,658,790</u>

Activity  
Invoiced Patient Care

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**6. RAISING FUNDS**

**Other trading activities**

	31.3.18	31.3.17
	£	£
Charity shop rent	10,500	10,500
Charity shop running costs	1,740	1,761
Charity shop insurance	414	429
Business Improvement District levy	<u>171</u>	<u>171</u>
	<u>12,825</u>	<u>12,861</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Nursing and Home Care Services	2,700,077	345,558	3,045,635
Establishment costs	87,563	-	87,563
Management and Administration of the Home	<u>2,839</u>	<u>394,447</u>	<u>397,286</u>
	<u>2,790,479</u>	<u>740,005</u>	<u>3,530,484</u>

**8. SUPPORT COSTS**

	Management	Governance costs	Totals
	£	£	£
Nursing and Home Care Services	345,558	-	345,558
Management and Administration of the Home	<u>366,370</u>	<u>28,077</u>	<u>394,447</u>
	<u>711,928</u>	<u>28,077</u>	<u>740,005</u>

Support costs, included in the above, are as follows:

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**8. SUPPORT COSTS - continued**

**Management**

			31.3.18	31.3.17
	Nursing and Home Care Services £	Management and Administration of the Home £	Total activities £	Total activities £
Medical and hygiene	66,157	-	66,157	67,676
Cleaning and laundry	14,302	-	14,302	18,352
Catering	40,865	-	40,865	45,493
Protective clothing	3,898	-	3,898	5,350
Therapists salaries, fees and pensions	203,695	-	203,695	174,033
Holidays and activities	16,641	-	16,641	25,108
Telephone and IT costs	-	10,247	10,247	13,362
Postage and stationery	-	6,752	6,752	13,488
Recruitment costs	-	9,753	9,753	6,439
CQC and CRB	-	3,198	3,198	3,036
Travelling and subsistence	-	1,439	1,439	2,696
Motor expenses	-	24,245	24,245	20,652
Property repairs	-	47,509	47,509	31,509
Equipment repairs and small equipment purchases	-	47,877	47,877	59,209
Licences and subscriptions	-	1,491	1,491	1,381
Staff training	-	16,468	16,468	17,930
Sundry expenses	-	4,519	4,519	5,162
Bank charges	-	687	687	1,215
Depreciation of tangible assets	-	191,618	191,618	194,333
Loss on disposal of tangible fixed assets	-	567	567	784
	<u>345,558</u>	<u>366,370</u>	<u>711,928</u>	<u>707,208</u>

**Governance costs**

	31.3.18	31.3.17
	Management and Administration of the Home £	Total activities £
Wages	4,776	4,776
Auditors' remuneration	5,378	3,382
Office costs	1,180	1,349
Accountancy fees	2,370	2,745
Legal and professional fees	<u>14,373</u>	<u>14,200</u>
	<u>28,077</u>	<u>26,452</u>

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	31.3.18	31.3.17
	£	£
Auditors' remuneration	5,378	3,382
Depreciation - owned assets	191,619	194,331
Deficit on disposal of fixed asset	<u>567</u>	<u>784</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

**11. STAFF COSTS**

	31.3.18	31.3.17
	£	£
Wages and salaries (including self-employed and agency staff)	2,704,048	2,427,821
Social security costs	158,458	137,914
Pension costs	<u>12,180</u>	<u>10,248</u>
	<u>2,874,686</u>	<u>2,575,983</u>

No employee earned £60,000 per annum or more.

The number of full time equivalent employees, analysed by function

	No.	No.
Patient care - Permanent staff	116	107
Management and administration of the charity	<u>12</u>	<u>13</u>
	<u>128</u>	<u>120</u>

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	20,340	-	20,340
<b>Charitable activities</b>			
Invoiced Patient Care	3,658,790	-	3,658,790
Other trading activities	47,275	-	47,275
Investment income	6,528	-	6,528

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<b>Total</b>	3,732,933	-	3,732,933
<b>EXPENDITURE ON</b>			
Raising funds	12,861	-	12,861
<b>Charitable activities</b>			
Nursing and Home Care Services	2,768,536	-	2,768,536
Establishment costs	87,536	-	87,536
Management and Administration of the Home	358,511	39,137	397,648
<b>Total</b>	3,227,444	39,137	3,266,581
<b>NET INCOME/(EXPENDITURE)</b>	505,489	(39,137)	466,352
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	5,845,840	1,543,600	7,389,440
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>6,351,329</u>	<u>1,504,463</u>	<u>7,855,792</u>

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 April 2017	5,572,226	132,228	85,050
Additions	34,776	150,000	2,118
Disposals	-	-	(705)
At 31 March 2018	<u>5,607,002</u>	<u>282,228</u>	<u>86,463</u>
<b>DEPRECIATION</b>			
At 1 April 2017	879,770	88,246	51,151
Charge for year	113,150	1,017	6,869
Eliminated on disposal	-	-	(705)
At 31 March 2018	<u>992,920</u>	<u>89,263</u>	<u>57,315</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>4,614,082</u>	<u>192,965</u>	<u>29,148</u>
At 31 March 2017	<u>4,692,456</u>	<u>43,982</u>	<u>33,899</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 April 2017	465,570	257,192	6,512,266
Additions	49,121	-	236,015
Disposals	(9,219)	-	(9,924)
At 31 March 2018	<u>505,472</u>	<u>257,192</u>	<u>6,738,357</u>
<b>DEPRECIATION</b>			
At 1 April 2017	346,595	191,616	1,557,378
Charge for year	36,790	33,793	191,619
Eliminated on disposal	(8,652)	-	(9,357)
At 31 March 2018	<u>374,733</u>	<u>225,409</u>	<u>1,739,640</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>130,739</u>	<u>31,783</u>	<u>4,998,717</u>
At 31 March 2017	<u>118,975</u>	<u>65,576</u>	<u>4,954,888</u>

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**14. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>MARKET VALUE</b>	
At 1 April 2017 and 31 March 2018	<u>1</u>
 <b>NET BOOK VALUE</b>	
At 31 March 2018	<u>1</u>
At 31 March 2017	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**Martha Hereford (Developments) Limited**

Nature of business: Project management services

	%
Class of share:	holding
Ordinary	100
	31.3.18      31.3.17
	£              £
Aggregate capital and reserves	(957)      (447)
(Loss) for the year	<u>(510)</u> <u>(496)</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18	31.3.17
	£	£
Trade debtors	114,277	218,706
Amounts owed by group undertakings	11,382	10,591
Prepayments and accrued income	<u>33,824</u>	<u>35,259</u>
	<u>159,483</u>	<u>264,556</u>



**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18	31.3.17
	£	£
Bank loans and overdrafts (see note 17)	-	5,214
Trade creditors	49,199	63,873
Social security and other taxes	34,759	39,860
Pension contributions creditor	1,879	1,736
Accrued expenses	24,764	34,442
Invoiced in advance	<u>12,676</u>	<u>27,101</u>
	<u><u>123,277</u></u>	<u><u>172,226</u></u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	31.3.18	31.3.17
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	<u>-</u>	<u>5,214</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Restricted funds	31.3.18 Total funds	31.3.17 Total funds
	£	£	£	£
Fixed assets	3,530,885	1,467,832	4,998,717	4,954,888
Investments	1	-	1	1
Current assets	3,325,319	79	3,325,398	3,073,129
Current liabilities	<u>(120,738)</u>	<u>(2,539)</u>	<u>(123,277)</u>	<u>(172,226)</u>
	<u><u>6,735,467</u></u>	<u><u>1,465,372</u></u>	<u><u>8,200,839</u></u>	<u><u>7,855,792</u></u>

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**19. MOVEMENT IN FUNDS**

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
<b>Unrestricted funds</b>				
General unrestricted funds	2,490,364	537,232	(45,014)	2,982,582
Designated Funds - Operational Reserve	220,000	-	-	220,000
Designated Funds - Fixed Asset Reserve	3,447,965	(153,094)	236,014	3,530,885
Designated funds - Martha House hydrotherapy pool refurbishment	150,000	-	(150,000)	-
Designated funds - Martha House hoist replacement	5,000	-	(3,000)	2,000
Designated funds - Martha House Fire Protection	30,000	-	(30,000)	-
Designated funds - Martha House Roof Repairs	8,000	-	(8,000)	-
	6,351,329	384,138	-	6,735,467
<b>Restricted funds</b>				
Property and Landscaping	146,652	(3,341)	-	143,311
Motor Vehicles	52	(13)	-	39
New Home Building	1,330,824	(29,305)	-	1,301,519
Camcorder	95	(16)	-	79
Bathroom	8,057	(191)	-	7,866
Dyson	21	(21)	-	-
Television	75	(75)	-	-
Therapy Music Equipment	92	(34)	-	58
Keyboard and Piano	353	(141)	-	212
Sophie House equipment	13,342	(5,004)	-	8,338
Sensory Equipment	3,486	(676)	-	2,810
EyeGaze System	1,006	(196)	-	810
Sophie House	408	(78)	-	330
	1,504,463	(39,091)	-	1,465,372
<b>TOTAL FUNDS</b>	<u>7,855,792</u>	<u>345,047</u>	<u>-</u>	<u>8,200,839</u>

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**19. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General unrestricted funds	3,888,356	(3,351,124)	537,232
Designated Funds - Fixed Asset Reserve	<u>-</u>	<u>(153,094)</u>	<u>(153,094)</u>
	3,888,356	(3,504,218)	384,138
<b>Restricted funds</b>			
Property and Landscaping	-	(3,341)	(3,341)
Motor Vehicles	-	(13)	(13)
New Home Building	-	(29,305)	(29,305)
Camcorder	-	(16)	(16)
Bathroom	-	(191)	(191)
Dyson	-	(21)	(21)
Television	-	(75)	(75)
Therapy Music Equipment	-	(34)	(34)
Keyboard and Piano	-	(141)	(141)
Sophie House equipment	-	(5,004)	(5,004)
Sensory Equipment	-	(676)	(676)
EyeGaze System	-	(196)	(196)
Sophie House	<u>-</u>	<u>(78)</u>	<u>(78)</u>
	-	(39,091)	(39,091)
<b>TOTAL FUNDS</b>	<u>3,888,356</u>	<u>(3,543,309)</u>	<u>345,047</u>

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**19. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
<b>Unrestricted Funds</b>				
General unrestricted funds	1,955,709	661,468	(126,813)	2,490,364
Designated Funds - Operational Reserve	220,000	-	-	220,000
Designated Funds - Fixed Asset Reserve	3,565,131	(155,979)	38,813	3,447,965
Designated funds - Martha House hydrotherapy pool refurbishment	100,000	-	50,000	150,000
Designated funds - Martha House hoist replacement	5,000	-	-	5,000
Designated funds - Martha House Fire Protection	-	-	30,000	30,000
Designated funds - Martha House Roof Repairs	-	-	8,000	8,000
	<u>5,845,840</u>	<u>505,489</u>	<u>-</u>	<u>6,351,329</u>
<b>Restricted Funds</b>				
Property and Landscaping	149,993	(3,341)	-	146,652
Motor Vehicles	70	(18)	-	52
New Home Building	1,360,129	(29,305)	-	1,330,824
Camcorder	136	(41)	-	95
Bathroom	8,248	(191)	-	8,057
Dyson	46	(25)	-	21
Television	162	(87)	-	75
Therapy Music Equipment	126	(34)	-	92
Keyboard and Piano	494	(141)	-	353
Sophie House equipment	18,346	(5,004)	-	13,342
Sensory Equipment	4,162	(676)	-	3,486
EyeGaze System	1,202	(196)	-	1,006
Sophie House	486	(78)	-	408
	<u>1,543,600</u>	<u>(39,137)</u>	<u>-</u>	<u>1,504,463</u>
<b>TOTAL FUNDS</b>	<u>7,389,440</u>	<u>466,352</u>	<u>-</u>	<u>7,855,792</u>

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**19. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General unrestricted funds	3,732,933	(3,071,465)	661,468
Designated Funds - Fixed Asset Reserve	-	(155,979)	(155,979)
	<u>3,732,933</u>	<u>(3,227,444)</u>	<u>505,489</u>
<b>Restricted funds</b>			
Sensory Equipment	-	(676)	(676)
EyeGaze System	-	(196)	(196)
Sophie House	-	(78)	(78)
Property and Landscaping	-	(3,341)	(3,341)
Motor Vehicles	-	(18)	(18)
New Home Building	-	(29,305)	(29,305)
Camcorder	-	(41)	(41)
Bathroom	-	(191)	(191)
Dyson	-	(25)	(25)
Television	-	(87)	(87)
Therapy Music Equipment	-	(34)	(34)
Keyboard and Piano	-	(141)	(141)
Sophie House equipment	-	(5,004)	(5,004)
	<u>-</u>	<u>(39,137)</u>	<u>(39,137)</u>
<b>TOTAL FUNDS</b>	<u><u>3,732,933</u></u>	<u><u>(3,266,581)</u></u>	<u><u>466,352</u></u>

**Transfers between funds**

Transfers between funds have been made during the year due to the designated projects being completed.

**20. RELATED PARTY DISCLOSURES**

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year the charitable company paid remuneration to key management personnel totalling £160,161 (2017: £164,198).

**Martha Trust Hereford Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**21. DEFERRED INCOME**

Deferred income comprises invoices raised for the care of residents in advance.

	<b>2018</b>	<b>2017</b>
	£	£
Balance at start of year	27,101	23,249
Amount released to income earned from charitable activities	(27,101)	(23,249)
Amount deferred in year	<u>12,676</u>	<u>27,101</u>
Balance at end of year	12,676	27,101

**22. GUARANTEE**

Every member of the charity undertakes to contribute such amount as may be required (not exceeding £1) to the assets of the Charity if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of debts and liabilities of the Charity contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves.

In the event of the trust being wound up with a surplus, that surplus must be transferred to another charitable body with similar objects.