



Unless the Lord builds the house, those who build it labour in vain – Psalm 127

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2002

haysmacintyre
Chartered Accountants
Registered Auditors

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***Providing lifelong residential and respite care for
children and adults with profound disabilities***

Charity No. 1067885 Company No.3467406

**Martha Trust
Financial Statements
For The Year Ended 31 December 2002**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2002

Trustees are pleased to submit their report and accounts for the year ended 31st December 2002.

Legal and administrative information set out on page 4 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Charitable Objectives

The objectives are the relief of persons with physical and learning disabilities by the provision of residential, respite and other suitable forms of care through which to express Christian love in action; to promote understanding of the needs of such persons and to give support to their families.

Martha Trust is a Christian based charity founded in 1983 to provide care for children and adults with profound physical and learning disabilities. There are three main parts to our work – providing a home for life, respite care and day care. We also aim to do all we can to provide support for parents and families. We believe that people with profound disabilities are people first who have rights to privacy, choice, dignity and self respect, as well as the right to be consulted and informed and to make choices about their lifestyles.

There are two homes at Martha Trust – Martha House for adults, and Frances House for children, where dedicated teams of nurses and care staff work together under the direction of their Home Manager.

Respite care is important to a growing number of people. A crucial part of our work is providing support to parents and families, many of whom, without Martha, would have to cope with the very high demands and stresses of caring 365 days a year. Currently there is very limited provision locally and nationally to help. At the moment we have 2 places dedicated to respite care helping over 15 families. Respite breaks vary from a single night to a number of weeks on a regular basis. Demand is always high and it is extremely frustrating not being able to meet all the requests for help which we receive.

We also provide a Day Care service to help meet the needs of young adults leaving full time education. People using this service have full access to all the Trust's facilities and there is an individually structured programme of activities to suit each person's needs.

The use of specialist therapies is extremely important. Apart from providing a varied range of stimulating activities, they promote good health and a real sense of well-being. Some of the therapies available at Martha include:

- Regular hydrotherapy
- Physiotherapy
- Creative art and textiles
- Aromatherapy
- Use of sensory rooms
- Touch screen computers
- Speech therapy
- Music therapy, including 'Soundbeam' laser lights

Our overriding aim is to provide a safe, loving, homely environment in which each person can grow and develop to reach their full potential as individuals and, at the same time, enjoy life to the fullest possible extent.

Review Of Activities And Future Developments

The People

The core of Martha Trust is not the site, the lovely buildings or even the caring and competent staff. These are all there to help us show God's love and concern for the residents, both young and older, in either long term or respite care. It is these individuals who are our core concern and reason for existing.

Over the course of this year we have provided loving care to 16 long term residents and 15 others who have stayed in one of the homes for a few days or more. In general all of them have been very healthy and as far as we can tell have enjoyed being with us. We have been able to introduce communication passports to enable them to communicate better by informing helpers of their preferences and individual means of indicating their choices. This improvement in communication has enabled us to understand them better and they in turn have been able to exercise more choice over their lives.

Our residents have had some excellent holidays that varied from Euro Disney and Butlins to an outdoor activity holiday in Devon. Within the home we have a new sound beam computer music generator which allows residents to compose sounds of their own making. The garden has matured beautifully making a wonderful outdoor area in which has become an extension to the home – an all year round 'outdoors' room which we are starting to enjoy to the full!

Training and Standards

We have been able to establish NVQ pathways to levels 2, 3 and 4 and all the initial places have been taken up by our staff. This - coupled with very low sickness and turnover rates - provides a good barometer reading of the high staff morale and commitment without which we would fail to achieve the levels of care to which we aspire. Leading from the front Graham Simmons, our Trust Director, enrolled recently as a Support Worker for two days and we are still unsure who gained most from that exercise - it was certainly most valuable!

We are delighted that Martha Trust is providing external placements for postgraduate nurses studying at the nearby Christ Church College. We have been named as a "Preferred Provider" by Kent County Council. In addition we have had our first inspection under the new National Minimum Standards. This resulted in a highly complimentary report. All of this indicates an external recognition of the high quality of staff that we have employed and helped to develop.

The Homes

This year has seen the completion of the extension of Martha House. It has given us a new light and airy lounge overlooking the garden and pond area. Underneath is a huge basement storage area that has enabled us to organise stores, make bulk purchases to reduce costs and generally free up space on the 'upper deck'. Another merit of the additional space is that it has enabled us to create two smaller 'family groups' within the home and this makes relationships much more typical of the family environment we are trying to achieve. £188,000 has been raised over the last 2 years to cover the cost of this project.

As a continuation of the work, the main corridor of Martha House, which was always a bit dingy and confined, has been widened and we are nearing the completion of a programme of completely redecorating Martha House and equipping the rooms with the type and quality of equipment installed in Frances House. This brings our facilities fully into line with the requirements of the new Care Standards Act. We are immensely grateful to our loyal supporters who have made all this possible by providing the full cost of these works which was approximately £300,000. In particular we wish to mention the Bradbury Trust and the Baily Thomas Charitable Fund who provided a significant proportion of the money for these two areas of development and improvement.

Networking the site and providing much greater computer access in the buildings has improved internal communications and made information much more easily available to all staff.

Relationships and Fun

We have been delighted to have the opportunity to assist other charities with similar aims to ours over the year. These have included support and advice to the Roy Kinnear Trust and to the Agape Trust which is opening a new home in Hastings shortly. Trustees intend to consider the possibility of developing various forms of similar support to other charities where appropriate in the future.

Sadly we have had to say good-bye to our support from HMS Illustrious this year. In 3 memorable years the ship's company raised over £12,000. They also paved the way for Charlie's Garden Army to create our splendid garden plus 30 minutes of BBC fame!

We had lots of fun with a 15th birthday party for the home, celebrated with 200 people, the Deal Air Training Corps and the Betteshanger Brass Band. We had our own Golden Jubilee celebrations, won 2nd prize in the Deal Carnival float competition and had many other special events during the year.

Conclusion

Looking back I am amazed at what has been achieved, the way God has blessed us and favoured us. We are truly grateful to Him and to the people and organisations he has brought to work for us and to support us, and for the hazards around which he has guided us.

Organisational Structure

The charity is administered by a board of 7 members which meets quarterly. There are no sub-committees. A Trust Director is appointed by the board to manage the day-to-day operations of the Charity. The Trust Director is not a member of the board.

Related Parties

The Charity is independent of all other charities and companies. A close relationship exists with Kent County Council and various Health Trusts and other local authorities with which the Charity has several contracts for the provision of care. One of the directors has a child receiving respite care from the Charity but this is under the direction of a local authority care manager and there are no special conditions.

Reserves Policy

At 31 December 2002 the total funds of the Trust were £1,690,031. Of these £391,232 were restricted funds. Of the remaining unrestricted funds £1,367,772 were represented by fixed assets net of related borrowings. The Trust has expended free reserves on fixed assets which have also been financed through loans and working capital. The Charity is partly financed by retained surpluses and partly by bank borrowings. The directors do not see the need to have a specific fund designated as a reserve.

Investment Powers

Under the Memorandum and Articles of Association, the Charity has the power to make any investments which the trustees see fit. However because of the financial structure outlined above the charity has no permanent financial assets. Any funds not immediately required are invested in short term financial instruments.

Grants

The charity makes no grants

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate exposure to these.

LEGAL AND ADMINISTRATIVE INFORMATION

The charity is registered and is a company limited by guarantee governed by its Memorandum and Articles of Association. Registered Charity Number: 1067885. Registered Company Number: 3467406

Directors/Trustees

The Directors of the charitable company (the Charity) are its trustees for the purposes of charitable law and throughout this report are collectively referred to as the trustees. Trustees are co-opted by serving trustees and then confirmed by election at the following annual general meeting of the company. Trustees serving during the year and since the year end were as follows:

Leslie Bulman	Linda Reeves
Humphrey Clarke (Chairman)	Norma Rice
Andrew Davis	Calum Sabey (Resigned 20.06.02)
David Horton	Rodney Stone

Trust Director and Company Secretary

Graham Simmons

Home Managers

Angela Gray, Director of Nursing
Gill Burnham (Martha House adult home)
Ruth Launchbury (Frances House children's home)
Tracy Davison (Daycentre)

Registered Office

Sandwich Road
Hacklinge
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Registered Auditors

haysmacintyre
Southampton House
317 High Holborn
London
WC1V 7NL

Solicitors

Collings & Co
10 Church Street (St Pauls)
Canterbury, Kent, CT1 1NH

Bankers

Barclays Bank Plc
9 St Georges Street, Canterbury,
Kent, CT1 2JX

Trustees' Responsibilities

Charity and Company law require 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 its incoming resources and application of resources for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining proper accounting records which accurately disclose at any time the financial position of the Charity and enable it to ensure that the accounts comply with the Companies Act 1985. Trustees 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.

We confirm that the accounts comply with current statutory requirements and with the requirements of the governing document.

Auditors

A resolution proposing the re-appointment of haysmacintyre as auditors to the company will be put to the annual general meeting.

Approved by the board of Trustees and signed on its behalf by:

Humphrey Clarke
Chairman

..... 2003

We have audited the financial statements of The Martha Trust for the year ended 31 December 2002 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The Trustees are also Directors of The Martha Trust for the purposes of Company Law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

haysmacintyre
Chartered Accountants
Registered Auditors
..... 2003

Southampton House
317 High Holborn
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	Notes	Unrestricted Fund £	Restricted Fund £	Total 2002 £	Total 2001 £
INCOMING RESOURCES					
Donations		95,426	255,211	350,637	283,670
<i>Activities to further the charity's objects:</i>					
Residents Fees		1,159,454	-	1,159,454	1,131,348
Other		15,673	-	15,673	6,508
		<u>1,270,553</u>	<u>255,211</u>	<u>1,525,764</u>	<u>1,421,526</u>
RESOURCES EXPENDED					
<i>Costs of generating funds:</i>					
Fundraising and Publicity		47,905	-	47,905	44,713
<i>Costs of activities in furtherance of the objects of the charity:</i>					
Residential Care		809,398	-	809,398	743,916
Support Costs		405,096	1,678	406,774	344,473
Managing and administering the charity		53,845	-	53,845	54,341
		<u>1,316,244</u>	<u>1,678</u>	<u>1,317,922</u>	<u>1,187,443</u>
	3				
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
		(45,691)	253,533	207,842	234,083
Transfers between funds	9	323,479	(323,479)	-	-
		<u>277,788</u>	<u>(69,946)</u>	<u>207,842</u>	<u>234,083</u>
NET INCOMING/(OUTGOING) RESOURCES AFTER TRANSFERS					
Fund balances brought forward		1,021,011	461,178	1,482,189	1,248,106
Fund balances carried forward		<u>£1,298,799</u>	<u>£391,232</u>	<u>£1,690,031</u>	<u>£1,482,189</u>

All amounts shown above relate to continuing activities.

All gains and losses are recognised in the statement of financial activities.

The notes on pages 9 to 15 form part of these financial statements.

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		1,956,978		1,668,350
CURRENT ASSETS					
Debtors	5	150,823		25,320	
Cash at bank and in hand		32,164		97,626	
		<hr/>		<hr/>	
		182,987		122,946	
		<hr/>		<hr/>	
CREDITORS: Amounts falling due within on year					
Creditors and accruals	6	193,422		59,666	
Deferred income		53,453		18,810	
		<hr/>		<hr/>	
		246,875		78,476	
		<hr/>		<hr/>	
Net current assets / (liabilities)			(63,888)		44,470
			<hr/>		<hr/>
Total assets less current liabilities			1,893,090		1,712,820
CREDITORS: Amounts falling due after more than one year					
	7		(203,059)		(230,631)
			<hr/>		<hr/>
Net Assets			£1,690,031		£1,482,189
			<hr/>		<hr/>
FUNDS					
Unrestricted					
- General	8		1,094,664		816,876
- Revaluations	8		204,135		204,135
			<hr/>		<hr/>
Restricted	9		1,298,799		1,021,011
			391,232		461,178
			<hr/>		<hr/>
			£1,690,031		£1,482,189
			<hr/>		<hr/>

The financial statements were approved by the Trustees on 2003

Humphrey Clarke
Chairman of the Trustees

David Horton
Trustee

The notes on pages 9 to 15 form part of these financial statements.

1. ACCOUNTING POLICIES

a) *Basis of Accounting*

The financial statements are prepared under the historical cost convention, modified by the inclusion of donated assets at their estimated market value in the year of receipt, in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP), *Accounting and Reporting by Charities* (2000).

The following accounting policies have been applied consistently throughout the year:

b) *Income*

Income is accounted for on an accruals basis. Any tax credit arising on income received net of tax is accrued as part of the income.

c) *Restricted Funds*

When income received is subject to restrictions imposed by the donor or implied by the terms of appeal, it is shown in the statement of financial activities as restricted income. The corresponding expenditure is shown as restricted fund expenditure and any unexpended balance at the balance sheet date is carried as a restricted fund in the balance sheet. Where such funds have been raised for a purpose which cannot be satisfied the permission of the donors to release the funds for use in the general purposes of the charity is sought. If that permission is granted the funds are transferred to unrestricted funds. A description of these funds is shown in note 9.

d) *Designated Funds*

The trustees may set aside amounts of unrestricted funds, at their discretion, for specific future purposes. Such funds are shown within unrestricted funds as designated funds. Where the trustees decide that designated funds are no longer required for the purposes specified, these are released from designated funds.

e) *Unrestricted Funds*

These funds are expendable at the discretion of the Trustees in furtherance of the objects of the Charity.

f) *Expenditure*

Expenditure is recognised on an accruals basis. Where expenditure cannot be wholly identified under the main categories shown in the statement of financial activities it is apportioned over cost headings on the following basis:

Staff costs: estimated proportion of time spent

Other costs: are wholly treated as support costs

g) *Tangible Fixed Assets*

i) As permitted by the transitional arrangements under FRS 15 "Tangible Fixed Assets". The Trustees have elected not to adopt a policy of revaluation of tangible fixed assets. The freehold land and buildings are retained at the carrying value resulting from a valuation made in 1998 and this valuation will not be updated.

ii) The Trustees have revised the useful economic life of the freehold buildings to 50 years with no residual value following a review of previous estimates.

iii) Freehold land is not depreciated. Freehold buildings are depreciated over 50 years. Depreciation is provided on other fixed assets to write off their cost over estimated useful lives at the following rates:

Fittings and equipment	- 10%	- 20% on cost
Motor vehicles	- 15%	on cost

1. ACCOUNTING POLICIES (Continued)

h) *Pension Costs*

The Trust pays contributions to a defined contribution pension scheme on behalf of certain employees. Payments are charged to the income and expenditure account as they fall due.

2. STAFF COSTS	2002	2001
	£	£
Staff costs consist of:		
Wages and salaries	863,785	784,202
Social security costs	68,309	61,729
Other pension costs	10,019	10,250
	<hr/>	<hr/>
	£942,113	£856,181
	<hr/>	<hr/>

The average number of employees during the year was 56 (2001: 55).

The number of employees whose emoluments exceeded £50,000 were:

	2002	2001
	£	£
£50,000 - £60,000	1	-
	<hr/>	<hr/>

No trustee received remuneration during the year. During the year expenses relating to travel were paid to 3 trustees and amounted to £446 (2001: £408).

3. ANALYSIS OF RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	Total	Total
	£	£	£	2002	2001
				£	£
Fundraising and publicity	35,190	12,715	-	47,905	44,713
Residential Care	741,911	67,487	-	809,398	743,916
Support costs	137,942	209,502	59,330	406,774	344,473
Managing and Administering the charity	27,070	26,775	-	53,845	50,496
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	£942,113	£316,479	£59,330	£1,317,922	£1,187,443
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

3.	ANALYSIS OF RESOURCES EXPENDED (Continued)	2002	2001			
		£	£			
	<i>Support Costs</i>					
	Establishment costs	19,693	19,188			
	Travel and subsistence	11,638	9,926			
	Insurance	7,618	6,361			
	Maintenance, cleaning and repairs	110,045	46,585			
	Print, post and stationery	5,334	5,046			
	Telephone and fax	5,065	5,220			
	Operating Lease Rental and Equipment	39,453	34,766			
	Staff training	8,808	7,891			
	General expenses	1,848	9,899			
	Depreciation*	59,330	73,431			
	Salaries	137,942	126,160			
		-----	-----			
		£406,774	£344,473			
		-----	-----			
	<i>Managing and administering the charity</i>					
	Salaries	27,070	24,458			
	Audit fee	5,287	4,920			
	Legal and professional	4,343	4,170			
	Bank charges and interest	1,663	1,697			
	Mortgage interest	14,545	18,670			
	Fixed assets written off	937	426			
		-----	-----			
		£53,845	£54,341			
		-----	-----			
4.	TANGIBLE FIXED ASSETS					
		Freehold land	Freehold buildings	Fittings and equipment	Motor vehicles	Total
		£	£	£	£	£
	COST					
	At 1 January 2002	481,336	1,101,105	247,460	33,718	1,863,619
	Additions	-	274,367	74,529	-	348,896
	Disposals	-	-	(30,815)	-	(30,815)
		-----	-----	-----	-----	-----
	At 31 December 2002	481,336	1,375,472	291,174	33,718	2,181,700
		-----	-----	-----	-----	-----
	DEPRECIATION					
	At 1 January 2002	-	39,798	131,507	23,964	195,269
	Charge for the period	-	23,594	31,086	4,650	59,330
	On disposal	-	-	(29,877)	-	(29,877)
		-----	-----	-----	-----	-----
	At 31 December 2002	-	63,392	132,716	28,614	224,722
		-----	-----	-----	-----	-----
	NET BOOK VALUE					
	At 31 December 2002	£481,336	£1,312,080	£158,458	£5,104	£1,956,978
		-----	-----	-----	-----	-----
	At 31 December 2001	£481,336	£1,061,307	£115,953	£9,754	£1,668,350
		-----	-----	-----	-----	-----

* The reduction in depreciation for 2002 is accounted for in the main part by the value of assets fully depreciated in 2001.

4. TANGIBLE FIXED ASSETS (Continued)

The closing net book value represents tangible assets used entirely for direct charitable purposes.

The net book value of fixed assets includes an amount of £Nil (2001: £22,171) in respect of assets held under financial leases and hire purchase contracts. The related depreciation charge for the year was £ Nil (2001: £8,585).

The freehold land and buildings, were valued by the trustees at 31 December 1998. The value was based on a professional valuation obtained for bank lending purposes. The historic cost of land and buildings was £ 1,856,808 and the net book value £1,793,416 at 31 December 2002. This valuation will not be updated as set out in the accounting policy note.

5. DEBTORS	2002	2001
	£	£
Due within one year		
Trade debtors	14,775	18,038
Tax recoverable	3,468	1,408
Prepayments	1,482	4,423
Other Debtors	6,098	1,451
Accrued income	125,000	-
	<hr/>	<hr/>
	£150,823	£25,320
	<hr/>	<hr/>
6. CREDITORS: Amounts falling due within one year	2002	2001
	£	£
Bank mortgage (see note 7)	19,958	12,344
Trade creditors	15,376	19,294
Other taxes and social security	25,243	20,309
Accruals	28,447	5,500
Obligations under finance leases (see note 7)	-	2,219
Other creditors	4,398	-
Bank loan	100,000	-
	<hr/>	<hr/>
	£193,422	£59,666
	<hr/>	<hr/>

7. CREDITORS: Amounts falling due after more than one year

	Bank Mortgage £	Total 2002 £	Total 2001 £
Amounts falling due:			
Within one year	19,958	19,958	14,563
Between one to two years	19,958	19,958	13,469
Between two to five years	59,874	59,874	48,227
In five years or more	123,227	123,227	168,935
	-----	-----	-----
	223,017	223,017	245,194
Less allocated to creditors falling due within one year	(19,958)	(19,958)	(14,563)
	-----	-----	-----
	£203,059	£203,059	£230,631
	-----	-----	-----

The bank mortgage is secured by way of a charge over the company's land and buildings, except for the Children's Home. The mortgage is repayable in instalments over 11 years and bears interest at a rate of 2.25% over base rate. There are no obligations under finance leases.

8. UNRESTRICTED FUNDS

	Opening balance £	Income resources £	Resources expended, gains, losses and transfers £	Closing balance £
General funds	816,876	1,270,553	(992,765)	1,094,664
Revaluation reserve	204,135	-	-	204,135
	-----	-----	-----	-----
Total	£1,021,011	£1,270,553	£(992,765)	£1,298,799
	-----	-----	-----	-----

9. RESTRICTED FUNDS

	Opening balance £	Income resources £	Resources expended, gains, losses and transfers £	Closing balance £
Martha House - Extension	87,075	243,286	(309,703)	20,658
Children's Home - The Development Trust	373,440	-	(7,251)	366,189
Others	663	11,925	(8,203)	4,385
	-----	-----	-----	-----
	£461,178	£255,211	£(325,157)	£391,232
	-----	-----	-----	-----

9. RESTRICTED FUNDS (Continued)

The restricted funds arose as follows:

Martha House - Extension

Funds have been received to extend Martha House by building a new day lounge, a basement for storage and refurbishing the interior (including hoists).

Children's Home - The Development Trust

The fund represents a loan received from The Development Trust to help finance the building of the Children's Home which will be waived on meeting certain criteria. In the opinion of the Trustees, these criteria have been met and the loan has been converted to income. The fund is reduced at the rate the Children's Home is depreciated.

Fixed Asset Funds

Donations received specifically for the acquisition of fixed assets are carried as restricted funds.

Transfers

In the opinion of the Trustees there are no ongoing restrictions on the above funds now that the amounts received have been spent in acquiring the relevant fixed assets. The funds are reduced by the amount spent on the fixed assets.

10. TOTAL FUNDS	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances carried forward at 1 January 2002 are represented by:			
Tangible fixed assets	1,590,789	366,189	1,956,978
Current assets	157,944	25,043	182,987
Current liabilities	(246,875)	-	(246,875)
Long term liabilities	(203,059)	-	(203,059)
	-----	-----	-----
Total net assets	£1,298,799	£391,232	£1,690,031
	-----	-----	-----

11. OPERATING LEASE COMMITMENTS	2002	2001
	£	£
Operating leases which expire:		
Within one year	-	-
In two to five years	3,001	6,174
	<hr/>	<hr/>
	£3,001	£6,174
	<hr/>	<hr/>

12. CONTINGENT LIABILITY

A secured loan of £389,000 was received from The Development Trust to part fund the construction of the Children's Home. This loan is potentially repayable on 30 September 2005. However, the loan will be waived if certain criteria are met. In the opinion of the Trustees these criteria have been met and the likelihood of having to repay the loan is considered remote.

13. CAPITAL COMMITMENT

Commitments for future capital expenditure not provided for in the accounts was as follows:

	2002	2001
	£	£
Contracted for	58,437	78,886
	<hr/>	<hr/>