



FINANCIAL STATEMENTS

For The Year Ended 31 December 2003



Martha Trust Financial Statements for the year ended 31 December 2003

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Haysmacintyre
Chartered Accountants
Registered Auditors

Sandwich Road, Hacklinge, Deal, Kent CT14 0AT
Tel: 01304 615223 Fax: 01304 615462

www.marthatrust.org.uk e-mail: info@marthatrust.org.uk

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

Charity No. 1067885 Company No.3467406

Report of the Trustees for the year ended 31 December 2003

Trustees are pleased to submit their report and accounts for the year ended 31 December 2003.

Legal and administrative information set out on page 7 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 1 place dedicated to respite care helping around 10 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.



Review of Activities and Future Developments

The People

Our staff have yet again proved themselves to be resilient and determined in the face of various challenges. We are profoundly grateful to God for the people He has sent our way.

During the year we were sorry to say goodbye to several of our good friends and residents for various reasons but have been gladdened by the arrival of new people who have come to live or enjoy respite breaks here at Martha. We also had one of the children transfer from Frances House to Martha House on 'coming of age'!

During the year we appointed new Home Managers for both Frances House and Martha House and we welcome Lyn Noden and Gill Burnham to these key posts in the organisation. We are delighted with the skills and experience which they bring to their respective roles.

Training And Standards

Training of staff is a high priority for us with some 75% of the staff team now involved in ongoing NVQ training. We have had approved, and are using, special Induction and Foundation courses for all new staff - training for which we were able to obtain European funding! We are providing more work placements for pre and post qualification nurses and getting complimentary feedback from both the people and those who place them.

Tony Gray, our Training and Development Manager, made so many helpful comments to enquiries by the Department of Health about the development of standards for Children with Learning Disabilities that he ended up being attached to them for a brief but intensive period. During this attachment, he helped develop children's standards for the Learning Disability Awards Framework, a nationally recognised qualification for people working with children with profound disabilities.

The National Care Standards Commission's inspections over the last year of both homes have been very encouraging. The full text of these reports is now available via the NCSC website. I quote below extracts from them, firstly for Frances House:

'The serenity and atmosphere is conducive to care given in a quiet and professional way. The philosophy of Martha Trust creates an excellent home, providing expert care to a specific number of highly dependant service users. The children view Frances House very quickly as their own home. The Inspector was delighted with the facility which is well-maintained, light with easy access to gardens and hydrotherapy pool. The children are the centre of all care and their complex needs are being dealt with in a comprehensive way.'





Concerning Martha House the report for November 2003 read:

'The Home was suitably warm, comfortably furnished, and with a calm and welcoming atmosphere. The Manager has been in post since the beginning of this year, and previously worked in the Children's Home next door. The Inspector found that she is giving a clear leadership, and has brought about improvements in staffing and morale in the Home, with a sensitive and caring manner. NCSC survey forms were received back from 8 relatives and these contained positive comments about the personal care provided, activities arranged and the dedication of the staff'.

The Physical Structure

Whilst Frances House has now celebrated its 4th birthday Martha House has 'had its youth renewed'. After months of structural and decorative work it is once again a home in which it is a joy to be. We have also completed a programmed replacement of all plumbing and electrical services in Martha House to comply with current standards which has been an enormous undertaking. The result of all this is a home with much greater flexibility and choice for residents, in terms of space and leisure activities, compared to before.

The garden really came into its own, what with excellent weather and all the plants now maturing so nicely. Both adult and children's homes residents and staff took every opportunity to enjoy the surroundings and some indicated a strong inclination to take up residence there!

Relationships And Fun

This year we held a number of 'Open Mornings' for local supporters which proved to be highly popular. One of the best events was the BBQ organised to celebrate the completion of the extension and refurbishment of Martha House. We had over 100 people present and a forecast for rain which the rest of Kent received whereas we enjoyed sunshine all day (thank you Lord!).

Jackie Flynn completed an excellent year fundraising enabling us to upgrade the hydrotherapy pool and replace all the existing old beds with electric adjust-to-position new models. These are far more comfortable for users and less hard work for staff, whilst still providing the aesthetic appeal of wood.

In cyberspace our website has been completely made-over and we are pleased with the result which is pleasant but not so slow loading as to deter dial-up modem users.

Graham Simmons, our Trust Director, was able to visit Romania and see the work of a British based charity doing similar work to us but with terminally ill people. Trustees have agreed to lend support to this work to the extent of a tithe, (1/10) of our unrestricted annual surplus. We have also agreed a programme of nursing exchanges which we believe will enable know-how to be pooled and broaden the experience and versatility of staff in both organisations.



Gill Burnham, Home Manager of Martha House, organised a wonderful 'Fun Week' at Martha House in June. We held a Caribbean Day, a Cocktail Party, a Wild West day, several BBQ's and enjoyed performances from a number of professional entertainers. It was evident that all residents and staff had a wonderful time and we have a PowerPoint presentation of photographs to prove it!

The Future

It is clear that Martha Trust is providing an essential service with excellence and we are actively considering taking full ownership of land and a part-constructed home in Hastings to establish a long term care home in East Sussex. We have also continued discussions with both Medway and Kent Councils about the provision of new services in their respective areas. We hope to be able to make announcements on these opportunities during 2004.

The board of Trustee Directors has worked with senior line managers during the last year to develop a more structured approach to formulating strategy which produced a plan identifying 6 key strategies. These related to: expanding provision, improving recruitment and staff benefits, renegotiation of fee levels where these have fallen behind the current agreed level, developing our current successful fundraising strategies, improving administrative procedures and reviewing our staffing structure to ensure that we are able to manage the anticipated expansion of services. The planning process, whilst not an end in itself, produced greater focus and a clearly mapped-out direction for the charity over the next 2 years.

Trustees have concluded that there is a need to expand their numbers from the current level of 7 to 9 or 10 and we are actively seeking other suitable Trustees.

Conclusion

We thank our Heavenly Father for what has been achieved in this year and look forward to His guidance on the next steps which could see the beginning of a significant expansion of your service to this vulnerable group of people.

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 2003 the total funds of the Trust were £1,752,475. Of these £359,048 were restricted funds. Of the remaining unrestricted funds £1,851,178 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	Rodney Stone
David Horton	

Trust Director and Company Secretary

Graham Simmons

Home Managers

Angela Gray, Director of Nursing
 Gill Burnham (Martha House - Adult Home)
 Lyn Noden (Frances House - Children's Home)
 Tracy Davison (Daycentre)

Registered Office

Sandwich Road
 Hacklinge
 Deal
 Kent CT14 0AT

Registered Auditors

Haysmacintyre
 Fairfax House
 15 Fulwood Place
 London
 WC1V 6AY

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

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Report of the Auditors to the Trustees for the year ended 31 December 2003

We have audited the financial statements of The Martha Trust for the year ended 31 December 2003 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

The Trustees responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities. 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 read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or apparent material inconsistencies with the financial statements.





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 2003 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	Fairfax House
Chartered Accountants	15 Fulwood Place
Registered Auditors	London WC1V 6AY

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2003 £	Total 2002 £
Incoming resources					
Donations		80,693	33,500	114,193	350,637
Activities to further the charity's objects:					
Residents Fees		1,204,424	-	1,204,424	1,159,454
Other		<u>5,207</u>	<u>-</u>	<u>5,207</u>	<u>15,673</u>
		<u>1,290,324</u>	<u>33,500</u>	<u>1,323,824</u>	<u>1,525,764</u>
Resources expended					
Costs of generating funds:					
Fundraising and Publicity		45,478	-	45,478	47,905
Costs of activities in furtherance of the objects of the charity:					
Residential Care		811,114	-	811,114	809,398
Support Costs		346,242	-	346,242	406,774
Managing and administering the charity		<u>58,546</u>	<u>-</u>	<u>58,546</u>	<u>53,845</u>
	3	<u>1,261,380</u>	<u>-</u>	<u>1,261,380</u>	<u>1,317,922</u>
Net incoming/(outgoing) Resources before transfers					
		28,944	33,500	62,444	207,842
Transfers between funds	9	<u>65,684</u>	<u>(65,684)</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) Resources after transfers					
		94,628	(32,184))	62,444	207,842
Fund balances brought forward		<u>1,298,799</u>	<u>391,232</u>	<u>1,690,031</u>	<u>1,482,189</u>
Fund balances carried forward		<u>£1,393,427</u>	<u>£359,048</u>	<u>£1,752,475</u>	<u>£1,690,031</u>

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

The notes on pages 13 to 19 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	£	2003 £	£	2002 £
Fixed assets					
Tangible assets	4		2,052,338		1,956,978
Current assets					
Debtors	5	33,366		150,823	
Cash at bank and in hand		<u>4,274</u>		<u>32,164</u>	
		<u>37,640</u>		<u>182,987</u>	
Creditors:					
Amounts falling due within on year					
Creditors and accruals	6	100,033		193,422	
Deferred income		<u>58,167</u>		<u>53,453</u>	
		<u>158,200</u>		<u>246,875</u>	
Net current assets / (liabilities)			<u>(120,560)</u>		<u>(63,888)</u>
Total assets less current liabilities			1,931,778		1,893,090
Creditors:					
Amounts falling due after more than one year	7		<u>(179,303)</u>		<u>(203,059)</u>
Net Assets			<u>1,752,475</u>		<u>1,690,031</u>
Funds					
Unrestricted					
- General	8		1,182,041		1,094,664
- Revaluations	8		<u>204,135</u>		<u>204,135</u>
			<u>1,386,176</u>		<u>1,298,799</u>
Restricted	9		<u>366,299</u>		<u>391,232</u>
			<u>1,752,475</u>		<u>1,690,031</u>

The financial statements were approved by the Trustees on 2004

.....
Humphrey Clarke (Chairman of the Trustees)

.....
David Horton (Trustee)

The notes on pages 13 to 19 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
- Garden (included within fittings & equipment) - 2% on cost

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

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

	2003	2002
	£	£
Staff costs consist of:		
Wages and salaries	879,546	863,785
Social security costs	74,570	68,309
Other pension costs	<u>10,195</u>	<u>10,019</u>
	<u>964,311</u>	<u>942,113</u>

The average number of employees during the year was 55 (2002: 56).

	2003	2002
	£	£
The number of employees whose emoluments exceeded £50,000 were:		
£50,000 - £60,000	1	1

No trustee received remuneration during the year. During the year expenses relating to travel were paid to 1 trustee and amounted to £788 (2002: £446).

3. ANALYSIS OF RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	Total 2003 £	Total 2002 £
Fundraising and publicity	35,755	9,723	-	45,478	47,905
Residential Care	752,445	58,669	-	811,114	809,398
Support costs	145,751	130,332	70,159	346,242	406,774
Managing and administering the charity	<u>30,360</u>	<u>28,186</u>		<u>58,546</u>	<u>53,845</u>
Total expenditure	<u>964,311</u>	<u>226,910</u>	<u>70,159</u>	<u>1,261,380</u>	<u>1,317,922</u>
				2003	2002
				£	£
Support Costs					
Establishment costs				20,447	19,693
Travel and subsistence				11,318	11,638
Insurance				8,866	7,618
Maintenance, cleaning and repairs				48,354	110,045
Print, post and stationery				5,689	5,334
Telephone and fax				4,380	5,065
Operating Lease Rental and Equipment				22,104	39,453
Staff training				4,390	8,808
General expenses				4,784	1,848
Depreciation				70,159	59,330
Salaries				<u>145,751</u>	<u>137,942</u>
				<u>346,242</u>	<u>406,774</u>
Managing and administering the charity					
Salaries				30,360	27,070
Audit fee				5,816	5,287
Legal and professional				6,154	4,343
Bank charges and interest				3,313	1,663
Mortgage interest				12,645	14,545
Fixed assets written off				<u>258</u>	<u>937</u>
				<u>58,546</u>	<u>53,845</u>

4. TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2003	481,336	1,375,472	291,174	33,718	2,181,700
Additions	-	105,175	65,168	-	170,343
Disposals	-	-	(6,626)	-	(6,626)
At 31 December 2003	<u>481,336</u>	<u>1,480,647</u>	<u>349,716</u>	<u>33,718</u>	<u>2,345,417</u>
Depreciation					
At 1 January 2003	-	63,392	132,716	28,614	224,722
Charge for the period	-	28,385	37,270	4,504	70,159
On disposal	-	-	(1,802)	-	(1,802)
At 31 December 2003	<u>-</u>	<u>91,777</u>	<u>168,184</u>	<u>33,118</u>	<u>293,079</u>
Net book value					
At 31 December 2003	<u>481,336</u>	<u>1,388,870</u>	<u>181,532</u>	<u>600</u>	<u>2,052,338</u>
At 31 December 2002	<u>481,336</u>	<u>1,312,080</u>	<u>158,458</u>	<u>5,104</u>	<u>1,956,978</u>

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

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 £1,961,983 and the net book value £1,870,206 at 31 December 2003. This valuation will not be updated as set out in the accounting policy note.

5. DEBTORS

	2003 £	2002 £
Due within one year		
Trade debtors	27,808	14,775
Tax recoverable	2,505	3,468
Prepayments	2,607	1,482
Other Debtors	446	6,098
Accrued income	-	125,000
	<u>33,366</u>	<u>150,823</u>

6. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank mortgage (see note 7)	21,858	19,958
Trade creditors	9,287	15,376
Other taxes and social security	22,957	25,243
Accruals	5,500	28,447
Other creditors	11,567	4,398
Bank loan	28,864	100,000
	<u>100,033</u>	<u>193,422</u>

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

	Bank Mortgage £	Total 2003 £	Total 2002 £
Amounts falling due:			
Within one year	21,858	21,858	19,958
Between one to two years	21,858	21,858	19,958
Between two to five years	65,574	65,574	59,874
In five years or more	91,870	91,870	123,227
	<u>201,160</u>	<u>201,160</u>	<u>223,017</u>
Less allocated to creditors falling due within one year	<u>(21,858)</u>	<u>(21,858)</u>	<u>(19,958)</u>
	<u>179,303</u>	<u>179,302</u>	<u>203,059</u>

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 £	Resources expended,		Closing balance £
		Income resources £	Gains, losses and transfers £	
General funds	1,094,664	1,290,324	(1,195,696)	1,182,041
Revaluation reserve	204,135	-	-	204,135
Total	<u>1,298,799</u>	<u>1,290,324</u>	<u>(1,195,696)</u>	<u>1,386,176</u>

9. RESTRICTED FUNDS

The restricted funds arose as follows:

	Opening balance £	Resources expended,		Closing balance £
		Income resources £	Gains, losses and transfers £	
Martha House -				
Extension	20,658	-	(20,658)	-
Children's Home -				
The Development Trust	366,189	-	(7,251)	358,938
Other-				
Hydrotherapy Pool	-	20,700	(20,700)	-
Generator	-	8,490	(8,490)	-
Other	<u>4,385</u>	<u>4,310</u>	<u>(8,585)</u>	<u>110</u>
	<u>391,232</u>	<u>33,500</u>	<u>(65,684)</u>	<u>359,048</u>

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.

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 2003 are represented by:			
Tangible fixed assets	1,686,149	366,189	2,052,338
Current assets	37,530	110	37,640
Current liabilities	(158,200)	-	(158,200)
Long term liabilities	(179,303)	-	(179,303)
Total net assets	<u>1,386,176</u>	<u>366,299</u>	<u>1,752,475</u>

11. OPERATING LEASE COMMITMENTS

	2003 £	2002 £
Operating leases which expire:		
Within one year	-	-
In two to five years	3,001	3001
	<u>3,001</u>	<u>3001</u>

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:

	2003 £	2002 £
Contracted for	-	<u>58,437</u>